



---

# Focus On Human Resource Management



CANADIAN AUDIT  
& ACCOUNTABILITY  
FOUNDATION

A PRODUCT OF

AUDIT  NEWS

## About the Canadian Audit and Accountability Foundation

The Canadian Audit and Accountability Foundation is a premier Canadian research and education foundation. Our mission is to strengthen public sector performance audit, oversight and accountability in Canada and abroad. We build capacity in legislative audit offices, oversight bodies, and departments and crown corporations by developing and delivering:

- Training workshops and learning opportunities;
- Methodology, guidance and toolkits;
- Applied and advanced research;
- Information sharing events and community building initiatives.

Visit us at [www.caaf-fcar.ca](http://www.caaf-fcar.ca) for more information about our products and services.

### Focus on Human Resource Management

© 2015 CCAF-FCVI Inc. (now the Canadian Audit and Accountability Foundation)

All rights reserved. No part of this publication, or its companion products, may be reproduced by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

Published by:

Canadian Audit and Accountability Foundation  
100-1505 Laperriere Avenue  
Ottawa, Ontario CANADA  
K1Z 7T1

**Tel:** 613-241-6713

[info@caaf-fcar.ca](mailto:info@caaf-fcar.ca)

[www.caaf-fcar.ca](http://www.caaf-fcar.ca)

**ISBN:** 978-1-926507-05-7

This publication is available in French under the title:

*Pleins feux sur la gestion des ressources humaines*

# Table of Contents

<a href="#">Focus On Series Introduction</a>	1
<a href="#">Human Resource Management – Why it’s Important</a>	2
<a href="#">Overview of 2010-2014 Human Resources Audits</a>	3
<a href="#">List of Selected Human Resources Audits and Reviews</a>	4
<a href="#">Main Audit Areas</a>	6
<a href="#">APPENDIX 1 – MAIN AUDIT AREAS SUMMARIES</a>	9
<ul style="list-style-type: none"><li>• <a href="#">Workforce Planning</a></li><li>• <a href="#">Recruitment</a></li><li>• <a href="#">Leave Management</a></li><li>• <a href="#">Overtime Management</a></li><li>• <a href="#">Government-wide HR Initiatives</a></li></ul>	
<a href="#">APPENDIX 2 – AUDIT SUMMARIES</a>	32
<ul style="list-style-type: none"><li>• <a href="#">Health Human Resources</a></li><li>• <a href="#">Ontario Power Generation Human Resources</a></li><li>• <a href="#">Sunrise Regional Health Authority</a></li><li>• <a href="#">Human Resource Capacity – Government of Nunavut</a></li><li>• <a href="#">Management of Volunteers – NSW State Emergency Service</a></li><li>• <a href="#">Scotland’s Public Sector Workforce</a></li><li>• <a href="#">Public Service Commission</a></li><li>• <a href="#">Australian Capital Territory Public Service Recruitment Practices</a></li><li>• <a href="#">New Recruits in the Western Australia Police</a></li><li>• <a href="#">Indigenous Employment in Australian Government Entities</a></li><li>• <a href="#">Recruitment and Retention of Specialists Skills in Navy</a></li><li>• <a href="#">Management of Unplanned Leave in Emergency Services</a></li><li>• <a href="#">Managing Employee Unplanned Absence</a></li><li>• <a href="#">Sick Leave</a></li><li>• <a href="#">Covering Teacher’s Absence</a></li><li>• <a href="#">Managing Overtime: Railcorps</a></li><li>• <a href="#">Modernizing Human Resource Management</a></li></ul>	

## INTRODUCTION

The Audit News *Focus On* Series is a new performance audit information product intended to help performance auditors save time and complete audit planning and examination work more rapidly.

The Series is designed to be useful for:

- Auditors preparing a strategic audit plan;
- Auditor working on the planning phase of a new performance audit; and
- Auditor managers with ongoing responsibilities for a specific topic/entity.

Each *Focus On* issue covers one broad topic that should be of interest to most performance auditors, whether they work at the provincial or the federal level.

Each issue includes:

- A short introduction to the topic and why it is important.
- A list of relevant audits and guidance material on the topic that have been released in the previous five years and compiled in the Audit News Database.
- A summary of each relevant audit selected that includes information on audit objective(s), scope, criteria, findings and recommendations.
- An analysis of the main audit areas covered by relevant audits in the past five years. For each area, a short summary is presented and examples of objectives, scope, criteria, sources of evidence, findings and recommendations are provided.
- Web links to full audit reports and guidance documents referenced in the issue.

Please contact us if you have suggestions for future topics.

[Back to Table of Contents](#)

## Human Resource Management – Why it's Important

Employees are often presented as the most important asset of any organization. Indeed, without good, skilled employees, the best business plans and ideas cannot be brought to fruition successfully. Recruiting, training and retaining the right people with the right skills for the right job is thus crucial to the success of public sector organizations. And, to a large extent, recruiting an effective team of working professionals depends on having a competent Human Resources team.

The key functions of Human Resources teams include:

- Determining what skills the organization currently has, what skills it will need in the short- and long-term, and the best options to close any identified skills gaps.
- Recruiting suitable candidates for the organization and providing them with fair compensation and incentives to encourage them to stay.
- Identifying and meeting the training needs of existing staff.
- Managing overtime and ensuring that the workforce is aligned with the organization's workload.
- Managing both planned and unplanned leave and minimizing their impact on the organization.
- Managing the performance appraisal process.
- Implementing government-wide Human Resources management reforms.
- Ensuring that the workforce is representative of society at large (i.e. fair representation of women, aboriginals and visible minorities).
- Establishing mechanisms to resolve the conflicts that may arise between members of the organization.
- Ensuring that the working environment is safe for employees.

The importance of fair and effective human resources management is underlined by the fact that governments have usually adopted detailed legislation, regulations and policies to govern the hiring and management of employees in the public service. There is also an abundance of publications on the subject, including guidance documents and best practices guides.

[\*Back to Table of Contents\*](#)

## OVERVIEW OF 2010-2014 HUMAN RESOURCES AUDITS

Using the Audit News Database, we searched for human resources audits (on workforce planning, recruitment, leave management, etc.) conducted since 2010. We found more than 30 audits prepared by over a dozen different audit offices. For the purpose of this Focus On issue, we selected 17 of these audits for further analysis (all these reports were published in English).

[See list of selected human resources audits](#)

We also noted the availability of a recent guidance document on human resources:

- [Human Resources Management Information Systems – Risks and Controls](#) (Australian National Audit Office – June 2013)

Human resources audits produced since 2010 have covered a wide variety of public sectors, including:

- Health;
- Education;
- The military;
- Police and emergency response services;
- Energy generation; and
- Transportation

After analyzing the scope of the selected audits, we determined that all the audits could be classified under one of five categories:

- Audits of [workforce planning](#)
- Audits of [recruitment](#)
- Audits of [leave management](#)
- Audits of [overtime management](#)
- Audits of [government-wide HR initiatives](#)

For each of these categories, a summary description and examples of objectives, criteria, evidence sources, findings and recommendations can be found in the [Main Audit Areas section](#).

[Back to Table of Contents](#)

## List of Selected Human Resources Audits and Reviews

#	Audit Office	Report Title (click on title to access summary)	Publication date
1	OAG – Ontario	<a href="#">Health Human Resources</a>	December 2013
2	OAG – Ontario	<a href="#">Ontario Power Generation Human Resources</a>	December 2013
3	Provincial Auditor of Saskatchewan	<a href="#">Sunrise Regional Health Authority</a>	June 2010
4	OAG – Canada	<a href="#">Human Resource Capacity – Government of Nunavut</a>	March 2010
5	Audit Office of New South Wales	<a href="#">Management of Volunteers – NSW State Emergency Service</a>	April 2014
6	Audit Scotland	<a href="#">Scotland’s Public Sector Workforce</a>	November 2013
7	Provincial Auditor of Saskatchewan	<a href="#">Public Service Commission</a>	June 2011
8	Australian Capital Territory Audit Office	<a href="#">Australian Capital Territory Public Service Recruitment Practices</a>	October 2012
9	OAG - Western Australia	<a href="#">New Recruits in the Western Australia Police</a>	June 2012
10	Australian National Audit Office	<a href="#">Indigenous Employment in Australian Government Entities</a>	May 2014
11	Australian National Audit Office	<a href="#">Recruitment and Retention of Specialist Skills for Navy</a>	December 2014
12	Victorian Auditor General’s Office	<a href="#">Management of Unplanned Leave in Emergency Services</a>	March 2013
13	Queensland Audit Office	<a href="#">Managing Employee Unplanned Absence</a>	June 2012
14	Audit Office of New South Wales	<a href="#">Sick Leave</a>	December 2010

15	Wales Audit Office	<a href="#">Covering Teacher's Absence</a>	September 2013
16	Audit Office of New South Wales	<a href="#">Managing Overtime: Railcorps</a>	June 2012
17	OAG – Canada	<a href="#">Modernizing Human Resource Management</a>	April 2010

[Back to Table of Contents](#)



## MAIN AUDIT AREAS

### 1. Workforce Planning

Description: Workforce planning provides public sector organizations with an opportunity to identify trends and anticipate shortfalls in staffing levels. The objective of workforce planning is to balance the availability of qualified staff against an organization's needs and to ensure that the organization has the right people with the right skills in the right place at the right time. Workforce planning requires that organizations have up-to-date, accurate information on:

- the numbers of people they employ to carry out different tasks;
- what skills the workforce currently has;
- what skills and staff will be needed to deliver future services and programs; and
- what skill gaps need to be addressed.

Based on this information, organizations must plan and manage their workforces and make any necessary changes in order to ensure that they will continue to meet their organizational objectives over time. In addition, organizations may be required to have workforces that are representative of society in general (i.e. fair representation of women, aboriginals and visible minorities).

Audits of workforce planning tend to focus on whether organizations:

- have determined the skills and staff they need now and in the future, and have identified existing skills gaps within the organization;
- have effective strategies in place to recruit and retain skilled personnel in order to maintain an adequate workforce and meet organizational objectives;
- have effective strategies to meet the objective of having a representative public service.

[Click here for examples of objectives, criteria, findings, recommendations and more](#)

### 2. Recruitment

Description: Recruitment refers to the overall process of attracting, selecting and appointing suitable candidates for jobs within an organization. In the public sector, recruitment is governed by legislation and regulations established to ensure that recruitment processes are fair and that candidate selection is based on merit. Central agencies adopt policies on recruitment and are responsible for delivering government-wide recruitment programs and providing information and best practices on the subject to departments and agencies. However, central agencies have delegated much of the

responsibility for internal staffing to departments and agencies, which also do their own human resource planning to identify their recruitment needs. In some jurisdictions, organizations are also responsible for ensuring that their workforce is representative of society at large (i.e. fair representation of women, aboriginals and visible minorities).

Audits of recruitment tend to focus on whether:

- Staffing actions taken by public sector organizations were in compliance with applicable laws and regulations.
- Recruitment systems and processes in department and agencies are effective and efficient.
- Strategies implemented to increase the recruitment of specific groups (women, aboriginals and visible minorities) are effective.

[Click here for examples of objectives, criteria, findings, recommendations and more](#)

### **3. Leave Management**

Description: All public sector organizations experience some degree of unplanned leave (sick leave, bereavement leave, family emergencies, etc.), which can create management and budgeting challenges: unplanned leave can create significant financial costs, disrupt service delivery and compromise the achievement of organizational objectives. In addition to direct costs (salaries, overtime payments, replacement staff costs and increased workers' compensation insurance premiums), organizations must also assume the indirect costs of unplanned leave, including disruption to service delivery, lost productivity and adverse impacts on the physical or psychological health of other staff, particularly those who have to perform additional duties due to staff absence. Organizations are also expected to control and reduce the rate of unjustified absence (i.e. taking sick days when not actually sick).

Audits of leave management tend to focus on whether public sector organizations:

- are effectively and efficiently managing unplanned leave;
- have adopted and implemented policies, strategies and guidelines to facilitate the management of unplanned leave;
- have set and met unplanned leave targets;
- have taken adequate measure to control and reduce the abuse of sick leave benefits;
- are monitoring unplanned leave, analyzing trends and reporting periodically on the situation to central agencies, Parliament and the public.

[Click here for examples of objectives, criteria, findings, recommendations and more](#)

#### 4. Overtime Management

Description: Overtime enables organizations to effectively manage higher workloads without increasing staffing levels. It also provides employees with a source of supplemental income. When used properly, overtime can become a powerful tool for meeting workload demands while minimizing costs and maximizing employee compensation and satisfaction. However, when overtime is out of control, it can lead to higher costs, lower quality, low employee morale and increased employee turnover. For these reasons, it is important for organizations to align their workforce with their workload, to monitor the use and cost of overtime, and to ensure that decisions to use overtime are based on sufficient adequate information.

Audits of overtime management tend to focus on:

- The effectiveness of overtime planning and management;
- The adequacy and availability of overtime information for decision-making;
- The effectiveness of initiatives implemented specifically to better manage overtime.

[Click here for examples of objectives, criteria, findings, recommendations and more](#)

#### 5. Government-wide HR Initiatives

Description: As public administration evolves to meet current challenges and circumstances, reforms are periodically undertaken to modernize the management of human resources across a whole government. These reforms are carried out through one of more initiatives led by central agencies and implemented by departments and agencies over a defined period of time. Initiatives generally aim to improve the effectiveness and efficiency of human resources functions, systems or processes (performance management, recruitment and retention, compensation, health and safety, etc.) in public sector organizations.

Audits of government-wide HR initiatives tend to focus on:

- The extent of success (or lack thereof) in implementing new requirements, roles and responsibilities established by government-wide HR initiatives
- The evaluation, review and reporting of progress made by departments in implementing HR initiatives.

[Click here for examples of objectives, criteria, findings, recommendations and more](#)

[Back to Table of Contents](#)

# **APPENDIX 1**

## **MAIN AUDIT AREAS SUMMARIES**

[Back to Table of Contents](#)

## Workforce Planning

### Relevant audits

#	Audit Office	Report Title (click on title to access summary)	Publication date
1	OAG – Ontario	<a href="#">Health Human Resources</a>	December 2013
2	OAG – Ontario	<a href="#">Ontario Power Generation Human Resources</a>	December 2013
3	Provincial Auditor of Saskatchewan	<a href="#">Sunrise Regional Health Authority</a>	June 2010
4	OAG – Canada	<a href="#">Human Resource Capacity – Government of Nunavut</a>	March 2010
5	Audit Office of New South Wales	<a href="#">Management of volunteers – NSW State Emergency Service</a>	April 2014
6	Audit Scotland	<a href="#">Scotland’s Public Sector Workforce</a>	November 2013

### Examples of audit objectives

- To assess whether the Ministry, in conjunction with the Agency, had adequate systems and procedures in place to:
  - identify and assess the appropriateness of the mix, supply, and distribution of qualified health care professionals to help meet the current and future needs of Ontarians across the province;
  - ensure that strategy initiatives were delivered in accordance with established regulatory requirements, applicable directives and policies, and agreements; and
  - measure and report regularly on the progress of the strategy’s objectives. [\(#1\)](#)
  
- To assess if Sunrise Regional Health Authority had adequate processes for scheduling required nursing staff for patient care in its healthcare facilities, including managing labour costs relating to overtime. [\(#3\)](#)
  
- To determine whether the Department of Human Resources and selected departments have adequately managed their human resource needs, including meeting the objective of a representative public service. [\(#4\)](#)
  
- To assess whether SES has a sustainable volunteer workforce, with effective strategies to attract, retain and train volunteers. ('Sustainable' means a

workforce that is reliable, replenishable, responsive and sufficient to meet expected demand). (#5)

### **Examples of audit criteria**

- The Department of Human Resources and selected departments have collected and analyzed appropriate information related to their current and estimated future workforce and human resource capacity gaps. (#4)
- Departmental and government-wide planning documentation adequately identified how current and future human resource capacity and a representative workforce would be addressed. (#4)
- The Department of Human Resources' staffing policies are responsive to the human resource needs of selected departments, including Inuit employment. (#4)
- The Department of Human Resources and selected departments have adequate staffing practices to fill the workforce gaps, including Inuit employment. (#4)
- SES has the workforce it needs to prepare for, and respond to emergencies and disasters. (#5)

### **Examples of evidence gathering and analysis techniques**

- Reviewed relevant legislation, administrative policies and procedures, and interviewed staff at the Ministries of Health and Long-Term Care and Training, Colleges and Universities. (#1)
- Spoke with a number of external stakeholders in the province. Also spoke to representatives of other jurisdictions to gain an understanding of how health human resource planning is done in those provinces. (#1)
- Fieldwork – Undertook fieldwork in nine public bodies. This involved:
  - A review of plans and documents on workforce planning at an organizational level, and for up to three services at each fieldwork site. (#6)
  - Interviews with:
    - the chief executive
    - the head of finance or appropriate colleague
    - the head of HR
    - heads of a sample of services that had been through workforce change

- trade union representatives
  - other appropriate officers. [\(#6\)](#)
- Survey – Issued a data return to all 32 councils, all 22 special and territorial health boards and a sample of 26 central government bodies. Asked for information on their workforce, the approaches they used to manage workforce costs, their use of early departure schemes, and their future staff numbers and costs. [\(#6\)](#)
- Conducted an anonymous survey of more than 800 non-unionized staff (response rate of more than 80%). The objective of the survey was to identify common employee concerns about OPG’s Human Resources Practices. [\(#2\)](#)
- Engaged an independent consultant with expertise in human resources in the energy sector. [\(#2\)](#)

### **Examples of findings**

- Overall, Ontario has seen an 18% increase in physicians from 2005 to 2012 and a 10% increase in nurses from 2006 to 2012. While the initiatives increased enrolment, created more postgraduate training positions and attracted more doctors and nurses from other jurisdictions, Ontario has not met its goal of having the right number, mix and distribution of physicians in place across the province to meet the population’s future health-care needs. [\(#1\)](#)
- The Agency provides temporary physician or “locum” coverage in eligible communities across the province to support access to care. However, vacancy-based locum programs meant as short-term measures continued to be used for long periods of time. [\(#1\)](#)
- Over four fiscal years, \$309 million was dedicated to hiring 9,000 new nurses. While the system was unable to hire that many nurses in the four years, it had increased the number of nurses by more than 7,300 and the Ministry was on track to achieve its goal within five years. [\(#1\)](#)
- Although the physician forecasting model built in partnership with the Ontario Medical Association was a positive step in determining physician workforce requirements, it is hampered by the limited reliability and availability of data. These limitations make planning the optimal number, mix and distribution of physicians with appropriate funding, training and deployment difficult. [\(#1\)](#)
- Ontario Power Generation (OPG) initiated a Business Transformation project in 2010. Its target is to reduce staffing levels by 2,000 employees through attrition by 2015. Between January 2011 and April 2013, OPG had reduced

- its staff by about 1,200 employees. Although OPG projects that it will meet its target by the end of 2015, with the number of staff it needs to operate expected to drop by almost 50% by 2025, the auditors believe it will continue to face significant challenges in making necessary adjustments. (#2)
- OPG's overall staffing levels have gone down by 8.5%, but the size of its executive and senior management group (directors, vice presidents and above) has increased by 58% (from 152 in 2005 to 238 in 2012). Many respondents to the survey questioned the rationale of reducing overall staffing levels while creating a "top-heavy" organization. (#2)
  - OPG has reduced staffing levels at its nuclear facilities since 2011. Even after cuts, one of the most overstaffed areas in 2013—facility maintenance, janitorial and custodial services—was still 170% (or 187 staff) above the industry benchmark based on data from other nuclear operators in North America. Some operational functions continue to be understaffed while their associated support functions continue to be significantly overstaffed. (#2)
  - OPG's total overtime costs were about \$148 million in 2012. Although they have declined somewhat in recent years, the number of OPG employees earning more than \$50,000 in overtime pay has doubled since 2003, from about 260 to 520 in 2012. The perception of many respondents to the survey was that poor planning and scheduling led to unnecessary overtime. (#2)
  - The Regional Health Authority had adequate processes to schedule required nursing staff for patient care in its healthcare facilities including managing labour costs relating to overtime except for its processes to review and approve nursing staff timesheets, identify causes of overtime costs, and implement strategies to address overtime costs. (#3)
  - Except in the Department of Education with respect to teaching positions, the departments have either not gathered or not analyzed the information that would tell them what qualifications and skills they have in their current workforce. They also lack information on how many people they need, with what qualifications and skills, to deliver their programs and services and meet their objectives. As a result, they are unable to develop plans for filling the gaps in capacity over the short, medium, and long terms. (#4)
  - Over a two-year period, almost half of the staffing competitions undertaken were unsuccessful in selecting a qualified candidate, and the reasons why have not been analyzed. Departments have also used temporary hiring practices to fill permanent positions, which may provide a short-term solution but creates additional staffing work and uncertainty in the future. (#4)



- In view of the Government’s goal of attaining a representative public service, the selected departments have put forward initiatives such as training and development programs to increase the representativeness of their workforce. However, the initiatives were not enough to achieve the 2010 interim target. In addition, it is clear that representativeness will not be achieved in each occupational category by 2020. (#4)
- State Emergency Services (SES) cannot be assured that it has sufficient volunteers to respond to future demands. It does not have strategies to establish what volunteers it needs and how to recruit, retain and train them effectively and efficiently (#5)
- SES regions recently restarted capability planning to estimate the volunteer workforce needed to manage the threats faced by each locality. Preliminary results show significant gaps between what some regions need and have. SES has yet to determine how these regional plans will be distilled into an SES-wide workforce plan to inform recruitment and training priorities. (#5)
- Each of the nine fieldwork bodies planned, at a service level, when changing their workforces. National Health Services bodies also produce single organization-wide plans, bringing together their service-level workforce plans. (#6)
- Eight fieldwork bodies had used an early departure scheme but none had fully tested their schemes before using them. Fieldwork bodies did not routinely collect information on the costs and savings of their workforce change programs. (#6)
- Only 58 of the 80 public bodies surveyed were able to predict workforce numbers and costs for 2014-15. (#6)

### **Examples of recommendations**

- To better meet the health-care needs of Ontarians, the Ministry, in conjunction with the Agency, should:
  - compare the existing mix and distribution of physicians across the province to patient needs and consider what measures it can take to reduce any service gaps;
  - continue to work with medical schools and associations to encourage more medical students to select fields of study and geographic areas in which to practice that are in demand; and
  - assess the effectiveness of its various physician initiatives in meeting the health-care needs of underserved areas. (#1)
- To provide reasonable and reliable forecasts of the requirements for physicians and nurses and to better ensure effective health human

- resources planning, the Ministry should conduct assessments of employment trends, the supply and projected needs for health services, and the associated health workforce requirements to best meet those needs cost-effectively. [\(#1\)](#)
- To ensure that staffing levels are reasonable and that it has the right people in the right positions to meet its business needs, OPG should:
    - evaluate and align the size of its executive and senior management group with its overall staffing levels; and
    - address the imbalances between overstaffed and understaffed areas in its nuclear operations. [\(#2\)](#)
  - To ensure that its non-regular and contract resources are used cost-efficiently, OPG should improve its succession planning, knowledge retention and knowledge transfer processes to minimize the need to rehire retired employees for extended periods. [\(#2\)](#)
  - To ensure that overtime hours and costs are minimized and monitored, OPG should decrease overtime costs for outages by planning outages and arranging staff schedules in a more cost-beneficial way. [\(#2\)](#)
  - The Department of Human Resources, in collaboration with the other selected departments, should
    - identify key skill sets and qualifications that departments need in the short, medium, and long terms;
    - determine what skill sets and qualifications they have now;
    - determine the extent to which gaps exist at both the department- and government-wide levels, by identifying how many people they need and what specific skill sets and qualifications are needed in the short, medium, and long terms;
    - identify the underlying factors that affect the ability to fill gaps in capacity and analyze to what extent these factors represent chronic problems; and
    - assess the underlying causes of the common gaps in key skill sets and qualifications identified across departments. [\(#4\)](#)
  - Where ongoing gaps in specific skill sets and qualifications exist at the departmental level, the Department of Human Resources, in collaboration with the other selected departments, should develop and implement strategies to address these gaps in the short, medium, and long terms. [\(#4\)](#)
  - The Department of Human Resources, in collaboration with the other selected departments, should develop and implement a strategy for each occupational category in which representativeness has not yet been attained. [\(#4\)](#)

- The Department of Human Resources, in collaboration with the other selected departments, should identify ways to reduce the use of temporary staffing practices to fill permanent positions. This should include reviewing its existing staffing policies and determining whether additional policies are needed. [\(#4\)](#)
- NSW State Emergency Service should establish clear priorities, integrate initiatives and improve monitoring to better manage and support volunteers. To do this, SES should:
  - By December 2014, improve analysis and reporting on management information about volunteers, including:
    - numbers, contribution, skills, profile, availability and turnover
    - reasons for joining and leaving
    - gaps in data completeness and quality
  - By December 2014, develop a volunteer workforce plan to focus resources for recruitment and retention on areas of greatest need. The plan should be based on regional capability plans that assess in a consistent way:
    - how many volunteers they have and need
    - the gaps and risks around volunteer numbers, skills and training.
  - By April 2015, update its recruitment guidelines and resources, and support units in better targeting recruitment. [\(#5\)](#)
- The Government and the Convention of Scottish Local Authorities should:
  - provide strategic guidance on how bodies can redesign services and work better together to jointly plan and deliver services.
  - improve strategic planning of public sector workforces to identify and plan for future skills needs, gaps and challenges across the public sector. [\(#6\)](#)
- Where they have not already done so, councils, the NHS, the Scottish Government and central government bodies should:
  - develop and use organization-wide workforce plans, informed by a series of service or departmental plans that are consistent in their structure and content. Senior managers and boards or elected members should scrutinize and monitor these plans;
  - collect information on the costs and net savings from their workforce programs and report these details to boards and elected members; and
  - forecast expected staff numbers, skill needs and costs on a rolling three-year basis, using scenario planning where necessary. [\(#6\)](#)

[Back to Table of Contents](#)

## Recruitment

### Relevant audits

#	Audit Office	Report Title (click on title to access summary)	Publication date
7	Provincial Auditor of Saskatchewan	<a href="#">Public Service Commission</a>	June 2011
8	Australian Capital Territory Audit Office	<a href="#">Australian Capital Territory Public Service Recruitment Practices</a>	October 2012
9	OAG - Western Australia	<a href="#">New Recruits in the Western Australia Police</a>	June 2012
10	Australian National Audit Office	<a href="#">Indigenous Employment in Australian Government Entities</a>	May 2014
11	Australian National Audit Office	<a href="#">Recruitment and Retention of Specialist Skills for Navy</a>	December 2014

### Examples of audit objectives

- To assess whether out-of-scope positions within the classified division were staffed, during the 12 months ended August 31, 2010, in compliance with *The Public Service Act* and regulations. ([#7](#))
- To provide an independent opinion to the Legislative Assembly on the efficiency and effectiveness of recruitment practices in the Public Service. ([#8](#))
- To assess whether the recruitment and training of new recruits in the Western Australia Police is efficient and effective. ([#9](#))
- To determine whether Australian Government entities were implementing effective strategies to support increased Indigenous employment. ([#10](#))
- To examine the effectiveness of Navy's strategy for recruiting and retaining personnel with specialist skills. ([#11](#))

### Examples of audit criteria

- The audit expected:
  - The Public Service Commission (PSC) and ministries to communicate the availability of positions for all competitive appointments.

- PSC and ministries to evaluate if the reasons for staffing a position without a competitive process complied with the authorities and document why.
  - PSC and ministries to document the results of appraising candidates through screening, assessment, and key reference responses to show the candidate had merit.
  - PSC would assign authority (where authority was delegated) for staffing in writing and clearly set out the roles and responsibilities for staffing of each party.
  - PSC would ensure it had sufficient documentation to show compliance with staffing authorities. [\(#7\)](#)
- Strategies are in place that encourage Indigenous applicants, support their career development and contribute to the Australian Government target of 2.7 per cent Indigenous representation by 2015. [\(#10\)](#)
  - Human resource systems operate to collect meaningful, accurate and relevant Indigenous employment data which is used to inform practices and refine strategies. [\(#10\)](#)
  - Navy has suitable plans, policies and procedures in place to support its recruitment and retention of personnel with specialist skills. [\(#11\)](#)
  - Navy has identified shortfalls in personnel with specialist skills, giving particular regard to Navy's future capability, and is addressing these shortfalls. [\(#11\)](#)
  - Navy's recruitment and retention activities are supported by expert advice, research and analysis, legislative and procedural guidance, and training for staff involved. [\(#11\)](#)
  - Navy monitors and evaluates the outcomes and cost effectiveness of its recruitment and retention strategies, policies and activities. [\(#11\)](#)

### **Examples of evidence gathering and analysis techniques**

- Holding discussions with the Treasury Directorate and key recruitment personnel within the selected agencies and documenting a walkthrough of their recruitment process. [\(#8\)](#)
- Conducted fieldwork visits to a number of Navy bases to interview personnel from the four selected employment categories to understand the issues affecting their employment. [\(#11\)](#)
- Reviewed relevant policies, strategies, plans, manuals and reviews; [\(#11\)](#)

- Collection and analysis of data from the Australian Public Service Employment Database. [\(#10\)](#)
- Examining a sample of appointments, promotions, contractors and transfers in all of the agencies included in the audit. [\(#8\)](#)
- Reviewing selection process documentation, personnel files, training and appraisal information and complaints and internal affairs records. [\(#9\)](#)
- In addition to document review, data analysis and conducting interviews, an extensive on-line survey was sent to all sworn officers to gather their views. [\(#9\)](#)
- Analyzing the implementation of recruitment and retention initiatives broadly across Navy, and specifically within four employment categories. [\(#11\)](#)

### **Examples of findings**

- During the 12 months ended August 31, 2010, out-of-scope classified positions were staffed in compliance with *The Public Service Act* and regulations. [\(#7\)](#)
- Although the Public Service Commission (PSC) expects documentation, it did not clearly set out what documents it expected managers to keep when staffing out-of-scope positions. [\(#7\)](#)
- The audit did not find evidence that PSC verified the completeness of staffing documentation. If documentation is not complete, PSC cannot readily demonstrate that its staffing processes complied with the Act and regulations and that appointments were made based on merit. [\(#7\)](#)
- There are shortcomings in agencies' recruitment practices in that there is minimal formal consideration of agency workforce and strategic planning when undertaking recruitment activities and a common oversight in all agencies of not documenting the initial considerations as to whether or not there is a genuine need to recruit at all. [\(#8\)](#)
- While agencies were found to generally comply with the legislative and better practice requirements that relate to record-keeping for recruitment there were some shortcomings in all agencies examined where documentation was found to be incomplete, lacking in detail and in some instances not existing at all. [\(#8\)](#)
- The processes relevant to higher duties (acting) arrangements with respect to delegations and the use of standard forms and templates were

appropriate. However, it was difficult to form an opinion on the appropriateness of the decision-making process due to shortcomings in documentation and record-keeping. (#8)

- In 2011-12 ACT Government agencies generally improved the timeliness of their recruitment process, when compared to 2010-11. However, no agency is meeting the ACT Government time-to-hire target of 40 days. (#8)
- A significant proportion of higher duties (acting) arrangements were extended for more than six months without the mandatory merit-based selection process. There were also a significant number of instances where higher duties (acting) arrangements were approved for five or fewer days without reasons being documented. Higher duties (acting) appointments of five or fewer days need to be carefully considered given their associated administrative costs. (#8)
- In 2009-10, Western Australia Police (WAP) was set a target by government to increase its police numbers by 500 by 2013-14. So far, WAP has achieved its interim targets. In order to achieve the overall target WAP needs to recruit 200 officers in the next two years. Based on current application rates WAP is unlikely to meet this target. WAP is considering alternative recruitment options. (#9)
- Achieving the Australian Government's overall target of 2.7 per cent Indigenous representation in the Australian Government public sector by 2015 is unlikely, based on current data and trends. (#10)
- WAP is not meeting its diversity targets for recruiting from indigenous and culturally diverse backgrounds despite having strategies in place to do so. (#9)
- WAP has increased the percentage of women officers from 13 per cent in 2001 to almost 21 per cent in 2011. This has been achieved in part by removing selection tools which were biased against women. However, its proportion of female police officers falls short of its target of 30 per cent and is one of the lowest compared to other Australian and New Zealand police forces. (#9)
- WAP uses its '22 dimensions of a police officer' developed in 1987 as the basis for selecting suitable police recruits. The environment and issues faced by police have changed since 1987, but WAP has not reviewed the relevance and use of the 22 dimensions and needs to do so. (#9)
- The experience recruits gain on probation varies because the number and location of placements are not consistent and levels of supervision vary.



Some recruits miss out on spending time in key areas they may later work in. There are often not enough experienced supervisors for all recruits so some probationers are supervised by recently appointed constables. (#9)

- ‘Early-off probation’ (EOP) was introduced as a reward for high performers, however this has now become the norm. Although completing early enables the officers to be fully deployed, and to supervise other probationary constables, it reduces the time for them to build skills, confidence and experience. EOP has been awarded in some instances when training records indicated that constables may not have been ready. (#9)
- Entities examined in detail, with some exception, had in place current, Indigenous-specific plans which provided a variety of strategies and initiatives for the recruitment and retention of employees. The ability to monitor and report against these plans was however, limited. This was due, again with some exceptions, to the development of plans in isolation of broader workforce planning or business imperatives and resources required; initiatives implemented with few qualitative or quantitative performance measures linked to the intent of the initiative; and a lack of relevant coding in human resource (HR) systems to generate reports. (#10)
- Long-standing personnel shortfalls in a number of ‘critical’ employment categories have persisted, and Navy has largely relied on retention bonuses as a short to medium-term retention strategy. Despite the overall reduction in the number of Navy critical employment categories, three of the remaining 13 critical categories have been critical for 15 years and Navy does not expect seven of these categories to recover within the next 10 years. (#11)
- Navy has not systematically assessed the impact of recruitment and retention initiatives to help shape its overall workforce strategy and improve the design of initiatives. Of particular note, Navy has not formally evaluated the impact of its retention bonuses despite making over 22 000 payments totaling some \$311 million in the past decade. (#11)

### **Examples of recommendations**

- The Public Service Commission should establish and communicate minimum documentation requirements to evidence that appointments to out-of-scope positions within the public service are made based on merit. (#7)
- The Chief Minister and Cabinet Directorate should review ACT Public Service acting practices and implement procedures to ensure that acting arrangements beyond a six month period are merit based. (#8)
- The Commissioner for Public Administration should regularly monitor and publicly report on whole-of-government recruitment activities and trends



and periodically analyze whether these align with whole-of-government workforce strategies. This should specifically include acting arrangements. [\(#8\)](#)

- The Institute and Directorates should:
  - improve recruitment timeliness by reviewing their agencies' processes to identify potential opportunities for efficiencies;
  - ensure that reasons for delays in actual recruitment processes are clearly identified and documented; and
  - improve their records management and documentation of recruitment processes. [\(#8\)](#)
- The Chief Minister and Cabinet Directorate should review and revise the *Recruitment in the ACT Public Service* guidance document to ensure that it reflects current ACT Public Service administrative practices and requirements. [\(#8\)](#)
- The Chief Minister and Cabinet Directorate should develop a mechanism or process to share information on better practice recruitment initiatives across the ACT Public Service and foster their broader adoption and implementation, taking into account practical issues such as workforce requirements and cost implications [\(#8\)](#)
- To improve the effectiveness of its recruitment Western Australia Police should:
  - consider strategies to increase its application rates in order to meet future recruitment targets;
  - review whether its 22 dimensions are still the most relevant criteria for selecting police officers and whether they should be equally balanced;
  - review its diversity strategies and consider initiatives that are working in other policing jurisdictions to improve its performance in this area. [\(#9\)](#)
- To improve the effectiveness and efficiency of recruit training in the Academy Western Australia Police should:
  - review its approach to managing its weaker performers, including how it uses its removal process;
  - use the data and information currently collected to establish benchmarking for competency;
  - consider introducing additional assessments for recruits who have difficulty attaining competency in critical skills, to be confident that all recruits graduate with the expected level of competency. [\(#9\)](#)
- To improve the effectiveness and efficiency of probationary training Western Australia Police should review how it applies its 'early-off probation' policy to ensure the policy intention is adhered to. [\(#9\)](#) [Back to Table of Contents](#)

## Leave Management

### Relevant audits

#	Audit Office	Report Title (click on title to access summary)	Publication date
12	Victorian Auditor General's Office	<a href="#">Management of Unplanned Leave in Emergency Services</a>	March 2013
13	Queensland Audit Office	<a href="#">Managing Employee Unplanned Absences</a>	June 2012
14	Audit Office of New South Wales	<a href="#">Sick Leave</a>	December 2010
15	Wales Audit Office	<a href="#">Covering Teacher's Absence</a>	September 2013

### Examples of audit objectives

- To assess whether the agencies are effectively and efficiently managing unplanned leave. [\(#12\)](#)
- To assess whether the NSW public sector met the Government's sick leave target and sick leave rates are decreasing. [\(#14\)](#)
- To determine whether learners, schools and the public purse are well served by arrangements to cover teacher absence. [\(#15\)](#)

### Examples of audit criteria

- The agencies oversee and manage unplanned leave in a timely and systematic manner. [\(#12\)](#)
- Appropriate priority has been given to unplanned absence management. [\(#13\)](#)
- Public sector agencies have strategies in place to manage sick leave. [\(#14\)](#)
- Appropriate benchmarks had been established and targets set. [\(#13\)](#)
- Policy, guidance and support was provided by central agencies to enable line agencies to effectively manage unplanned absence. [\(#13\)](#)

- The Department has guidelines in place for public sector agencies on managing sick leave. (#14)
- The agencies collect, analyze and report comprehensive and accurate data on leave. (#12)
- Unplanned absence data was being analyzed to identify patterns and hotspots and inform management decisions. (#13)
- The Department monitors public sector sick leave including trends over time. (#14)
- The public sector met the Government's 2008-09 sick leave target and the sick leave rate has decreased. (#14)
- The Department ensures sick leave results are easily available to public sector agencies. (#14)

### **Examples of evidence gathering and analysis techniques**

- Interviewing staff from the Department responsible for:
  - central policies and procedures regarding sick leave
  - monitoring and reporting sector-wide sick leave results. (#14)
- Interviewing selected agencies about barriers and initiatives to reduce sick leave. (#14)
- Reviewing central policies and procedures for monitoring sick leave. (#14)
- Analyzing data on sick leave including trends by agency, age and salary. (#14)
- Reviewed a number of other reports on teacher absence and cover arrangements from other audit bodies and Inspectorates as well as research with supply teachers. (#15)
- Examined education expenditure data for 2011-12 for local authorities in Wales. Asked Education Finance Directors to supply expenditure figures for individual authorities across Wales for the four years from 2008-09. (#15)
- Conducted an electronic survey of schools which covered expenditure on cover staff, expectations of and support for supply staff and experience of supply staff. (#15)

- Visited 23 schools across Wales. Spoke to senior teachers responsible for cover arrangements and managing teacher absence. [\(#15\)](#)

### **Examples of findings**

- Both agencies have effective management oversight, supported by sound and practical data that enables their frontline managers to manage and support staff. They are aware of the causes of unplanned leave and have either implemented, or are developing actions to address these. [\(#12\)](#)
- The Metropolitan Fire and Emergency Services Board's management has been aware of the causes of personal unplanned leave since 2000 but it has not adequately addressed them. There is a lack of frontline management accountability for unplanned leave, and a lack of regular data on firefighters' unplanned leave for managers at the station level. [\(#12\)](#)
- The annual direct costs of unplanned absence in the Public Service have risen by 55 per cent, from \$328 million in 2006-07 to \$509 million in 2010-11. With estimates of indirect costs, such as lost productivity, running at up to three times direct costs, unplanned absence could be costing closer to \$2 billion annually. [\(#13\)](#)
- The NSW public sector did not meet the Government's target, however sick leave reduced by 1.84 hours per person per year between 2004-05 and 2008-09, just over a quarter of a day. [\(#14\)](#)
- Between 2006-07 and 2010-2011, the annual rate of unplanned absence per employee in the public service has increased by 9 per cent, from an average of 8.28 days to 9.02 days. It had been steadily falling before then, from 8.81 days in 2003-04. [\(#13\)](#)
- The Public Service Commission publishes the State of the Service report every two years, with the inaugural report tabled in November 2010. There is no narrative of impacts or analysis explaining the decreasing trend in unplanned absence between 2003-04 and 2006-07, or the increasing trend from 2006-07 to 2010-11. [\(#13\)](#)
- The Public Service Commission has not set sector-wide benchmarks for unplanned absence levels. [\(#13\)](#)
- The Department has guidelines in place to help agencies manage sick leave including how to deal with unacceptable absences. The guidelines do not set an overall sick leave target but advise agencies to set targets and benchmarks to reflect their workplace. [\(#14\)](#)

- Departments generally do not undertake appropriate analysis of their available unplanned absence data, to identify ‘hotspots’ where unplanned absence rates are demonstrably higher. They are also not determining the reasons behind those ‘hotspots’. [\(#13\)](#)
- While the overall unplanned absence rate remains within award conditions, the significant escalation of cost and the persistent upward trends create a strong imperative to reduce the rates of unplanned absence and therefore reduce costs. Most departments are not actively addressing this imperative. They are not analyzing absence patterns to identify whether and where to target management intervention. Consequently, few departments manage unplanned absence effectively or can demonstrate a decrease in their unplanned absence rates. [\(#13\)](#)
- Some strategies adopted by agencies to reduce the inappropriate use of sick leave have saved the state money. Based on data provided by two agencies, the auditors estimate that these agencies together saved almost \$20 million over three to five years. [\(#14\)](#)
- Arrangements for covering teachers’ absence in Wales are not sufficiently well managed to support learners’ progress or provide the best use of resources. [\(#15\)](#)
- Neither schools nor local authorities routinely monitor adequately the reasons for teachers’ absence, and therefore do not always understand the reasons why cover is required. Schools record the reasons for each teacher absence. But, few schools and local authorities aggregate and use this information to monitor the reasons for absence in ways that enable them to see the extent of absence for different causes and to inform actions that could be taken to reduce classroom absence. [\(#15\)](#)
- The costs of supply cover can vary considerably, and schools and local authorities do little to monitor the cost effectiveness of their arrangements. [\(#15\)](#)

### **Examples of recommendations**

- The Metropolitan Fire and Emergency Services Board should:
  - strengthen performance management of firefighter managers and reduce the financial disincentive to more effectively manage personal unplanned leave.
  - provide operational commanders, senior station officers and station officers with regularly updated information on the personal unplanned leave of firefighters in their teams.
  - provide one comprehensive source of information on policies and

- procedures for managing personal unplanned leave. [\(#12\)](#)
- Victoria Police should:
  - monitor the use of online tools for accessing unplanned leave data, to make sure that the tools are accessible and meet the needs of police managers.
  - adequately train all frontline police managers to handle complex personal matters involving staff. [\(#12\)](#)
- It is recommended the Public Service Commission include in its publicly available reports:
  - the absenteeism rates and trends for all departments.
  - the annual direct and estimated indirect costs of absenteeism in the Public Service.
  - appropriate comparative benchmarks of the Public Service absenteeism rates with other jurisdictions and sectors. [\(#13\)](#)
- It is recommended that all departments:
  - analyze their unplanned absence data to identify patterns and ‘hotspots’ that require management intervention.
  - determine the criteria that will trigger management intervention, and how this will be monitored and reported.
  - identify relevant benchmarks and establish targets for acceptable levels of unplanned absence.
  - implement appropriate strategies and practical management tools for improving attendance and achieving acceptable levels of unplanned absence. [\(#13\)](#)
- Department should help public sector agencies manage sick leave by sharing best practice examples of:
  - agency strategies to reduce sick leave such as return to work interviews, welfare checks, and case managing staff with psychological issues
  - agency analysis of sick leave trends and patterns such as sick leave by weekday to help identify cases of excessive sick leave
  - monitoring sick leave with other human resource indicators including staff engagement to find out what motivates staff to go to work. [\(#14\)](#)
- The Welsh Government should identify or develop model policies on managing cover, and disseminate these to schools as good practice guidance. [\(#15\)](#)
- Local authorities should collect and analyze absence-related data for all the schools in their area, and disseminate information that would enable its schools to compare absence levels with those of other schools in the local authority or within their family of schools. [\(#15\)](#)

## Overtime Management

### Relevant audits

#	Audit Office	Report Title (click on title to access summary)	Publication date
16	Audit Office of New South Wales	<a href="#">Managing Overtime: RailCorp</a>	June 2012

### Example of audit objectives

The objective of the audit was to examine whether there is effective management of overtime in RailCorp. More specifically: Is the use of overtime justified and well controlled? [\(#16\)](#)

### Examples of audit criteria

- The agency is actively managing overtime.
- Sufficient accurate information is aiding the management of overtime.
- The agency has successfully introduced initiatives to better manage overtime. [\(#16\)](#)

### Examples of evidence gathering and analysis techniques

- Conducting discussions with agency staff and relevant stakeholders.
- Reviewing relevant documents on the management and performance of overtime.
- Analyzing the performance information collected against criteria.
- Consulting with agencies on the results of analysis and the subsequent reports. [\(#16\)](#)

### Examples of findings

- Improved reporting on overtime and some reform are indicative of more active management of overtime. So far this has achieved limited success. To achieve more effective use of overtime RailCorp needs to determine acceptable levels for operational purposes and redefine overtime targets, including at division level. Enhanced reporting against these targets linked to key drivers of overtime is needed to improve control. [\(#16\)](#)
- RailCorp has improved its analysis and reporting of overtime. This has supported management's focus on controlling overtime, especially through reducing the numbers of high overtime earners. However, information and analysis have fallen short of that necessary for effective support of on-going

reform. Overtime costs have increased over the past three years at a rate of 3.9 per cent, which is consistent with award increases. The related costs of penalties and allowances remain at high levels. While a level of overtime is necessary to deliver everyday services with minimal disruption and maximum reliability, RailCorp has not determined what efficient levels of overtime are. [\(#16\)](#)

- Reforms have reduced overtime but their scope so far has been limited. A significant reduction in overtime was achieved through station staff reforms. In 2010–11 this was \$10 million. However, increases in other areas have offset the savings achieved by the reforms. Areas experiencing increases include train crewing (drivers and guards), infrastructure maintenance and infrastructure renewals operations. Currently, RailCorp is considering other saving opportunities that could reduce overtime in these areas. [\(#16\)](#)

### **Examples of recommendations**

RailCorp should:

- Determine acceptable levels of overtime for operational purposes (by 31 December 2012).
- Further investigate and report the impact of high levels of sick leave and job vacancies on overtime (by 31 December 2012).
- Revise its current overtime targets and introduce further targets that focus on overtime costs across all divisions as part of broader reforms (by 31 December 2012).
- Strive to achieve international benchmarks for train crewing to improve efficiency and reduce overtime. This should include better aligning shifts and rosters to meet demand (ongoing).
- Prepare a plan to accelerate the revision of work practices in infrastructure maintenance and renewals divisions, similar to rolling stock initiatives, to create greater flexibility and improve productivity (by 31 December 2012).
- Prepare a plan to include the equally significant allowances and penalties relating to work outside normal hours when reviewing overtime practices (by 31 December 2012).
- Further improve reporting to monitor the achievement of overtime targets across all divisions (by 31 December 2012). [\(#16\)](#)

[Back to Table of Contents](#)



## Government-wide HR Initiatives

### Relevant audits

#	Audit Office	Report Title (click on title to access summary)	Publication date
17	OAG – Canada	<a href="#">Modernizing Human Resource Management</a>	April 2010

### Examples of audit objectives

- The objectives of the audit were to determine whether:
  - the lead agencies and selected departments have implemented the new requirements of the Public Service Modernization Act, including reporting;
  - the objective and requirements for the legislative review have been established; and
  - new roles and responsibilities have been carried out. [\(#17\)](#)

### Examples of audit criteria

- The lead agencies and selected departments have implemented the new requirements of the Public Service Modernization Act (PSMA).
- The lead agencies have issued reports as required by the PSMA.
- The lead agencies have performance measurement systems in place to report progress made on the modernization of human resource management.
- The objective and requirements for the legislative review have been established.
- The lead agencies were preparing for the legislative review.
- The revised roles and responsibilities for human resource management resulting from the PSMA have been implemented.
- The roles and responsibilities of the Office of the Chief Human Resources Officer and the new responsibilities given to deputy heads were defined and communicated. [\(#17\)](#)

### Examples of evidence gathering and analysis techniques

- Work consisted of review of documentation and interviews in the six organizations with direct responsibilities under the PSMA. [\(#17\)](#)
- The audit team met with officials of six selected entities and held structured interviews with a sample of deputy heads. [\(#17\)](#)
- The audit coverage was broadened to include interviews and document review with other stakeholders in the federal public administration, such as bargaining agents, the Association of Professional Executives in the Public Service of Canada, the Human Resources Council, and regional federal councils. [\(#17\)](#)

- All entities covered by the audit attested to the accuracy of the information they provided. ([#17](#))

### **Examples of findings**

- The key requirements of the legislation have been implemented. Changes have been made to allow for more flexibility in how the public service is staffed and how recourse is managed. Mechanisms have been put in place to foster harmonious labour relations and to resolve disputes more informally. ([#17](#))
- There have been difficulties encountered in implementing some aspects of the legislation, including the application of some of the new tools and mechanisms. ([#17](#))
- The various entities required to report to Parliament on human resource management have generally met the requirements. Reports provide information about the implementation process and some activities. However, despite a commitment in 2005 by TBS and the former Public Service Human Resources Management Agency of Canada to report on interim achievements, reports provide only some of that information. ([#17](#))
- The legislation calls for a legislative review of the Public Service Employment Act and the Public Service Labour Relations Act. The minister responsible for the review has been designated, and a review team has been put in place. Preparation for the review is progressing. However, insufficient information on whether the results expected from the legislation have been achieved could limit the review team's ability to provide meaningful information to support the review and to inform Parliament. ([#17](#))

### **Examples of recommendations**

- To improve its reporting to Parliament and support the legislative review, TBS should ensure that it provides more timely information to Parliament and that it reports on whether the changes to human resource management have achieved the results intended by the legislation. ([#17](#))
- The PSMA Legislative Review Team should ensure that information provided to support the legislative review will allow the report by the President of the Treasury Board to provide meaningful information to Parliament on the extent to which the expectations of the Public Service Labour Relations Act and the Public Service Employment Act have been met and to propose any changes, including improvements. ([#17](#))

[Back to Table of Contents](#)

## **APPENDIX 2**

# **AUDIT SUMMARIES**

[Back to Table of Contents](#)

## ***FOCUS ON SERIES – HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Health Human Resources

**Publication Date:** December 2013

**Audit Office:** OAG – Ontario

**Link to full report:**

<http://www.auditor.on.ca/en/content/annualreports/arreports/en13/302en13.pdf>

#### **Audited Entities**

- Ministry of Health and Long-Term Care
- HealthForceOntario Marketing and Recruitment Agency

#### **Audit Scope and Objectives**

To assess whether the Ministry of Health and Long-Term Care, in conjunction with the Agency, had adequate systems and procedures in place to:

- identify and assess the appropriateness of the mix, supply, and distribution of qualified health care professionals to help meet the current and future needs of Ontarians across the province;
- ensure that strategy initiatives were delivered in accordance with established regulatory requirements, applicable directives and policies, and agreements; and
- measure and report regularly on the progress of the strategy's objectives.

#### **Audit Criteria**

- Not publicly available.

#### **Main Audit Findings**

- Overall, Ontario has seen an 18% increase in physicians from 2005 to 2012 and a 10% increase in nurses from 2006 to 2012. While the initiatives increased enrolment, created more postgraduate training positions and attracted more doctors and nurses from other jurisdictions, Ontario has not met its goal of having the right number, mix and distribution of physicians in place across the province to meet the population's future health-care needs.
- Many specialists trained in Ontario do not stay and practice here. Retention statistics show that, on average, 33% of Ontario-funded surgical specialist graduates left the province each year between 2005 and 2011. The lack of full-time employment opportunities for graduating residents of certain surgical specialties may lead to more physicians deciding to leave the province, despite long wait times for these services.

- The Agency provides temporary physician or “locum” coverage in eligible communities across the province to support access to care. However, vacancy-based locum programs meant as short-term measures continued to be used for long periods of time.
- Over four fiscal years, \$309 million was dedicated to hiring 9,000 new nurses. While the system was unable to hire that many nurses in the four years, it had increased the number of nurses by more than 7,300 and the Ministry was on track to achieve its goal within five years.
- Although the physician forecasting model built in partnership with the Ontario Medical Association was a positive step in determining physician workforce requirements, it is hampered by the limited reliability and availability of data. These limitations make planning the optimal number, mix and distribution of physicians with appropriate funding, training and deployment difficult.

### **Selected Audit Recommendations**

- To better meet the health-care needs of Ontarians, the Ministry, in conjunction with the Agency, should:
  - compare the existing mix and distribution of physicians across the province to patient needs and consider what measures it can take to reduce any service gaps;
  - continue to work with medical schools and associations to encourage more medical students to select fields of study and geographic areas in which to practice that are in demand; and
  - assess the effectiveness of its various physician initiatives in meeting the health-care needs of underserved areas.
- To provide an appropriate level of nursing services and thereby improve access to care across the health sector, the Ministry should:
  - monitor nursing employment trends and assess the outcome of its nursing initiatives in transitioning graduating nurses to permanent full-time employment; and
  - assess the reasons for declining participation rates of nurse graduates in its Nursing Graduate Guarantee Program, and take steps to improve program effectiveness, including encouraging participation in the program across sectors.
- To provide reasonable and reliable forecasts of the requirements for physicians and nurses and to better ensure effective health human resources planning, the Ministry should conduct assessments of employment trends, the supply and projected needs for health services, and the associated health workforce requirements to best meet those needs cost-effectively.

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Ontario Power Generation Human Resources

**Publication Date:** December 2013

**Audit Office:** OAG – Ontario

**Link to full report:**

<http://www.auditor.on.ca/en/content/annualreports/arreports/en13/305en13.pdf>

#### **Audited Entities**

- Ontario Power Generation

#### **Audit Scope and Objectives**

To assess whether Ontario Power Generation (OPG) has adequate procedures and systems to:

- ensure that its human resources are acquired and managed with due regard for economy and efficiency, and in accordance with applicable policies, legislative requirements, contractual agreements and sound business practices; and
- measure and report on its results in this regard.

#### **Audit Criteria**

- Not publicly available.

#### **Main Audit Findings**

- OPG initiated a Business Transformation project in 2010. Its target is to reduce staffing levels by 2,000 employees through attrition by 2015. Between January 2011 and April 2013, OPG had reduced its staff by about 1,200 employees. Although OPG projects that it will meet its target by the end of 2015, with the number of staff it needs to operate expected to drop by almost 50% by 2025, the auditors believe it will continue to face significant challenges in making necessary adjustments.
- OPG's overall staffing levels have gone down by 8.5% (from about 12,100 in 2005 to 11,100 in 2012), but the size of its executive and senior management group (directors, vice presidents and above) has increased by 58% (from 152 in 2005 to 238 in 2012). Many respondents to the survey questioned the rationale of reducing overall staffing levels while creating a “top-heavy” organization.

- OPG has reduced staffing levels at its nuclear facilities since 2011. Even after cuts, one of the most overstaffed areas in 2013—facility maintenance, janitorial and custodial services—was still 170% (or 187 staff) above the industry benchmark based on data from other nuclear operators in North America. Some operational functions continue to be understaffed while their associated support functions continue to be significantly overstaffed.
- OPG engaged a consultant to conduct a compensation benchmarking study in 2012, which found that base salary, cash compensation and pension benefits for a significant proportion of staff were excessive compared to market data. The audit showed that total earnings were significantly higher at OPG than total earnings for comparable positions in the Ontario Public Service (OPS), and many of OPG's senior executives earn more than most deputy ministers.
- OPG's total overtime costs were about \$148 million in 2012. Although they have declined somewhat in recent years, the number of OPG employees earning more than \$50,000 in overtime pay has doubled since 2003, from about 260 to 520 in 2012. The perception of many respondents to the survey was that poor planning and scheduling led to unnecessary overtime.

### **Selected Audit Recommendations**

- To ensure that staffing levels are reasonable and that it has the right people in the right positions to meet its business needs, OPG should:
  - evaluate and align the size of its executive and senior management group with its overall staffing levels;
  - address the imbalances between overstaffed and understaffed areas in its nuclear operations; and
  - review and monitor compliance with its recruitment and security clearance processes.
- To ensure that employees receive appropriate and reasonable compensation in a fair and transparent manner, Ontario Power Generation should review salary levels and employee benefits, including pensions, to ensure that they are reasonable in comparison to other similar and broader-public-sector organizations and that they are paid out in accordance with policy, adequately justified and clearly documented.
- To ensure that its non-regular and contract resources are used cost-efficiently, Ontario Power Generation should improve its succession planning, knowledge retention and knowledge transfer processes to minimize the need to rehire retired employees for extended periods;
- To ensure that overtime hours and costs are minimized and monitored, Ontario Power Generation should decrease overtime costs for outages by planning outages and arranging staff schedules in a more cost-beneficial way.

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Sunrise Regional Health Authority

**Publication Date:** June 2010

**Audit Office:** Provincial Auditor of Saskatchewan

**Link to full report:**

[https://auditor.sk.ca/pub/publications/public\\_reports/2010/Volume\\_1/2010v1\\_1\\_2\\_SunriseRHA.pdf](https://auditor.sk.ca/pub/publications/public_reports/2010/Volume_1/2010v1_1_2_SunriseRHA.pdf)

#### **Audited Entities**

- Sunrise Regional Health Authority (RHA)

#### **Audit Scope and Objectives**

To assess if Sunrise Regional Health Authority had adequate processes as of March 15, 2010 for scheduling required nursing staff for patient care in its healthcare facilities including managing labour costs relating to overtime.

#### **Audit Criteria**

The audit expected that the RHA would:

- clarify working expectations for nursing staff.
- communicate expectations to scheduling office staff, nursing staff, and managers.
- train managers to monitor labour costs.
- schedule nursing staff to meet anticipated staffing needs.
- establish processes to handle contingencies (e.g., absenteeism, increased patient load, and/or acuity).
- balance nurses' work schedules equitably (e.g., fair, timely, use banked time in lieu).
- keep accurate information on nursing staff labour costs.
- compare actual to expected labour costs and identify patterns and causes of excessive labour costs.



- consult with its stakeholders (e.g., staff, unions, professional associations) to minimize excessive labour costs.
- use prevention strategies to address causes of excessive labour cost.
- take action on excessive labour cost.

### **Main Audit Findings**

- The RHA had adequate processes to schedule required nursing staff for patient care in its healthcare facilities including managing labour costs relating to overtime except for its processes to review and approve nursing staff timesheets, identify causes of overtime costs, and implement strategies to address overtime costs.
- The RHA uses daily timesheets to verify attendance and process payroll. However, 30% of the timesheets examined did not have evidence of appropriate approval. Lack of such approval increases the risk of errors in payroll and unauthorized overtime.
- The RHA tracks overtime and sick time by facility. Departments within facilities analyze the department's labour costs through monthly financial reports. However, the monthly financial reports did not always explain differences between the actual and budgeted labour costs.
- The payroll system has the capacity to identify and record overtime costs by cause (e.g., sick leave replacement, workload, etc.). A report indicated that the highest cause of overtime was workload pressures, then sick relief, and so on. However, senior management does not receive such information. Reviewing such information could provide management an opportunity to help address how best to control overtime costs.

### **Audit Recommendations**

- The Sunrise Regional Health Authority should:
  - ensure its nursing managers or other authorized staff follow established policies to review and approve nursing staff timesheets.
  - identify and regularly report to the Board the causes of nursing staff overtime costs.
  - implement established strategies for addressing causes of nursing staff overtime costs and provide regular progress reports to the Board.

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Human Resource Capacity – Government of Nunavut

**Publication Date:** March 2010

**Audit Office:** OAG – Canada

**Link to full report:**

[http://www.oag-bvg.gc.ca/internet/docs/nun\\_201003\\_e\\_33568.pdf](http://www.oag-bvg.gc.ca/internet/docs/nun_201003_e_33568.pdf)

#### **Audited Entities**

- Department of Human Resources
- Department of Community and Government Services
- Department of Education
- Department of Environment
- Department of Finance

#### **Audit Scope and Objectives**

- To determine whether the Department of Human Resources and selected departments have adequately managed their human resource needs, including meeting the objective of a representative public service.

#### **Audit Criteria**

- The Department of Human Resources and selected departments have collected and analyzed appropriate information related to their current and estimated future workforce and human resource capacity gaps.
- Departmental and government-wide planning documentation adequately identified how current and future human resource capacity and a representative workforce would be addressed.
- The Department of Human Resources' staffing policies are responsive to the human resource needs of selected departments, including Inuit employment.
- The Department of Human Resources and selected departments have adequate staffing practices to fill the workforce gaps, including Inuit employment.
- The Department of Human Resources and selected departments have adequately planned for and allocated resources toward the development and training of beneficiary staff to achieve a representative workforce.

## **Main Audit Findings**

- Except in the Department of Education with respect to teaching positions, the departments have either not gathered or not analyzed the information that would tell them what qualifications and skills they have in their current workforce. They also lack information on how many people they need, with what qualifications and skills, to deliver their programs and services and meet their objectives. As a result, they are unable to develop plans for filling the gaps in capacity over the short, medium, and long terms.
- The majority of the vacant positions filled each year are staffed through external competitions in a process that takes, on average, 318 days. However, more than half of this time passes before the hiring department asks the Department of Human Resources to get involved. In addition, over a two-year period, almost half of the staffing competitions undertaken were unsuccessful in selecting a qualified candidate, and the reasons why have not been analyzed. Departments have also used temporary hiring practices to fill permanent positions, which may provide a short-term solution but creates additional staffing work and uncertainty in the future.
- In view of the Government's goal of attaining a representative public service, the selected departments have put forward initiatives such as training and development programs to increase the representativeness of their workforce. However, the initiatives were not enough to achieve the 2010 interim target. In addition, it is clear that representativeness will not be achieved in each occupational category by 2020. One exception is the Department of Education, which has taken concrete steps to fill its gaps in capacity over the short, medium, and long terms.

## **Selected Audit Recommendations**

- The Department of Human Resources, in collaboration with the other selected departments, should
  - identify key skill sets and qualifications that departments need in the short, medium, and long terms;
  - determine what skill sets and qualifications they have now;
  - determine the extent to which gaps exist at both the department- and government-wide levels, by identifying how many people they need and what specific skill sets and qualifications are needed in the short, medium, and long terms;
  - identify the underlying factors that affect the ability to fill gaps in capacity and analyze to what extent these factors represent chronic problems; and
  - assess the underlying causes of the common gaps in key skill sets and qualifications identified across departments.
- Where ongoing gaps in specific skill sets and qualifications exist at the departmental level, the Department of Human Resources, in collaboration

with the other selected departments, should develop and implement strategies to address these gaps in the short, medium, and long terms.

- The Department of Human Resources, in collaboration with the other selected departments, should develop and implement a strategy for each occupational category in which representativeness has not yet been attained. The strategies should take into account
  - the availability of beneficiaries who have the needed skills and experience,
  - the time required for beneficiaries to obtain the necessary qualifications and levels of education,
  - the high school and post-secondary graduation rates of beneficiaries, and
  - the demand by other employers for skilled beneficiaries.
- The Department of Human Resources, in collaboration with the other selected departments, should
  - analyze their internal staffing processes to identify opportunities for reducing the time it takes to staff a position,
  - identify common areas across departments where timeliness of the staffing process could be improved, and
  - implement the necessary changes.
- The Department of Human Resources should set a standard of service for each step of the competition process that currently lacks a standard.
- The Department of Human Resources, in collaboration with the other selected departments, should identify ways to reduce the use of temporary staffing practices to fill permanent positions. This should include reviewing its existing staffing policies and determining whether additional policies are needed.
- In cases where participation and completion rates for training programs are low, the selected departments should
  - analyze the reasons, through consultation with key stakeholders and participants;
  - identify the changes needed to improve participation and completion rates;
  - implement the changes; and
  - monitor participation and completion rates to determine whether they improve.

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Management of Volunteers – NSW State Emergency Service

**Publication Date:** April 2014

**Audit Office:** New South Wales Audit Office

**Link to full report:**

[http://www.audit.nsw.gov.au/ArticleDocuments/328/01\\_SES\\_Management\\_of\\_Volunteers\\_Full\\_Report.pdf.aspx?Embed=Y](http://www.audit.nsw.gov.au/ArticleDocuments/328/01_SES_Management_of_Volunteers_Full_Report.pdf.aspx?Embed=Y)

#### **Audited Entities**

- NSW State Emergency Service (SES)

#### **Audit Scope and Objectives**

The audit examines whether SES has a sustainable volunteer workforce, with effective strategies to attract, retain and train volunteers. ('Sustainable' means a workforce that is reliable, replenishable, responsive and sufficient to meet expected demand).

#### **Audit Criteria**

- SES has the workforce it needs to prepare for, and respond to emergencies and disasters
- SES has an efficient and effective framework for managing its volunteer workforce

#### **Main Audit Findings**

- SES cannot be assured that it has sufficient volunteers to respond to future demands. It does not have strategies to establish what volunteers it needs and how to recruit, retain and train them effectively and efficiently.
- SES has been able to respond to over 25,000 incidents per year using its own volunteers and calling upon the assistance of other emergency services. This level of operational response and coordination has been a significant achievement, but may not be sustainable. SES cannot quantify how much it relies on other services when it lacks volunteers. SES also deploys administrative and managerial staff to respond to emergencies to the detriment of business continuity across the organization.
- SES regions recently restarted capability planning to estimate the volunteer workforce needed to manage the threats faced by each locality. Preliminary results show significant gaps between what some regions need and have. SES

has yet to determine how these regional plans will be distilled into an SES-wide workforce plan to inform recruitment and training priorities.

- The number of active volunteers has fallen in recent years. Twenty-six per cent of SES volunteers leave each year, many soon after joining. The high turnover imposes extra demands on SES and its volunteers for little benefit. This is a major challenge which SES has not addressed effectively and indicates problems with both recruitment and retention.
- Leadership, recognition, communication and training are the most important issues that SES needs to address to improve the management of volunteers and reduce turnover.

### **Selected Audit Recommendations**

NSW State Emergency Service should establish clear priorities, integrate initiatives and improve monitoring to better manage and support volunteers. To do this, SES should:

- By December 2014, improve analysis and reporting on management information about volunteers, including:
  - numbers, contribution, skills, profile, availability and turnover
  - reasons for joining and leaving
  - gaps in data completeness and quality
- By December 2014, develop a volunteer workforce plan to focus resources for recruitment and retention on areas of greatest need. The plan should be based on regional capability plans that assess in a consistent way:
  - how many volunteers they have and need
  - the gaps and risks around volunteer numbers, skills and training.
- By April 2015, update its recruitment guidelines and resources, and support units in better targeting recruitment.
- By April 2015, develop strategies and resources to improve volunteer retention, including:
  - induction and development of leaders
  - health checks for units to identify and address areas for improvement
  - pathways for volunteers to take on greater responsibility
  - consultation and communication
  - recognition for volunteers and their employers.
- By April 2015, develop a training strategy that identifies volunteer training priorities and provides for ongoing review to ensure operational currency, flexibility of delivery and evaluation. [Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Scotland's Public Sector Workforce

**Publication Date:** November 2013

**Audit Office:** Audit Scotland

**Link to full report:** [http://www.audit-scotland.gov.uk/docs/central/2013/nr\\_131128\\_public\\_sector\\_workforce.pdf](http://www.audit-scotland.gov.uk/docs/central/2013/nr_131128_public_sector_workforce.pdf)

#### **Audited Entities**

- National Health Service
- Councils
- Central Government bodies

#### **Audit Scope and Objectives**

To assess if public bodies are effectively managing changes to their workforces.

The specific objectives were to determine:

- How will the size and structure of the public sector workforce change between April 2009 and March 2015?
- What were the financial costs and benefits of changes to the public sector workforce and are the changes likely to provide long-term cost reductions?
- Did the workforce planning approaches that public bodies used follow good practice and include assessments of capacity and capability to ensure that the workforce can meet future needs?

#### **Audit Criteria**

- Not publicly available.

#### **Main Audit Findings**

- Reported staff costs reduced by £1 billion (eight per cent) to £12.7 billion, between 2009/10 and 2011/12. Some staff who transferred to arm's-length and other non-public sector bodies are still being paid indirectly through public funds.
- Each of the nine fieldwork bodies planned, at a service level, when changing their workforces. NHS bodies also produce single organization-wide plans, bringing together their service-level workforce plans.
- Eight fieldwork bodies had used an early departure scheme but none had fully tested their schemes before using them. Fieldwork bodies did not

routinely collect information on the costs and savings of their workforce change programs.

- Public sector finances will be under pressure for the foreseeable future although this varies between sectors. Only 58 of the 80 public bodies surveyed were able to predict workforce numbers and costs for 2014/15.
- Given the challenges ahead, public bodies will need to make further workforce changes. Without service reform these are unlikely to deliver the savings needed. Public bodies need to think differently about how they deliver services, for example by prioritizing and redesigning services and increasing joint working and collaboration.

### **Audit Recommendations**

- The Government and the Convention of Scottish Local Authorities should:
  - work with public bodies to improve the consistency and accessibility of the data they collect on public sector employment and staff costs.
  - provide strategic guidance on how bodies can redesign services and work better together to jointly plan and deliver services
  - improve strategic planning of public sector workforces to identify and plan for future skills needs, gaps and challenges across the public sector.
- Where they have not already done so, councils, the NHS, the Scottish Government and central government bodies should:
  - develop and use organization-wide workforce plans, informed by a series of service or departmental plans that are consistent in their structure and content. Senior managers and boards or elected members should scrutinize and monitor these plans;
  - assess the impact of different terms and conditions on the likely costs and uptake of their schemes before they put a scheme in place;
  - collect information on the costs and net savings from their workforce programs and report these details to boards and elected members;
  - forecast expected staff numbers, skill needs and costs on a rolling three-year basis, using scenario planning where necessary; and
  - make better use of existing mechanisms, such as community planning partnerships, to identify opportunities to share resources.

[Back to Table of Contents](#)



## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Public Service Commission

**Publication Date:** June 2011

**Audit Office:** Provincial Auditor of Saskatchewan

**Link to full report:**

[https://auditor.sk.ca/pub/publications/public\\_reports/2011/Volume\\_1/2011v1\\_1\\_2\\_PSC.pdf](https://auditor.sk.ca/pub/publications/public_reports/2011/Volume_1/2011v1_1_2_PSC.pdf)

#### **Audited Entities**

- Public Service Commission (PSC)

#### **Audit Scope and Objectives**

- To assess whether out-of-scope positions within the classified division were staffed, during the 12 months ended August 31, 2010, in compliance with *The Public Service Act, 1998* and regulations.

#### **Audit Criteria**

The audit expected:

- PSC and ministries to communicate the availability of positions for all competitive appointments.
- the pre-set criteria to be documented and consistent with job duties set out in the current job description and with PSC's competency framework.
- PSC and ministries to evaluate if the reasons for staffing a position without a competitive process complied with the authorities and document why.
- PSC and ministries to document the results of appraising candidates through screening, assessment, and key reference responses to show the candidate had merit.
- PSC or a delegated authority would advise the successful candidate in writing of the selection decision (letter of offer) and would appoint the person who accepted the offer.
- PSC would assign authority (where authority was delegated) for staffing in writing and clearly set out the roles and responsibilities for staffing of each party.

- PSC would ensure it had sufficient documentation to show compliance with staffing authorities.

### **Main Audit Findings**

- During the 12 months ended August 31, 2010, out-of-scope classified positions were staffed in compliance with *The Public Service Act, 1998* and regulations.
- In May 2010, PSC increased the responsibilities of ministries by delegating staffing for out-of-scope positions to them. While PSC staff continue to be available for advice, ministry staff may not always consult them when staffing positions. As a result, it is critical that PSC communicate to ministry managers involved in staffing out-of-scope positions which steps of the staffing process are essential to select candidates based on merit.
- PSC's service agreements with ministries that covered staffing processes included expectations about documentation. These service agreements explicitly required PSC to verify that managers responsible for staffing the position completed documentation of staffing actions. Although PSC expects documentation, it did not clearly set out what documents it expected managers to keep when staffing out-of-scope positions.
- The audit did not find evidence that PSC verified the completeness of staffing documentation. If documentation is not complete, PSC cannot readily demonstrate that its staffing processes complied with the Act and regulations and that appointments were made based on merit.

### **Audit Recommendations**

- The Public Service Commission should establish and communicate minimum documentation requirements to evidence that appointments to out-of-scope positions within the classified division of the public service are made based on merit.
- The Public Service Commission should use a risk-based process to confirm that essential documentation related to staffing out-of-scope positions is kept.

[Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Australian Capital Territory Public Service Recruitment Practices

**Publication Date:** October 2012

**Audit Office:** Australian Capital Territory Audit Office

**Link to full report:**

[http://www.audit.act.gov.au/auditreports/reports2012/Report No. 8 ACT Public Service Recruitment Practices.pdf](http://www.audit.act.gov.au/auditreports/reports2012/Report%20No.%208%20ACT%20Public%20Service%20Recruitment%20Practices.pdf)

#### **Audited Entities**

- Canberra Institute of Technology
- Education and Training Directorate
- Health Directorate
- Justice and Community Safety Directorate

#### **Audit Scope and Objectives**

- To provide an independent opinion to the Legislative Assembly on the efficiency and effectiveness of recruitment practices in the ACT Public Service.

#### **Audit Criteria**

The following key criteria were considered:

- The level of compliance with the relevant sections of the governing legislation that relate to the efficiency and effectiveness of recruitment processes including an assessment of timeliness, potential duplication of effort and documentation;
- Deviations from relevant better practice guidance.

#### **Main Audit Findings**

- ACT Public Service recruitment practices are overall effective and generally comply with key requirements of the *Public Sector Management Act 1994*. However, there are shortcomings that need to be addressed and improvements need to be made to the efficiency of recruitment practices and the management of higher duties (acting) arrangements.
- ACT Government agencies use a range of appropriate methods to attract a suitable pool of applicants and provide opportunities for Equal Employment Opportunity groups. In 2011-12 ACT Government agencies generally improved the timeliness of their recruitment process, when compared to

2010-11. However, no agency is meeting the ACT Government time-to-hire target of 40 days.

- The Chief Minister and Cabinet Directorate's *Recruitment in the ACT Public Service Guidance* document has given, and continues to give, strong support to guiding recruitment processes and achieving consistency in ACT Government agencies. However, it needs to be strengthened by incorporating all current practices and mandatory requirements.
- There are shortcomings in agencies' recruitment practices in that there is minimal formal consideration of agency workforce and strategic planning when undertaking recruitment activities and a common oversight in all agencies of not documenting the initial considerations as to whether or not there is a genuine need to recruit at all.
- While agencies were found to generally comply with the legislative and better practice requirements that relate to record-keeping for recruitment there were some shortcomings in all agencies examined where documentation was found to be incomplete, lacking in detail and in some instances not existing at all.
- The processes relevant to higher duties (acting) arrangements with respect to delegations and the use of standard forms and templates were appropriate. However, it was difficult to form an opinion on the appropriateness of the decision-making process due to shortcomings in documentation and record-keeping.
- A significant proportion of higher duties (acting) arrangements were extended for more than six months without the mandatory merit-based selection process. There were also a significant number of instances where higher duties (acting) arrangements were approved for five or fewer days without reasons being documented. Higher duties (acting) appointments of five or fewer days need to be carefully considered given their associated administrative costs.

### **Selected Audit Recommendations**

- The Commissioner for Public Administration should regularly monitor and publicly report on whole-of-government recruitment activities and trends and periodically analyze whether these align with whole-of-government workforce strategies. This should specifically include higher duties (acting) arrangements.
- The Canberra Institute of Technology, Education and Training Directorate, Health Directorate and Justice and Community Safety Directorate should:
  - improve recruitment timeliness by reviewing their agencies' processes to

- identify potential opportunities for efficiencies;
  - ensure that reasons for delays in actual recruitment processes are clearly identified and documented; and
  - improve their records management and documentation of recruitment processes.
- The Chief Minister and Cabinet Directorate should review and revise the *Recruitment in the ACT Public Service* guidance document to ensure that it reflects current ACT Public Service administrative practices and requirements.
  - The Chief Minister and Cabinet Directorate should develop a mechanism or process:
    - to improve ACT Government agencies' selection committee skills. This may involve the provision of whole-of-government training opportunities and additional support and advice; and
    - to share information on better practice recruitment initiatives across the ACT Public Service and foster their broader adoption and implementation, taking into account practical issues such as workforce requirements, cost implications and new human resource systems and practices to be implemented by Shared Services Human Resources.
  - The Chief Minister and Cabinet Directorate should:
    - review ACT Public Service higher duties (acting) practices and implement procedures to ensure that higher duties (acting) arrangements beyond a six month period are merit based; and
    - provide guidance to agencies on when higher duties (acting) arrangements for five or fewer days are appropriate and what are alternative options.

[Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** New Recruits in the Western Australia Police

**Publication Date:** June 2012

**Audit Office:** OAG – Western Australia

**Link to full report:**

[http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3814952adce4cfd2d75aec6448257a23001a6da4/\\$file/4952.pdf](http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3814952adce4cfd2d75aec6448257a23001a6da4/$file/4952.pdf)

#### **Audited Entities**

- Western Australia Police

#### **Audit Scope and Objectives**

The objective of this audit was to assess whether the recruitment and training of new recruits in the Western Australia Police (WAP) is efficient and effective.

The audit focused on three questions:

- Are WAP's recruitment and selection processes effective?
- Are new recruits adequately trained and supported?
- Is WAP using its resources to deliver police officers into the force efficiently and effectively?

The audit focused on new sworn general duties constables.

#### **Audit Criteria**

- Not publicly available.

#### **Main Audit Findings**

- In 2009-10, WAP was set a target by government to increase its police numbers by 500 by 2013-14. So far, WAP has achieved its interim targets. In order to achieve the overall target WAP needs to recruit 200 officers in the next two years. Based on current application rates WAP is unlikely to meet this target. WAP is considering alternative recruitment options.
- WAP's process to deliver general duties officers to the frontline relies heavily on selecting the right applicant. This is because almost no one is removed from WAP once chosen for Academy training. In the past five years 2 140 recruits have been trained and 12 recruits or probationary constables were removed. Only one of these was dismissed on the grounds of poor performance in training.

- WAP uses its '22 dimensions of a police officer' developed in 1987 as the basis for selecting suitable police recruits. They include broad attributes such as 'adherence to authority', 'personal impact', 'endurance' and 'written communication'. The environment and issues faced by police have changed since 1987, but WAP has not reviewed the relevance and use of the 22 dimensions and needs to do so.
- WAP is not meeting its diversity targets for recruiting from indigenous and culturally diverse backgrounds despite having strategies in place to do so.
- WAP has increased the percentage of women officers from 13 per cent in 2001 to almost 21 per cent in 2011. This has been achieved in part by removing selection tools which were biased against women. However, its proportion of female police officers falls short of its target of 30 per cent and is one of the lowest compared to other Australian and New Zealand police forces.
- Psychological testing is a key element of WAP's recruitment, but there is inconsistency in how the results of these tests are reviewed. WAP reviews applicants rated as 'marginal' or 'not yet acceptable' in psychological assessments, but not those rated as 'acceptable' or 'recommended'. Psychological assessment results often do not match final recruitment decisions.
- WAP invests significant resources to bring its weaker performers up to standard, by providing continuous remedial training. In a sample, the proportion of recruits achieving competency without additional training has fallen since 2007. Less than half of the recruits in the squads reviewed since 2007 gained competency in all areas of training on their first attempt. This has an impact on the training costs and efficiency for WAP. WAP has a process for dismissing recruits but it is currently not used for recruits who do not gain competency after repeated attempts.
- The experience recruits gain on probation varies because the number and location of placements are not consistent and levels of supervision vary. Some recruits miss out on spending time in key areas they may later work in. There are often not enough experienced supervisors for all recruits so some probationers are supervised by recently appointed constables.
- 'Early-off probation' (EOP) was introduced as a reward for high performers, however this has now become the norm. Although completing early enables the officers to be fully deployed, and to supervise other probationary constables, it reduces the time for them to build skills, confidence and

experience. EOP has been awarded in some instances when training records indicated that constables may not have been ready.

### **Audit Recommendations**

- To improve the effectiveness of its recruitment WA Police should:
  - consider strategies to increase its application rates in order to meet future recruitment targets
  - give equal levels of review to the organizational psychologist's recommendation for all applicants being considered for training in the Academy
  - review whether its 22 dimensions are still the most relevant criteria for selecting police officers and whether they should be equally balanced
  - review its diversity strategies and consider initiatives that are working in other policing jurisdictions to improve its performance in this area.
  
- To improve the effectiveness and efficiency of recruit training in the Academy WA Police should:
  - review its approach to managing its weaker performers, including how it uses its removal process
  - use the data and information currently collected to establish benchmarking for competency
  - consider introducing additional assessments for recruits who have difficulty attaining competency in critical skills, to be confident that all recruits graduate with the expected level of competency.
  
- To improve the effectiveness and efficiency of probationary training WA Police should:
  - review its probationary placements to ensure all probationary constables are receiving an appropriate exposure to all required areas of training
  - consider introducing training and guidance materials for supervisors of probationary constables so that they are better supported and equipped to perform this role and supervision is consistently applied
  - review how it applies its 'early-off probation' policy to ensure the policy intention is adhered to.
  
- WAP should make greater use of its information to evaluate whether its current training approach and investment is effective and to identify further areas for improvement.

[Back to Table of Contents](#)



## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Indigenous Employment in Australian Government Entities

**Publication Date:** May 2014

**Audit Office:** Australian National Audit Office

**Link to full report:**

[https://www.anao.gov.au/sites/g/files/net3721/f/AuditReport\\_2013-2014\\_33.pdf](https://www.anao.gov.au/sites/g/files/net3721/f/AuditReport_2013-2014_33.pdf)

#### **Audited Entities**

In addition to considering trends across the Australian Government public sector, the ANAO gave specific attention to the following entities:

- Former Department of Education, Employment and Workplace Relations;
- Department of Human Services;
- Department of Agriculture;
- Australian Public Service Commission; and
- Australian Federal Police.

#### **Audit Scope and Objectives**

To determine whether Australian Government entities were implementing effective strategies to support increased Indigenous employment.

#### **Audit Criteria**

- Strategies are in place that encourage Indigenous applicants, support their career development and contribute to the Australian Government target of 2.7 per cent Indigenous representation by 2015.
- Human resource systems operate to collect meaningful, accurate and relevant Indigenous employment data which is used to inform practices and refine strategies.
- Progress toward the target of 2.7 per cent representation is periodically reviewed and reported.

#### **Main Audit Findings**

- Achieving the Australian Government's overall target of 2.7 per cent Indigenous representation in the Australian Government public sector by 2015 is unlikely, based on current data and trends. In June 2013, Indigenous representation in the APS was reported by the APSC to be at 2.3 per cent, a decline from 2.9 per cent in 2001, to 2.7 per cent in 2004, and 2.5 per cent in 2010. Most APS agencies (79 per cent) recorded less than 2 per cent

Indigenous representation in their workforces. Overall, based on a total APS population of 167 257, Indigenous employees would need to number 4515, nearly 700 more than are currently employed.

- Despite the resources put into recruitment and retention initiatives, for the four years 2009–10 to 2012–13, there was a net loss of 71 ongoing Indigenous APS employees. A portion of the employees departing each year may be doing so for career development reasons, however, the high number of separations indicates that the selection of suitable candidates and their retention remain an issue for the APS and that, collectively, agencies are not gaining employment outcomes commensurate with their efforts.
- Entities examined in detail by the ANAO, with some exception, had in place current, Indigenous-specific plans which provided a variety of strategies and initiatives for the recruitment and retention of employees. The ability to monitor and report against these plans was however, limited. This was due, again with some exceptions, to the development of plans in isolation of broader workforce planning or business imperatives and resources required; initiatives implemented with few qualitative or quantitative performance measures linked to the intent of the initiative; and a lack of relevant coding in human resource (HR) systems to generate reports.
- At the broadest level however, there remains no comprehensive and coordinated reporting mechanism for the Australian Government public sector, nor current avenue, for collecting data from non-APS bodies, to provide reports against the target.

### **Audit Recommendations**

- In order to more effectively progress efforts to achieve the Australian Government target of 2.7 per cent Indigenous representation, the ANAO recommends the APSC, in consultation with relevant bodies, review the current broad based approach to meeting the target, and provide advice to the Diversity Council, in particular on opportunities to achieve the target with a more differentiated and tailored approach, as well as more comprehensive reporting.
- In order to maintain the contribution of the Pathways Program to Indigenous employment, the ANAO recommends that the APSC examine ways to modify the operation of the Pathways Program to provide a recruitment service that is more tailored to potential Indigenous applicants and agency demand.

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Recruitment and Retention of Specialist Skills for Navy

**Publication Date:** December 2014

**Audit Office:** Australian National Audit Office

**Link to full report:**

[https://www.anao.gov.au/sites/g/files/net3721/f/ANAO\\_Report\\_2014-2015\\_17.pdf](https://www.anao.gov.au/sites/g/files/net3721/f/ANAO_Report_2014-2015_17.pdf)

#### **Audited Entities**

- Royal Australian Navy

#### **Audit Scope and Objectives**

To examine the effectiveness of Navy's strategy for recruiting and retaining personnel with specialist skills. In particular, the audit assessed whether:

- This strategy supported Navy in maintaining and building military capability and carrying out its mission; and
- The plans and activities underpinning this strategy were effectively administered and implemented.

#### **Audit Criteria**

- Navy has conducted adequate workforce planning to identify personnel requirements including numbers and skills required to maintain and build military capability.
- Navy has suitable plans, policies and procedures in place to support its recruitment and retention of personnel with specialist skills.
- Navy has identified shortfalls in personnel with specialist skills, giving particular regard to Navy's future capability, and is addressing these shortfalls.
- Navy's recruitment and retention activities are supported by expert advice, research and analysis, legislative and procedural guidance, and training for staff involved.
- Navy monitors and evaluates the outcomes and cost effectiveness of its recruitment and retention strategies, policies and activities.

## **Main Audit Findings**

- Long-standing personnel shortfalls in a number of ‘critical’ employment categories have persisted, and Navy has largely relied on retention bonuses as a short to medium-term retention strategy. The number of Navy employment categories assessed by Defence as ‘critical’ has reduced from 23 in 2007 to 13 in 2014. Despite the overall reduction in the number of Navy critical employment categories, three of the remaining 13 critical categories have been critical for 15 years and Navy does not expect seven of these categories to recover within the next 10 years, including technical sailor, submariner and medical employment categories.
- Navy’s principal workforce strategy is to ‘raise, train and sustain’ its workforce. This traditional strategy allows Navy to select from a large recruiting pool; develop a workforce with the skills it needs; and significantly, to fit its culture and often demanding operational environment. However, reliance on this strategy presents risks to the extent that trained personnel leave Navy early in their career, and it limits Navy’s ability to quickly and flexibly respond to workforce shortfalls and changes in the wider labour market.
- Ongoing work is required for Navy to firmly establish a range of promising workforce management practices, including: providing the right training at the right time; more flexible approaches to managing individuals’ careers; more challenging work; a more flexible reward system; improving access to more flexible working arrangements; using civilian qualified personnel in the right roles; and improving workplace culture, leadership and relationships.
- Navy has not systematically assessed the impact of recruitment and retention initiatives to help shape its overall workforce strategy and improve the design of initiatives. Of particular note, Navy has not formally evaluated the impact of its retention bonuses despite making over 22 000 payments totaling some \$311 million in the past decade.

## **Audit Recommendations**

- To inform the development and implementation of Navy’s revised Workforce Plan and associated workforce initiatives, the Navy should draw on external human resource expertise to complement internal expertise.
- To refine its workforce strategy, the Navy should:
  - evaluate the impact of retention bonus schemes on the Navy workforce; and
  - determine the future role of retention bonus schemes within its overall workforce strategy.

[Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Management of Unplanned Leave in Emergency Services

**Publication Date:** March 2013

**Audit Office:** Victorian Auditor General's Office

**Link to full report:** <https://www.audit.vic.gov.au/sites/default/files/20130306-Unplanned-Leave.pdf>

#### **Audited Entities**

- Ambulance Victoria
- Metropolitan Fire and Emergency Services Board
- Victoria Police

#### **Audit Scope and Objectives**

The audit objective was to assess whether AV, MFESB and VicPol are effectively and efficiently managing unplanned leave.

#### **Audit Criteria**

- The agencies collect, analyse and report comprehensive and accurate data on leave.
- The agencies oversee and manage unplanned leave in a timely and systematic manner.

#### **Main Audit Findings**

- Victoria's emergency service agencies—AV, MFESB and VicPol—have each recognised the importance of managing unplanned leave. However, there are significant differences in how effectively and efficiently they are each managing the issues.
- Both AV and VicPol have been generally effective and efficient in managing unplanned leave, although AV recognises the need to reduce the personal unplanned leave levels of paramedics and other operational staff. AV and VicPol have effective management oversight, supported by sound and practical data that enables their frontline managers to manage and support staff. They are aware of the causes of unplanned leave and have either implemented, or are developing actions to address these.
- However, MFESB needs to improve considerably. Compared to its peer agencies it has the poorest unplanned leave performance, which has been caused by ineffective management over the past decade.

- MFESB's management has been aware of the causes of personal unplanned leave since 2000 but it has not adequately addressed them. There is a lack of frontline management accountability for unplanned leave, and a lack of regular data on firefighters' unplanned leave for managers at the station level. This needs to be addressed as a matter of priority.

### **Audit Recommendations**

Ambulance Victoria should:

- review support for team managers who also perform paramedic duties and implement improvements to maximise team managers' ability to perform their roles
- review processes for managing personal unplanned leave evidence to reduce the risk that personal unplanned leave is incorrectly recorded.
- closely monitor in rural regions the outcomes of its strategy to strengthen team management and adjust the strategy to address gaps or underperformance.

The Metropolitan Fire and Emergency Services Board should:

- review the impact of its enterprise agreements on the efficiency of frontline management, and on the implementation of audit recommendations, in preparation for enterprise agreement discussions in 2013
- strengthen performance management of firefighter managers and reduce the financial disincentive to more effectively manage personal unplanned leave
- provide operational commanders, senior station officers and station officers with regularly updated information on the personal unplanned leave of firefighters in their teams
- improve specialised human resources support to frontline managers
- provide one comprehensive source of information on policies and procedures for managing personal unplanned leave
- continue to strengthen human resource management processes and controls to reduce avoidable overtime costs.

Victoria Police should:

- improve the management of police members undergoing performance and discipline procedures
- monitor the use of online tools for accessing unplanned leave data, to make sure that the tools are accessible and meet the needs of police managers
- adequately train all frontline police managers to handle complex personal matters involving staff.

[Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Managing Employee Unplanned Absence

**Publication Date:** June 2012

**Audit Office:** Queensland's Audit Office

**Link to full report:**

[https://www.qao.qld.gov.au/sites/all/libraries/pdf.js/web/viewer.html?file=https%3A%2F%2Fwww.qao.qld.gov.au%2Fsites%2Fqao%2Ffiles%2Freports%2Frtp\\_managing\\_employee\\_unplanned\\_absence.pdf](https://www.qao.qld.gov.au/sites/all/libraries/pdf.js/web/viewer.html?file=https%3A%2F%2Fwww.qao.qld.gov.au%2Fsites%2Fqao%2Ffiles%2Freports%2Frtp_managing_employee_unplanned_absence.pdf)

#### **Audited Entities**

- Public Service Commission
- Department of Justice and Attorney-General
- Department of Education and Training
- Department of Public Works
- Department of Community Safety

#### **Audit Scope and Objectives**

- To determine how effectively Queensland Public Service agencies manage unplanned absence of employees.

#### **Audit Criteria**

- Appropriate priority has been given to unplanned absence management.
- Unplanned absence data was being analysed to identify patterns and hotspots and inform management decisions.
- Appropriate benchmarks had been established and targets set.
- Policy, guidance and support was provided by central agencies to enable line agencies to effectively manage unplanned absence.

#### **Main Audit Findings**

- The annual direct costs of unplanned absence in the Queensland Public Service have risen by 55 per cent, from \$328 million in 2006-07 to \$509 million in 2010-11. With estimates of indirect costs, such as lost productivity, running at up to three times direct costs, unplanned absence could be costing closer to \$2 billion annually.
- During the same period, the annual rate of unplanned absence per employee in the public service has increased by 9 per cent, from an average of 8.28 days to 9.02 days. It had been steadily falling before then, from 8.81 days in 2003-04.

- The Public Service Commission publishes the State of the Service report every two years, with the inaugural report tabled in November 2010. There is no narrative of impacts or analysis explaining the decreasing trend in unplanned absence between 2003-04 and 2006-07, or the increasing trend from 2006-07 to 2010-11.
- The Public Service Commission has not set sector-wide benchmarks for unplanned absence levels.
- Departments generally do not undertake appropriate analysis of their available unplanned absence data, to identify 'hotspots' where unplanned absence rates are demonstrably higher. They are also not determining the reasons behind those 'hotspots' – for example, whether they are staff with ongoing health issues, disengagement within the workforce, or due to a broader 'entitlement culture'.
- While the overall unplanned absence rate remains within award conditions, the significant escalation of cost and the persistent upward trends create a strong imperative to reduce the rates of unplanned absence and therefore reduce costs. Most departments are not actively addressing this imperative. They are not analysing absence patterns to identify whether and where to target management intervention. Consequently, few departments manage unplanned absence effectively or can demonstrate a decrease in their unplanned absence rates.

### **Audit Recommendations**

- It is recommended the Public Service Commission include in its publicly available reports:
  - the absenteeism rates and trends for all departments.
  - the annual direct and estimated indirect costs of absenteeism in the Queensland Public Service.
  - appropriate comparative benchmarks of the Queensland Public Service absenteeism rates with other jurisdictions and sectors.
- It is recommended that all departments:
  - analyse their unplanned absence data to identify patterns and 'hotspots' that require management intervention.
  - determine the criteria that will trigger management intervention, and how this will be monitored and reported.
- It is recommended that all departments:
  - identify relevant benchmarks and establish targets for acceptable levels of unplanned absence.
  - implement appropriate strategies and practical management tools for



improving attendance and achieving acceptable levels of unplanned absence.

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Sick Leave

**Publication Date:** December 2010

**Audit Office:** New South Wales Audit Office

**Link to full report:**

[http://www.audit.nsw.gov.au/ArticleDocuments/142/209\\_Sick\\_Leave.pdf.aspx?Embed=Y](http://www.audit.nsw.gov.au/ArticleDocuments/142/209_Sick_Leave.pdf.aspx?Embed=Y)

#### **Audited Entities**

- The Department of Premier and Cabinet
- 12 public sector departments and agencies

#### **Audit Scope and Objectives**

To assess whether the NSW public sector met the Government's sick leave target and sick leave rates are decreasing.

#### **Audit Criteria**

- The Department of Premier and Cabinet (DPC) has guidelines in place for NSW public sector agencies on managing sick leave.
- DPC monitors public sector sick leave including trends over time.
- DPC ensures sick leave results are easily available to public sector Agencies.
- The NSW public sector met the Government's 2008-09 sick leave target and the sick leave rate has decreased.
- Public sector agencies have strategies in place to manage sick leave.
- Public sector agencies collect sufficient information to enable them to monitor sick leave.
- Public sector agencies' sick leave rates have reduced over the last five years.

#### **Main Audit Findings**

- The NSW public sector did not meet the Government's target, however sick leave reduced by 1.84 hours per person per year between 2004-05 and 2008-09, just over a quarter of a day.

- Agencies must maintain focus on sick leave. The latest results show no improvement with average public sector sick leave for 2009-10 remaining steady at around 8.1 days per person per year.
- DPC has guidelines in place to help agencies manage sick leave including how to deal with unacceptable absences. The guidelines do not set an overall sick leave target but advise agencies to set targets and benchmarks to reflect their workplace.
- To help prevent illness, agencies had adopted healthy workforce initiatives to promote employee wellbeing. This included influenza vaccinations, gym memberships, and employee counseling.
- Some strategies adopted by agencies to reduce the inappropriate use of sick leave have saved the state money. Based on data provided by the NSW Police Force and State Transit Authority auditors estimate that these agencies together saved almost \$20 million over three to five years. This is a good result.
- Agencies said the key barriers in reducing sick leave were an ageing workforce, an industrial environment which slows workplace reform, and an entitlement culture where staff think they must 'use it or lose it'.

### **Audit Recommendations**

- By September 2011, the Department of Premier and Cabinet should help public sector agencies manage sick leave by sharing best practice examples of:
  - agency strategies to reduce sick leave such as return to work interviews, welfare checks, and case managing staff with psychological issues
  - agency analysis of sick leave trends and patterns such as sick leave by weekday to help identify cases of excessive sick leave
  - monitoring sick leave with other human resource indicators including staff engagement to find out what motivates staff to go to work.
- By February 2011, the Department of Premier and Cabinet should provide agencies with the sick leave rates of all agencies in the NSW public sector so they can compare their performance.
- By February 2011, the Department of Premier and Cabinet should publish the average annual sick leave rate for the NSW public sector on its website to advise people of the public sector's performance.

[Back to Table of Contents](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Covering Teachers' Absence

**Publication Date:** September 2013

**Audit Office:** Wales Audit Office

**Link to full report:**

[http://www.wao.gov.uk/system/files/publications/Covering Teachers Absence English 2013.pdf](http://www.wao.gov.uk/system/files/publications/Covering_Teachers_Absence_English_2013.pdf)

#### **Audited Entities**

- 23 schools across Wales

#### **Audit Scope and Objectives**

To determine whether learners, schools and the public purse are well served by arrangements to cover teacher absence.

#### **Audit Criteria**

- Not publicly available.

#### **Main Audit Findings**

- Arrangements for covering teachers' absence in Wales are not sufficiently well managed to support learners' progress or provide the best use of resources.
- Neither schools nor local authorities routinely monitor adequately the reasons for teachers' absence, and therefore do not always understand the reasons why cover is required. Schools record the reasons for each teacher absence. But, few schools and local authorities aggregate and use this information to monitor the reasons for absence in ways that enable them to see the extent of absence for different causes and to inform actions that could be taken to reduce classroom absence.
- Cover arrangements are not managed well enough to ensure that learners make good progress and are safeguarded. Most schools do not have formal policies on cover arrangements in the event of teacher absence. None of the schools the auditors visited had a formal policy on cover that focused on reducing the impact of teacher absence on learners.

- Most schools have employed HLTAs and cover supervisors to meet workload agreement requirements, but they generally do not evaluate the effectiveness of the posts.
- Not all schools ensure that safeguarding procedures are in place for temporary staff. Where supply staff are recruited from a local authority pool or a recruitment agency, in most instances schools rely on the local authority or the agency concerned to carry out pre-employment checks. However, not all schools are aware of all the checks that should be carried out, and schools do not always keep records that checks have been completed before a supply teacher starts for work.
- The costs of supply cover can vary considerably, and schools and local authorities do little to monitor the cost effectiveness of their arrangements.

### **Selected Audit Recommendations**

- To support its work to raise standards and attainment, the Welsh Government should take greater account of the impact of cover in its policies and strategies including setting out clearly in grant and other guidance that it expects schools, local authorities and regional consortia to seek to minimize the need for covered lessons.
- The Welsh Government and local authorities should encourage schools to develop policies on managing cover that focus on ensuring that learners' progress is maintained and resources are used effectively.
- The Welsh Government should identify or develop model policies on managing cover, and disseminate these to schools as good practice guidance.
- Local authorities should collect and analyse absence-related data for all the schools in their area, and disseminate information that would enable its schools to compare absence levels with those of other schools in the local authority or within their family of schools.
- The Welsh Government, regional school improvement consortia and local authorities should agree guidance for schools on the procurement of supply teachers. This guidance should set out the different arrangements available or otherwise possible, including the two framework contracts for supply teachers, the legal and human resources implications of different arrangements, and the potential for collaboration to result in better value for money.

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Managing Overtime: RailCorp

**Publication Date:** June 2012

**Audit Office:** New South Wales Audit Office

**Link to full report:**

[http://www.audit.nsw.gov.au/ArticleDocuments/247/01\\_Managing\\_Overtime\\_Full\\_Report.pdf.aspx?Embed=Y](http://www.audit.nsw.gov.au/ArticleDocuments/247/01_Managing_Overtime_Full_Report.pdf.aspx?Embed=Y)

#### **Audited Entities**

- Rail Corporation NSW (RailCorp)

#### **Audit Scope and Objectives**

The objective of the audit was to examine whether there is effective management of overtime in RailCorp. More specifically: Is the use of overtime justified and well controlled?

#### **Audit Criteria**

- The agency is actively managing overtime.
- Sufficient accurate information is aiding the management of overtime.
- The agency has successfully introduced initiatives to better manage overtime.

#### **Main Audit Findings**

- Improved reporting on overtime and some reform are indicative of more active management of overtime. So far this has achieved limited success. To achieve more effective use of overtime RailCorp needs to determine acceptable levels for operational purposes and redefine overtime targets, including at division level. Enhanced reporting against these targets linked to key drivers of overtime is needed to improve control.
- RailCorp has improved its analysis and reporting of overtime. This has supported management's focus on controlling overtime, especially through reducing the numbers of high overtime earners. However, information and analysis have fallen short of that necessary for effective support of on-going reform. Overtime costs have increased over the past three years at a rate of 3.9 per cent, which is consistent with award increases. The related costs of penalties and allowances remain at high levels. While a level of overtime is

necessary to deliver everyday services with minimal disruption and maximum reliability, RailCorp has not determined what efficient levels of overtime are.

- Reforms have reduced overtime but their scope so far has been limited. A significant reduction in overtime was achieved through station staff reforms. In 2010–11 this was \$10 million. However, increases in other areas have offset the savings achieved by the reforms. Areas experiencing increases include train crewing (drivers and guards), infrastructure maintenance and infrastructure renewals operations. Currently, RailCorp is considering other saving opportunities that could reduce overtime in these areas.

### **Audit Recommendations**

RailCorp should:

- Determine acceptable levels of overtime for operational purposes (by 31 December 2012).
- Further investigate and report the impact of high levels of sick leave and job vacancies on overtime (by 31 December 2012).
- Revise its current overtime targets and introduce further targets that focus on overtime costs across all divisions as part of broader reforms (by 31 December 2012).
- Strive to achieve international benchmarks for train crewing to improve efficiency and reduce overtime. This should include better aligning shifts and rosters to meet demand (ongoing).
- Prepare a plan to accelerate the revision of work practices in infrastructure maintenance and renewals divisions, similar to rolling stock initiatives, to create greater flexibility and improve productivity (by 31 December 2012).
- Prepare a plan to include the equally significant allowances and penalties relating to work outside normal hours when reviewing overtime practices (by 31 December 2012).
- Further improve reporting to monitor the achievement of overtime targets across all divisions (by 31 December 2012).

[\*Back to Table of Contents\*](#)

## ***FOCUS ON SERIES - HUMAN RESOURCES***

### Audit Summary

**Audit Title:** Modernizing Human Resource Management

**Publication Date:** April 2010

**Audit Office:** OAG – Canada

**Link to full report:**

[http://www.oag-bvg.gc.ca/internet/English/parl\\_oag\\_201004\\_02\\_e\\_33715.html](http://www.oag-bvg.gc.ca/internet/English/parl_oag_201004_02_e_33715.html)

#### **Audited Entities**

- Privy Council Office
- Treasury Board of Canada Secretariat (including the Office of the Chief Human Resources Officer)
- Public Service Commission
- Canada School of Public Service
- Public Service Labour Relations Board
- Public Service Staffing Tribunal
- Canadian Human Rights Commission
- Environment Canada
- Human Resources and Skills Development Canada
- Industry Canada
- Justice Canada
- Veterans Affairs Canada

#### **Audit Scope and Objectives**

The objectives of the audit were to determine whether

- the lead agencies and selected departments have implemented the new requirements of the Public Service Modernization Act, including reporting;
- the objective and requirements for the legislative review have been established; and
- new roles and responsibilities have been carried out.

#### **Audit Criteria**

- The lead agencies and selected departments have implemented the new requirements of the Public Service Modernization Act (PSMA).
- The lead agencies have issued reports as required by the PSMA.
- The lead agencies have performance measurement systems in place to report progress made on the modernization of human resource management.
- The objective and requirements for the legislative review have been established.
- The lead agencies were preparing for the legislative review.
- The revised roles and responsibilities for human resource management resulting from the PSMA have been implemented.
- The roles and responsibilities of the Office of the Chief Human Resources Officer and the new responsibilities given to deputy heads were defined and communicated.



## **Main Audit Findings**

- The key requirements of the legislation have been implemented. Changes have been made to allow for more flexibility in how the public service is staffed and how recourse is managed. Mechanisms have been put in place to foster harmonious labour relations and to resolve disputes more informally.
- Organizational changes have been made as part of the implementation of the legislation. As a result, new organizations were created and others saw their mandate and role enhanced. In an attempt to resolve remaining concerns about governance, in 2009 the government created the Office of the Chief Human Resources Officer within the Treasury Board of Canada Secretariat (TBS).
- There have been difficulties encountered in implementing some aspects of the legislation, including the application of some of the new tools and mechanisms.
- The various entities required to report to Parliament on human resource management have generally met the requirements. Reports provide information about the implementation process and some activities. However, despite a commitment in 2005 by TBS and the former Public Service Human Resources Management Agency of Canada to report on interim achievements, reports provide only some of that information.
- The legislation calls for a legislative review of the Public Service Employment Act and the Public Service Labour Relations Act. The minister responsible for the review has been designated, and a review team has been put in place. Preparation for the review is progressing. However, insufficient information on whether the results expected from the legislation have been achieved could limit the review team's ability to provide meaningful information to support the review and to inform Parliament.

## **Audit Recommendations**

- To improve its reporting to Parliament and support the legislative review, TBS should ensure that it provides more timely information to Parliament and that it reports on whether the changes to human resource management have achieved the results intended by the legislation.
- The PSMA Legislative Review Team should ensure that information provided to support the legislative review will allow the report by the President of the Treasury Board to provide meaningful information to Parliament on the extent to which the expectations of the Public Service Labour Relations Act and the Public Service Employment Act have been met and to propose any changes, including improvements.

[Back to Table of Contents](#)