Audit of Human Resources Management (Staffing)

Corporate Internal Audit Division
Natural Sciences and Engineering Research Council of Canada
Social Sciences and Humanities Research Council of Canada

Approved by the President on December 15, 2015

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1 EXECUTIVE SUMMARY

Background

The Natural Sciences and Engineering Research Council of Canada (NSERC) and the Social Sciences and Humanities Research Council of Canada (SSHRC) support post-secondary based research and research training in the natural sciences and engineering, and social sciences and humanities respectively. NSERC and SSHRC (the Agencies) are departmental agencies of the Government of Canada and report to Parliament through the Minister of Industry.

The Presidents of NSERC and SSHRC are the chief executive officers of their Councils, directing and supervising the work of the Councils. In fulfilling their mandates, the Presidents are supported by Vice-Presidents, senior managers and a team of professional staff. Within each Agency, the Vice-Presidents and their managers help to ensure the ongoing achievement of operational objectives by attracting, developing, and retaining talented employees.

The Human Resources Division in the Common Administrative Services Directorate is responsible for providing expert advice on all aspects of human resources management to the Agencies' senior management and to both Presidents.

Why It Is Important

To be successful in fulfilling their mandates, the Agencies require a talented team of skilled and dedicated individuals; the HR Division plays a critical role in supporting managers across the Agencies to attract, develop, and retain talented employees.

The Audit of Human Resources Management was approved by the Presidents in March 2015 as part of the Agencies' 2014-17 Risk Based Audit Plans.

Audit Objective and Scope

The objective of the audit was to provide assurance that governance and controls to key human resource management risks have been established, and are working effectively to meet the needs of NSERC and SSHRC.

The scope of the audit covered key areas of both Agencies' Human Resources Management with regard to governance, risk management and internal controls related to staffing policies, procedures and practices from the last three (3) fiscal years (2012-13 to 2014-15). The scope of this audit excluded: classification, compensation, labour relations, health and safety, and employment equity.

Key Audit Findings

The audit concluded that the HR management function for staffing within the Agencies is well developed, and includes an adequate governance structure within both Agencies. In addition, a control system for staffing processes exists and tools are available to HR Advisors and hiring managers.

Coupled with these positive findings, the audit identified the following areas for improvement:

Operational Roles & Responsibilities

NSERC and SSHRC's Staffing Policies have not been updated in several years — sixteen (16) years and nine (9) years respectively.[1] Due to the dated nature of these Staffing Policies there is an immediate need to update their terminologies to reflect current language and the HR operational environment of both Agencies.

These dated Staffing Policies also outline the high-level roles and responsibilities of HR Advisors (Consultants) and hiring managers, and therefore serve as a critical document for human resources management. Once these documents have been refreshed, the Agencies and the HR team will have a new foundation in place upon which they can continue to build the HR management framework.

Training

The Agencies lack a formal structured framework for informing and training hiring managers on their delegated authorities and responsibilities with respect to HR management and staffing activities. Furthermore, the Agencies training framework for HR Advisors does not adequately enable them to provide consistent, relevant, and strategic advice to hiring managers.

HR Controls

While HR controls exist, some controls are not functioning as designed or applied as intended. Controls for recording and maintaining evidence of staffing related decisions are not consistently applied.

Conclusion

The HR Function provides an essential service to all areas of NSERC and SSHRC. Consistent with other divisions within the Common Administrative Services Directorate, the HR Division is trying to find innovative and efficient methods to streamline and align their processes while at the same time ensuring the needs of each separate Agency are met. The audit found areas where improvements are required to strengthen the governance and controls to mitigate key HR management risks. As the HR Division prepares to transition to new systems, the Policy and Operational Framework renewal process, is well-timed. Updating the Agencies Staffing Policies and supporting operational framework, clarifying the accountabilities, roles and responsibilities of all parties involved in staffing, and clearly defining staffing process documentation requirements will strengthen the staffing process controls.

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[1] NSERC Staffing Policy: 1999
SSHRC Staffing Policy: 2006

2 BACKGROUND

The Natural Sciences and Engineering Research Council of Canada (NSERC) and the Social Sciences and Humanities Research Council of Canada (SSHRC) support post-secondary based research and research training in the natural sciences and engineering, and social sciences and humanities respectively. NSERC and SSHRC (the Agencies) are departmental agencies of the Government of Canada and report to Parliament through the Minister of Industry.

The Presidents of NSERC and SSHRC are the chief executive officers of their Councils, directing and supervising the work of the Councils. In fulfilling their mandates, the Presidents are supported by Vice-Presidents, senior managers and a team of professional staff. Within each Agency, the Vice-Presidents and their managers help to ensure the ongoing achievement of operational objectives by attracting, developing, and retaining talented employees.

The Common Administrative Services Directorate (CASD) provides administrative support to both Agencies in areas such as information management, finance and human resources (HR) using a shared services model. CASD is led by the Vice President, Common Administrative Services Directorate (VP, CASD), and the HR function is led by the Director General, Human Resources (DG, HR). The DG, HR is responsible for providing expert advice to the Agencies' senior management and to both Presidents, and participates in decision making associated with strategic directions and major initiatives on all aspects of human resources management. The HR function is supported by a Director of HR, two HR Managers, and a team of HR Advisors and HR Assistants.

3 AUDIT RATIONALE

The HR function plays a central role in supporting the operations of both NSERC and SSHRC, with activities directly linked to many of the Agencies' Management Accountability Framework (MAF) and Corporate Risk Profile elements. Senior management at both Agencies has endorsed the inclusion of an audit in this functional area for a number of years.

This audit was originally approved by the Presidents in the 2011-14 Risk-based Audit Plan (RBAP) and has been included as a future-year audit in both Agencies' RBAPs ever since. However, the SSHRC and NSERC 2014-17 RBAPs identified the Audit of Staffing and Talent Management (now referred to as the Audit of HR Management) as an audit engagement to be conducted starting in 2014-15 and scheduled for completion in 2015-16. This was approved by the Presidents at the March 18, 2015 Independent Audit Committee meeting.

4 AUDIT OBJECTIVE AND SCOPE

The objective of the audit was to provide assurance that governance and controls to mitigate key HR management risks have been established, and are working effectively to meet the needs of NSERC and SSHRC.

The scope of the audit covered key areas of both Agencies' Human Resources Management with regard to governance, risk management and internal controls related to staffing policies, procedures and practices from the last three (3) fiscal years (2012-13 to 2014-15). The scope of this audit excluded areas such as (but not limited to): classification, compensation, labor relations, health and safety, and employment equity.

5 AUDIT METHODOLOGY

The audit team used the following methodology to conduct its work:

- File and document review including the Agencies' key policies, committee Terms of References, meeting minutes and records of decision, job profiles, staffing files, each Agency's intranet site, staffing process guides, etc.
- Interviews with key internal stakeholders including senior management, the DG, HR and Manager HR, HR clients, an HR Advisor and an HR Assistant.
- A walkthrough of the staffing process.
- Control testing of a sample of staffing files.

6 CONFORMANCE STATEMENT

This audit conforms with the Internal Auditing Standards for the Government of Canada, as supported by the results of the quality assurance and improvement program. These standards require that sufficient and appropriate audit procedures be conducted and that evidence be gathered to provide a high level of assurance on the findings contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria (Appendix A).

Peter Finnigan, Chief Audit Executive
Corporate Internal Audit Division, NSERC and SSHRC

7 KEY AUDIT FINDINGS

7.1 Governance

A governance structure that clearly delineates oversight authorities, decision-making procedures, accountability, and communication and information dissemination is the foundation to achieving an organization's corporate objectives. It is through *e*ffective governance that objectives are realized, resources are managed, and the interests of stakeholders are protected and reflected in key decisions.[2] As previously mentioned, NSERC and SSHRC are two separate Agencies with unique organizational mandates whose operations are both supported by CASD, which includes the HR Division. Within the context of the Agencies, it is imperative that governance structures for each Agency are established to oversee areas such as key organizational activities, operations, roles and responsibilities, as well as key policies.

7.1.1 *The Agencies' Governance structures provide oversight to the HR function.*

The audit found that both NSERC and SSHRC have established Vice President and Director level oversight committees with documented Terms of References (ToRs) that identify their high level responsibilities with respect to HR. The oversight committees, along with their respective HR responsibilities are as follows:

- Vice President Level Committees:

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[2] Institute on Governance, *Board and Organizational Governance*, http://iog.ca/wp-content/uploads/2014/11/Board-Org.pdf

- o NSERC President's Management Committee (PMC): The PMC is responsible for motivating employees and ensuring high levels of organizational performance
  - o SSHRC Senior Management Committee (SMC): The SMC is responsible for approving high-level overarching frameworks and plans related to HR

- Director Level Committees:
  - o NSERC Executive Management Committee (EMC): The EMC is responsible for interpreting existing human resources policy and making policy recommendations to the PMC and the President as appropriate on the development of new HR policy
  - o SSHRC Management Accountability Committee (MAC): The MAC approves action plans and key deliverables for the priorities set by SMC related to human resources, and endorses recommendations on future priorities for HR

The audit found that, within the period of review, each of these oversight committees had received various items related to HR and exercised their role to provide oversight when HR items were tabled.

The audit scope did not include a detailed examination of the Agencies governance frameworks, however it was noted that neither Agency has clearly identified the oversight accountability for monitoring their corporate level policies. As a result, it is unclear which internal committee at NSERC and SSHRC is responsible for ensuring corporate policies are periodically reviewed to ensure they remain relevant and up to date. Senior management at both Agencies were advised of this apparent gap in their governance frameworks.

7.1.2 The Agencies' Staffing Policies are outdated

For most departments in the Government of Canada, staffing activities are governed by the provisions outlined in the *Public Service Employment Act* (PSEA). As NSERC and SSHRC are designated as 'separate agency' employers under the PSEA, they are not subject to its provisions. Under their governing Acts, the President's at NSERC and SSHRC have authority over the staffing activities in their respective Agencies and have established internal Staffing Polices to govern these activities.

The NSERC and SSHRC Staffing Policies identify the principles that guide the Agencies staffing processes and outline the roles and responsibilities for those involved in staffing. The stated goal of these policies is to:

- promote effective and efficient HR operations at the Agencies,

- act as the primary control over the staffing process,

- establish an effective environment for managing staffing processes, and

- ensure that staffing activities at the Agencies adhere to relevant laws and regulations.

The audit noted that the Agencies' Staffing Policies were last updated in 1999 (NSERC) and 2006 (SSHRC). Although the HR Division reviewed the policies in 2014 as part of their Common Human Resources Business Process (CHRBP) project, they have not yet updated or otherwise renewed the polices to ensure that they remain aligned with the more recently amended staffing procedures and guidance tools.

Finally, while it is recognized that the Agencies have distinct mandates and operating environments (e.g. SSHRC operates in a unionized environment whereas NSERC does not), the audit noted non-agency specific differences in the structure and terminology used in the Agencies' policies, particularly in areas such as the policy objectives and approach.

RECOMMENDATION 1: It is recommended that the Director General of HR:

> Update the NSERC and SSHRC Staffing Policies and, wherever possible, streamline and align the two documents.

7.2   Operational framework to support the Staffing Policies

Organizations can ensure supporting elements are in place to support adherence to the policy requirements by implementing an operational framework. Within this framework organizations establish processes and procedures with defined control points and clearly outlined accountabilities, roles, and responsibilities. The framework should also include mechanisms to ensure employees at all levels are aware of and understand the policy, its processes, procedures and key controls, and their roles, responsibilities and accountabilities. Finally, the framework should be reviewed and monitored on a regular basis to determine whether or not practices meet expectations and requirements.

7.2.1   Staffing related roles, responsibilities and accountabilities

The roles and responsibilities (R&R) of the two main parties involved in staffing actions - the HR Advisor [3] and the hiring manager - are documented in the Agencies' Staffing Policies. Additional information on staffing related R&Rs is found in the job profiles, for HR Advisors, and in the guidance documents HR has developed for both the HR Advisors and the hiring managers.

The audit noted inconsistencies in how the R&R's were described in the two Agencies' Staffing Policies, including central differences in the roles of HR Advisors to provide strategic staffing advice to hiring managers. While both Agencies' Staffing Policies require HR Advisors to assist hiring managers with administrative aspects of the staffing process, they differ with regard to the type of advice expected from an HR Advisor. The SSHRC Staffing Policy requires HR Advisors to *provide strategic and technical advice on the various* staffing options while ensuring due diligence, while the NSERC Staffing Policy does not refer to the provision of strategic advice as a part of the HR Advisor's role and mentions that HR Advisors are responsible for providing training on HR staffing. Hiring managers interviewed expressed a variety of expectations and experiences while dealing with their HR Advisors on staffing activities.

The Agencies also have documented procedures, guidelines and tools in place to assist employees with staffing activities. Both HR Advisors and hiring managers have a number of tools to assist them in carrying out their staffing responsibilities, including decision trees, assessment guides, reference check guidelines, questionnaire templates, and staffing process timelines. To assist hiring managers through the steps of a full indeterminate staffing process, HR has also developed a *Staffing Process Quick*

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[3] The NSERC Staffing Policy uses the terminology *HR Consultants* as opposed to *HR Advisor* but the responsibilities described were in alignment.

Reference Guide[4]. The document is accessible on the SSHRC and NSERC intranet sites and provides links to the Staffing Policies and other supporting materials.

The audit found that terminology used in the various tools was not consistently aligned with the Agencies' Staffing Policy documents, and it was not apparent how the tools and policies work together to support the current objectives of the Agencies. The audit noted that HR Advisors, as well as hiring managers in divisions shared between the Agencies (CASD, Internal Audit, and Evaluation) are required to adhere to both Policies.

Alignment and streamlining of the documented staffing related roles and responsibilities, both within each Agency and wherever possible across the two, would improve the accountability for staffing activities and strengthen staffing process controls.

RECOMMENDATION 2: It is recommended that, as the Agencies renew and approve updated Staffing Policies, the Director General of HR:

> Ensure accountability, roles, and responsibilities are clearly articulated in the new policies and aligned with the accountabilities, roles, and responsibilities outlined the underlying operational framework elements (processes, procedures, guidelines).

7.2.2   Structured training for HR Advisors could enhance consistency of service

The generic HR Advisor job profile requires that both incumbent and newly hired Advisors possess relevant education and experience in the discipline of human resource management, as well as knowledge of HR and staffing related legislation, policies, principles and practices. Training for new HR Advisors on their roles and responsibilities related to the position consists of an onboarding program that involves mentoring from an experienced HR Advisor.

In addition to the onboarding program, the audit found that incumbent HR Advisors had undertaken some form of formal HR training while at the Agencies, although the type of training taken varied by Advisor and did not necessarily relate to staffing or the provision of staffing related advice.

While the existing onboarding and training of HR Advisors provides adequate information to them about their roles and responsibilities related to the position, a formal training program for all HR Advisors would strengthen HR's ability to offer hiring managers at both Agencies more consistent staffing advisory services.

RECOMMENDATION 3: It is recommended that the Director General of HR:

> Develop and implement a consistent approach to ensuring HR Advisors are aware of and trained on their roles and responsibilities under the staffing policies.

7.2.3   Accreditation program for Agency managers covers delegated staffing authorities; little training available for other hiring managers.

As previously noted, the Staffing Process Quick Reference Guide provides all Agency employees with high level information on the steps involved in a staffing process. And while terminology differences exist between the Guide and the Staffing Policies, collectively these documents provide Agency employees with information on the staffing process.

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[4] This document underwent a thorough review during the course of the audit, and in June 2015 a revised edition was published on the intranet.

The audit noted that both NSERC and SSHRC have a mandatory accreditation framework in place for executives and managers to whom the Presidents have delegated specific authorities. The purpose of the accreditation framework, as outlined on the Agencies' intranet sites, is to provide training and knowledge assessments to ensure managers and executives:

- Understand their roles, responsibilities and basic delegated authorities in finance, human resources, information management and contracting;

- Understand corporate policies and priorities; and,

- Acquire knowledge and skills needed to meet legal requirements and exercise their delegated authorities competently.[5]

The audit noted that while both organizations initial commitment was to have all executives and delegated managers (GR09, GR10, and GREX levels) accredited by 2015-16, the program has not yet been fully implemented and is currently under review. To date the framework has not been enforced and the completion rate is low.

While the accreditation framework is focused on the hiring managers at the GR09 level and above, the audit found that staffing processes are often operationalized by Agency staff below the GR09 level. The audit found that there is currently no training or awareness program targeting these groups of employees.

The lack of a comprehensive training framework for all Agency employees involved in staffing/hiring, coupled with areas previously noted—outdated Staffing Policies and unclear roles and responsibilities—all impact current procedures and practices and do not provide effective support for the Agencies' current hiring practices.

RECOMMENDATION 4: It is recommended that:

a) The Agencies accreditation framework be strengthened such that all executives and delegated managers are aware of and understand their staffing related roles and responsibilities prior to being granted the delegated authority to hire; and,

b) The HR Division develop a formalized training framework, aligned with the updated Staffing Policies, for employees below the GR-09 level who support the hiring process.

7.3 Staffing Process Controls

Controls are defined as any action taken by management and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. On an operational level, controls refer to the planning and performing of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.[6] At the Agencies, as in the rest of the federal public service, the control framework over staffing activities is based on values.

At the highest level, these values are described in both the Values and Ethics Code for the Public Sector and the Agencies Code of Conduct. At the operational level, the Agencies Staffing Policies identify and define the values which govern their respective staffing activities. Finally, at the process level, the Staffing Process – Quick Reference Guide for Managers provides guidance on how the values can be achieved /

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[5] NSERC and SSHRC Intranet pages, "Management Accreditation Framework"
[6] Institute of Internal Auditors' International Professional Practices Framework, Glossary.

demonstrated during a staffing process. When the elements in each of these documents are consistently adhered to, management gains assurance that their staffing objectives are being met.

To determine how HR controls are applied and how effective they are, the audit examined a sample of forty-one (41) staffing files from both NSERC (27 files) and SSHRC (14 files) to assess the level of file completeness, consistency, and compliance to each Agencies' staffing values (see Appendix B) and the Agencies' new Staffing Process – Quick Reference Guide for Managers. Staffing files were tested against criteria specific to the staffing activity (indeterminate, term, or acting), and criteria were based on the process steps and controls outlined in the aforementioned Guide. These criteria were divided into eighteen (18) high-risk, thirteen (13) medium-risk, and eight (8) low-risk buckets. Since the HR Division is currently in a transitional recordkeeping phase, some staffing file information is maintained in either hard copy and/or electronic format. The file testing exercise was primarily focused on the hard copy files; however, additional information was sought from the electronic files, as needed.

7.3.1   High rates of compliance found in many areas of file testing

The file testing results found that the Agencies had high rates of compliance in several areas. For example: Statements of Qualification were complete; job profiles and job postings were aligned; linguistic and security requirements of the position were identified; letters of offer were signed by the appropriate HR Management Functional Authority; and, HR Advisors informed unsuccessful candidates that they were eliminated from competitive processes.

7.3.2   Some controls are not functioning as intended

For some key controls in the staffing process, the audit found that the agencies' records did not contain adequate documentation or evidence to determine whether or how the control was applied. A lack of documentation in the files examined does not necessarily indicate that a control was not applied. However, the file testing revealed that existing controls and documentation standards do not adequately support the Agencies in demonstrating due diligence or transparency in the conduct of their staffing activities.

The audit team provided and discussed with the DG, HR and Staffing Manager the complete file testing results. A high-level summary of the control weaknesses identified for each staffing activity file type are detailed in Figure 1.1, below:

FIGURE 1.1 Testing Results by Staffing Activity File Type

Staffing Activity & File Type	Testing Results
15 Indeterminate Staffing Files	21% of high-risk criteria were non-compliant 24% of medium-risk criteria were non-compliant
5 Term Staffing Files, all competitive process	32% of high-risk criteria were non-compliant 18% of medium-risk criteria were non-compliant
12 Term Staffing Files, all non-competitive process	Ten (10) of twelve (12) non-competitive term appointments were compliant with Staffing Policies
9 Acting Appointments, including one competitive process	Nine (9) of nine (9) Acting appointments were compliant with Staffing Policies

The most significant file documentation weaknesses are highlighted below:

- One NSERC indeterminate appointment did not adequately document the rationale or justification for using a non-competitive "Appointment Without Competition" process;
- Two (2) of ten (10) NSERC term appointments for periods in excess of one year did not adequately document the rationale or justification for using a non-competitive process;
- In several cases the letter of offer was prepared by HR without having received a completed Board Report from the hiring manager (interviews revealed that while HR requests this documentation before preparing the letter of offer, they will not hold back the letter if the hiring manager does not provide them with the report).

While the file testing found some areas of consistency and completeness in staffing files, the audit also identified areas for improvement in the overall management of staffing files. As the Agencies begin to review their internal Staffing Policies, revisit how supporting processes, guidelines and training support these policies, the HR Division should determine which types of information must be maintained in an official staffing file record, and ensure that the revised process documentation clearly outlines staffing file record management requirements. This includes, for example:

- Which process steps must be documented in the file;
- Which key controls (documents, such as a Board Report) prevent a staffing process from moving forward;
- Whether to document HR advice or conversations with hiring managers, and how such advice and conversations should be recorded; and
- The record management format (i.e. electronic or paper) and storage location.

Ensuring each staffing activity is properly and consistently documented can help demonstrate due diligence and transparency. This will also provide the Agencies with clear evidence and justification that processes and decisions align with the Agencies' staffing values (see Appendix B) and objectives, should any staffing action ever be questioned.

Recommendation 5: It is recommended that the Director General of HR:

a) determine and clearly define in the Agencies Staffing Policies the activities and records that are key controls/gateways of assurance during the lifecycle of a staffing activity, who is responsible for each key control, and how adherence to the controls will be enforced;

b) determine what documents and records related to staffing activities are of 'business value', who is responsible for managing such records/documents, what official document format should be maintained (paper or electronic format), and where these records should be retained (paper file, Enterprise, or HR system).

8 CONCLUSION

The HR Function provides an essential service to all areas of NSERC and SSHRC. Consistent with other divisions within the Common Administrative Services Directorate, the HR Division is trying to find innovative and efficient methods to streamline and align their processes while at the same time ensuring the needs of each separate Agency are met. The audit found areas where improvements are required to strengthen the

governance and controls to mitigate key HR management risks. As the HR Division prepares to transition to new systems, the Policy and Operational Framework renewal process, is well-timed. Updating the Agencies Staffing Policies and supporting operational framework, clarifying the accountabilities, roles and responsibilities of all parties involved in staffing, and clearly defining staffing process documentation requirements will strengthen the staffing process controls.

9 AUDIT TEAM

Chief Audit Executive: Peter Finnigan
A/Internal Audit Principal: Patricia Morrell
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10 MANAGEMENT RESPONSE TO AUDIT RECOMMENDATIONS

ITEM	*URGENCY RATING	RECOMMENDATION	MANAGEMENT RESPONSE	TARGET DATE
1.	12 months or less	It is recommended that the Director General of HR: Update the NSERC and SSHRC Staffing Policies and, wherever possible, streamline and align the two documents.	Agreed. The project plan is currently being drafted for approval by MAC and EMC in Q4 2015-2016. One of the project objectives will include streamlining the policies and aligning them, where appropriate.	Project Plan: March 2016 Policy Renewal: March 2017
2.	18 months or less	It is recommended that, as the Agencies renew and approve updated Staffing Policies, the Director General of HR: Ensure accountability, roles, and responsibilities are clearly articulated in the new policies and aligned with the accountabilities, roles, and responsibilities outlined the underlying operational framework elements (processes, procedures, guidelines).	Agreed As part of the Agencies' Staffing Policy and Framework renewal, HR will ensure accountabilities, roles, and responsibilities are clearly articulated and are also aligned with the Delegation of Human Resources Management Functional Authorities.	Policy Renewal: March 2017
3.	18 months or less	It is recommended that the Director General of HR: Develop and implement a consistent approach to ensuring HR Advisors are aware of and trained on their roles and responsibilities under the staffing policies.	Agreed The DG of HR will ensure that HR Advisors are aware of their roles and responsibilities related to the renewed Agencies' Staffing Policies and Framework. Further, the DG of HR will ensure that all HR Advisors received consistent training on the renewed Agencies' Staffing Polices and Framework elements (ie: processes) as part of the HR Advisor onboarding	Q1 2017-18

			program.	
4.	18 months or less	It is recommended that: a) The Agencies accreditation framework be strengthened such that all executives and delegated managers are aware of and understand their staffing related roles and responsibilities prior to being granted the delegated authority to hire; and	Agreed: a) In accordance the Agencies' approved Delegation of Human Resources Management Functional Authorities and Accreditation Framework, Human Resources will support the implementation of the approach to ensure that all executives and designated managers complete the required training in order to receive the delegation of authorities to hire.	Q4 2015-16
		b) The HR Division develop a formalized training framework, aligned with the updated Staffing Policies, for employees below the GR-09 level who support the hiring process.	b) Human Resources will develop a Staffing training module, aligned with the updated Staffing Policies, for employees at all levels that may participate in the staffing process.	Q1 2017-18
5.	12 months or less	It is recommended that the Director General of HR: a) determine and clearly define in the Agencies Staffing Policies the activities and records that are key controls / gateways of assurance during the lifecycle of a staffing activity, who is responsible for each key control, and how adherence to the controls will be enforced;	a) Agreed As part of the Staffing Policies and Framework renewal, Human Resources will align with the Government of Canada Common Human Resources Business Processes (CHRBP) and consult with stakeholders in order to identify key controls in the lifecycle of the staffing activity, including accountability and monitoring for those key controls.	Policy Renewal: March 2017
		b) determine what documents and records related to staffing activities are of	b) Agreed As part of the Staffing Policies and Operational	Policy Renewal: March 2017

		'business value', who is responsible for managing such records/documents, what official document format should be maintained (paper or electronic format), and where these records should be retained (paper file, Enterprise, or HR system).	Framework renewal and in alignment with CHRBP, Human Resources will consult with stakeholders to validate the official documents that should be recorded and retained as part of the staffing file. Consultation work is already underway with Information Management to identify the appropriate format for record keeping.	

***Urgency Rating** of recommendations refers to the urgency of the recommendation based on the Agency's/Agencies' exposure to risk. Based on the "Urgency Rating", CIA Division recommends management actions associated with the recommendation be completed using the following timeline:

6 months or less
12 months or less
18 months or less

11 APPENDIX A: AUDIT CRITERIA

Criteria used for the audit were established by the Office of the Comptroller General (OCG) for core management controls (CMC) in the Government of Canada. [7]

Line of Enquiry	Audit Criteria & Core Management Controls	Report Reference
Governance - Examine the extent to which the internal governance structure is clear and supports effective HR staffing and classification decision-making for both NSERC and SSHRC.	Internal oversight bodies have a clear mandate that includes roles and responsibilities, which are aligned with the HR objectives of each Agency. Core Management Controls: Oversight bodies are established within each Agency; Terms of References include responsibilities with respect to HR (G-1 & G-2)	Section 7.1
HR Framework to Support Staffing Policies Policies, Procedures and Practices - Examine the extent to which HR staffing practices, policies and procedures are adhered to and meet the needs of the Agencies.	HR advisors are aware of and have access to current and complete staffing tools (policies, directives, procedures, guidelines), and have been trained to enable them to provide consistent, relevant and sufficient advice to hiring managers. Hiring managers are aware of and have access to current and complete staffing tools (policies, directives, procedures, guidelines), and have been trained to carry out their delegated authorities related to HR. Core Management Controls: The Agencies have established Staffing Policies that define the role and responsibilities of HR Advisors and hiring managers, as well as the requirements for staffing indeterminate, term, and acting appointments within the Agencies. However, the Staffing Policies for NSERC and SSHRC have not been updated since 1999 and 2006, respectively.	Section 7.2

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[7] Audit Criteria related to Management Accountability Framework – a Guide for Internal Auditors

	Additional tools such as the NSERC Staffing Options Decision Tree, the Reference Check Guide, the Reference Check Guide for EX Positions, the Interview Questionnaire Template, and he Staffing Timeline are available to HR Advisors and hiring managers. (PP-1, PP-2, PP-3, LICM-1, LICM-2).	
Staffing Process Controls - Examine the extent to which staffing actions are conducted in a fair and transparent manner, in accordance to the Agencies' policies.	Controls are in place to ensure that sufficient and complete information exists to demonstrate fairness and transparency in staffing and classification actions. Core Management Controls: Agency Staffing Policies provide requirements for staffing processes. However, there is a lack of clarity about what documentation should be retained in order to demonstrate due diligence by HR in staffing process, and in what format information should be retained. (AC-1, PPL-3)	Section 7.3

12 APPENDIX B: STAFFING VALUES AND PRINCIPLES

The principles of NSERC's staffing system include:

1. **Merit**: The promotion of the candidate who is best qualified

2. **Justice**: Making decisions that are objective and ensuring that all employees and applicants are treated fairly

3. **Equity**: Staffing practices that are free of systemic barriers that ensure equal access to all employment opportunities and that promote diversity within the Council's work force

4. **Transparency**: A staffing process that promotes the communication of staffing decisions between managers and employees.[8]

The SSHRC staffing system is based on the following management principles and organizational values:

1. **Merit**: The appointment of the best qualified candidate

2. **Fairness**: Decisions that are objective and ensure that all candidates are treated fairly

3. **Equity**: Staffing practices free of systemic barriers that ensure equal access to all employment opportunities that promote diversity within the Council's work force

4. **Transparency**: Staffing processes that promote the communication of staffing decisions between managers and employees

5. **Efficiency**: Staffing processes that are timely, affordable, and productive

6. **Flexibility**: Staffing processes are adapted to the Council's needs while remaining true to its values and principles.[9]

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[8] NSERC Staffing Policy (1999), page 4
[9] SSHRC Staffing Policy (2006), page 1