Audit of staffing and classification

Final Report

Audit and Evaluation Branch
In collaboration with the Public Service Commission

June 2017

List of acronyms

ADAI   Appointment Delegation and Accountability Instrument
AEB   Audit and Evaluation Branch
CHRMO   Chief Human Resources Management Officer (Environment and Climate
            Change Canada)
CHRO   Chief Human Resources Officer (Treasury Board Secretariat)
DH   Deputy Head
HRB   Human Resources Branch
EAAC   External Audit Advisory Committee
ECCC   Environment and Climate Change Canada
ICSS   Integrated Classification and Staffing Solutions
MSC   Meteorological Services Canada
NAoS   National Area of Selection
NDS   New Direction in Staffing
OCHRO   Office of the Chief Human Resources Officer
PSC   Public Service Commission
PSEA   Public Service Employment Act
TB   Treasury Board
TBS   Treasury Board Secretariat

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Executive summary

This Audit of staffing and classification was included in the Audit and Evaluation Branch's (AEB) approved 2015 Integrated Risk-Based Audit and Evaluation Plan. The AEB conducted this audit in collaboration with the Public Service Commission (PSC) particularly with respect to the staffing component.

The audit was timely since the PSC had identified in their 2015-16 audit engagement and work plan, a follow up to their 2011 Audit of Staffing at Environment Canada. Also, the PSC renewed its Appointment Framework in April 2016 to simplify staffing across the public service, consistent with the expectations set out in the Public Service Employment Act (PSEA). In addition, Treasury Board Secretariat (TBS) implemented a new classification policy framework in July 2015 to streamline and harmonize reporting requirements.

The objectives of this audit were to determine whether:

- staffing and classification frameworks were in place

- staffing appointments and classification decisions were in compliance with relevant requirements

- key processes for efficient management of staffing and classification were in place

- the recommendations from the PSC 2011 audit report were implemented

This audit concludes positively that several key elements of the staffing and classification management frameworks were in place at ECCC, such as policies, instruments and guidelines. As well, a Staffing Oversight and Monitoring Plan for 2016-17 has been established to measure and report on the health of organizational staffing. The audit also confirmed that the recommendations from the previous 2011 PSC staffing audit report were implemented.

Appointments examined were mostly in compliance with the PSEA requirements and other statutory and regulatory instruments. Positions were classified according to occupational group definitions, appropriate job evaluation standards and application guidelines. Moreover, staffing and classification service standards were defined.

However, some opportunities for improvements were noted in the following areas: alignment of staffing sub-delegation instrument; timeliness in classification files monitoring; appointment compliance; classification files documentation; and management of service standards.

To address the findings outlined in this report, the following recommendations are presented.

Recommendation 1

The Chief Human Resources Management Officer should improve existing staffing and classification processes and controls in order to:

- ensure better compliance of the sub-delegation staffing instrument with the authorities outlined in Annex A of the PSC's revised Appointment Delegation and Accountability Instrument (ADAI)

- enhance compliance of appointments with the PSEA, the PSC's Appointment Policy and other relevant policies

- ensure that classification requirements for file documentation are met

Recommendation 2

The Chief Human Resources Management Officer should enhance its approach to monitor staffing and classification activities, including to:

- monitor staffing and conduct the required organizational cyclical assessment at least once every five years and report these results to the PSC

- conduct classification monitoring and follow-up in a more timely and periodic basis

- monitor and report actual performance against established staffing and classification service standards

Management response

Management agrees with the recommendations and management action plans have been developed to address the recommendations. The full management response is presented in section 4, the Conclusion, recommendations and management response.

1. Introduction and background

This audit was included in the Audit and Evaluation Branch (AEB)'s 2015 Integrated Risk-Based Audit and Evaluation Plan, as approved by the Deputy Minister, upon recommendation of the External Audit Advisory Committee (EAAC).

As an innovative initiative, the AEB and the Public Service Commission (PSC) collaborated on this audit. This minimized the burden and interruption to human resources operations, and promoted audit efficiency. Another benefit gained from this initiative was the learning acquired by both teams through sharing of information and audit practices.

The audit also included a follow-up component to confirm whether the recommendations from the 2011 PSC Audit Report[1] were implemented

Staffing

Staffing activities refer to appointments to the public service as well as promotions, lateral and downward movements and acting appointments within the public service. An appointment is an action taken to confer a position or set of duties on a person and is based on merit and non-partisanship.

Under the Public Service Employment Act (PSEA), the PSC is accountable to Parliament for the overall integrity of the staffing system. The PSC ensures the integrity of the staffing system through its regulatory authority, Appointment Framework and its oversight model, which includes audits and investigations. The PSC works in partnership with deputy heads who are accountable for how delegated appointment and appointment-related authorities are exercised in their departments and agencies.

The PSC renewed its Appointment Framework on April 1, 2016. The revised framework, which includes the Appointment Policy and the Appointment Delegation and Accountability Instrument (ADAI), was designed to simplify staffing across the public service, consistent with the expectations set out in the PSEA. Although the PSEA did not change, the policy suite has been reduced from 12 policies to one policy, and aims to provide deputy heads with a greater ability to customize organizational strategies based on unique context and business needs.

Classification

As per the Treasury Board (TB) Policy on Classification, a classification program ensures the infrastructure for the effective management and control of the classification of jobs or positions in the core public administration. A classification decision is an establishment or confirmation of the occupational group, sub-group (if applicable), level or ratings assigned to a job, which must be made by an employee exercising delegated/sub-delegated classification authority[2].

The Treasury Board Secretariat (TBS) implemented a new classification policy framework on July 1, 2015. The TBS's Chief Human Resources Officer (CHRO) is accountable for developing and maintaining the

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[1] PSC's 2011 Audit of Environment Canada
[2] Treasury Board Policy on Classification, Appendix A, effective July 1, 2015

public administration-wide Classification Program including the occupational group structure, policies and related instruments, job evaluation standards, tools, learning and oversight.

The revised classification policy framework was developed to streamline and clarify deputy heads accountabilities and harmonize reporting requirements. It aims to improve how departments and agencies manage their day-to-day human resources classification operations by creating a foundation for sound classification decision-making through increased competency, oversight and, ultimately contributing to better management of the salary expenses. The framework includes the Policy on Classification, Directive on Classification, Directive on Classification Oversight and Directive on Classification Grievances.

One of the key changes with the new approach is that classification accreditation is now administered centrally by the Office of the Chief Human Resources Officer (OCHRO). In addition, classification oversight, which includes monitoring, audits and reporting, is now done biennially[3].

ECCC's Human Resources Branch

The Human Resources Branch (HRB) is responsible for the development and implementation of an integrated framework of HR strategies, policies, programs and advisory services. These tools enable ECCC to recruit, develop and retain a representative, competent and motivated workforce required to fulfill its mandate and deliver expected results. There are approximately 270 employees working in the HRB across the country. The total number of resources under the HRB has decreased over the last few years with the move of compensation advisors to Miramichi and other government initiatives.

Major initiatives, either recently completed or currently underway, have significantly impacted and challenged the HR function in recent years. Most notable are the centralization of Compensation Services in Miramichi, the implementation of the new pay system (Phoenix), reorganization of large branches in ECCC such as the combining of the Corporate Services Branch with the Finance Branch. In addition, the HRB has also gone through organizational and process restructuring, including a national staffing virtual team in November 2011 and, in April 2014, both the classification and staffing virtual teams were amalgamated to form the Integrated Classification and Staffing Solutions Directorate (ICSS).

In 2015-16, the HRB carried out 975 classification actions[4] that required analysis and/or decisions and over 5,000 administrative classification actions[5]. During the same period, the HRB conducted over 1,000 staffing activities.

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[3] TBS Classification Program for the CPA, Policy Suite
[4] As per TBS, classification actions that require classification analysis/decisions include reclassification of an existing position and creation of a new position.
[5] Administrative classification actions include: change in security level, title or reporting relationship; deletions; re-activations; use for a professional development program; reclassifications for SE-RES; and change to Department identification number.

2. Objectives, scope and methodology

Objectives

The objectives of the audit were to determine whether:

- key elements of the staffing and classification frameworks were in place to manage appointment activities and classification actions

- appointments were in compliance with the PSEA requirements, any other applicable statutory and regulatory instruments, the PSC's Appointment Framework, including the ADAI and the organization's own appointment policies

- classification decisions were in compliance with OCHRO requirements

- key processes to ensure efficiency of the management of staffing and classification functions were in place

- the recommendations from the PSC 2011 audit report were implemented

Scope

The scope covered a sample of external advertised, internal advertised, external non-advertised and internal non-advertised appointments for the period from April 1, 2015 to March 31, 2016. The sample covered the National Capital Region and other regions.

The scope also included a sample of non-EX regular classification decisions for the same period. The sample covered the National Capital Region and other regions. The EX classification process was excluded from the audit due to its lower risk and volume of transactions. The fieldwork ended in January 2017.

Methodology

The audit was conducted in collaboration with the PSC in accordance with the Memorandum of Understanding (MOU) signed by both organizations. The MOU was to facilitate the exchange of information and to promote a strong working relationship between both organisations to work as a single audit team. The PSC focused on staffing (audit objectives one, two and five), while ECCC's internal audit team focused on classification (audit objectives one, three and four). The methodology used for this audit included various audit procedures, as considered necessary, to address the audit's objectives.

The audit approach included, but was not limited to, the following:

- a review of relevant documentation and systems, including policies, guidelines and procedures supporting staffing and classification activities

- a walkthrough of the business processes related to staffing, classification and their administration

- interviews with senior management, hiring managers and employees (for example, support staff helping with the documentation necessary for staffing or classification processes)

- a sample was used for assessing compliance for 40 appointments and 20 classifications decisions

The more detailed audit methodology and criteria are provided in [Annex 1](#) of this report.

Statement of conformance

In the professional judgment of the Chief Audit Executive, sufficient and appropriate procedures were performed and evidence gathered to support the accuracy of the audit conclusion. The audit findings and conclusion are based on a comparison of the conditions that existed as of the date of the audit, against established criteria that were agreed upon with management. The audit conforms to the International Standards for the Professional Practice of Internal Auditing, as supported by the results of the quality assurance and improvement program.

3. Findings

3.1 Staffing framework

The PSC renewed its appointment framework on April 1, 2016, as part of the New Direction in Staffing (NDS), which includes the new Appointment Policy and the revised Appointment Delegation and Accountability Instrument (ADAI) and is designed to simplify staffing across the public service, consistent with the expectations set out in the PSEA. The NDS takes into account the evolving HR landscape and maturity of the system. It provides organizations with greater scope to customize approaches to staffing that meet their particular needs and ensures that public service staffing remains merit-based and non-partisan.

It was expected that the following key elements of ECCC's framework to manage its staffing activities would be in place and aligned with the NDS, namely:

- organizational staffing system[6]

- sub-delegation

- monitoring and reporting

Organizational staffing system

Previously, the PSC expected deputy heads to establish mandatory appointment policies, including criteria for the use of non-advertised processes. As part of the revised ADAI, deputy heads are now required to establish direction, through policy, planning or other means, on the use of advertised and non-advertised appointment processes. In addition, deputy heads are now required to establish requirements for sub-delegated persons to articulate, in writing, their selection decision.

The organizational staffing system requirements were in place. Through ECCC's Appointment and Staffing Policy, which was approved by the deputy head on April 27, 2016, the Department has established requirements on area of selection for internal appointment processes; direction on the use of advertised and non-advertised appointment processes; a requirement for sub-delegated managers to describe, in writing, the basis of their selection decision; and a sub-delegation attestation form.

Sub-delegation

A new requirement stemming from NDS with respect to sub-delegation is that deputy heads must now make sure that persons being sub-delegated have signed an attestation form that, at a minimum, includes the requirements found in Annex C of the revised ADAI.

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[6] Definition of "organizational staffing system": "….encompasses any staffing-related organizational policies; internal business processes, systems and tools; training materials; and guides for sub-delegated managers, HR professionals and employees" (Public Service Commission, New Direction in Staffing Toolkit, Deputy Head Transition Guide, page 4

In September 2016, the deputy head revised the appointment and appointment-related authorities being sub-delegated and the terms and conditions of sub-delegation, including training pre-requisites, through the Departmental Guidelines on the Sub-Delegation of Appointment and Appointment-Related Authorities (referred to as "the Guidelines"). Through its Appointment and Staffing Policy, ECCC has established an Attestation Form for Exercising Sub-Delegated Appointment and Appointment Related Authorities.

In reviewing ECCC's Departmental Human Resources Delegation Instrument (referred to as "the Instrument") dated July 2015, we noted that certain appointment-related authorities were either not in compliance, fully aligned with PSC requirements or not clearly identified in the Instrument. For example:

- For the authority to extend the time to become bilingual for non-EX positions, the department should validate that all Branch Heads (L3) positions are considered assistant deputy minister level (or equivalent), as per the requirements in the revised ADAI.

- Update the authorities related to preferences to reflect the sequence established following the coming into force of the Veterans Hiring Act.

- Clarify the authority related to reappointment following revocation, to specify "for investigations conducted by the PSC on behalf of the deputy head" as per the ADAI, Annex A, section C.

- The change pertaining to "corrective actions following an investigation" was incorporated in the Instrument and approved by the CHRMO in August 2016, but needs to be approved by the deputy head.

Monitoring and reporting

As part of NDS, the PSC has reoriented the oversight model, enhancing the role of deputy heads in monitoring staffing in their respective organizations, while reducing reporting demands.

To supplement ongoing monitoring, deputy heads are now required to conduct a cyclical assessment based on their organizational risks at least once every five years and provide the results to the PSC. Deputy heads are to ensure that appropriate remedial action is taken to address any deficiencies, and must annually report to the PSC on areas identified in Annex D of the ADAI, such as approved DH exceptions to the national area of selection requirement for external advertised appointments processes and any additional areas identified by the PSC.

ECCC has established a Staffing Oversight and Monitoring Plan for 2016-17 to measure and report on the health of organizational staffing. We noted that this plan describes monitoring activities, including real time monitoring and reporting requirements on areas identified in Annex D of the PSC's ADAI. It also identifies monitoring mechanisms and planned reporting of results to senior management and to the PSC. As reported in Annex 2, the Human Resources Branch conducted monitoring including file reviews and reported results to senior management.

In conclusion, the Department is progressing in meeting the requirements and spirit of the NDS with improvement required in areas such as in the identification of delegated authorities in the sub-delegation instrument.

3.2 Classification framework

It was expected that key elements of ECCC's classification framework to manage classification actions would be in place, namely: assessment of advisors' workload; training program; and monitoring of classification decisions.

Assessment of advisors' workload

The mandate of ICSS (Classification) which reports to the CHRMO, included providing ECCC with qualified personnel to meet short and long term classification needs. The ICSS produced, on weekly basis, the Detailed Classification Actions Report and the Process Action Report, to assist HRB in assessing the classification advisors' workload. Please refer to section 3.5, Staffing and classification service standards, for more details.

Training program

The Departmental Human Resources Delegation Instrument indicates that only accredited classification advisors can approve classification decisions on the creation/review of non-EX positions. The new Policy on Classification states that deputy heads are accountable for the development of the Organization and Classification Learning Curriculum, including formal course delivery sub-delegating such authority and OCHRO is accountable for issuing classification accreditation through the Canada School of Public Service.

The audit reviewed the list of accredited classification advisors and found evidence of their accreditation. Furthermore, the audit found that these advisors reviewed and approved the work of non-accredited advisors.

Monitoring of classification

As per the TBS Directive on Classification Oversight, departments are required to perform classification monitoring and develop, implement and maintain quality assurance activities. Departments are also required to submit, to OCHRO, information on classification activities through a biennial report approved by the Deputy Minister which includes:

- full and part-time PEs working on classification activities

- number of accredited classification advisors

- results of service standards

- mechanisms and practices in place

- a departmental monitoring program

The first Biennial Report was approved by the DM and submitted to OCHRO on September 28, 2016. The report included the required information listed above.

ECCC has a classification oversight framework in place which was approved in December 2016. The objective of this framework was to elaborate the ways the Oversight Division would manage the Department's organization and classification assessment and reporting obligations. To this end, a classification oversight plan is expected to be developed on an annual basis, based on regular monitoring activities, previous results and identified priorities.

The Oversight Division of the ICSS Directorate is responsible for assessing and reporting on the Department's ability to support its senior managers and HR professionals in all organization and classification matters.

Although a compliance monitoring exercise was conducted in 2015 on 2013-14 files, no recent real-time monitoring was conducted as required by OCHRO. The objective of the 2015 monitoring exercise was to determine if file documentation was complete. Based on this exercise and our audit file review, there was no apparent improvement in the quality of file documentation since the last review conducted in 2010-11. Four recommendations were made as a result but the organization was not able to provide evidence to help the auditors determine whether these recommendations were implemented.

Although, some monitoring activities were conducted in the past, moving forward, the HRB would benefit from implementing classification monitoring activities in a more timely manner. This would add efficiency to the process by enabling timely identification of issues and implementation of corrective measures.

Overall, while key elements of ECCC's classification framework to manage classification actions were generally in place, improvement is required in the monitoring of classification files.

3.3 Compliance of appointments

A review of appointments was conducted to determine whether ECCC's appointments were in compliance with the PSEA requirements, any other applicable statutory and regulatory instruments, the PSC's Appointment Framework, including the ADAI, and the Department's own appointment policies.

The Department carried out 568 term and indeterminate appointment activities during the period from April 1, 2015 to March 31, 2016 and a sample of 40 appointments was selected[7].

Merit-based appointments

The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work

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[7] These audited appointments were conducted under the previous PSC Appointment Framework. As noted previously, the PSC's new Appointment Policy and revised ADAI came into effect on April 1, 2016.

to be performed, as established by the deputy head and, if applicable, any asset qualifications, operational requirements and/or organizational needs identified by the deputy head[8].

The audit found that merit was met in 35 of the 40 appointments. Merit was not demonstrated in 5 appointments. In these cases, there was insufficient evidence to demonstrate how the appointee met all of the essential qualifications.

Priority entitlement

The PSEA and the Public Service Employment Regulations provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. According to the PSC's Appointment Policy, deputy heads must assess persons with a priority entitlement prior to considering other candidates, and must respect requirements to administer priority entitlements as set out in the Priority Administration Directive[9].

In 34 of the 40 appointments audited, a priority clearance was required. The audit found that priority clearance was obtained in all 34 appointments; however, in 3 of these appointments, there were differences in the position requirements (for example, the tenure, location, group and level, and conditions of employment) used to obtain the priority clearance and those used to make the appointment. In another instance, there were differences between the linguistic profile used in the request for priority clearance and the one used to make the appointment. Such situations could have resulted in persons with a priority entitlement not being appropriately considered.

Information on appointment processes

According to the PSC's Appointment Policy, deputy heads must respect official languages obligations throughout the appointment process.

Of the 40 appointments audited, 36 were required to have English and French versions of the advertisement including the statement of merit criteria. The audit found that in 7 of these appointments, there were differences between the English and French versions of the statement of merit criteria. Inaccurate information on the advertisement or merit criteria could have an impact on the decision of potential candidates to apply.

Oath or solemn affirmation

As required by the PSEA, the effective date of appointment for a person being newly appointed to the public service is the later of the date that is agreed to in writing by the sub-delegated manager and the appointee and the date on which the appointee takes the oath or solemn affirmation.

In 40 appointments audited, 12 appointments required that the oath or solemn affirmation be taken. While the requirement was met in most instances, the audit found that in 2 appointments, the oath or solemn affirmation was not taken on or before the date of the appointment identified in the offer of

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[8] See Public Service Employment Act, section 30 (2)
[9] PSC's Priority Administration Directive, effective April 1, 2016

appointment. In another instance, ECCC could not provide evidence that the appointee had taken to the oath or solemn affirmation. This could have resulted in persons being appointed without having met the legislative requirements.

Mandatory sub-delegation training

The PSC delegates many of its appointment and appointment-related authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to identify and document the appointment and appointment-related authorities being sub-delegated. The PSC also expects that deputy heads, prior to sub-delegating, will ensure that persons being sub-delegated have completed the departmental required training.

All offers of appointment except for one were signed by a sub-delegated manager with the appropriate level of sub-delegation. ECCC was unable to provide supporting evidence that 8 sub-delegated managers had completed the mandatory training prior to being sub-delegated appointment authorities. These 8t sub-delegated managers signed 11 offers of appointment. This could have resulted in persons being sub-delegated staffing authorities who did not complete the required training prior to exercising their authorities.

In conclusion, appointments at the Department were, for the most part, in compliance with PSEA requirements, any other applicable statutory and regulatory instruments. However, controls need to be enhanced to further improve appointment compliance.

3.4 Classification compliance

The TB Policy on Classification requires that positions be classified according to occupational group definitions, appropriate job evaluation standards, application guidelines and other documents developed and issued by the OCHRO. Furthermore, the TBS Directive on Classification[10] requires that complete and accurate documentation and information be contained in the departmental classification files. A sample of 20 classification files was assessed against key requirements to determine compliance.

All files examined were in compliance with the following requirements[11]:

- key classification action details, including position numbers and titles, effective date of classification action, position location, and language requirements of the position

- an Expanded Position Action Report (EPAR) signed by an accredited classification advisor

- substantiation of the occupational group and level of a position

- a signed job evaluation rationale

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[10] TBS Directive on Classification, Appendices C and H
[11] This list provides a few examples for illustration purposes only and is not a complete list of categories that are required by the Directive on Classification.

As required by the TBS Directive on Classification, managers are responsible for providing, to the Classification Advisor, an organizational chart and a job description that are signed and dated. Of the 20 files audited, 3 files did not include an organizational chart and another 16 files included organizational charts that were either not signed by the manager or dated. Of the 20 files, 3 job descriptions were neither signed nor dated.

The HRB, through its 2015 monitoring exercise, determined that 130 of the 200 files examined did not include organizational charts or, when these documents were found on file, they were not up-to-date or signed. Following the monitoring exercise, the Department updated its system to help manage organizational charts and provide employees and managers with real-time information which was to be downloaded directly from My GCHR. Although the system update intended to provide real-time information, several hiring managers identified issues such as incorrect reporting structures employees acting in positions were not reflected in the organizational charts and the new format was not user-friendly. As a result, incomplete documentation increases the risk of positions being improperly classified.

In conclusion, positions are being classified according to group definitions, appropriate job evaluation standards and application guidelines. Classification files documentation need to be further improved.

3.5 Staffing and classification service standards

In order to determine whether staffing and classification processes at ECCC were efficient, the audit examined whether:

- service standards were in place and being measured

- information on efficiency was adequate[12], reported[13] and corrective actions were taken promptly when warranted

- resources were reallocated when necessary to achieve service standards

Service standards were in place for both staffing and classification as indicated in Tables 1 and 2. The approach to measure service standards did not provide the required information to adequately report results against these standards.

Departments are required to provide service standards information on classifications activities to TBS on a biennial basis through the Biennial Classification Policy Monitoring Report. ECCC submitted its first report in September 2016 and the report indicated that the standards were met in 2 of the 9 types being monitored. Although the report stated service standards were being met, evidence was not provided to confirm this fact.

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[12] "Adequate" is defined as relevant, timely, reliable and complete
[13] For the purposes of evaluation, strategic decision making and accountability

Table 1: Service standards for staffing actions

Staffing actions[14]	Calendar days
External advertised process	120
Internal advertised process	120
External non-advertised process	30
Internal non-advertised process	35

Table 2: Service standards for classification actions

Classification actions	Calendar days
Abolish/inactivate/delete a position	1
Change in security level	1
Change in geographical location	3
Reclassify an existing position	40
Create a new position using a generic work description (new duties)	20
Create a new position using a unique work description–no committee	35
Create a new position using a unique work description–committee	60
Change in reporting relationship (non-EX)	5
Change language requirement or linguistic profile	5

Through the use of the Operational Staffing Workload Report and the Detailed Classification Actions Report, the HRB made some progress so that the workload for both staffing and classification was reallocated to achieve service standards. Although these reports were produced on a weekly basis to assist in the management of workload, they were not designed to specifically cover the service standards mentioned in Tables 1 and 2. These reports included the review of processes between 90 and 120 days, as well as processes in excess of 120 days. The timelines, however, are only a rough estimation of the time it takes to staff.

The lack of performance measurement information limits the HRB's ability to determine if standards are met and if corrective measures are taken to improve the efficiency of the processes. This is important as the timeliness of staffing and classification services were raised as a concern by a number of senior managers.

3.6 Recommendations from the PSC 2011 audit report

AEB conducts regular (semi-annual) monitoring and reporting exercises on the status of management commitments and actions made in response to internal and external audit recommendations. Based on the results the 2013-14 follow-up exercises, AEB concluded that the recommendations from the PSC 2011 audit report were fully implemented.

A follow-up conducted as part of this audit confirmed that the recommendations from the 2011 audit were implemented. Please refer to Annex 2 for details.

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[14] ECCC's Service Standards on Classification and Staffing developed by HRB

4. Conclusion, recommendations and management response

This audit concludes positively that several key elements of the staffing and classification management frameworks were in place at ECCC, such as policies, instruments and guidelines. As well, a Staffing Oversight and Monitoring Plan for 2016-17 has been established to measure and report on the health of organizational staffing. The audit also confirmed that the recommendations from the previous 2011 PSC staffing audit report were fully implemented.

Appointments examined were mostly in compliance with the Public Service Employment Act requirements, and other applicable statutory and regulatory instruments. Positions were classified according to occupational group definitions, appropriate job evaluation standards and application guidelines. Moreover, staffing and classification service standards were defined.

To address the findings outlined in this report, the following recommendations are presented.

Recommendation 1

The Chief Human Resources Management Officer should improve existing staffing and classification processes and controls in order to:

- ensure better compliance of the sub-delegation staffing instrument with the authorities outlined in Annex A of the PSC's revised ADAI

- enhance compliance of appointments with the PSEA, the PSC's Appointment Policy and other relevant policies

- ensure that classification requirements for file documentation are met

Recommendation 2

The Chief Human Resources Management Officer should enhance its approach to monitor staffing and classification activities, including to:

- monitor staffing and conduct the required organizational cyclical assessment at least once every five years and report these results to the PSC

- conduct classification monitoring and follow-up in a more timely and periodic basis

- monitor and report actual performance against established staffing and classification service standards

Management response

Management agrees with the recommendations.

Existing staffing and classification processes and controls will be enhanced to ensure compliance with central agency policies and directives. Existing staffing and classification monitoring approaches will be improved and aligned with the central agency requirements.

Annex 1: Audit methodology and criteria

As previously mentioned, the compliance and framework portion of the staffing component was conducted by the PSC while ECCC concentrated on the classification component and the efficiency for both staffing and classification. A Memorandum of Understanding was approved by both organizations. Furthermore, all staffing information collected was shared with the PSC and formed the basis for the development of findings summaries approved by both parties.

Sampling plan

A sample of 40 appointments was selected randomly from a departmental population of 568 appointments for the period from April 1, 2015 to March 31, 2016. The population sampled included term and indeterminate appointments that were either promotions or recruitments.

The classification sample was first selected from the same staffing files. For example, appointments that required prior classification actions were selected for the file review. Additional classification actions were randomly selected from either reclassifications or creation of new positions in order to obtain a sample of 20 classification actions.

Audit criteria

1. Objective: Key elements of the staffing and classification frameworks are in place to manage appointment activities and classification actions
Staffing framework
1.1 Appointment policies and procedures are established and criteria are in-line with the PSC Appointment Framework.
1.2 A sub-delegation instrument is in place, documented and respects the requirements from the PSC's ADAI.
1.3 Monitoring is in place, as outlined in the PSC's Appointment Framework, including the ADAI, and adjusts practices accordingly.
Classification framework
1.4 A classification framework is in place.
1.5 Organizational capacity, expertise and training exist.
1.6 Documenting and monitoring of classification decisions exist.
1.7 Results of monitoring are shared with relevant stakeholders and corrective actions are taken when required.
2. Objective: Staffing appointments are in compliance with the Public Service Employment Act (PSEA) requirements, any other applicable statutory and regulatory instruments, the PSC's Appointment Framework, including the ADAI, and the organization's own appointment policies
2.1 Appointments and appointment processes respect merit.
2.2 Appointments for both advertised and non-advertised processes respect other PSEA requirements, any other applicable statutory and regulatory instruments, the PSC's Appointment Framework, including

the ADAI, and the organization's own appointment policies.
3. Objective: Classification decisions are in compliance with OCHRO requirements
3.1 Positions are classified according to occupational group definitions, appropriate job evaluation standards and application guidelines.
3.2 Information found in classification files is accurate and documented according to OCHRO requirements.
3.3 Information and documentation is entered promptly into classification files.[15]
4. Objective: Key processes to ensure efficiency of the management of staffing and classification functions are in place
4.1 Staffing and classification service standards exists, are being measured and resources are managed efficiently.
4.2 Monitoring, reporting and using efficiency information for decision making is taking place.
5. Objective: The recommendations from the Public Service Commission 2011 audit report are implemented.
5.1 The recommendations from the Public Service Commission 2011 audit report are implemented.

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[15] The audit was unable to assess criteria 3.3 because of audit findings in criteria 3.2.

Annex 2: Recommendations from the PSC 2011 audit report

A follow-up was conducted as part of this audit to confirm whether the recommendations from the PSC 2011 audit report were implemented. The results confirmed that all 5 recommendations were implemented.

PSC recommendation 1

"The deputy head of Environment Canada should adjust its sub-delegation instrument and appointment policies in the following areas:

- Remove the sub-delegation for revocation from the Associate Deputy Head in order to respect the Public Service Employment Act;

- Better align the sub-delegation instrument and its Policy on Non-Advertised Appointment Processes in order to prevent situations where appointments are authorized by an inappropriate management level;

- Revise its Policy on Non-Advertised Appointment Processes to include the guiding value of representativeness, as required by the Public Service Commission Policy on Choice of Appointment Process;

- Include in its Policy on Non-Advertised Appointment Processes, and implement, a review mechanism for appointments to the Executive Group through non-advertised processes; and

- Revise its Policy on Area of Selection in order to respect the requirements of the Public Service Commission Policy on Area of Selection."

Management has revised the sub-delegation instrument in 2012, the Policy on Area of Selection and the Policy on Non-Advertised Appointment Processes in 2011 to address the issues raised in the recommendation. As noted earlier in the report, the PSC has consolidated its former suite of staffing policies into a single Appointment Policy as part of the new Direction in Staffing, which came into effect on April 1, 2016.

PSC recommendation 2

"The deputy head of Environment Canada should establish and implement a control mechanism at the transactional level to ensure that the processes of selecting and appointing a person respect the guiding values and that documentation, as it pertains to appointment-related decisions, is complete, accurate and compliant with the Public Service Employment Act, the Public Service Employment Regulations, the Public Service Commission's Appointment Framework and other governing authorities. The findings of the control activity should be reported to senior managers for action, as needed."

Management approved and implemented, in 2013, the Staffing Monitoring Framework, to ensure that the process of selecting and appointing a person respects the guiding values, and that documentation pertaining to appointment-related decisions is complete and compliant. The audit found that ECCC

conducted file reviews on appointments, results were reported to senior management and corrective actions were taken as needed.

PSC recommendation 3

"The deputy head of Environment Canada should establish a process for the review of written rationales to ensure that the choice of a non-advertised process is justified, meets the established organizational criteria and demonstrates that all of the guiding values are considered when a non-advertised appointment process is conducted."

We found that ECCC Policy on Non-Advertised Appointment Processes included a requirement for the review of written rationales for non-advertised appointments by HR advisors prior to their final approval by the sub-delegated managers. ECCC also developed, in 2014, a Staffing Values Attestation Form that was to be signed by sub-delegated managers prior to appointing a candidate. It states, among other things, that staffing processes were conducted in accordance with the guiding values.

PSC recommendation 4

"The deputy head of Environment Canada should ensure that sub-delegated managers give proper priority consideration for appointments, within or to the Department, to persons with priority entitlement before making an appointment, and monitor the application of this requirement."

The Staffing Monitoring Framework included monitoring elements relating to priority consideration. The audit found that ECCC conducted file reviews on appointments that included the consideration of priority persons.

Mandatory staffing sessions were held with sub-delegated managers on various staffing-related topics such as priority consideration, the use of non-advertised processes, and on selection and appointment decisions.

PSC recommendation 5

"The deputy head of Environment Canada should establish a process to ensure that sub-delegated managers authorized to make appointments verify that:

- All conditions of employment have been satisfied before or on the date of appointment; and

- The appointee has accepted a valid written offer of employment prior to their employment and, when applicable, has subscribed the oath or solemn affirmation prior to or on the date of the appointment."

The Staffing Monitoring Framework contained file review on appointments that included elements related non-advertised appointments, the consideration of priority persons and conditions of employment. Mandatory training sessions provided awareness to sub-delegated managers and also included information on conditions of employment.