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Main points

The Public Service Commission (PSC) is responsible for implementing the Government's 2005 policy requiring criminal record checks of certain ministry employees. It designated 11,998 positions as requiring a criminal record check and by September 2010, 10,755 of those employees submitted criminal record checks. PSC expects to fully implement this policy by February 2012. PSC needs to complete criminal record checks to properly protect citizens from loss of public money.

PSC is improving its processes to develop leaders for senior management positions in government ministries. However, it had not completely implemented our 2009 recommendations at June 30, 2010.

Also, PSC needs to follow its established procedures to remove unneeded user access to its systems and data promptly.

Introduction

Under *The Public Service Act, 1998*, the Public Service Commission (PSC) is the central human resources agency for about 12,000 staff employed primarily by Government ministries.

PSC provides leadership and policy direction for the development of a professional public service. PSC delivers human resource services including staffing, classification of positions, compensation and labour relations, and works with Ministries in the delivery of human resource services.¹

The following is a list of PSC’s major programs and spending. For further details and variance explanations, see PSC’s 2009-10 Annual Report available on its website www.psc.gov.sk.ca.

	<u>Original Estimates</u>	<u>Actual</u>
	(in thousands of dollars)	
Human Resource Client Service and Support	\$ 18,642	\$ 17,126
Central Management and Services	4,919	5,632
Corporate Human Resources and Employee Relations	3,155 ²	15,412
Employee Service Centre	10,119	10,617
Capital Asset Amortization	<u>1,250</u>	<u>1,442</u>
	<u>\$ 38,085</u>	<u>\$ 50,229</u>

This chapter contains the results of our audit of PSC for the year ended March 31, 2010. Also, the chapter provides an update on recommendations from our 2008 examination on PSC’s processes to develop leaders.

¹ *Public Service Commission 2009-10 Annual Report*. Regina: Author.

² For the year ended March 31, 2010, Cabinet authorized a special warrant for additional spending of \$12 million; the Assembly later approved this amount through an appropriation act.

Audit conclusions and findings

In our opinion, for the year ended March 31, 2010:

- ◆ PSC had adequate rules and procedures to safeguard public resources 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

Controlling user access to computer systems and data

During 2009-10, PSC did not follow its established procedures for granting and removing user access to its computer systems and data.

PSC uses its computer systems and data to manage employee information (e.g., benefits, salary, job assignment, and training) and process payroll transactions. Some of the data included in PSC's systems is confidential.

We found that PSC managers did not make timely requests to remove user access for terminated employees.

Without following its established procedures for removing user access, PSC cannot ensure that only authorized individuals have access to its computer systems and data. As a result, PSC is exposed to the risk of loss of public money and/or inappropriate access to confidential information.

1. **We recommend that the Public Service Commission follow its established procedures for removing user access to its computer systems and data.**

Implementation of criminal record checks

Since our 2005 Report – Volume 1, we have recommended that the ministries (formerly departments) of Community Resources and Employment and Environment assess the risk of loss of public money by employees in positions of trust (i.e., those responsible for the collection,

receipt, disbursement, or expenditure of public money) and reduce this risk to an acceptable level (e.g., by providing insurance coverage or requiring criminal record checks).³ The Standing Committee on Public Accounts (PAC) agreed with these recommendations in 2005.

In September 2005, the Government made PSC responsible for implementing its policy on obtaining criminal record checks for ministry staff in designated positions.

Criminal record checks are part of a prudent employment process that helps the Government:

- ◆ maintain public confidence in the public service
- ◆ ensure the safety of its employees, clients, and stakeholders
- ◆ ensure that public funds are securely administered

Under the Government’s policy, PSC requires employees in designated positions to submit a satisfactory criminal record check by a stated deadline. In July 2009, PSC entered into an agreement with CUPE⁴ to extend the deadline for CUPE incumbents⁵ to February 2012. During 2009-10, it continued to obtain and review submitted criminal record checks. Exhibit 1 provides statistics on the number of designated positions requiring a criminal record check and employees who have submitted them along with deadline dates. Exhibit 2 provides a brief summary of the policy and PSC’s related activities.

Exhibit 1 – statistics on criminal record checks

	Number of designated positions requiring criminal record check	Number of employees who have submitted criminal record checks	Deadline dates to submit satisfactory criminal record check
At September 2009	10,908	7,687	September 2010 and every five years thereafter
At September 2010	11,998	10,755	September 2010 (for all employees except CUPE members) or by February 2012 (for CUPE members) and every five years thereafter

³ Our 2005 Report – Volume 1 (Chapter 6 – Community Resources and Employment, Chapter 7 – Environment) includes detailed audit findings.

⁴ Members of the Canadian Union of Public Employees Local 600.

⁵ PSC 2009-10 Annual Report (p. 25) reports CUPE employees account for 4.7% (i.e., 585) of the total ministry employees (i.e., 12,348) employed at March 31, 2010.

PSC needs to complete criminal record checks to properly protect citizens from loss of public money.

Exhibit 2 – Criminal record check policy and PSC’s related activities

Effective September 2005, PSC adopted a policy that requires employees in designated positions hired under *The Public Service Act, 1998* to provide a satisfactory criminal record check on initial employment and periodically thereafter. Designated positions requiring criminal record checks include:

- ◆ positions entrusted with the care of, or intervention with, vulnerable clients
- ◆ positions involved in law enforcement/security
- ◆ positions involved in the administration of the criminal justice system
- ◆ positions responsible for the collection, receipt, disbursement, or expenditure of public money
- ◆ information technology positions with responsibility to modify operating systems (e.g., ability to establish or re-route client payments)
- ◆ positions that are required to deal with third party service delivery systems where the third party requires criminal record checks
- ◆ such other positions that are identified by government ministries and approved by the PSC

Prior to posting new positions, PSC completes an evaluation of the position before posting the job. For positions requiring a criminal record check, PSC includes this requirement in the job posting. Successful applicants must provide a satisfactory criminal record check before ministries make an offer of employment.

Except for CUPE members, incumbents in designated positions are required to submit a satisfactory criminal record check within five years from the date the policy was implemented (i.e., by September 2010) and every five years thereafter. In July 2009, PSC entered into an agreement with CUPE to extend the deadline for CUPE incumbents to submit satisfactory criminal record checks to February 2012. A satisfactory check is either a police report that there are no charges or convictions, or a determination by PSC that any reported charges or convictions are not relevant to the employee’s position. Also, employees in designated positions must report any criminal charges or convictions as they occur. When these reports are relevant to an employee’s position, PSC works with the ministry where the employee works to amend the job duties so that conflicts are eliminated. PSC updates the status of criminal record checks in its computer system which allows it to track and monitor compliance with the criminal record check policy.

Developing leaders—a follow-up

Background

Saskatchewan government ministries employ about 900 managers and about 160 senior leaders (e.g., executive directors, assistant and associate deputy ministers, and deputy ministers). PSC anticipates that

half of ministries' senior leaders could retire by 2014 as well as nearly half of the managers who would usually replace them.⁶

Effective senior leadership is essential for ministries' success. Senior leaders inspire, persuade, direct, and hold others accountable to achieve specific outcomes. They set direction and motivate others to achieve the Government's objectives. Gaps in leadership could result in delayed services or poorly designed changes to government programs. Strategic coordination would help PSC develop leaders in time to fill key leadership positions effectively across all ministries.

This section describes our follow-up of management's actions up to June 30, 2010 on our past recommendations about developing leaders.

Our 2009 Report – Volume 1, Chapter 9 sets out the results of our audit of PSC's processes to develop leaders for senior management positions in government ministries. We concluded that, as of December 31, 2008, the Public Service Commission's processes to develop leaders for senior management positions were adequate except for:

- ◆ its processes to provide potential leaders with developmental work experiences and mentoring opportunities
- ◆ its processes to monitor and report on the readiness of ministries to meet their future leadership needs

We made three recommendations related to coordinated development of potential leaders across ministries. On September 1, 2009, PAC agreed with our recommendations. Implementation of these recommendations would reduce the risk of serious future gaps in leadership capacity within ministries.

The following sets out our past recommendations (in italics) and PSC's progress up to June 30, 2010. Overall, PSC had not completely implemented these recommendations at June 30, 2010.

⁶ *2006-10 Human Resource Plan for the Saskatchewan Public Service*, p.8 as updated by PSC.

PSC planning more mentorship opportunities

We recommended that the Public Service Commission use mentorship programs to help develop potential leaders in government ministries. Structured and formalized mentorship programs enhance other leadership development initiatives such as assigning developmental work, coaching, and training.

PSC is making progress in supporting potential leaders but does not have formal mentorship programs to help develop experienced government employees as potential leaders in government ministries. Since our audit, PSC has researched mentorship approaches and programs used in the public sector across Canada. PSC also continues to participate in an Executive Internship Program for graduate students, about half of whom become government employees.⁷

In addition, since late 2009, PSC has worked with Executive Council to move forward an “executive talent management” initiative to coordinate executive leadership talent across all ministries. The program will include a mentorship component. The Deputy Minister to the Premier supported this initiative by making mentorship an expected part of the role of deputy ministers. At June 30, 2010, PSC planned to meet with each of the deputy ministers during 2010 to secure their commitment to mentor experienced employees across ministries.

Developmental work experiences not yet coordinated

We recommended that the Public Service Commission coordinate programs that provide potential leaders in government ministries with suitable developmental work experiences. A coordinated program would more efficiently prepare a larger pool of candidates ready to fill vacant senior leadership positions.

As of June 30, 2010, PSC does not have a coordinated program to provide identified potential leaders with developmental work experience across ministries, but it is gaining support to move in that direction. On an ad hoc basis, PSC continues to link qualified, interested employees with ministries that have temporary vacancies in senior positions.

⁷ In 2009-10, PSC coordinated six internships for students of the University of Regina Master of Public Administration program. Interns are assigned work under the guidance of ministry senior leaders.

Through its “executive talent management” initiative, in 2010, PSC expects ministries to work together to identify and make available work experiences for ministry employees identified as potential or emerging leaders. These work experiences would include temporary assignments to positions of greater responsibility or roles requiring advanced skills (e.g., managing projects, developing budgets). In June 2010, the Deputy Minister to the Premier supported this initiative. In a letter outlining performance expectations for 2010-11, he asked all deputy ministers to use an “enterprise approach: acting as a single employer, and operating collaboratively across ministries.”⁸

PSC recognizes that this collaborative approach may be challenging for ministries. Each ministry faces its own pressures and strives to retain emerging leaders. Taking a long-term perspective across ministries is essential. Emerging leaders who gain valuable experience in other ministries may develop skills more quickly and thus be ready to return to senior leadership positions in their home ministry when it needs them.

PSC reporting gaps/collecting leadership capacity data

We recommended that the Public Service Commission monitor and report regularly to deputy ministers on the readiness of government ministries to meet their future leadership needs. Deputy Ministers, including the Deputy Minister to the Premier, need a range of information to manage leadership needs and control human resources risks. Exhibit 3 sets out the range of information required to assess leadership readiness.

Exhibit 3

Information on ministries' readiness to meet their future leadership needs could include:

- ◆ the rate of turnover anticipated among ministry senior leaders including retirements, education or other leave
- ◆ the number of government employees interested in leadership positions across ministries
- ◆ employee participation in leadership training (whether taken independently or as part of a government-sponsored program)
- ◆ gaps in the skills or work experiences of potential leaders (e.g., capacity to analyze financial information or negotiation skills)

⁸ Excerpt of expectations letter for deputy ministers from the Deputy Minister to the Premier.

In June 2010, PSC was monitoring and reporting regularly to deputy ministers on gaps in future leadership capacity (e.g., expected retirements). PSC had begun collecting information on readiness to manage anticipated leadership gaps (e.g., expected number of potential or emerging leaders).

In 2010, PSC began collecting a manual inventory of information about senior leaders in ministries (e.g., executive directors through deputy ministers). At June 30, 2010, this inventory was not yet complete. When complete, this inventory will aid the Government in identifying candidates for vacant senior management positions in ministries. In future, PSC hopes to create an electronic database with this information. In electronic format, the PSC could analyze the information more easily and use it to support a coordinated, corporate approach to managing senior leadership talent.

As previously noted, PSC expects about half of ministries' senior leaders to retire over the next six years. Historically, the Government appoints about 85% of senior leaders from within the public service. As PSC reported in its 2008-09 and its 2009-10 annual reports, six ministries (who manage just over 50% of staff employed by ministries) have formal succession plans. PSC reported it is working with the other ministries to develop succession plans (e.g., Justice). These succession plans provide some of the information PSC needs to assess the readiness of ministries to manage expected gaps in leadership capacity. However, the information is not available for all ministries.