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Main points

Public Service Commission (PSC) leads the development and coordination of human resource planning across departments. It also prepares a human resource plan for its own activities which it needs to improve.

In 2005-06, PSC took steps to better lead human resource planning across departments, but some work remains. It provided departments with better guidance on human resource planning. For example, it trained departments on a formal process to help them identify and analyze human resource risks. PSC plans to apply the formal process to the across-department plan in the next planning cycle. In addition, PSC, along with departments, agreed upon a more manageable number of near-term human resource priorities. PSC needs to ensure departments agree that the longer-term priorities are manageable.

Also, PSC needs a written agreement with the Information Technology Office (ITO). Since March 2006, PSC receives information technology services from ITO. PSC remains responsible for the integrity of these services. A written agreement is essential so that PSC can monitor ITO's services.

Introduction

This chapter sets out a brief overview of the Public Service Commission (PSC) and the results of our audit of PSC for the year ending March 31, 2006. It, also, set out actions PSC has taken to address recommendations related to our 2005 audit of the adequacy of PSC's processes to lead human resource planning across departments.

Understanding the PSC

Under *The Public Service Act, 1998*, PSC is responsible for representing the public interest in human resource management of staff employed primarily by the Government's departments. Government departments employ about 11,000 permanent full-time staff and about 2,000 seasonal staff.

PSC provides the human resource policy framework in which the Government's departments must operate. In addition, it is the employer representative for all the Government's departments in labour negotiations. The quality and strength of PSC's policies and corresponding human resource strategies are important to not only the success of PSC, but to the success of the Government's departments.

For further details on PSC's mandate and governing legislation, see its publications at its website at www.gov.sk.ca/psc.

Financial overview

The following is a list of PSC's major programs and spending. For further detail, see PSC's 2005-2006 Annual Report available on its website.

	<u>Original Estimates¹</u>	<u>Actual</u>
	(in thousands of dollars)	
Central management and services	\$ 2,187	\$ 2,186
Human resource information services	1,250	1,286
Employee relations	1,472	1,472
Human resource development	3,088	3,425
Aboriginal management and professional internship program	623	398
Capital asset amortization	<u>141</u>	<u>141</u>
	<u>\$ 8,761</u>	<u>\$ 8,908</u>

Audit conclusions and findings

In our opinion, for the year ended March 31, 2006:

- ◆ **PSC had adequate rules and procedures to safeguard public resources and comply with authorities governing its activities except for the matters reported in this chapter**
- ◆ **PSC complied with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**

The following section sets out our detailed findings.

Human resource plan needs improvement

The human resource plan for PSC's staff needs improvement.

A sound human resource plan (HR plan) helps ensure agencies have the right people, in the right position, at the right time. A comprehensive HR plan includes the information set out in Exhibit 1. Often, this information is not in a single document.

¹ 2005-06 Saskatchewan Provincial Budget – Estimates, p. 121, Government of Saskatchewan, March 2005.

Exhibit 1

A comprehensive human resource plan:

- ◆ sets out human resource priorities linked to the agency's strategic direction
- ◆ describes key human resource risks affecting the agency
- ◆ outlines gaps in its current human resources
- ◆ describes human resource strategies to bridge identified gaps or address human resource risks or priorities
- ◆ outlines implementation of major human resource strategies

PSC leads the development and coordination of the department-wide human resource planning. In common with other government departments, PSC is responsible for the development of a human resource plan for its staff. PSC has a staff of about 118 full-time equivalents.

PSC has a human resource (HR) plan specific to its own human resource needs. When PSC developed its HR plan, PSC was aware of potential changes that could affect its future operations and in turn, its HR plan. PSC recognized, at that time, it did not have sufficient information to determine the impact of these potential changes in its HR plan and that without this information, its HR plan would be incomplete.

While its HR plan includes most of the information expected, it does not include the following information:

- ◆ prioritized listing of human resource risks specific to PSC
- ◆ detailed strategies (including necessary financial resources) to bridge identified gaps in human resource needs specific to its department including its projected future human resource needs (e.g., number, type, location of employees and required key competencies) for new and ongoing activities
- ◆ assignment of responsibility to specific PSC staff
- ◆ deadlines for the implementation of related major strategies

1. We recommend the Public Service Commission revise its own human resource plan to include the following:

- **a prioritized listing of human resource risks specific to PSC**
- **detailed strategies to bridge identified gaps in human resource needs specific to PSC**
- **assignments of responsibility and deadlines for implementing major strategies**

Agreement for information technology services needed

PSC needs an agreement with the Information Technology Office (ITO) for services it receives from ITO.

PSC relies on its information systems to operate. For example, its information systems track key human resource data including staffing actions, confidential employee personnel information, pay, and benefits.

PSC is responsible for the accuracy and completeness of information processed on its information systems and the security and ongoing availability of its key systems. Since March 2006, PSC uses ITO for certain information technology services.

A written agreement (commonly referred to as a service-level agreement):

- ◆ defines the roles and responsibilities of each party related to the provision of information technology services
- ◆ sets out the scope, level, and quality of services ITO is to provide to PSC
- ◆ helps ensure each party has a common understanding of the roles and expectations of each party
- ◆ provides a basis for monitoring performance of each party

At September 30, 2006, PSC had not yet signed such an agreement. A written agreement is essential so that the PSC can effectively monitor services ITO provides and take corrective or follow-up action as necessary such as adjustments to its processes or policies.

- 2. We recommend that the Public Service Commission sign a service-level agreement with the Information Technology Office for information technology services.**

Leading human resource planning—a follow-up

The Government needs the right people, in the right jobs, at the right time to help it meet its strategic goals. This requires effective human resource planning. PSC and departments share responsibility for human resource planning. PSC and departments collaboratively identify strategic human resource issues. Together they develop action plans to address these issues and achieve goals and objectives.

Background

This section sets out PSC's actions to September 30, 2006 on two recommendations we made in Chapter 2 of our 2005 Report – Volume 1. The Standing Committee on Public Accounts of the Legislative Assembly agreed with these recommendations June 21, 2005.

In our 2005 audit of the adequacy of PSC's processes to lead human resource planning across departments, we concluded the following. At October 31, 2004, PSC had adequate processes to lead human resource planning across departments except for processes to identify a manageable number of priorities and analyze human resource risks.

Guide human resource planning

Consistent with the 2005 audit, PSC identified many broad human resource issues. It communicated these to departments through a human resource plan that covered all departments. We noted that departments had limited resources to address the many issues set out by PSC.

PSC, in collaboration with departments, prepares both a multi-year plan (i.e., Human Resource Plan for the Saskatchewan Public Service 2006-2010) and an annual plan (i.e., PSC's 2006-07 Performance Plan). At September 2006, the multi-year plan was not yet finalized. PSC makes both plans available directly to departments and to the public on its website at www.gov.sk.ca./psc.

These plans contain:

- ◆ high-level goals that show the outcomes that the plans are intended to achieve

- ◆ objectives that contribute to achievement of the top-level goals
- ◆ key actions for both PSC and for departments

The key actions set out areas of focus for PSC and departments. The annual human resource plan contains significantly fewer key actions for departments than the previous plan. This reduces the number of priorities for departments in the near term. The draft multi-year plan contains a similar number of priorities as the previous multi-year plan.

During 2005-2006, PSC restructured and set up a group to provide itself and five other departments with human resource services directly. These changes should increase the capacity of smaller departments to plan effectively for human resources, including meeting multiple priorities.

We continue to recommend that PSC communicate to departments a manageable number of human resource priorities, particularly those priorities relevant to the next five years.

Manage human resource risks

In 2005, we found that PSC used a range of methods to obtain information about risks affecting human resources. At that time, PSC did not use a formal process to analyze risks and decide what levels of risk to tolerate to achieve desired results. We recommended that the Public Service Commission use a risk management framework to identify and analyze human resource risks and set acceptable risk levels.

During 2005-06, PSC developed a risk management framework. The framework draws on international standards. It includes processes to systematically identify and analyze human resource risks. The framework also includes processes to set acceptable risk levels (that is, to identify what levels of remaining risk it is prepared to tolerate).

At September 2006, the risk framework is not yet fully implemented. PSC has introduced the risk framework to departments and trained departments on its use. Departments are using the risk framework in their human resource planning. PSC expects to apply the framework to its human resource planning across departments. We continue to recommend that it do so. Use of the framework will help PSC analyze human resource risks and decide what levels of risk can be tolerated to achieve desired results.