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Chief Review Services Chef - Service d'examen

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# *Final Report*

Audit of Human Resources Service Levels

December 2014

7050-67 (CRS)



Canada 

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## Acronyms and Abbreviations

ADM(HR-Civ)	Assistant Deputy Minister (Human Resources – Civilian)
CRS	Chief Review Services
DND	Department of National Defence
FY	Fiscal Year
HRMS	Human Resource Management System
HR	Human Resources
HRO	Human Resources Officer
OPI	Office of Primary Interest



## Results in Brief

Assistant Deputy Minister (Human Resources – Civilian) (ADM(HR-Civ)) is the functional authority for civilian human resources (HR) management and fulfills a critical role in leadership and service delivery to support military and civilian managers in recruiting, developing and retaining people. ADM(HR-Civ) provides a wide range of HR services to all 25,255<sup>1</sup> civilians, and managers of civilian employees through six regional Civilian Human Resources Service Centres. HR business processes are currently being reviewed and updated as part of the Department's Defence Renewal and ADM(HR-Civ)'s transformation initiatives, which aim to streamline and modernize the delivery of HR services and align with the Government of Canada's Common Human Resources Business Process initiative. This includes changes to classification and staffing processes. Timely classification and staffing of positions are key to enabling civilians to support Department of National Defence (DND) and Canadian Armed Forces priorities and operational needs. ADM(HR-Civ) is addressing these initiatives while undergoing its own internal personnel reductions as a part of Defence Renewal and the Deficit Reduction Action Plan.

### Overall Assessment

Although processing times for classification and staffing services within the scope of the audit did not consistently meet the 2010 service standards established by ADM(HR-Civ), many initiatives and changes designed to improve and streamline business processes are underway. Further improvements are required in the implementation of service standards, performance monitoring, risk management, and allocation of fully accredited classification and certified staffing officers.

The objective of this audit was to assess the governance, risk management, and controls in place to optimize HR service levels relating to classification and staffing. Since ADM(HR-Civ) was in the process of transforming civilian HR management at the time of the audit, the audit scope covered fiscal years (FY) 2010/11 and 2011/12, which will help to establish a baseline service level for future consideration. For the purposes of this audit, service levels refer to the timeliness of activities measured against the 2010 ADM(HR-Civ) service standards.

## Findings and Recommendations

**Service Standards.** Service standards for classification and staffing were defined but not fully implemented. Although there are good practices in the communication of changes to Fast Track Staffing standards, awareness of these amongst ADM(HR-Civ) personnel was inconsistent as some did not know about the existence of all the other service standards. Furthermore, formal performance monitoring was not conducted in classification or staffing, and HR staff interviewed noted that they did not receive feedback or action plans when standards were not met. However, 45 percent of the classification and staffing activities reviewed met the established service standards. Of the activities that did not meet those standards, 59 percent took twice as long, or more, than the established

<sup>1</sup> Full-time equivalent information from DND's Departmental Performance Report 2012/13.

standard to complete. ADM(HR-Civ)'s service standards were also compared against the standards developed by other government departments and no significant variances were noted.

It is recommended that ADM(HR-Civ) review and communicate service standards periodically; monitor performance regularly; and take follow-up action when standards are not met.

**Performance Monitoring Information.** There were inconsistent practices for documenting and recording dates on physical files and into the Human Resource Management System (HRMS). Dates recorded in the system were not consistently supported by information documented on file, which could lead to unreliable data. Standardized procedures and definitions for recording key dates were not found, thus undermining the basis for performance reporting and monitoring. Inconsistent practices for recording dates would also prevent the comparison of service centre performance against service standards at the national level. It is important to be able to compare and benchmark against other regions in order to identify best practices and determine where improvements can be made. One good practice was the documentation of the justifications and timeline of delays, which allowed for more precise measurements.

It is recommended that ADM(HR-Civ) provide clear, standardized procedures, guidance, and definitions related to documenting and recording key dates necessary to support consistent performance monitoring of HR service standards.

**Risk Management.** ADM(HR-Civ) identifies its risks and mitigation strategies in its annual integrated business plans. However, formal risk management processes were not in place at the service centres to identify, assess, and monitor local risks that could impact their ability to meet service standards.

It is recommended that ADM(HR-Civ) ensure that service centres have formal risk management processes in place, including the identification, assessment, and treatment of risks to support efficient delivery of HR services.

**Service Delivery Capacity.** Resource requirements for classification and staffing teams were not defined due to the lack of risk management and performance monitoring. For example, there was no specific guidance on client-service ratios for specialist teams. An insufficient number of service providers with the appropriate level of classification accreditation or staffing certification can limit the delivery capacity of a region. Work is reviewed by an appropriately accredited classification or certified staffing officer, which could add time to the process and potentially create backlogs. One of the service centres visited supported all of its classification officers in obtaining their full accreditation, which demonstrated a positive correlation with its classification processing times.

It is recommended that ADM(HR-Civ) ensure that its staffing and classification functions have an appropriate range of service providers with the required level of expertise, as defined by the functional authority.

**Note:** For a more detailed list of Chief Review Services (CRS) recommendations and management response (to be completed), please refer to [Annex A](#)—Management Action Plan.

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## 1.0 Introduction

### 1.1 Background

ADM(HR-Civ) is the functional authority for civilian HR management, and fulfills a critical role in leadership and service delivery to support military and civilian managers in recruiting, developing and retaining people. ADM(HR-Civ) provides a wide range of HR services to all 25,255 civilians and managers of civilian employees through six regional Civilian Human Resources Service Centres. These services include HR planning, classification, staffing, compensation, learning and professional development, and labour relations. These services are governed by various pieces of legislation, regulations, policies, guidelines, and collective agreements. DND's workforce is among the most diverse within the Public Service as it has civilians working in approximately 50 different occupational groups, adding to the complexity of HR services.

As part of the Department's Defence Renewal and ADM(HR-Civ)'s Civilian HR Transformation initiatives, business processes are being reviewed and updated. This includes alignment to the Government of Canada's Common Human Resources Business Process and centralization and integration of HR service delivery. These actions aim to identify and realize efficiencies while ADM(HR-Civ) strives to meet its own internal personnel reduction targets and service level standards.

In October 2010, ADM(HR-Civ) released an updated set of service level standards that cover civilian classification, staffing, and compensation. However, compensation services are currently being transferred to the Public Service Pay Centre as part of the Consolidation of Pay Service Project. The transfer of DND pay files is expected to be completed in FY 2015/16. Compensation services and related service standards will be managed by Public Works and Government Services Canada. Service standards are important to establish management expectations, enable performance measurement, and encourage continuous improvement. Timely provision of classification and staffing services is critical to support managers in delivering on the Department's priorities and operational needs.

### 1.2 Rationale for Audit

Delays in classifying and staffing positions can cause stress on an organization's capacity to deliver its objectives. An audit of HR service levels was identified in the CRS Risk-Based Internal Audit Plan for FYs 2014/15 to 2016/17 following a planning study that helped identify risks in the area of civilian HR management.

### 1.3 Objective

The objective of the audit was to assess the governance, risk management, and controls in place to optimize HR service levels relating to classification and staffing.

For a detailed list of criteria associated with the audit objective and the source of the criteria, please refer to [Annex B](#)—Audit Criteria.

## 1.4 Scope

The scope of this audit included commonly requested civilian classification and staffing services. For classification, this included “identical-to”<sup>2</sup> requests and more complex requests that may require evaluations or the use of committees. For staffing, this included external and internal advertised and non-advertised requests, as well as acting and casual staffing requests.

Due to the ongoing process changes resulting from government-wide and departmental initiatives, the audit scope covering FYs 2010/11 and 2011/12 was established to provide observations based on pre-transformation processes and procedures for classification and staffing activities completed within these fiscal years.

The scope of the audit excluded compensation services. The scope of the audit also excluded the effectiveness and quality of services delivered, meaning whether staffing processes met regulated and policy requirements or whether the classification standards were applied properly in a classification request. The effectiveness and compliance of staffing against relevant requirements are assessed through periodic audits conducted by the Public Service Commission.<sup>3</sup>

## 1.5 Methodology

The audit results are based on the following:

- interviews with ADM(HR-Civ) functional authorities for classification and staffing, as well as civilian HR service centre management and staff from the three regional sites visited;
- review of policies, procedures, guidance documents, as well as internal and external reports relating to classification and staffing;
- site visits to three of six civilian HR service centres: National Capital Region, Atlantic and Ontario; and
- detailed review and analysis of a representative sample of 490 randomly selected files from the activities in scope as well as data from HRMS.

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<sup>2</sup> This term indicates the creation or update of an indeterminate or term position that is identical to an existing classification decision. Factors that must be identical include the organizational context, the supervisor’s classification group and level, as well as the information contained in work descriptions.

<sup>3</sup> The most recent Public Service Commission audit report on DND was released in FY 2012/13.



## 1.6 Statement of Conformance

The audit findings and conclusions contained in this report are based on sufficient and appropriate audit evidence gathered in accordance with procedures that meet the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The audit thus conforms to the Internal Auditing Standards for the Government of Canada, as supported by the results of the quality assurance and improvement program. The opinions expressed in this report are based on conditions as they existed at the time of the audit and apply only to the entity examined.



## 2.0 Findings and Recommendations

### 2.1 Service Standards

ADM(HR-Civ) has service standards for classification and staffing. However, the standards were not fully implemented in the service centres examined, as indicated by inconsistent awareness and conformance, as well as by an absence of formal performance monitoring and follow-up processes.

#### Awareness of Service Standards

ADM(HR-Civ) released a set of service standards in October 2010 that defined the expected number of working days required to complete different classification, staffing, and compensation activities under normal conditions. These standards were still considered current, but it was noted that ADM(HR-Civ) was in the process of reviewing them at the time of the audit.

Awareness of the 2010 service standards was inconsistent, as 9 of 22 HR staff interviewed at both the functional authority and service centre levels did not know about these standards. Of the remaining HR staff, 6 of 13 were asked if they apply or refer to the standards in performing their work. All of these human resources officers (HRO), who were more likely to need the standards, indicated that they were not using them. They stated that they were not held accountable to the 2010 service standards.

HR staff were not consistently made aware or reminded of the existing service standards through communication channels or performance monitoring after these were introduced. Although the 2010 service standards are posted on the ADM(HR-Civ) Document Library intranet site, it was not a practice for service providers to share them with client managers. Service standards help manage client expectations and, if not communicated, they may not align with the service levels the service centres are able to provide. This lack of awareness of applicable service standards can result in inconsistent delivery of HR services as HR staff have no targets to meet in terms of timelines. Additionally, clients may not be able to plan HR requirements properly without expected HR processing times.

#### Fast Track Staffing

Fast Track Staffing enables certain civilian staffing actions, such as casual, short-term acting, student and non-advertised deployments, to be expedited. Procedures and new service standards were developed specifically for Fast Track Staffing and implemented separately at each of the service centres examined. There were small differences in the way that Fast Track Staffing was managed at each region visited. For example, the types of Fast Track Staffing transactions were not the same in all regions, and fast track service standards were not consistent.

#### Good Practice

At one service centre, changes to expected completion times for Fast Track Staffing requests were communicated to clients by email during periods of high demand.

## Performance Monitoring

The 2010 service standards and ADM(HR-Civ)'s Integrated Business Plans indicate that performance associated with service standards is monitored regularly. However, reports and documentation related to performance measurement were not found at the corporate or local levels. Guidance and documented procedures for performance monitoring were not available.

As the functional authority for staffing, Director of Civilian Employment Policies is responsible for providing advice and guidance to service providers, maintaining sub-delegation instruments, and monitoring for compliance. Director of Civilian Employment Policies monitors compliance with relevant legislation, regulations, and policies for staffing. However, the monitoring framework does not cover performance against established service standards. In addition, personnel at the service centres examined also confirmed that performance against service standards for staffing was not reported or monitored.

Director of Civilian Classification and Organization is the functional authority for classification. Director of Civilian Classification and Organization provides quarterly and annual performance reports on classification, which include information on volume and speed of service. However, it was not evident how these reports were used for formal monitoring against service standards. Reports did not identify actions required or provide feedback needed to improve processing times that exceeded established standards. Actions resulting from these performance reports were informal and undocumented. Interviewees indicated that these included, for example, closer monitoring and supervision.

Overall, service providers responsible for classification and staffing did not receive feedback on their performance against service standards, which reduces their accountability in meeting them. Without performance monitoring in place, management cannot determine whether service standards are being met. Furthermore, service standards cannot be properly reviewed and updated to ensure they are achievable and measurable. If service standards are not reviewed regularly, they may become obsolete and not reflect reasonable expectations of service delivery timelines.

## Conformance with Standards

A sample of classification and staffing files was randomly selected from the National Capital Region, Atlantic, and Ontario service centres to assess the timeliness of the classification and staffing processes. The processing time was assessed based on the available documentation on file. The timeliness of requests was defined as the period between the date the request was received and when it was completed. Additional information (e.g., the period when requests were put on hold, or time while awaiting client action) was considered when it was documented on file. The total elapsed time was then compared to the applicable service standards.

For classification, the start date is the date the request was received at the service centre and the end date is the date when the decision was rendered on the Expanded Position Action Report. The sampled classification activities included “identical-to” requests, as

well as more complex requests that may require the use of evaluations and committees such as the creation of unique positions or reclassifications.

For staffing, the start date is the date the request was received at the service centre and the end date is the date on the letter of offer. The sampled staffing activities included externally advertised, internally advertised, non-advertised, acting, and casual requests.

Table 1 provides a summary of the files reviewed. Overall, the service centres examined met the established service standards 45 percent of the time (127/285). Of the 158 activities that did not meet the service standards, 59 percent (94/158) took twice as long or longer to complete than the established standard. The degree of conformance with the standards indicated that the 2010 service standards were not an accurate representation of the level of service that clients could expect to receive.

	Classification	Staffing	Total
Population of files at three sites in scope	2033	5830	7863
Files requested	211	403	614
Files unavailable	9	73	82
Files out of scope <sup>4</sup>	39	3	42
Files reviewed in scope	163	327	490
Files without start and/or end dates	33	112	145
Files with negative processing time <sup>5</sup>	2	14	16
Conclusive files	128	201	329
Files with an applicable service standard <sup>6</sup>	128	157	285
Files meeting applicable service standard	40	87	127
Files taking longer than twice the service standard	61	33	94

**Table 1. Summary of File Review.** This table shows the summary of the classification and staffing files reviewed at the three service centres. Conclusive files were compared against the applicable ADM(HR-Civ) service standards.

## Benchmarking

The 2010 ADM(HR-Civ) standards were compared to three other government departments. DND's service standards ranged from five to 120 working days depending on the type of service requested. There were no significant variances between the standards developed at DND and those from the other departments.

Statistics from the Public Service Commission's Staffing Management Accountability Framework from FYs 2010/11 and 2011/12 were also reviewed. Key indicators, such as

<sup>4</sup> Figures include classification of student positions, abolished position files, and files located elsewhere.

<sup>5</sup> Negative processing time is the result of a documented end date that was earlier than the start date.

<sup>6</sup> The sample of files reviewed included 44 non-advertised requests that had no applicable service standard.

PE<sup>7</sup> ratios and length of internal advertised staffing processes at DND were close to the average of similar-sized organizations.<sup>8</sup> DND had approximately 6.3 percent fewer resources in the PE group per 100 civilian employees than similar-sized organizations in both FY 2010/11 and 2011/12. While the average internal advertised staffing processing time over the same fiscal years was approximately 7.9 percent faster than similar-sized organizations, the Department had 12.5 percent more PE resources for every 100 staffing activities.

## Conclusion

The inconsistent awareness and application of service standards, coupled with the absence of performance monitoring, are factors that contribute to the low rate of conformance to service standards at the service centres. Client expectations may not be in line with the service levels that service centres are able to provide. Service standards help manage these client expectations, but if they are not fully implemented and monitored across all HR service centres, HR staff may not be positioned to meet those expectations. As a result, the ability of client managers to fulfill their HR requirements in a timely manner will be impacted.

## CRS Recommendation

1. ADM(HR-Civ) should review and communicate service standards periodically; monitor performance regularly; and take follow-up action when standards are not met.

**OPI:** ADM(HR-Civ)

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<sup>7</sup> A personnel administration classification group.

<sup>8</sup> The Public Service Commission's definition of organization size is based on the number of employees in the organization. For DND, similar-sized organizations are large organizations with 2,000 or more employees.

## 2.2 Performance Monitoring Information

The service centres examined had inconsistent practices for documenting and recording key information, such as dates that are important for consistent performance reporting and monitoring against service standards.

Director of Civilian Classification and Organization and Director of Civilian Employment Policies provide policy interpretation and support to operations through bulletins and guidance in their roles as functional authorities for classification and staffing, respectively. Service centres have some flexibility in implementing processes and procedures for delivering classification and staffing services. Since procedures were managed by each service centre independently, there were inconsistencies in the documentation and recording of key performance information between the regions visited. Consistent documentation and recording of this information is important to enable proper performance reporting and monitoring against HR service standards.

### Documentation of Physical Files

The level of detail documented in classification and staffing files varied between regions and even between service providers within the same region. Service providers have indicated that there are various factors or reasons that are out of their control which can cause a delay in staffing and classification processes. Taking these factors into consideration would provide a more accurate measurement of the time taken by service providers to process a request; however, there was no formal mechanism in place to capture such factors and their impacts. Although some justifications for processing delays were documented in the notes or forms on file at the service centres examined, it was not done consistently. As such, the time added to the process caused by external factors cannot be accounted for consistently in the calculation of processing time.

#### Good Practice

Key dates and justifications for delays were sometimes documented in the notes or forms on file at the service centres examined.

Inconsistencies were observed in how forms were completed. For example, staffing and classification request forms were not always signed and dated when received. Staffing requests were also not consistently signed at the same step in the process. They could be signed when the request was received, when the HRO started working on the request, or closer to when the letter of offer was sent. The absence of standardized procedures for determining start and end dates has led to inconsistent interpretations of these key dates for staffing and classification activities amongst service providers. As indicated in Table 1, 30 percent (145/490) of the files in the audit's scope did not have a start and/or end date documented on file. Inconsistent documentation can impact the reliability of information recorded in HRMS for the purpose of performance monitoring against service standards.

### Reliability of HRMS Data Related to Performance Monitoring

HRMS is the system of record for information related to classification and staffing processes. It was observed that the dates documented in the files did not always match the start dates and end dates recorded in HRMS. For the classification transactions sampled,

57 percent of key dates found on file matched HRMS data. For the staffing transactions sampled, 39 percent of key dates found on file matched the transactions sampled. The large discrepancy between HRMS and information documented on file may be due to the fields in the system being automatically populated with “today’s date.” Staff may not be replacing these dates with the ones documented on file. Furthermore, application controls may not exist to ensure that the start date entered must precede the end date, which could result in the calculation of negative processing times. The implementation of clear, standardized procedures and definitions of start and end dates would promote consistency in the documentation and recording of dates to improve data integrity.

Inconsistent practices used to record the start and end dates of classification and staffing activities have resulted in unreliable data. This data cannot be used for performance monitoring as it would not provide an accurate representation of the time taken to process a request. If the system cannot be used to monitor service standards, then the assessment of timeliness would have to rely on resource-intensive physical review of files, such as what was done for the conduct of this audit or to track information outside the system of record.

Inconsistent practices for recording dates between service centres would not allow the performance of service centres to be compared at the national level or against documented service standards. It is important to be able to compare and benchmark against other regions in order to determine the relative performance of service centres and where improvements can be made. This way, best practices could also be identified and shared to leverage process strengths.

### **Availability of Physical Files**

Of the classification and staffing files requested, 13 percent were unavailable, as indicated previously in Table 1. Explanations included that the files were misplaced, labelled incorrectly in archives, lost during relocation of service centres, or lost upon the departure of the responsible HROs. Proper records management is critical to help the Department meet its legal and policy requirements, and to fully demonstrate the Department’s adherence to the values enshrined in the *Public Service Employment Act*.

### **Conclusion**

Information recorded in HRMS was not consistently supported by documentation in the physical files, which could impact the reliability of data used for performance reporting and monitoring. Furthermore, inconsistencies in interpretations of start and end dates prevent the comparison of service centre performance against service standards.

### **CRS Recommendation**

2. ADM(HR-Civ) should provide clear, standardized procedures, guidance, and definitions related to documenting and recording key dates necessary to support consistent performance monitoring of HR service standards.

**OPI:** ADM(HR-Civ)



## 2.3 Risk Management

Service centres did not have formal processes in place to help them manage risks that could impact their ability to effectively and efficiently meet classification and staffing services standards.

Risk management is a process that involves risk identification, assessment, treatment, and monitoring. Through its annual integrated business planning process, ADM(HR-Civ) identifies and assesses key risks to its operations and outlines measures to manage the highest risks.

An area for improvement is risk management at the regional service centres. Although there were no formal risk management processes at the service centres examined, there were no requirements or guidance from corporate ADM(HR-Civ) on managing risks locally. According to service centre management and staff, risk management is generally informal, reactive, and ad hoc. Each service centre is exposed to a number of risk factors that may impact operations differently. These include, for example, the number of clients and Level 1s served, geographic coverage, complexity and nature of local operations, and capacity and demand for service delivery. Risk management processes at the regional level can also feed information into the process at the corporate level and serve to make it more robust and comprehensive.

Service providers identified risks and challenges that prevented them from meeting service standards during interviews, but there was no evidence that these risks were formally documented and assessed. The volume of requests and resource limitations were most often identified as risks, and mitigating actions consisted of informal local initiatives. Examples of these local initiatives included analyzing service provider workloads, changing the way requests were allocated, and encouraging service providers to obtain their classification accreditation or staffing certification. The extent to which these initiatives mitigated risks was unclear since no assessment was conducted before or after, and objectives were not established.

Decisions such as on resource allocation, process design, and request prioritization should consider risk information in order to optimize capacity to help meet service standards and deliver services efficiently. Without a risk management process in place, the service centres may be unaware of their vulnerability to risks that impact service delivery. This could result in longer processing times, impacting the ability of the service centre to meet established service standards.

### Conclusion

Formal risk management processes were not in place at the service centres to identify, assess, and manage local risks that impact their ability to meet service standards. Information from local risk management processes can also contribute to ADM(HR-Civ)'s integrated business planning process and improve the effectiveness of risk management at the corporate level.



**CRS Recommendation**

3. ADM(HR-Civ) should ensure that service centres have formal risk management processes in place, including the identification, assessment, and treatment of risks to support efficient delivery of HR services.

**OPI:** ADM(HR-Civ)



## 2.4 Service Delivery Capacity

Service delivery capacity may not be optimized due to an insufficient number of service providers with the appropriate level of classification accreditation or staffing certification.

As part of the ADM(HR-Civ) Service Delivery 2015 initiative, the service centres examined reorganized to create integrated service delivery teams for HR disciplines such as classification and staffing. These integrated teams are responsible for processing the majority of classification and staffing requests that can be received directly from client managers or through front-line client-service HROs. Service providers in these teams must possess the appropriate level of delegated classification or staffing authority to complete requests.

The Director of Civilian Classification and Organization and the Director of Civilian Employment Policies both manage programs aimed at ensuring that HROs in classification and staffing possess a sufficient level of knowledge and necessary competencies to execute their responsibilities. Officers complete these programs to become fully accredited classification officers or certified HROs in staffing. The two programs are similar in that both require officers to complete a series of courses; build and submit a portfolio of different types of files to demonstrate the breadth and depth of their experience; obtain a recommendation from another fully accredited classification mentor or certified staffing officer; and, finally, obtain management approval.

Work performed by service providers without the appropriate level of delegated classification or staffing authority must be reviewed and approved by a fully accredited classification officer or certified staffing officer. Having an additional person familiarize themselves with and review the file adds to the processing time and potentially creates bottlenecks and backlogs. This may have limited the delivery capacity of the service centres to process requests and contributed to the relatively low conformance to the service standards. However, the files examined did not contain information to allow for the determination of the additional time taken by a reviewer. There was a correlation between the number of fully accredited officers and the average processing time of classification activities at one of the regions examined. In the region with more fully accredited officers, the average processing time was approximately two times faster than the average at the other service centres examined. The faster service time could be the result of many different factors. However, if existing resources had the appropriate level of accreditation or certification, then less review would be required and more files could be processed.

Large workloads and backlogs can impede fully accredited or certified officers from fulfilling training, mentorship, and evaluation duties to help colleagues obtain their accreditation or certification. It was also observed that officers may not be able to obtain the variety of files required for accreditation or certification if they were assigned to only process specific types of requests.

### Good Practice

All of the classification officers at one of the service centres examined obtained their full accreditation, which positively impacted classification processing times.



Due to the limited number of accredited classification officers or certified staffing officers, the loss of any of them can have a significant impact on service levels since it takes a substantial amount of training and experience to obtain accreditation or certification. Resource requirements were not well defined to meet the volume and demand for services due to the absence of risk management and performance monitoring at the service centres. Furthermore, specific guidance on client-to-service ratios for integrated specialist teams did not exist. It was noted that, at the time of the audit, ADM(HR-Civ) was in the process of changing the delivery model for classification services. The new nationalized process would allow classification officers in one region to process requests submitted in another.

### **Conclusion**

The delivery capacity of service centres can be impacted by the number of fully accredited classification and certified staffing officers in the integrated service delivery teams because their work must be reviewed by an officer with the appropriate level of authority. An insufficient number of fully accredited or certified service providers could therefore result in decreased delivery capacity and impact the ability of service centres to meet standards.

### **CRS Recommendation**

4. ADM(HR-Civ) should ensure that its staffing and classification functions have an appropriate range of service providers with the required level of expertise as defined by the functional authority.

**OPI:** ADM(HR-Civ)

## General Conclusion

The audit identified opportunities for improvement in management practices in the areas of governance, risk management, and internal control. While HR service standards existed in the Department, they were not fully implemented as there was inconsistent awareness, conformance, and an absence of formal performance monitoring. However, good practices were observed in the communication of changes to Fast Track Staffing standards. Although key dates and justifications for delays were documented in some files, improved practices for documenting and recording key information will increase the reliability of ADM(HR-Civ)'s monitoring and reporting on service levels. Although risk management is documented in ADM(HR-Civ)'s annual integrated business plans, regional service centres could benefit from formal standardized risk management processes that can help them manage risks that negatively impact their service levels. Finally, the shorter average processing times at one of the regional sites visited shows that a sufficient number of appropriately accredited and certified service providers in classification and staffing teams could help improve the delivery capacity and processing times at all service centres.

The governance, risk management, and controls in place need improvement to effectively contribute to the optimization of HR service levels in classification and staffing. The recommendations were provided to enhance governance, risk management, and controls; to support the efficient delivery of HR services for the Department; and to improve information for decision making while ADM(HR-Civ) continues to implement its transformation initiatives.

## Annex A—Management Action Plan

CRS uses recommendation significance criteria as follows:

**Very High**—Controls are not in place. Important issues have been identified and will have a significant negative impact on operations.

**High**—Controls are not in place or are inadequate. Important issues are identified that could negatively impact the achievement of program/operational objectives.

**Moderate**—Controls are in place but are not being sufficiently complied with. Issues are identified that could negatively impact the efficiency and effectiveness of operations.

**Low**—Controls are in place but the level of compliance varies.

**Very Low**—Controls are in place with no level of variance.

### Service Standards

#### CRS Recommendation (High Significance)

1. ADM(HR-Civ) should review and communicate service standards periodically; monitor performance regularly; and take follow-up action when standards are not met.

#### Management Actions

- Validate current service standards and update as required and establish baseline measures;
- Develop metrics to assess performance against standards;
- Approve service standards;
- Communicate standards and performance metrics to HR service providers and client groups; and
- Implement a plan to review and communicate service standards periodically.

**OPI:** ADM(HR-Civ)

**Target Date:** September 2015

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### Performance Monitoring Information

#### CRS Recommendation (Moderate Significance)

2. ADM(HR-Civ) should provide clear, standardized procedures, guidance, and definitions related to documenting and recording key dates necessary to support consistent performance monitoring of HR service standards.

#### Management Actions

- Develop standardized procedures and processes to monitor and report on service standards;

- Communicate the standardized procedures and processes;
- Implement the standardized procedures and processes to support monitoring;
- Actively and regularly monitor and report on service standards; and
- Take follow-up action if/when required.

**OPI:** ADM(HR-Civ)

**Target Date:** January 2016

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## Risk Management

### CRS Recommendation (Moderate Significance)

3. ADM(HR-Civ) should ensure that service centres have formal risk management processes in place, including the identification, assessment, and treatment of risks to support efficient delivery of HR services.

### Management Action

- Ensure the risk matrix for the Level 2/Level 3 business plan includes risks to service delivery with mitigating strategies.

**OPI:** ADM(HR-Civ)

**Target Date:** December 2015

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## Service Delivery Capacity

### CRS Recommendation (Moderate Significance)

4. ADM(HR-Civ) should ensure that its staffing and classification functions have an appropriate range of service providers with the required level of expertise as defined by the functional authority.

### Management Actions

- Review staffing certification program;
- Determine optimal range of service providers needed;
- Develop plan to acquire sufficient accredited and certified service providers, subject to full-time equivalent/salary and wage envelope restrictions/ceilings; and
- Monitor the level of certified/accredited service providers.

**OPI:** ADM(HR-Civ)

**Target Date:** December 2016

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## Annex B—Audit Criteria

### Criteria Assessment

The audit criteria were assessed using the following levels:

#### Assessment Level and Description

Level 1: Satisfactory

Level 2: Needs Minor Improvement

Level 3: Needs Moderate Improvement

Level 4: Needs Significant Improvement

Level 5: Unsatisfactory

### Objective

The objective of the audit was to assess the governance, risk management, and controls in place to optimize HR service levels relating to classification and staffing.

### Criteria

1. Governance and risk management frameworks support consistent and efficient delivery of HR services.

**Assessment. Level 3**—Moderate improvement is required in this regard as the absence of standardized procedures and local risk management processes did not promote consistent and efficient delivery of HR services.

2. A performance measurement framework is in place to monitor the efficiency of service delivery.

**Assessment. Level 4**—Elements of a performance measurement framework exist but were not functioning as intended. Weaknesses related to the practices for documenting and recording key information and the absence of formal performance monitoring need to be addressed.

3. Adequate controls are in place to ensure the quality of service standards information and timeliness of service delivery.

**Assessment. Level 3**—Approximately half the sampled files met established service standards. Moderate improvements could be made to address issues of performance monitoring, risk management, and resource allocation in order to improve the rate of conformance.

## Sources of Criteria

Treasury Board Secretariat, Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors, March 2011.

1. Reference to: Accountability-1, Governance and Strategic Directions-2, Risk Management-2, Risk Management-7.
2. Reference to: Policy and Programs-4, People-8, Results and Performance-1, Results and Performance-2, Results and Performance-3.
3. Reference to: People-1, People-4, Stewardship-10.

