



Continuous Auditing: Acting Appointments

Office of Audit and Ethics

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Executive summary

Background

The continuous auditing project that relates to acting appointments is part of the Canadian Nuclear Safety Commission's (CNSC) Risk-Based Audit Plan (RBAP) for 2015–16 to 2017–18.

An acting appointment is a staffing option used to temporarily assign employees to perform the duties of a higher-level position. They are used to fill an immediate need in specific circumstances, such as a short-term project or backfilling temporary vacancies from an employee on leave, training or assignment.

As part of this project, the Office of Audit and Ethics (OAE) addressed some areas of specific interest to the CNSC's president and Executive Committee. This included collaborating with the Human Resources Directorate (HRD) on determining an estimation of the costs associated with shorter-duration acting appointments.

Objectives, scope and approach

This report contains three parts:

Part A – Analysis of acting appointment actions. The objective of Part A was to provide the president and Departmental Audit Committee (DAC) members with an analysis of acting appointment actions by branch and directorate, identifying the approving manager and durations of appointments. The OAE worked with the HRD to identify acting appointment actions with a start date between April 1, 2014 and March 31, 2015.

Part B – File testing. The objective of Part B was to provide reasonable assurance that there is evidence on file that ensures acting appointments comply with the applicable acting staffing criteria. Using the data analyzed above, a judgmental sample of acting appointment actions and supporting documentation were assessed. The criteria used for the review were identified through discussion with the HRD and review of the CNSC's *Staffing Policy* and various internal staffing guides, including the *Guidelines on Staffing Options* (currently under review by the HRD) and the *Acting Pay Under 6 Months* form, as well as the HRD's processing matrix, *Staffing Options at a Glance*.

Part C – Costing of acting appointment actions. The objective of Part C was to collate the salary and administrative costs of acting appointments to provide context for management policy discussion. As requested by the president, the OAE worked with the HRD to establish the administrative and salary costs for acting appointments of 30 days or less within the scope.

The scope for all parts of the project included acting appointment actions between April 1, 2014 and March 31, 2015.

Summary of observations

File testing found that the following two mandatory staffing criteria (controls) are not being consistently met:

- language requirements for acting appointments of 12 months or more
- requirement for documented vice-president (VP) approval of all acting appointments

Management needs to reinforce these requirements if they are still deemed to meet current operational needs. The HRD needs to formalize a control to ensure requirements are met.

There were four other areas where opportunities exist to improve compliance and oversight. It is suggested that the HRD:

- develop, in consultation with the Executive Committee, criteria for selecting an advertised or non-advertised staffing process for acting appointments of all durations
- monitor and undertake quarterly reporting on non-advertised and advertised staffing actions
- implement a control that ensures acting appointments are authorized before they begin
- ensure policy and good practice are captured in the appropriate document and that all staffing criteria related to acting appointments are addressed, including the completion of specific supporting documentation

Conclusion

A CNSC *Staffing Policy* and various CNSC and HRD guidelines are currently in place to document the controls and criteria necessary during the acting appointment process. Through these, the OAE was able to:

- identify current staffing criteria applicable to acting appointments through reviews of the CNSC's *Staffing Policy* and various guidelines and forms
- access, through the HRD, the documentation to support acting appointments

For the sample of files tested, supporting documentation was readily available to provide reasonable assurance that staffing criteria are being met in most cases. The majority of non-compliances with staffing criteria occurred in a small number of areas as identified above. A number of recommendations have been made to enhance compliance and oversight.

1. Introduction

1.1 Background

The continuous auditing project related to the file testing of acting appointments is part of the Canadian Nuclear Safety Commission's (CNSC) Risk-Based Audit Plan (RBAP) for 2015–16 to 2017–18.

Continuous auditing and continuous monitoring

As defined by the Office of the Comptroller General, “continuous monitoring” is the processes that management puts in place to ensure policies, procedures and business processes are operating effectively. “Continuous auditing” refers to the complementary oversight activities performed on a more frequent basis to provide reasonable assurance that those policies, procedures and business processes are operating as intended.

In the context of the CNSC, continuous auditing may be used to monitor:

- corporate functions and related activities such as information and technology management, human resource management (e.g., staffing) or financial management (e.g., procurement, contracting, expenditure management, travel and hospitality, staffing)
- operational functions and related activities such as regulatory oversight, technical assessment, licensing and inspection

Acting appointments

An acting appointment is a staffing option used to temporarily assign employees to perform the duties of a higher-level position. These acting appointments are used to fill an immediate need in specific circumstances, such as a short-term project or backfilling temporary vacancies from an employee on leave, training or assignment.

The CNSC has classified two main categories of acting appointments for the purposes of determining specific eligibility requirements: less than six months and six months or more. There are specific requirements that may have to be met depending on the duration of the acting appointment (e.g., language, security and training prerequisites).

1.2 Statement of conformance

This audit conforms to the *Internal Auditing Standards for the Government of Canada*, as supported by the results of the Office of Audit and Ethics (OAE) quality assurance and improvement program.

2. Part A – Analysis of acting appointment actions

2.1 Objective and scope

The objective of Part A of the audit was to provide the CNSC's president and Departmental Audit Committee (DAC) members with an analysis of acting appointment actions by branch and directorate, identifying the approving manager and durations of appointments between April 1, 2014 and March 31, 2015. In addition, the OAE addressed the areas outlined below that were of specific interest to the president and Executive Committee.

2.2 Approach

The OAE worked with the Human Resources Directorate (HRD) to:

- verify the accuracy of the acting appointment data and analysis
- clarify that there is no duplication of actions where extensions were required
- confirm the number of acting appointments that involved acting pay
- confirm the number of acting appointments that were subject to both advertised and non-advertised processes

The attached appendices document the OAE's statistical analysis as follows:

- **Appendix A** – High level summary, by branch, of the number of acting appointment actions and their durations
- **Appendix B** – Numbers of acting appointment actions by each classification
- **Appendix C** – Acting appointment analysis by branch, directorate, duration and approving manager

2.3 Findings

Extensions

Potential extensions were identified by reviewing instances of multiple actions for the same employee. Nine employees had between two and six actions that ran consecutively. On examination, however, in all but one instance the actions represented movements between positions, classifications or divisions. These movements may occur due to new opportunities arising or, for example, when employees in acting positions move for a short amount of time to cover vacation, before returning to their original acting position. Unless the acting position, classification and division were the same, these actions have been included as individual actions in the analysis provided in the appendices.

Acting appointments that involved acting pay

The OAE analyzed the data provided and found that, in accordance with the CNSC's requirements, there were no paid acting appointments for employees in a substantive management position acting in a higher management position for less than three months.

The collective agreement of employees in the bargaining unit specifies that when an employee is required to substantially perform the duties of a higher classification level on an acting basis for at least five consecutive working days, the employee shall be paid acting pay. Recent discussions at the CNSC's Management Committee identified concerns that those on shorter-term acting appointments (those less than 20 working days) may not be **substantially** performing the duties of the acting position. The HRD has been advised by the Management Committee to implement policy to address these concerns, and there is an opportunity to capture this formally in the review of the CNSC's *Staffing Policy* and guidelines (see Recommendation 9).

Acting appointments subject to advertised and non-advertised processes

The CNSC's *Annual Staffing Report 2014–15* includes statistics on acting appointments of six months or more. The report indicated that there were 44 acting appointments categorized as follows:

- 31 non-advertised (70%)
- 13 advertised (30%)

The HRD advised that acting appointments of less than six months were not included in this report and are unlikely to be advertised. This was confirmed in sample testing where the OAE did not identify any appointments of less than six months as being advertised. It was noted that the 2013–14 *Annual Staffing Report* did report that there were five advertised acting appointments of less than six months.

The CNSC's *Staffing Policy* stipulates that the choice of advertised or non-advertised staffing processes must be strategic and in line with current and future human resources requirements to achieve business objectives. The CNSC's *Guidelines on Staffing Options* advises that the advertised process is a best practice. Non-advertised positions may be used on a case-by-case basis and require the support of a written rationale addressing how the CNSC's values and employment equity have been considered. Although an advertised process is considered best practice, the proportion of acting appointments greater than six months that are not subject to an advertised process is significantly high (70%). The introduction of specific criteria (e.g., certain appointments or durations that must be advertised) would help the CNSC withstand scrutiny by demonstrating that best practice is being achieved.

Recommendation 1

To ensure that the CNSC can demonstrate that the acting appointment process is fair, transparent, avoids preferential treatment, complies with the CNSC and federal government *Values and Ethics Code for the Public Sector*, and can withstand public scrutiny, the HRD, in consultation with the Executive Committee, should develop, for acting appointments of all durations, criteria for selecting an advertised or non-advertised staffing process.

Management response and action plan: The policy framework will be updated to align with the risk-based staffing approach expected as part of the modernization of the public service.

Completion date: March 2017

Recommendation 2

The HRD should monitor the level of use of advertised and non-advertised staffing processes for acting appointments of all durations and report on this on a quarterly basis to the Executive Committee.

Management response and action plan: Through the HR Dashboard, the HRD currently reports on advertised versus non-advertised processes annually. The HRD will determine the nature and frequency of reports desired by the Executive Committee.

Completion date: June 2016

2.4 Conclusion

During the exercise to analyze acting appointments, an opportunity was highlighted to enhance controls around the use of advertised and non-advertised processes for acting appointments. The introduction of specific criteria for the use of these processes will help the CNSC withstand scrutiny and demonstrate that best practice is being achieved.

3. Part B – File testing

3.1 Objective and scope

The objective of the file testing was to provide reasonable assurance that there is evidence on file to ensure acting appointments were complying with the applicable staffing criteria. These criteria were identified through discussion with the HRD and review of various internal staffing guides, including the CNSC's *Guidelines on Staffing Options* and *Acting Pay Under 6 Months* form, as well as the HRD's processing matrix, *Staffing Options at a Glance*.

The scope included testing of acting appointment actions with a start date between April 1, 2014 and March 31, 2015.

3.2 Approach

The OAE worked with the HRD to identify acting appointment actions taken between April 1, 2014 and March 31, 2015. A total of 264 actions were identified. An individual action may include one or more extensions. Different staffing criteria are applied depending on the duration of the acting appointment. With that in mind, the OAE selected a judgmental sample of 100 acting appointment actions representing various durations: five days, less than six months, six months or more, and 12 months or more. This sample was based on the level of activity by branch. In addition, 10 acting appointment extensions that occurred in the scope were sampled to assess whether any additional staffing criteria were met as a result of the appointment exceeding six months or more.¹

3.3 Analysis of risks

The following **potential** risks related to acting appointments were identified through consideration of the current guidance and staffing criteria that were made available to the OAE audit team:

- There is a lack of (or inconsistent) application of staffing criteria for acting appointments.
- There is inadequate documentation/evidence on file to support acting appointments.
- Staff appointed to acting positions that require delegated signing authorities have not completed the required training.

¹ Seventy-four actions were of a duration of less than six months; 36 were of a duration that exceeded six months.

- The duration of the acting appointments may not be reasonable.²

3.4 Line of audit enquiry

The key line of audit enquiry was assessing compliance with staffing criteria for acting appointments. More specifically, the audit criteria were as follows:

- There is a designated file to assist in the management and tracking of each acting appointment.
- Acting appointments are supported by applicable authorizations, notifications, agreements, forms and assessments.
- There is evidence on file to confirm that staff fulfilling acting appointments that require financial delegation have completed the appropriate training.
- Where applicable, arrangements have been put in place to cover language and security requirements where requirements were not met.
- There is evidence of monitoring the reasonability of an acting duration.

3.5 Findings

Filing of supporting documents – current arrangements

The HRD is currently transitioning from using hard copy files to using electronic files. Discussions are presently ongoing as to which records will be maintained on an electronic file and which records will be obtained from the HRD systems when required. As a result, the OAE reviewed hard copy files where available and electronic records as they are currently maintained, and then worked with the HRD to collate any other documents that were required. There is an opportunity for the HRD to weigh the results of the OAE's file testing when determining which documents will be retained in the electronic file and which will be obtained from its systems when required.

Supporting documentation

The length of the acting appointment dictates the staffing criteria that must be applied. The CNSC's *Staffing Policy* does not identify staffing criteria, with the exception of the statement that the duration of acting appointments must be reasonable and will be monitored by the HRD.

² The CNSC's *Staffing Policy* states "Duration of acting appointments must be reasonable and will be monitored by the HRD."

Section 4.3 (“Actings”) of the CNSC’s *Guidelines on Staffing Options* (currently under review by the HRD) does identify a number of criteria as follows:

- For an acting appointment of six months or more, including extensions, a written assessment is required to demonstrate that the selected candidate meets the qualifications (with the exception of the language requirements). However, the language requirements must be satisfied if the acting is for 12 months or more, including extensions.
- For acting under 12 months, if more than one employee meets the essential qualifications, preference should be given to the employee who also meets the language requirements.
- When the selected employee for acting does not meet the language requirements, the manager should take measures to ensure temporary services are available in the other official language, including supervision.
- Language requirements must be met for all acting appointments of 12 months or more.
- If the employee does not meet the security requirement of the acting position, the manager assumes responsibility for all matters classified above the employee’s security level until arrangements can be made with the Personnel Security Officer.
- Employees must agree to conform to the provisions stated in the *Directive on the Obligations of Staff Identified as Persons Employed in a Managerial or Confidential Capacity*.

Through discussion with the HRD and a review of Section 5.2 (“Non-advertised Staffing Process”) of the CNSC’s *Guidelines on Staffing Options*, the CNSC’s *Acting Pay Under 6 Months* form and the HRD’s processing matrix, *Staffing Options at a Glance*, the following requirements were also identified:

- medical requirements, as applicable
- management fundamentals training, as applicable
- supporting documents, as applicable (e.g., *Acting Pay Under 6 Months* form, CV, *Rationale for Non-Advertised Staffing Process* form, work description, offer letter)
- VP approval of acting appointments (approved by the Executive Committee, April 2014)

Supporting documentation was reviewed for a sample of files to assess the level of compliance with the above criteria. The following observations were made:

Appointee assessments and rationales

Appointee assessments are required to support acting appointments of six months or more. Rationales (and assessments) are required to support the use of a non-advertised process for acting appointments of six months or more. Where the acting appointment is approved at the Executive Committee, the rationales and assessments have not been requested for the file and there is an opportunity to document these approval procedures in policy (see Recommendation 9).

Either Executive Committee approval or documented rationales and assessments were on file to support all but three of the 22 appointments in the sample that these criteria applied to. For context, these documents were required as the appointments were extended beyond six months. In all cases the documents had been requested by the HRD but not yet received, and the requirements were unmet at the time of audit fieldwork.

To demonstrate that acting appointments are appropriately supported, the HRD may wish to consider introducing a control that escalates outstanding requests for supporting documentation to the head of the hiring branch.

Recommendation 3

The HRD should consider introducing a control that escalates outstanding requests for acting appointment supporting documentation to the head of the hiring branch.

Management response and action plan: The HRD's Resourcing and Human Resources Planning Division (HRD-RHRPD) currently directs follow-up for documentation to the hiring manager. In future, following two efforts with no response, the HRD-RHRPD will flag for director general (DG) or VP follow-up.

Completion date: January 2016

Language requirements

The CNSC's *Guidelines on Staffing Options* states that language requirements must be met for all acting appointments of 12 months or more. In addition, the *CNSC Official Languages Directive* states that an acting appointment cannot be extended past 12 months if the employee does not meet the language requirements of the position. Supporting documentation was on file to evidence that language requirements were met for 18 of the 22 appointments sampled in this category.

For context, documentation for the four exceptions showed that:

- in all cases the acting appointments were greater than 12 months as a result of extensions
- one of the extensions was approved by the Executive Committee
- one appointee's Second Language Evaluation had expired and arrangements were being made to re-test
- one appointment was supported by documentation of agreement between the DG of the HRD and the VP of the hiring directorate
- one appointment was supported by confirmation that alternative arrangements were in place to provide French language services

Despite this, it remains that the CNSC's guidelines and directive requirements have not been met in these cases. There is an opportunity to reaffirm current direction, including any tolerance for exceptions. There is also an opportunity to document the requirements in policy (see Recommendation 9).

For acting under 12 months, if more than one employee meets the essential qualifications, preference should be given to the employee who also meets the language requirements (the CNSC's *Guidelines on Staffing Options*). The OAE did not identify any instances in the sample where this was applicable.

Recommendation 4

Formal language requirements for acting appointments of 12 months or more should be reaffirmed by senior management and communicated to the management community.

Management response and action plan: This is currently under review and discussion between the HRD and the Executive Committee. At the Executive Committee's direction, this item could be tabled for decision at the Management Committee.

Completion date: October 2016

Employees acting in a managerial or confidential capacity

Employees must agree to conform to the provisions stated in the *Directive on the Obligations of Staff Identified as Persons Employed in a Managerial or Confidential Capacity*. This requirement is reinforced through statements documented in offer letters (where appropriate) and the *Acting Pay Under 6 Months* form. Both of these documents are required to be signed by the employee. File testing confirmed that

offer letters and *Acting Pay Under 6 Months* forms were signed, acknowledging this requirement.

Vice-president approval of acting appointments

In April 2014, the Executive Committee, which consists of the president and all VP-level managers, approved a staffing framework that included the requirement for all acting appointments to be approved at the VP level. The HRD informed the OAE that it had not yet introduced a control to formalize this requirement and have implemented an exception whereby VP approval of acting appointments for durations of five to 10 days is not required. The HRD's *Authority for Staffing* chart does not reflect current practices. File testing found that for the 36 appointments sampled of a duration of six months or longer, there was evidence of the hiring manager's approval for all appointments and VP-level approval for 34 of 36 files.³ For the sample of 74 acting appointments of less than six months, there was evidence of the hiring manager's authorization but no evidence of VP-level approval in 65 of 74 files.

There is an opportunity to reaffirm the current direction and to communicate it further to the management community. There is also an opportunity to document the requirements in policy (see Recommendation 9).

Recommendation 5

The level of authorization required for acting appointments should be reaffirmed by senior management, formalized by the HRD and communicated to the management community.

Management response and action plan: The *Staffing Approval Process* chart was last updated April 2014. Direction should also be provided to the HRD as to whether the full HR *Delegation* chart should be amended to reflect current policy directions around staffing delegation.

Completion date: *Staffing Approval Process* chart to be updated by January 2016

Completion of acting pay forms and offer letters

As documented above, the Executive Committee's staffing approval framework requires overall VP approval for acting appointments. The final authorizations to support acting appointments (*Acting Pay Under 6 Months* forms and offer letters) are signed off by directors/DGs/VPs, and copies were on file to support all appointments in the sample. It was noted during testing that, for files with durations of six months

³ Two VP approvals could not be located by the HRD in relation to one acting extension (approved by the DG) and one new acting REG6 appointment (approved by management).

or more, three of 36 authorizations were not signed before the appointment started.⁴ For files with durations of up to six months, 29 of 74 authorizations⁵ were not signed before the appointment began.

It is acknowledged that acting appointments may be required with short notice because of critical operational needs. If undocumented commitments between the hiring manager and appointee have been misunderstood in any way, there is a risk that the appointee may be denied acting pay or may not be fulfilling responsibilities as expected.

We noted that forms are being completed in full with only a minor number of low risk exceptions.⁶

Recommendation 6

The HRD should implement a control that ensures acting appointments are authorized prior to commencement.

Management response and action plan: The HRD will remind the management community that signed authorization is required before an employee begins an acting assignment. Authorizations provided to the HRD-RHRPD after an acting assignment is in progress (or already finished) will not be processed.

Completion date: December 2015

Medical requirements

Medicals are a mandatory requirement for certain appointments. This requirement is not specifically referenced in the CNSC's *Staffing Policy* or the CNSC's *Guidelines on Staffing Option* in relation to acting appointments.

The HR advisor will confirm through the Human Resources Information System (HRIS) whether the acting appointment requires a medical. They have (limited) access to the Occupational Health and Safety Advisor's database of medical results to verify that requirements are met. The HRD is prompted to evidence this verification through use of the file checklist and its processing matrix, *Staffing Options at a Glance*. File review provided assurance that for acting appointments of 6 months or more, medical requirements verification is incorporated into the appointment process.

⁴ Paperwork signed five, 29 and 55 days after commencement.

⁵ Paperwork signed after commencement: 16 between one and five days, seven between five and 10 days, three between 11 and 25 days, and three between 26 and 50 days.

⁶ Four out of 74 acting pay forms did not have the position reference (e.g., REG6, REG7) filled in. Three out of 74 forms did not have date of authorization. Three out of 74 forms were not signed by HRD on input.

For acting appointments of less than six months, the HRD utilizes similar tools to ensure medical requirements are met (where applicable). This verification is not routinely documented (for example, it is not incorporated into the *Acting Pay Under 6 Months* form or recorded on the checklist). Discussions with the HRD indicate that it is considered low risk that staff moving into these acting appointments will not already have met the requirements as they usually come from a position in the same organizational hierarchy. For context, only three out of the 74 acting appointments of less than six months required a medical, and compliance with this requirement was successfully verified by the OAE.

It would be good practice for the HRD to document the verification of compliance (as is done for appointments of six months or longer), as this would help ensure neither the employee nor the CNSC are left in a vulnerable position if the employee does not already meet the requirements. There is an opportunity to document the requirements in policy (see Recommendation 9).

Recommendation 7

The HRD should document that medical requirements have been verified for acting appointments of six months or less, as is done for acting appointments of six months or more.

Management response and action plan: The HRD will document that verification of medical requirements has taken place.

Completion date: February 2016

Training for managers with delegated financial responsibility

Staff acting in manager-level appointments are required to have completed all elements of the CNSC's Management Fundamentals Training modules (internal "CSB and You" guidance article, 2014) and a *Specimen Signature* form (CNSC's *Directive on Financial Signing Authorities*) if they are to exercise the financial authorities given to the position. Hiring managers are not required to provide confirmation that the training has been undertaken. The requirement to complete the training before the acting appointment begins is not referenced in the CNSC's *Staffing Policy* or *Guidelines on Staffing Options* in relation to acting appointments.

In the absence of documented confirmation of training completion in the acting appointment process, there are compensating factors that should reduce the risk of staff exercising financial delegation without the appropriate training:

- The *Acting Pay Under 6 Months* form states that the form does not grant temporary financial signing authority and advises hiring managers to contact the Finance and Administration Directorate (FAD) if it is required.

- The FAD will only accept a *Specimen Signature* form if Management Fundamentals training is complete.
- The FAD provides an oversight function of authorizing signatories on transactions.
- Staff can complete their Management Fundamentals training in readiness for any future management-level acting appointments.

Not all management-level acting appointments (specifically, those of very short durations) may require this delegation and, with no requirement to document this, the OAE could not determine with absolute certainty which appointments would require the training. Few communications on files tested made reference to it.

The OAE did, however, undertake an exercise to locate *Specimen Signature* forms for all management-level acting appointments where staff had a substantive position beneath the manager level. Of the 43 appointments in the sample that met these criteria, 41 had a Specimen Signature Card signed before the acting appointment began. Although the OAE is not in a position to draw an absolute conclusion (as it is not known if the two positions without signature cards actually required financial delegation), this finding does provide a high level of assurance that staff are completing financial delegation training on a timely basis (where required).

There is an opportunity to document within the *Staffing Policy* the requirement to complete Management Fundamentals training before a management-level position begins (see Recommendation 9).

Security requirements

Acting appointments of any duration must meet the security requirements of the position, or the manager must assume responsibility for all matters classified above the employee's security level until arrangements can be made with the Personnel Security Officer (CNSC's *Guidelines on Staffing Options*). File testing confirmed that this requirement is reinforced through stipulating these arrangements in the offer letter. In addition, there is a standard instruction that documents the requirements. This is placed immediately above the hiring manager's signature box on the *Acting Pay Under 6 Months* form.

Language requirements

Language requirements do not need to be met if the acting appointment is less than 12 months. In these cases, the manager must ensure temporary services are available in the other official language, including supervision (CNSC's *Guidelines on Staffing Options*). For acting appointments in the sample where these criteria applied, it was noted that arrangements are not being consistently documented and hiring managers are not required to do so. Formally documenting the arrangements

put in place to provide temporary services will help ensure that the CNSC can demonstrate that it meets mandatory staffing criteria.

Recommendation 8

Where language requirements are unmet in positions of less than 12 months, the hiring manager should be required to document that arrangements are made to provide temporary language services.

Management response and action plan: The HRD-RHRPD will ask all managers seeking an exception to document in an email to their Staffing Assistant how language services will be provided.

Completion date: January 2016

Monitoring the reasonability of acting appointment durations

The CNSC's *Staffing Policy* does not identify staffing criteria, with the exception of the statement that duration of acting appointments must be reasonable and will be monitored by the HRD. Given the policy's lack of specificity around this role, the HRD's responsibility for monitoring the reasonability of the durations of acting appointments has been advisory in nature. While there is no formal process or criteria to guide monitoring activity, it is demonstrated through routine discussions with hiring managers as well as through the provision of advice on options and good practice. In addition, information on the durations of acting appointments are reported through the annual *Staffing Report* and the HR Dashboard report. That said, the stipulation of the requirement to monitor durations in policy implies it is a control to be applied. Discussions with the HRD indicated that this role may be best documented in guidance (as opposed to policy).

Policy versus guidance

As referenced earlier in this section, the staffing criteria for acting appointments are documented in the CNSC's *Guidelines on Staffing Options*. The Guidelines advise that **consideration** be given to the criteria documented. Two of the criteria use the stipulation "*must*" — which implies policy as opposed to a guideline. The Guidelines also refer to requirements as set out in the *CNSC Official Languages Directive* regarding the stipulation that acting appointments cannot be extended past 12 months if the employee does not meet the position's language requirements. Key criteria are incorporated in a guideline for consideration as opposed to being clearly laid out in policy. There is a risk that mandatory requirements may not be met due to confusion or inconsistent application.

The HRD is currently reviewing the CNSC's *Guidelines on Staffing Options* and there is also an opportunity to re-visit the current *Staffing Policy* and various CNSC and HRD processing guides to ensure that policy and good practice are captured in

the appropriate document. This should help reduce the risk of potential confusion and non-compliance in the application of staffing criteria.

Recommendation 9

The current *Staffing Policy* and various CNSC and HRD processing guides should be re-visited to ensure all policy and good practices (including those highlighted in this report) are captured in the appropriate document.

Management response and action plan: The HRD will undertake the revision and update of all pertinent tools and guidelines to reflect policy and good practice.

In addition, the HRD-RHRPD will be monitoring changes in the core administration's approach to staffing, which aims to reduce central oversight and policy/procedural requirements in order to meet the *Blueprint 2020* vision around staffing modernization.

Completion date: December 2016

3.6 Conclusion

There is a CNSC *Staffing Policy* and various CNSC and HRD guidelines in place to address the controls applied to the acting appointment process. Through these the OAE was able to:

- identify current staffing criteria to be applied to acting appointments through reviews of the CNSC's *Staffing Policy* and various guidelines and forms
- access, through the HRD, the documentation to support acting appointments

For the sample of files tested, supporting documentation was readily available to provide reasonable assurance that staffing criteria is being met in most cases. The majority of non-compliances with staffing criteria occurred in a small number of areas.

The two mandatory staffing criteria (controls) that are not being consistently met are the:

- language requirements for acting appointments of 12 months or more
- requirement for documented VP approval of all acting appointments

Management needs to reinforce existing criteria if they are still deemed to meet current operational needs.

There were two other areas where there are opportunities to improve compliance. It is suggested that the HRD:

- implements a control that ensures acting appointments are authorized prior to commencement
- ensures policy and good practice are captured in the appropriate document and that all staffing criteria related to acting appointments are addressed, including the completion of specific supporting documentation

4. Part C – Costing of acting appointment actions

4.1 Objective and scope

To provide context for management policy, the salary and administrative costs of acting appointments were collated.

The scope included the acting appointment actions with a start date between April 1, 2014 and March 31, 2015.

4.2 Approach and results

As requested by the president, the OAE worked with the HRD to:

- establish approximate administration costs incurred by the HRD as well as the hiring manager's costs for processing acting appointment actions of 30 days or less
- determine an approximate salary cost for each acting appointment action of 30 days or less

The estimated administrative costs associated with acting appointments of 30 days or less between April 1, 2014 and March 31, 2015 were calculated by the HRD as being approximately \$12,900. The methodology was validated by the OAE and was as follows:

- The maximum salary was assumed for REG3 (Resourcing and Human Resources Planning Division) and REG4 (Labour Relations, Classification and Compensation Division).
- The hourly wage was calculated.
- The estimated administrative time spent on actions 30 days or less was multiplied by the number of appointments.
- The hiring manager costs were considered negligible (they involve sending an email request for an *Acting Pay Under 6 Months* form).

The table on the following page provides an estimate of costs associated with acting assignments 30 days or less between April 1, 2014 and March 31, 2015:

Table 1 - Estimated costs associated with acting assignments 30 days or less, April 1, 2014 to March 31, 2015

Substantive level	Acting level				
Max salary	4% rule + step (if applicable)	Acting pay/year	Acting pay/day	No. of days	Total cost
REG3 \$58,366	REG4 \$62,863	\$4,497	\$17.24	46	\$793
REG3 \$58,366	REG5 \$63,034	\$4,668	\$17.89	12	\$215
REG5 \$81,949	REG6 \$88,775	\$6,826	\$26.17	40	\$1,047
REG5 \$81,949	REG7 (APP/SE) \$88,667	\$6,718	\$25.75	110	\$2,833
REG5 \$81,949	MGT \$104,200	\$22,251	\$85.29	61	\$5,203
REG6 \$95,673	REG7 (APP/SE) \$102,058	\$6,385	\$24.47	180	\$4,405
REG6 \$95,673	MGT \$104,200	\$8,527	\$32.69	58	\$1,896
REG6 \$95,673	REG8 \$99,791	\$4,118	\$15.79	30	\$474
REG7 (APP/SE) \$115,273	REG8 \$120,374	\$5,101	\$19.55	80	\$1,564
REG7 (APP/SE) \$115,273	MGT \$119,884	\$4,611	\$17.67	554	\$9,789
REG7 (TS) \$122,604	MGT \$127,508	\$4,904	\$18.80	377	\$7,087
REG7 (APP/SE) \$115,273	RLE1 \$125,200	\$9,927	\$38.05	375	\$14,269
REG7 (TS) \$122,604	RLE1 \$127,508	\$4,904	\$18.80	10	\$188
REG8 \$132,300	RLE1 \$137,592	\$5,292	\$20.29	43	\$872
TOTAL				1,976	\$50,635

The methodology used to determine these estimated costs was as follows:

- Fourteen acting categories were identified (e.g., REG4 to REG5).
- The substantive level maximum salary was used because the majority of employees at any given level is at the maximum of their range.
- The acting rule of paying four percent more than substantive and next (highest) step in the range was applied.
- The difference between the acting salary and substantive salary was broken down to a daily rate.
- The daily rate was applied to the number of days in each category to get an estimated cost for each of the categories.

4.3 Conclusion

The OAE has provided information for management's consideration when developing future policy in this area.

5. Management action plans

The OAE has discussed the findings and recommendations of this report with the HRD and their responses and proposed actions are summarized in a Management Action Plan in Appendix D.

6. Team members

The team was composed of the following members of the OAE:

Team Member	Contact
Joe Anton – Chief Audit Executive	613-947-8220
Paul Logan – Audit Manager	613-995-3379
Angela Hawkes – Internal Auditor	613-943-7433
Bradley Beaubien-Fyffe – Co-op Student	613-943-0264

7. Acknowledgement

We would like to acknowledge and thank management for their support throughout the conduct of this audit.

Appendix A – High-level summary of acting appointments

Summary by branch and duration

Acting appointment actions between April 1, 2014 and March 31, 2015

Acting branch	5 days	6 to 30 days	31 to 90 days	91 days to <6 months	6 to <12 months	12 months or more	Total
10 President's Office				1		1	2
11 Secretariat	1	1					2
30 Corporate Services Branch	14	32	10	7	6	3	72
40 Regulatory Affairs Branch	3	9		2	5	1	20
50 Regulatory Operations Branch	32	39	6	2	6	10	95
60 Technical Support Branch	17	40	3	1	6	6	73
Total	67	121	19	13	23	21	264
Acting branch	5 days	6 to 30 days	31 to 90 days	91 days to <6 months	6 to <12 months	12 months or more	Total
10 President's Office	0.00%	0.00%	0.00%	0.38%	0.00%	0.38%	0.76%
11 Secretariat	0.38%	0.38%	0.00%	0.00%	0.00%	0.00%	0.76%
30 Corporate Services Branch	5.30%	12.12%	3.79%	2.65%	2.27%	1.14%	27.27%
40 Regulatory Affairs Branch	1.14%	3.41%	0.00%	0.76%	1.89%	0.38%	7.58%
50 Regulatory Operations Branch	12.12%	14.77%	2.27%	0.76%	2.27%	3.79%	35.98%
60 Technical Support Branch	6.44%	15.15%	1.14%	0.38%	2.27%	2.27%	27.65%
Total	25.38%	45.83%	7.20%	4.92%	8.71%	7.95%	100.00%

Appendix B – Acting appointments by classification

Analysis by classification

Acting classification	Total	% Total
REG4	10	3.79%
REG5	7	2.65%
REG6	31	11.74%
REG7APP/SE	43	16.29%
REG8	12	4.55%
LA-3B	1	0.38%
MGT	114	43.18%
RLE1	44	16.67%
RLE2	2	0.76%
Total	264	100.00%

Appendix C – Analysis by branch, directorate, duration and approving manager

Branch 10 President's Office

Acting directorate	Approving manager	91 days to <6 months	12 months or more	Total
100 President's Office	Michael Binder	1	1	2

Branch 11 Secretariat

Acting directorate	Approving manager	5 days	6 to 30 days	Total
110 Commission Secretariat	Marc Leblanc	1	1	2

Branch 30 Corporate Services

Acting directorate	Approving manager	Total
310 Vice President's Office, CSB	Stéphane Cyr	1
320 Human Resources Directorate	Josée Beaudry	5
	Josée Déricks	2
	Louise Youdale	4
	Robin Butler	3
	Stéphane Cyr	1
330 Finance and Administration Directorate	Daniel Schnob	6
	Pierre Souigny	5
	Yves Dallaire	18
340 Information Management Technology Directorate	Diane Spencer	8
	Hugh Robertson	4
	Joanne Faucher	1
	Marc Larocque	4
	Richard Dubois	5
	Stéphane Cyr	5
Total		72

Acting branch	Acting directorate	5 days	6 to 30 days	31 to 90 days	91 days to <6 months	6 to <12 months	12 months or more	Total
30 Corporate Services Branch	310 Vice President's Office, CSB					1		1
	320 Human Resources Directorate	1	4	3	3	2	2	15
	330 Finance and Administration Directorate	6	15	7	1			29
	340 Information Management Technology Dir.	7	13		3	3	1	27
30 Corporate Services Branch total		14	32	10	7	6	3	72

Branch 40 Regulatory Affairs

Acting directorate	Approving manager	Total
410 Vice President's Office, Regulatory Affairs Branch	Jason Cameron	2
440 Regulatory Policy Directorate	Brian Torrie	2
450 Strategic Planning Directorate	Clare Cattrysse	1
	Keith Dewar	1
	Liane Sauer	1
460 Strategic Communications Directorate	Betty Moore	1
	Dawolu Saul	5
	Sunni Locatelli	7
	Total	20

Acting branch	Acting directorate	5 days	6 to 30 days	91 days to <6 months	6 to <12 months	12 months or more	Total
40 Regulatory Affairs Branch	410 Vice President's Office, Regulatory Affairs Branch		2				2
	440 Regulatory Policy Directorate	1	1				2
	450 Strategic Planning Directorate		1		2		3
	460 Strategic Communications Directorate	2	5	2	3	1	13
40 Regulatory Affairs Branch total		3	9	2	5	1	20

Branch 50 Regulatory Operations

Acting directorate	Approving manager	Total
510 Executive Vice-President's Office, ROB	Ramzi Jammal	2
	Barclay Howden	1
520 Directorate of Power Reactor Regulation	François Rinfret	5
	Greg Rzentkowski	19
	Ken Lafrenière	1
	Miguel Santini	5
	Peter D. Corcoran	2
530 Directorate of Nuclear Cycle and Facilities Regulation	Christian Carrier	3
	Jean LeClair	4
	Karine Glenn	1
	Peter Elder	13
	Ramzi Jammal	1
540 Directorate of Nuclear Substance Regulation	André Régimbald	15
	Henry Rabski	9
	Peter Fundarek	1
	Sylvain Faille	1
	Doug Miller	1
590 Directorate of Regulatory Imp. Major Projects Management	Haidy Tadros	9
	Karine Glenn	2
	Total	95

Acting branch	Acting directorate	5 days	6 to 30 days	31 to 90 days	91 days to <6 months	6 to <12 months	12 months or more	Total
50 Regulatory Operations Branch	510 Executive Vice-President's Office, ROB			1		1		2
	520 Directorate of Power Reactor Regulation	11	15	3	1	3		33
	530 Directorate of Nuclear Cycle and Facilities Regulation	3	12			1	6	22
	540 Directorate of Nuclear Substance Regulation	12	10	1		1	2	26
	590 Directorate of Regulatory Improvement and Major Projects Mgt	6	2	1	1		2	12
50 Regulatory Operations Branch total		32	39	6	2	6	10	95

Branch 60 Technical Support

Acting directorate	Approving manager	Total
620 Directorate of Environmental and Radiation Protection and 630 Directorate of Safety Management	Patsy Thompson	9
	Corinne Françoise	2
640 Directorate of Security and Safeguards	Kathleen Heppell-Masys	15
	Patsy Thompson	1
	Larry Chamney	1
	Luc Sigouin	1
	Michael Beaudette	2
650 Directorate of Assessment and Analysis	Raoul Awad	10
	Gerry Frappier	32
	Total	73

Acting branch	Acting directorate	5 days	6 to 30 days	31 to 90 days	91 days to <6 months	6 to <12 months	12 months or more	Total
60 Technical Support Branch	620 Directorate of Environmental and Radiation Protection and Assessment		4	1	1	2	1	9
	630 Directorate of Safety Management	5	8	1		2	2	18
	640 Directorate of Security and Safeguards	5	4	1		1	3	14
	650 Directorate of Assessment and Analysis	7	24			1		32
60 Technical Support Branch total		17	40	3	1	6	6	73

Appendix D – Audit recommendations and Management Action Plan

The following table presents a summary of the recommendations and Management Action Plans identified in the report:

Action owner (office of primary interest)	Management response and action plan	Timeline
Recommendation 1. To ensure that the CNSC can demonstrate that the acting appointment process is fair, transparent, avoids preferential treatment, complies with the CNSC and federal government <i>Values and Ethics Code for the Public Sector</i>, and can withstand public scrutiny, the HRD, in consultation with the Executive Committee, should develop, for acting appointments of all durations, criteria for selecting an advertised or non-advertised staffing process.		
Agreed: HRD and Executive Committee	The policy framework will be updated to align with the risk-based staffing approach expected as part of the modernization of the public service.	March 2017
Recommendation 2. The HRD should monitor the level of use of advertised and non-advertised staffing processes for acting appointments of all durations and report on this on a quarterly basis to the Executive Committee.		
Agreed: HRD and Executive Committee	Through the HR Dashboard, the HRD currently reports on advertised versus non-advertised processes annually. The HRD will determine the nature and frequency of reports desired by the Executive Committee.	June 2016
Recommendation 3. The HRD should consider introducing a control that escalates outstanding requests for acting appointment supporting documentation to the head of the hiring branch.		
Agreed: HRD-RHRPD	The HRD-RHRPD currently directs follow-up for documentation to the hiring manager. In future, following two efforts with no response, the HRD-RHRPD will flag for DG or VP follow-up.	January 2016

Action owner (office of primary interest)	Management response and action plan	Timeline
<p>Recommendation 4.</p> <p>Formal language requirements for acting appointments of 12 months or more should be reaffirmed by senior management and communicated to the management community.</p>		
<p>Agreed: HRD-SPLD</p>	<p>This is currently under review and discussion between the HRD and Executive Committee. At the Executive Committee's direction, this item could be tabled for decision at the Management Committee.</p>	<p>October 2016</p>
<p>Recommendation 5.</p> <p>The level of authorization required for acting appointments should be reaffirmed by senior management, formalized by the HRD and communicated to the management community.</p>		
<p>Agreed: HRD and Executive Committee</p>	<p><i>Staffing Approval Process</i> chart was last updated April 2014.</p> <p>Direction should also be provided to the HRD as to whether the full HR <i>Delegation</i> chart should be amended to reflect current policy directions around staffing delegation.</p>	<p><i>Staffing Approval Process</i> chart to be updated by January 2016</p>
<p>Recommendation 6.</p> <p>The HRD should implement a control that ensures acting appointments are authorized prior to commencement.</p>		
<p>Agree: HRD-RHRPD</p>	<p>The HRD will remind the management community that signed authorization is required before an employee begins an acting assignment. Authorizations provided to the HRD-RHRPD after an acting assignment is in progress (or already finished) will not be processed.</p>	<p>December 2015</p>
<p>Recommendation 7.</p> <p>The HRD should document that medical requirements have been verified for acting appointments of six months or less, as is done for acting appointments of six months or more.</p>		
<p>Agreed: HRD-RHRPD</p>	<p>The HRD will document that verification of medical requirements has taken place.</p>	<p>February 2016</p>

Action owner (office of primary interest)	Management response and action plan	Timeline
<p>Recommendation 8.</p> <p>Where language requirements are unmet in positions of less than 12 months, the hiring manager should be required to document that arrangements are made to provide temporary language services.</p>		
<p>Agreed: HRD-RHRPD</p>	<p>The HRD-RHRPD will ask all managers seeking an exception to document in an email to their Staffing Assistant how language services will be provided.</p>	<p>January 2016</p>
<p>Recommendation 9.</p> <p>The current <i>Staffing Policy</i> and various CNSC and HRD processing guides should be re-visited in order to ensure all policy and good practices (including those highlighted in this report) are captured in the appropriate document.</p>		
<p>Agreed: HRD-RHRPD</p>	<p>The HRD will undertake the revision and update of all pertinent tools and guidelines to reflect policy and good practice.</p> <p>In addition, the HRD-RHRPD will be monitoring changes in the core administration's approach to staffing, which aims to reduce central oversight and policy/procedural requirements in order to meet the <i>Blueprint 2020</i> vision around staffing modernization.</p>	<p>December 2016</p>