



Audit of Staffing

Office of Audit and Ethics

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Executive Summary and Overall Conclusions

The Nuclear Safety and Control Act (NSCA) authorizes the *Canadian Nuclear Safety Commission (CNSC)* to appoint and employ its personnel and establish terms and conditions of employment. This legislative authority provides CNSC with flexibility in engaging, retaining and managing the Agency's human resources. Equally, it places responsibility on CNSC management to exercise due diligence in administering this authority.

The audit was approved as part of the 2008-2009 Risk-based Audit Plan. The planning phase was conducted during the May - September 2008 period. At the end of the planning phase, the Vice-President of Corporate Services Branch requested that the audit be delayed for one year due to operational requirements. This request was accepted by the President. Following the agreement on timing, the examination phase was rescheduled for September 2009.

Objective: The objective of the audit was to provide independent, objective assurance on: the framework to manage staff recruitment in the CNSC; the efficiency and effectiveness of the staffing process; and compliance with CNSC and other relevant policies and procedures.

Scope: The audit examined the following three elements of the staffing process: 1) the management framework for recruitment and staffing (policies, procedures, etc.); 2) the efficiency and effectiveness of the staffing process and 3) compliance with CNSC policies and procedures, including official languages requirements.

The scope included the CNSC advertised (i.e., competitive) staffing process which entails a seven-step process: planning; advertising; screening; assessment; post assessment; job offer and notification as well as, for the non-advertised process which entails a three-step process: planning; assessment and post-assessment. The roles and responsibilities for staffing fall to both the Human Resources Directorate (HRD) and the designated hiring managers throughout the organization. The activities of both of these groups were examined.

Approach: The audit approach included interviews with HRD personnel and hiring managers¹ throughout the organization and the examination of staffing files to assess compliance with procedures. The audit also included a survey and focus group with hiring managers. Staffing practices were surveyed for comparative purposes at other federal separate agencies, including Parks Canada, the Office of the Auditor General, the Office of the Superintendent of Financial Institutions and the National Research

¹ In this report a reference to a hiring manager means a manager with delegated Human Resources authorities.

Council of Canada. The audit team gathered and analyzed sufficient and appropriate information to support the accuracy of the audit conclusions.

The audit was conducted between September and November 2009. The findings and conclusion are based on a comparison of the conditions that existed within the Human Resources Directorate (HRD) as of November 2009 against pre-established audit criteria.

The audit was conducted in accordance with internal auditing standards for the Government of Canada and the International Standards for the Professional Practice of Internal Auditing.²

Overall Conclusions: The audit assessed and concluded on the following elements of CNSC's staffing process: 1) the framework to manage recruitment and staffing activities, 2) the efficiency and effectiveness of staffing actions, and 3) the compliance with policies and practices. Strengths as well as areas for improvement were identified. A summary of conclusions for each of the three elements are set out below.

1) Staffing Framework: In terms of the strengths of the staffing framework, the Human Resources Directorate (HRD) has taken a proactive approach to staffing through the development of a recruitment strategy and in doing so, has taken advantage of the Commission's "separate agency" status. The HRD has also put in place the key elements of an integrated human resources planning process. Also the delegation of authority instrument for Human Resources Management has been recently updated.

As for areas of improvement, for the management framework, staffing policies and procedures should be documented to establish authorities, define and better communicate roles and responsibilities – particularly between the HR advisors and hiring managers - to ensure consistency of interpretation and application of staffing practices.

Similarly, the tools and training available to managers should be enhanced (i.e., inventory of statements of qualification, interview questions and an interview summary template). Finally, succession planning should expand to target all critical senior officer levels in order to ensure quality of hires and continuity of operations.

2) Efficiency and Effectiveness: With respect to the *efficiency* of staffing operations, the audit was unable to draw a conclusion due to the absence of efficiency goals of targets and a lack of information on time taken to complete staffing transactions.

However, in terms of *effectiveness* the audit concluded that a key strength is that CNSC's HRD and hiring managers achieved the staffing goals set out in the

² This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. However, the Office of Audit and Ethics of the CNSC has not undergone an external assessment at least once in the past five years or been subject to ongoing monitoring or to periodic internal assessments of its internal audit activities that would confirm its compliance with the standards.

Commission's staffing plans in terms of the numbers of individuals hired (190 staff were hired during the 2008-2009 fiscal year to meet expanding operational requirements). Beyond meeting the hiring goals the audit concluded that additional performance information on the outcomes of staffing activities should be collected that would allow for an ongoing monitoring and evaluation of the effectiveness of staffing processes with respect to staffing values such as fairness, transparency and access. This would include a follow-up survey of the quality of persons hired.

3. Compliance: With respect to compliance with policies and procedures related to staffing actions, the audit concluded that the transactions (staffing files) reviewed were appropriate and complied with key controls with a few exceptions that were noted in the audit report. As an example of compliance with key controls, the audit found that for the nine appointments without competition the files contained proper justification, thus ensuring fairness and transparency and proper authorization for each of the transactions.

Finally, the audit revealed that the vast majority (23/26) of CNSC's hiring managers that responded to the survey indicated they were satisfied with the advice and assistance provided by the Resourcing and Human Resources Planning Division (RHRPD).

Recommendations to address the areas of improvement noted above are included in the audit report.

Background

The Canadian Nuclear Safety Commission (CNSC) is a separate agency under the *Financial Administration Act*. Responsibility for human resources management has been delegated to the CNSC under Section 16(2) of the *Nuclear Safety and Control Act* (NSCA). The CNSC is not subject to the *Public Service Employment Act*. Section 16(1) of the NSCA allows the CNSC to appoint and employ its personnel and establish terms and conditions of employment.

A successful staffing program is integral to the CNSC's strategic direction. The CNSC Report on Plans and Priorities 2009-10 identified Capacity for Action as one of four strategic priorities. Capacity for Action refers to, amongst other things, "maintaining and renewing the CNSC's workforce to ensure sufficient knowledge and skills to fulfill our mandate." The RPP Risk Analysis described the demographic challenge and the highly competitive marketplace for talent in the nuclear sector.

The Human Resources Dashboard indicates the CNSC has seen a period of sustained growth. The agency has expanded by more than 15% per year for the last two fiscal years from 634 employees at March 31, 2007, to 807 at March 31, 2009. The growth rate was expected to slow down throughout 2009-10.

The growth of the organization is the result of actual and anticipated growth in the nuclear industry sector regulated by the CNSC. Growth in the industry has resulted, and will continue to result in increased demands on the CNSC to provide reliable, timely and effective regulatory processes.

An effective, efficient staffing process is essential for the CNSC in order to address the stated management priority to strengthen capacity, and to meet the dual challenges posed by workforce demographics and the increasing demands on regulatory processes.

Responsibility and accountability for staffing decisions is delegated to CNSC Hiring Managers via the CNSC Human Resources delegation instrument. The Resourcing and Human Resources Planning Division (RHRPD) provides functional direction for staffing activities in the CNSC.

The Human Resource Directorate (HRD) developed and implemented a Recruitment Strategy in 2008 to address the resourcing needs of the organization. The strategy featured efforts to build the CNSC brand, modernize resourcing activities, improve human resources planning, and pursue workforce renewal.

The audit was approved to commence in 2008 as set out in the 2008-2009 Risk-based Audit Plan. The planning phase of the audit was conducted between May 2008-September 2008 and culminated with the preparation of the Terms of Reference (ToR). The ToR was discussed with the Vice-President of Corporate Services Branch. In

September 2008, the Vice-President of Corporate Services Branch requested the audit be delayed for one year due to operational requirements. This request was brought to the attention of the President who approved the new start date.

The fieldwork phase of the audit was conducted between September and November 2009. At the time of the audit there were nine Human Resources Advisors and six Human Resources Assistants providing service to 79 Hiring Managers in the CNSC.

Focus of the Audit

Objectives

The objectives of the audit were to provide independent, objective assurance to the President, Audit Committee, and Senior Management of the CNSC on:

1. the adequacy of the framework to manage staffing activities and recruitment in the CNSC;
2. the efficiency and effectiveness of the staffing process; and
3. compliance with CNSC staffing policies and procedures.

Scope

Included in this scope was CNSC advertised (i.e., competitive) staffing process which entails a seven-step process: planning; advertising; screening; assessment; post assessment; job offer and notification and for the non-advertised process which entails a three step-process: planning; assessment and post-assessment. The roles and responsibilities for staffing fall to both the Human Resources Directorate (HRD) and designated hiring managers throughout the organization. The activities of both of these groups were examined.

The key elements in the staffing process and the key controls associated with each are provided in Appendix B.

The focus of the audit was the CNSC staffing program, including processes for external and internal staffing actions, and recruitment efforts. The audit examined the management framework for staffing and recruitment, and the efficiency and effectiveness of the staffing process – efficiency in the conduct of staffing processes and effectiveness in meeting staffing goals and objectives. The audit examined staffing activities between April 1, 2008 and June 30, 2009. The audit findings and conclusions are based on a comparison of the conditions that existed as of November 2009. A management action was presented to OAE in February 2010 and subsequently updated following the presentation to the audit report to management committee in March 2010.

Audit Approach

The audit approach included:

- Interviews with managers and staff of the Human Resource Directorate and the Resourcing and Human Resources Planning Division (RHRPD);
- Detailed examinations of samples of staffing processes;
- Mapping and testing of key controls in the staffing process designed to ensure compliance with CNSC policies and procedures and official languages requirements pertaining to staffing activities;
- A survey and focus group with CNSC Hiring Managers;
- Staffing practices at four other separate agencies of the Government of Canada were surveyed, in order to identify good practices.

The audit was conducted in accordance with internal auditing standards for the Government of Canada and the International Standards for the professional practice of internal auditing.

Detailed audit criteria was linked to the objectives (Appendix A)

Observations and Recommendations

A) Management Framework

The first objective of the audit was to provide assurance on the framework to manage staffing activities and recruitment in the CNSC. Criteria used to assess the management framework included the Integrated Human Resources planning, proactive approach to staffing including succession planning, policies and procedures; roles, responsibilities and accountabilities; support mechanisms for Hiring Managers, the optimization of the separate agency status and performance data.

Observations

Planning Process

The Human Resources Directorate has recently put in place the key elements of an integrated human resources planning process. The goal is to integrate human resources planning with CNSC business planning.

The human resource planning exercise for 2009-10 incorporated the key elements of an integrated human resources planning process. The HRD actively participated in the integrated business planning process of the CNSC for 2009-10. The goal of integrating human resources planning with business planning is to align the workforce with the plans, priorities and budgetary resources of the organization.

As part of the integrated human resources planning, templates were completed by each division and directorate. These templates helped the divisions and directorates to identify their anticipated human resources requirements and captured their needs and perspectives on various key human resources programs. HR Advisors also met with Senior Management in each division and directorate, to provide them with their existing workforce profile and key corporate demographic data.

The Senior Planning HR Advisor and the Director of RHRPD also supported the directorates in this integrated planning process by facilitating the reflection on how new projects would impact on HR requirements, including the required knowledge, skills and competencies, as well as official languages and employment equity requirements.

The planning exercise led to the development of a recruitment plan; however, an integrated HR plan was not formalized for 2009-10 due to significant changes in the CNSC's operating environment which affected the underlying planning assumptions.

In the past year, the HRD has made an effort to participate more actively and regularly in branch management meetings, in order to improve their knowledge and

understanding of business needs, to provide feedback on recruitment processes and to promote efficiencies in hiring practices.

Approach to staffing

The HRD has taken a proactive approach to staffing through the development of a recruitment strategy. Succession planning has been focused on the executive and management levels.

In 2008 the HRD prepared a forward-looking recruitment strategy for the CNSC. The strategy considered demographics, recruiting challenges and the recruiting environment for the CNSC and included four elements:

- branding;
- modernizing resourcing;
- human resources planning; and
- workforce renewal.

For each element of the strategy, the HRD identified specific actions to be undertaken within specific timelines. The recruitment strategy is monitored closely by RHRPD. Several of the planned activities identified for completion in 2009-2010 are well underway. This is the case with collective staffing approaches, pre-qualified pools and broad-level pools as well as increased use of co-op programs, with managers being responsible for work placements.

The HRD has introduced succession planning; to date, this has been focused on the executive and management levels. HR Advisors inform vice-presidents of potential retirements in their areas of responsibility and assist in identifying succession strategies for critical positions.

A risk for the CNSC lies with those incumbents occupying RL-7 positions. The 2008-09 HR Dashboard indicates that 12.6 % of RL-7 employees are eligible for retirement, compared to 8.8% for the executive and management levels. The HRD has indicated that the next priority for succession planning is the RL-7 positions.

Policies and Procedures

At the time of the audit, the CNSC did not have an approved staffing policy (a policy was approved in March 2010), nor did it have complete, documented procedures for staffing activities.

The CNSC Human Resources Manual serves as a policy for the CNSC. Chapter Two of the Manual addresses resourcing and mobility matters; however, it focuses mainly on the staffing of students and does not enunciate staffing values such as fairness, transparency and access. The CNSC has not established formal recourse mechanisms other than formal grievance processes; the organization relies on informal approaches to resolve any issues that may arise concerning staffing actions. The HRD is currently developing a new staffing policy which will incorporate staffing values and internal

recourse mechanisms. Consultations on the draft policy are under way and its approval is expected to take place before the end of the fiscal year.

Over the years, the HRD has compensated for a lack of staffing policy and procedures by following informal staffing practices, as documented in a series of checklists and forms. Considering the stability within the group of HR Advisors and support staff and given the frequent interactions within this group, these elements attenuated, to some degree, the risk of inconsistencies in staffing practices. However, the heightened level of staffing activity in recent years has increased the risk. Some Hiring Managers have stated that advice from Resourcing and Human Resources Planning Division (RHRPD) personnel on staffing matters can vary; HR Advisors reported that their advice on staffing approaches was increasingly challenged by Hiring Managers.

A recently updated and consolidated delegation of authority instrument for Human Resources management has been approved by CNSC senior management and the President. The instrument clearly delineates delegated authorities for each level of management in the CNSC.

Roles, responsibilities and accountabilities

The division of roles and responsibilities for the staffing process between HR Advisors and Hiring Managers is not well documented or understood. The responsibility and accountability for staffing decisions is delegated to CNSC Hiring Managers. The RHRPD provides functional direction for staffing activities in the CNSC.

In the absence of an approved policy and documented procedures, the roles and responsibilities of the HR Advisors and that of Hiring Managers are not well understood. As part of its plan to establish an HR framework supporting the staffing policy, the RHRPD is developing a staffing process map which should help to distinguish the respective roles and responsibilities of HR Advisors and Hiring Managers.

At the present time, the responsibilities of both parties are typically communicated as part of the introductory meeting for a staffing action. At this meeting, the HR Advisor discusses their role in the staffing process and reviews the responsibilities of the Hiring Manager. The results of this discussion can be formalized in a Resourcing Contract. The Resourcing Contract is a good practice and a good tool for specifying respective responsibilities and accountabilities of the Hiring Manager and HR Advisor in the staffing process; however it is not used consistently.

Hiring Managers have indicated that a lack of formal procedures have confused their understanding of the staffing process. They've indicated that staffing practices can differ depending on the HR Advisors with whom they are working. HR Advisors are sometimes asked by Hiring Managers to provide documentation to support advice and requirements.

The audit found that RHRPD is not systematically monitoring staffing actions. We expected the division to exercise more systematic quality control to ensure compliance with practices in place and to ensure proper documentation of files.

Support mechanisms available to Hiring Managers

While RHRPD provides necessary support to Hiring Managers, the tools available to managers are incomplete and training is not mandatory in order to obtain staffing delegation of authority.

A survey done with Hiring Managers as part of the audit process revealed that Hiring Managers place heavy reliance on the HR Advisors for support in a staffing process. Hiring Managers are accustomed to, and expect a high level of service; they have expressed high regards for the HR Advisor community. 23 out of 26 respondents (88%) indicated that they were satisfied with the advice and assistance provided by RHRPD. However, 11 out of 26 respondents (42%) stated that the tools available to Hiring Managers were insufficient.

Hiring Managers have little access to information to guide them in carrying out their staffing responsibilities. Additional tools, such as an inventory of statements of qualification, interview questions and an interview summary template, would aid Hiring Managers and improve the consistency, quality and speed of the staffing process.

At the time of the audit, CNSC did not have a requirement for managers to receive training upon receiving delegated authority. This is a best practice in many government departments and agencies. Hiring Managers who participated in the Management Fundamentals Training reported that they received useful information on their role and responsibilities during that training and that the training material has served them well for reference purposes. At the time of the audit, the Management Fundamentals training was under review and was expected to include additional training on delegated authorities. This training will be mandatory for all managers.

Separate Agency Status

The CNSC optimizes its status as a separate agency. The following advantages of a separate agency have been realized:

- Development of a staffing policy and framework while still respecting the staffing values of fairness, access and transparency;(in-progress)
- Development of a classification system and accompanying pay bands;
- Flexibility to hire on the spot at job fairs;
- Assessment of selected candidates rather than all applicants who meet the minimum qualification;
- Less stringent recourse mechanism;
- Ability to negotiate its own contract with bargaining agent;
- Flexibility in the area of selection for the staffing action;
- No obligation to have selection standards.

The CNSC is not subject to the *Public Service Employment Act (PSEA)*. CNSC employees are eligible to participate in Public Service staffing processes if open to all public servants. There is some misunderstanding among CNSC employees about their status and eligibility to compete for Public Service jobs. CNSC employees can also participate in interchange programs with departments and agencies of the Public Service. CNSC employees are not eligible to deploy to the core Public Service. In order to attain the right of deployment to organizations under the PSEA, the CNSC staffing program would have to be assessed by the Public Service Commission, so as to determine whether the CNSC program was compatible with a PSEA program.

Performance data

RHRPD has not established service standards (i.e., actual days to staff a position) or performance data (i.e., maximum number of days to staff a position, for example 40 working days) at the time of the audit. Service standards and new reporting mechanisms are being developed and will be implemented for staffing activities.

In 2008, the HRD implemented a new report entitled the “Human Resources Dashboard”. Produced annually, the report contains data on workforce trends within the CNSC. The Dashboard is intended to provide human resources metrics to help managers plan for future needs, manage their current organization and facilitate the integration of business and HR planning. It provides general demographic information, workforce trends and other relevant metrics to support a culture of strong people management at the CNSC.

Currently, RHRPD produces a Staffing Actions Summary report that compiles the type of position being staffed (indeterminate, term, assignment or student) and the recruitment status. This report is produced monthly and is distributed to every branch within the organization. RHRPD also produces a monthly recruitment status report which tracks all current staffing actions with respect to position type and recruitment status. This report is used to follow-up on staffing actions which are being processed at a slower pace than anticipated and it is also distributed to all branch heads. The report from August 30, 2009 indicated that 115 staffing actions were in process. Of these actions, 59 were on hold by management and 6 staffing actions had been ongoing for six months or more.

RHRPD has not developed a staffing activity report to inform Senior Management on the number of staffing actions processed during the year and other performance indicators such as the number of competitive (advertised) and non-competitive staffing processes (non-advertised, promotion, mobility or lateral transfer, acting, assignment, interchange, term extension, term to indeterminate, etc.). Other separate agencies surveyed such as Parks Canada, Office of the Auditor General, Office of the Superintendent of Financial Institutions and the National Research Council produce quarterly or yearly staffing activity reports. These reports include the number and type of staffing actions that occurred during the period, information on competitive and non-competitive processes, and comments by HR on the application of the organization’s staffing policy.

Recommendations

1. The HRD should continue to improve the process of integrating HR planning into corporate business planning and document HR priorities including succession planning in the strategic HR plan.
2. The CNSC should have an approved staffing policy and framework. The Human Resources Directorate should implement the approved staffing policy and framework to clarify roles and responsibilities and outline expectations on staffing.
3. The HRD should ensure that managers with delegated human resources authorities understand their responsibilities and accountability for staffing and have sufficient support and tools at their disposal.
4. The HRD should implement mechanisms to measure, monitor and report on performance for staffing activities and produce an annual staffing activity report for senior management.

B) Efficiency and Effectiveness

The second objective of the audit was to assess whether the staffing process was efficient and effective. The criteria for this objective included whether planned staffing goals and objectives of the CNSC had been achieved in an effective and efficient manner.

Observations

Efficiency and Effectiveness of the Staffing Process

RHRPD and hiring managers have been effective in achieving the planned staffing goals and objectives of the CNSC. CNSC has met the established staffing goals for 2008-2009.

There was no performance information that would allow the CNSC to demonstrate efficiency of staffing processes. Performance information would be expected to include information on subjects such as productivity (quantity and quality), performance indicators and measures, service levels and standards, costs and benchmarks.

As of March 31, 2009, the actual Full-time equivalent (FTE) utilization rose to 758, or 93% of the planned FTEs of 817. This is an increase over the past two years when the FTE utilization rate was 87% of planned FTEs. Full-time equivalent (FTE) is the principal planning measure of the CNSC; it represents the annual effort of a full-time employee and is the basis for the organization's cost recovery regime. In terms of headcount – the principal measure of CNSC's capacity - on March 31, 2009, the CNSC had 807 employees, representing a 17.3% increase for 2008-09 and the highest growth rate over the last few years.

There were 190 new hires in 2008-09 excluding the internal movement. Taken all together, RHRPD processed closed to 400 staffing actions during the review period (April 1, 2008 to June 30, 2009). The level of activity is an indicator that RHRPD has facilitated the achievement of planned staffing goals and objectives of the CNSC.

RHRPD does not track information to calculate average time to staff. The Public Service Commission (PSC) reports an average time to staff indeterminate advertised positions for the Public Service of approximately six months³. The CNSC does not collect information that would allow a comparison with the Public Service average.

The HRD has initiated a process aimed at streamlining and strengthening its staffing program. At the time of the audit HRD indicated that it was developing a staffing process map and would be updating the HRIS at the end of this project. Furthermore, in its 2009-10 performance commitment document the HRD indicated a focus on development, critical training and retention as key drivers towards becoming an

³ Source – *Public Service Commission 2008-2009 Annual Report*

employer of choice. Furthermore, the document states that once the CNSC has proven it can recruit, it must continue to invest in both formal and on-the-job development. This performance commitment along with the streamlining and strengthening efforts launched by RHRPD would be expected to lead to efficiency gains in the staffing process.

Recommendations

No recommendation for this line of enquiry however it is expected that the HRD will continue to pursue ongoing efforts to streamline and strengthen the staffing process.

C) Compliance

The third objective of the audit was to assess compliance with staffing policies, procedures, practices and controls. The audit assessed compliance with official languages requirements and with key controls (Appendix B) in the staffing process.

Observations

Compliance with CNSC key staffing controls and official languages requirements

Overall, staffing actions comply with CNSC key staffing controls with some exceptions noted below. Our audit found that two of the thirty-four (2/34) staffing actions examined did not comply with official languages requirements.

The audit could not assess compliance with CNSC staffing policy and procedures as these have not been approved or documented. Instead, individual staffing transactions were assessed against key controls linked to CNSC's underlying HR practices. The audit team identified key controls in consultation with Senior HR Advisors. These identified controls were:

- Language profile defined prior to finalizing the statement of qualification;
- Conflict of interest clause included as a condition of employment;
- Staffing authorized by the proper authority;
- Justification for term and non-competitive staffing actions documented by an authorized officer;
- Existence of a summary board report (competitive process) or paper board (non-competitive process);
- Letter of offer signed by an authorized delegated officer; and
- Funds availability.

Audit Testing

From the population of approximately 400 staffing actions closed during the audit period April 2008 to June 2009, we selected two non-statistical, random samples for review. The first sample of 34 staffing transactions was reviewed in detail to test compliance with key controls and official languages requirements. A second sample was selected of 34 other staffing actions that were identified as being potentially non-competitive processes (i.e. processes that were not advertised, not open to other candidates; lateral transfers, mobility transfers and appointments made without a competitive process). This second sample was reviewed to determine whether these were in fact non-competitive transactions and, if so, whether a justification by an authorized officer had been obtained and a paper board completed in order to confirm that the candidate's qualifications and competencies matched the requirements of the work description. Overall, we reviewed a total of 68 files for the audit.

The two audit samples included staffing actions of all types and in all branches of the CNSC. The samples also included staffing actions that had been authorized by 44 different Hiring Managers.

In the first sample of 34 staffing actions examined in detail, 32 or 94% complied with official languages requirements. With regard to the other two files, in one a conditional offer was made to a candidate who was later successful on a second language evaluation, and in the second, a process was changed to non-imperative staffing from imperative without re-advertising the position.

In the first sample we found that in 17 (50%) files that board reports to summarize results of assessments of applicants were not included in the file. Board reports serve to demonstrate that candidates have been assessed and meet merit criteria for the position.

The second sample of 34 files was examined to determine whether there was justification by an authorized officer. This group included files coded as mobility transfers, lateral transfers, or without competition. It was expected that each of these staffing actions was a non-competitive process and only one candidate was assessed. We found that 15 of the 34 (41%) were coded incorrectly and were in fact competitive processes with multiple candidates assessed. Of the other 19 actions, 15 were transfers and 4 were appointments without competition. In all cases, actions were properly authorized.

In the 68 files reviewed in the audit, nine were appointments without competition. Proper justification to ensure fairness and transparency and proper authorization were documented for all nine actions.

The audit also reviewed the use of acting assignments to determine whether they were used for periods of six months or longer. We reviewed 103 acting assignments in the audit period. We found that 7 out of the 103 were for periods of six months or longer;

however five of these were for periods of seven months or less, and the other two were the result of a special project of limited duration in Administration. We found that acting assignments were used appropriately.

We found no consistency in how files are documented and organized. For example, for a multi-position staffing process (involving more than one position number), the supporting documentation for all selected candidates is gathered in one file rather than in separate files for each staffed position. As well, documentation on files is indexed with Post-it notes which are easily removed or lost. The organization of files is not conducive to an efficient quality assurance process; we observed that there is no quality assurance process for staffing files.

We found that RHRPD cannot identify and quantify non-competitive staffing actions, as this information is not captured in the coding structure of the Human Resources Information System (HRIS). The HRIS captures compensation type codes which are entered by Compensation Advisors. We also found that there were no definitions for the staffing action types used by RHRPD. RHRPD does however report on external hiring and internal movement through the "position information update" on the CNSC's Intranet (BORIS). This process is used to inform staff about new employees hired by the CNSC or on internal movements. It is not reliable as a source of information for reporting on staffing activities to senior management. Staffing actions are coded inconsistently and information on staffing activities is not accurate or reliable.

Recommendation

5. The HRD should improve its quality assurance process and the documentation of the staffing files.

Conclusions

The audit concluded that the framework to manage recruitment and staffing activities at the CNSC has strengths as well as areas where improvements are required.

A key strength is that the staffing function has achieved the staffing goals and objectives in terms of the numbers of individuals hired. In addition, the Human Resources Directorate (HRD) has taken a proactive approach to staffing through the development of a recruitment strategy and has realized advantages of its "separate agency" status. The HRD has also put in place the key elements of an integrated human resources planning process and the delegation of authority instrument for Human Resources Management has been recently updated. Finally, the audit revealed that the vast majority (23/26) of CNSC's hiring managers surveyed indicated they were satisfied with the advice and assistance provided by the Resourcing and Human Resources Planning

Division (RHRPD). Overall, the audit concluded that staffing actions comply with key controls, with the exceptions which are noted in the audit report.

The audit recommended improvements in the management framework of staffing activities and recruitment. Staffing policies and procedures should be documented to establish authorities, define and better communicate roles and responsibilities – particularly between the HR advisors and hiring managers – so as to ensure consistency of interpretation and application of staffing practices.

Similarly, the tools and training available to managers should be enhanced (e.g. inventory of statements of qualification, interview questions and an interview summary template). Also, succession planning should expand to target all critical senior officer levels in order to ensure quality and continuity of operations. Mechanisms for measuring, monitoring and reporting performance of staffing activities should be established to demonstrate efficiency and effectiveness of staffing activities.

Finally, CNSC should collect performance information on staffing activities that would allow for an ongoing monitoring and evaluation of the efficiency of staffing processes, including a follow-up survey of quality of hires to ensure staffing values such as fairness, transparency and access are adhered to and inform CNSC management on the overall performance of staffing activities and the performance of staffing outcomes.

Appendix A

Audit Criteria

Management Framework

1. There is a comprehensive and integrated human resources planning process in place.
2. CNSC takes a proactive approach to staffing (practices such as branding, marketing, succession planning, identifying potential candidates, developing and maintaining talent pools, internships, etc.).
3. Policies, guidelines and procedures have been defined for the staffing and recruitment process and communicated.
4. Roles, responsibilities and accountabilities for the staffing process and recruiting have been defined, communicated and understood.
5. Adequate support mechanisms are available to hiring managers. (e.g., training for managers, assessment tools for use in selection processes).
6. The staffing process optimizes the CNSC's status as a separate agency.
7. Performance data on the staffing and recruitment process is collected, monitored and reported.

Efficiency and Effectiveness

8. The staffing and recruitment process is efficient.
9. The staffing and recruitment process is effective

Compliance

10. Staffing actions comply with established procedures and CNSC policies for human resources management such as staffing and official languages, etc.

Appendix B

Staffing Process-Key Controls

Initiate staffing process

Key Controls

- Request from Hiring Manager with delegated authority
- Language profile of position is established
- Funding is available

Post position

Key Controls

- Competition poster
- Hiring Manager's approval of poster
- Method used to advertise

Prepare assessment tools

Key Controls

- Hiring Manager selects assessment tool
- HR reviews assessment tool such as interview guide and answers

Screening and Assessment process

Key Controls

- HR screens and provides resumes to Hiring Manager
- Hiring Manager identifies candidates and interview team
- Hiring Manager submits selection report with all completed interview assessment guides

Post assessment checks (after interview)

Key Controls

- Second language testing, reference check, security check, medical assessment (fit for duty)
- Letter of offer is signed by Hiring Manager and accepted by successful candidate

Closing staffing process

Key Controls

- HR posts new employee information on BORIS
- HR ensures all documentation is in the staffing file and closes the file

Appendix C

Management Response

Management Framework

1. HRD should continue to improve the integration of HR planning into corporate business planning and document HR priorities including succession planning in the strategic HR plan.

Unit Responsible	Management Response	Timeline
RHRPD	<p>Linkages have been strengthened between HRD and Corporate Planning for 2010-11. The HR priorities are being closely aligned to the RPP and business priorities.</p> <p>Comprehensive HR and Employment Equity plans are being developed resulting from consultation and input from key stakeholders. These will encompass various priorities and plans to support CNSC's business objectives.</p> <p>HRD is involved in business planning and is a strategic partner at the management table on this subject.</p> <p>As part of its 2010-11 workplan, HRD is shifting its efforts from recruitment to retention and will undertake succession planning activities including identification of critical positions throughout the CNSC and the identification of potential successors or knowledge transfer/documentation to mitigate any risks. (March 31, 2011)</p> <ul style="list-style-type: none"> • Preliminary identification of critical positions and mitigating factors 	<p>Completed</p> <p>April 30, 2010</p> <p>Completed</p> <p>May 2010 November 30, 2010</p>

	<ul style="list-style-type: none"> • Validation of data with Senior Management 	
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2. The CNSC should have an approved staffing policy and framework. The HRD should implement the approved staffing policy and framework to clarify roles and responsibilities and outline expectations on staffing.

Unit Responsible	Management Response	Timeline
RHRPD	<p>The CNSC has developed and launched a staffing policy framework which includes a staffing policy and a revised delegation instrument.</p> <p>Various guidelines as well as tools including process maps and training material are have been finalized which will not only clarify roles and responsibilities but will guide the managers in their decision making through the various steps from planning to the actual hiring.</p> <p>The objectives of the policy are to:</p> <ul style="list-style-type: none"> • Confirm a values-based approach to staffing based on competency, fairness, transparency and access; • Strengthen accountability pertaining to staffing decisions in accordance with the CNSC's Delegation of Human Resources Authorities; • Provide direction and guidance to managers ensuring a consistent approach to CNSC staffing activities and processes; • Facilitate the CNSC's overall objective of being an employer of choice. 	Completed

	The policy was approved by the CNSC President on March 3, 2010 and will be effective April 1, 2010.	
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3. The HRD should ensure that managers with delegated human resources authorities understand their responsibilities and accountability for staffing and have sufficient support and tools at their disposal.

Unit Responsible	Management Response	Timeline
RHRPD	<p>The staffing portion of the course “Management fundamental” has been revamped to better reflect responsibilities and accountabilities of the managers and has been made mandatory for all employees at the Director & Director General levels. All delegated managers are expected to have taken the module by May 31, 2010.</p> <p>HRD has finalized guidelines on key staffing areas as well as various tools, process maps and templates to support managers. These will include guidelines on establishing qualifications and hiring conditions; various staffing options; advertising a job opportunity; assessment of candidates; and selection and offer. The process maps clearly outline managers and HR responsibilities for an advertised and a non-advertised staffing process.</p> <p>The staffing policy framework (policy, delegation instrument, guidelines, process maps, tools and templates) are available electronically for managers. The staffing pages on BORIS have been totally revamped to provide managers with all relevant material at their fingertips in a user friendly fashion.</p>	<p>May 31, 2010</p> <p>Completed</p> <p>Completed</p>

4. The HRD should implement mechanisms to measure, monitor and report on performance for staffing activities and produce an annual staffing activity report for senior management.

Unit Responsible	Management Response	Timeline
RHRPD	<p>Over the course of 2009-10, the staffing practices have been reviewed and formalized through the development of the staffing framework which will bring consistency in the approach to staffing.</p> <p>Training was provided to staffing advisors and assistants to ensure sound application and adherence to the model.</p> <p>Resources will be allocated to quality assurance, monitoring and reporting.</p> <p>In addition, HRD has developed a database to capture, track, monitor and report on various types of staffing processes and activities as well as timelines associated with various stages. Testing is scheduled to occur in February 2010 after which training will be provided to HR staff in order to proceed with data entry. Time to staff will be captured retroactively to April 1, 2009 in order to establish a baseline while processes initiated after April 2010 will not only be tracked for time to staff but for service standards as well.</p> <p>HRD anticipates to be able to test and report with sufficient data by the end of the second quarter of 2010-11.</p> <p>Staffing activity for fiscal year 2010-11 will be reported to senior management.</p>	<p>Completed</p> <p>May 31, 2010</p> <p>Completed</p> <p>October 31, 2010</p> <p>April 2011</p>

Compliance

5. The HRD should improve its quality assurance process and the documentation of the staffing files.

Unit Responsible	Management Response	Timeline
RHRPD	<p>In light of the implementation of the staffing policy framework, standard checklists and internal HR procedures are being developed and training of the Resourcing team will be undertaken to ensure consistency in the organization and quality of the documentation on files.</p> <p>A reference tool outlining requirements at a glance is being developed and will be provided to managers and HR Advisors and Assistants. This has been will clearly articulate the minimum documentation requirements for various processes according to the staffing options being used.</p> <p>Resources will be realigned to develop and implement quality assurance, monitoring and reporting.</p>	<p>May 31, 2010</p> <p>Completed</p> <p>May 31, 2010</p>