



Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
Développement du Nord Canada

Aboriginal Affairs and Northern Development Canada

Internal Audit Report

Management Practices Audit of the Québec Region

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ACROMYMS

AANDC	Aboriginal Affairs and Northern Development Canada
AES	Audit and Evaluation Sector
CSA	Control Self Assessment
EPM	Employee Performance Management
FN	First Nation
HQ	Headquarters
HR	Human Resources
HRWSB	Human Resources and Workplace Services Branch
MPR	Management Practices Review
MPA	Management Practices Audit
RBAP	Risk Based Audit Plan

EXECUTIVE SUMMARY

Background

A second round of Management Practice Audits (MPAs) was included in the 2010-13 Risk Based Audit Plan (RBAP) on the basis that MPAs provide Aboriginal Affairs and Northern Development Canada (AANDC) with an effective and economical approach to improving management practices and increasing awareness of leading practices. The RBAP was recommended by the Audit Committee and approved by the Deputy Minister on April 19, 2010.

The approach for the second round of MPAs included a regional Control Self Assessment (CSA) workshop and an audit of management practices focused on the areas of highest risk as identified by Audit and Evaluation Sector (AES) through the CSA workshop and a review of previous audit and review findings.

Audit Objective and Scope

The objective of this audit was to provide senior management with assurance over a selection of management practices assessed as being higher risk during the CSA workshop, a review of the status of previous audit and review findings, and a review of departmental priorities. For management practices identified as high risk, AES assessed whether the controls and activities in place were adequate and effective in supporting the achievement of objectives in a manner that is compliant with applicable policies, procedures and regulations.

The scope of this audit covered the period April 1, 2010 to August 31, 2011. As described in the audit objective, the audit examined higher risk management practices and activities in terms of relative importance and performance. The audit scope for the Quebec Region included the broad management practice areas of client service standards; human resources management; grants and contributions; governance and strategic direction; and, policy and programs.

Observed Strengths

During the audit fieldwork, the audit team observed several examples of how controls are properly designed and are being applied effectively by Québec regional management. This resulted in several positive findings which are listed below:

- The Region has implemented a risk management process which involves the participation of most of the regional staff in addition to some training, mandatory for all new employees. The Region has a regional risk profile;
- The region has created a Regional Budgetary Allocation Committee which assists in allocating resources in alignment with regional strategies;
- The region has implemented a process where current and future Human Resources (HR) needs are analyzed within the HR Strategic Plan 2011/14, a three year planning document, which is linked to the Quebec Region's 2011-2012 Business Plan;

- The Regional Corporate Business Plan is aligned to the departmental priorities; and,
- Regional performance is measured and reported through the Quarterly Report to Headquarters (HQ).

Recommendations

The audit team also identified areas where regional management practices and processes could be improved.

The Audit and Evaluation Sector recommends that the Regional Director General of the Québec Region:

1. Continue to collaborate with Headquarters to define external client services offered by AANDC and to develop performance targets for the delivery of these services as part of on-going monitoring and management of the performance against established standards. To help ensure a consistent, national approach is adopted, standards, performance expectations and monitoring requirements should be formally communicated to all regions by HQ.
2. Increase the awareness of regional managers responsible for hiring and promotion activities by providing training and information sessions. The training should identify the tools and resources available to help them better understand their roles and responsibilities within the hiring process and help ensure it is efficient and effective; and identify the documentation to be retained to demonstrate compliance with policies and procedures.
3. Collaborate with HRWSB and propose new approaches for adjustments to employee performance management (EPM) requirements to reflect the alignment of developmental goals with employees' needs, position requirements and established regional competencies. Also, any developmental goals identified should be used to inform learning plans for the year providing a clear link between the EPM and Learning Plan. Training should be carried out to help improve the consistency and quality of EPM form preparation and assessment. The Québec Region should also conduct an ongoing quality review of a sample of EPMs to assess whether they are completed as expected.
4. Continue to collaborate with Headquarters and increase HQ's awareness of the need to consult and work closely with regional offices and First Nation representatives to support an improved understanding of the needs and requirements of First Nations.

Statement of Assurance

In my professional judgment as Chief Audit and Evaluation Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time of the audit and against the audit criteria. It should be noted that the conclusions are applicable only for the Québec region and the areas examined. The evidence was gathered in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Conclusion

Generally, management practices were found to be effective and adequate; however, some areas for improvement were noted to strengthen management practices in some areas of human resources/employee performance management and to continue the collaboration with HQ to define external client service standards.

1. INTRODUCTION AND CONTEXT

1.1 *Management Practices Initiative*

The Audit and Evaluation Sector (AES) conducted twenty (20) Management Practices Reviews (MPRs) between 2007 and 2010, as part of a Department-wide initiative to assess the relative strength of Region and Sector management practices. Following the completion of the first round of MPRs, the Deputy Minister and the Audit Committee recommended that a summary document be prepared to highlight the strengths and weaknesses of the process and to make a recommendation on whether the management practices review initiative should be continued. As a result of the analysis, a second round of MPRs, using a revised approach, was recommended by the Audit Committee and later approved by the Deputy Minister.

Under the revised approach, which was designed to provide departmental management with an audit level of assurance, management practices engagements were to be conducted in two phases: a control self assessment (CSA) workshop and a limited scope audit. Based on the feedback received from the CSA as well as the results of previous audits and reviews, and a review of departmental priorities, a limited number of management practices were to be selected for inclusion in an audit.

1.2 *Control Self Assessment*

The CSA workshop was the venue through which internal audit gathered participants' opinions on the importance, efficiency, and effectiveness of key management practices. Specifically, it gathered the auditee's views on how well each of their key management practices is functioning to support achievement of the Region's objectives. The CSA workshop was facilitated by an AES facilitation team, led by an external third-party, and was designed to allow for maximum discussion, with anonymous voting technology used to encourage open and honest feedback.

As a result of the CSA workshop, preliminary interviews, and the review of previous engagement findings, AES identified six key areas of potential risk that required further analysis. These six areas were as follows: external client service standards; human resource management; recruitment, hiring and promotion; risk-based administration of recipient agreements; operational objective setting and planning; and policy and program development.

These risk areas were mapped to relevant Core Management Control categories and relevant audit criteria were developed and assessed (audit criteria are included in Appendix A).

1.3 *Québec Region*

The province of Québec is home to 24% of the Canadian population and 2% of all Canadian Aboriginal People. There are 56 identified communities in Québec that represent at least 11 First Nations.

Aboriginal Affairs and Northern Development Canada's (AANDC) Québec Region is one of 10 regional offices working to fulfill AANDC's mandate. The primary role of the Region is to assist Canada's Aboriginal and northern peoples in the pursuit of healthy and sustainable communities and broader economic and social development objectives.

Activities of the Region are delivered through seven regional directorates with operations located in the main regional office in Quebec City. The list of regional directorates is as follows:

Directorates:

- Regional Branch
- Corporate Services
- Education and Social Development Programs and Partnerships
- Funding Services
- Lands and Economic Development
- Negotiation, Governance and Individuals Affairs
- Strategic Services and Communications.

2. AUDIT OBJECTIVE AND SCOPE

2.1 *Audit Objective*

The objective of this audit was to provide senior management with assurance over a selection of management practices assessed as being higher risk as identified through a regional CSA workshop, a review of previous audit and review findings, and a review of departmental priorities. For management practices identified as high risk, AES assessed whether the controls and activities in place are adequate and effective in supporting the achievement of regional objectives, in a manner that is compliant with applicable policies, procedures and regulations.

The audit objective is supported by detailed audit criteria developed and aligned with the Treasury Board Core Management Controls.

2.2 *Audit Scope*

The scope of this audit covered the period April 1, 2010 to August 31, 2011. The audit examined management practices and activities considered by management and AES to be higher risk in terms of relative importance and performance. In certain instances where audit work was recently conducted or where future audit work is planned, management practices identified as high risk were excluded from the scope of this audit. In addition, management practices considered to be the primary responsibility of Headquarters (HQ) were removed from the scope of the audit. Headquarters areas consistently identified as a high risk will be subject to future department-wide audits.

The scope for the Québec Region included the following: external client service standards; integrated human resources management; grants and contributions; operational objective setting and planning; and, policy and program development. The audit fieldwork was conducted from October 31 to November 4, 2011, during a site visit to the Québec Regional office in Québec City, Québec.

3. APPROACH AND METHODOLOGY

The Management Practices Audit of the Québec Region was planned and conducted to be in accordance with the *International Standards of the Professional Practice of Internal Auditing*.

Sufficient and appropriate audit procedures have been conducted and evidence gathered to support the audit conclusion provided and contained in this report.

The principal audit techniques used included:

- Interviews with key regional management and staff personnel;
- Review of relevant documentation related to external client service standards, human resources management, grants and contributions, planning results and performance, and policy and programs;
- Evaluation of the system of internal controls, risk management and governance within the Region for in-scope processes;
- Conduct of a detailed examination of a random sample of HR transactions and related human resource files to evaluate staffing decisions, staff training plans and staff performance management plans; and,
- Conduct of a detailed examination of a random sample of contribution agreements.

The approach used to address the audit objectives included the development of audit criteria against which observations, assessments and conclusions were drawn. The audit criteria developed for this audit are included in Appendix A.

For the purposes of the examination of human resource files and contribution agreements, a random sample was selected covering the period of audit scope of April 1, 2010 to August 31, 2011.

4. CONCLUSION

Generally, management practices were found to be effective and adequate; however, some areas for improvement were noted to strengthen management practices in the areas of human resources/employee performance management and to continue the collaboration with HQ to define external client service standards.

5. OBSERVATIONS AND RECOMMENDATIONS

Based on a combination of evidence gathered through the examination of documentation, analysis and interviews, each audit criterion was assessed by the audit team and a conclusion against each audit criterion was determined. Management practices requiring improvement as well as those considered to be strong have been identified. Where a significant difference between the audit criterion and observed practices was found, the risk of the control gap was evaluated and used to develop a conclusion for each audit criterion and to provide recommendations for improvement.

The following details our observations and recommendations based on the results of our audit work. For each management practice area, we provide a brief summary of the audit criterion (or expectations) derived from the Treasury Board Core Management Controls. A detailed listing of audit criteria is provided in Appendix A.

5.1 *Client Service Standards*

5.1.1 External Client Service Standards

Establishing a client service orientation, managing external clients expectations, and improving service delivery to better meet client needs is critical for the Québec Regional office, which focuses most of its efforts on delivering services to external clients. It is important that relevant external service standards are established in collaboration with and communicated to clients and that regional management actively manage, monitor and solicit feedback from external clients on these service standards.

The audit found that, while some external service standards are in place (e.g. 90 days to perform the analysis of a First Nation's financial statements and to communicate the results; and, 24 hours to acknowledge the receipt of recipient inquiries), they have not been formally documented and they are not consistently communicated to staff and clients and/or are not monitored to support timely action by management. Regional management acknowledged that consistent national external service standards and expected turnaround times need to be established and communicated to external clients (First Nations) to help ensure a focus and quality of service consistent with the service standards of other Regional offices.

The implementation of national external client service standards at AANDC will help to ensure that consistent, effective, efficient and timely two-way communication and collaboration is achieved in the delivery of services to First Nations. Client service standards provide a target against which performance can be measured and monitored. In developing standards, a consistent, national approach is preferred as it strikes an appropriate balance between the Department's efforts to improve the quality of service to recipients and the potential reporting burden.

Recommendation:

The AES recommends that the Regional Director General of the Québec Region:

1. Continue to collaborate with Headquarters to define external client services offered by AANDC and to develop performance targets for the delivery of these services as part of on-going monitoring and management of the performance against established standards. To help ensure a consistent, national approach is adopted, standards, performance expectations and monitoring requirements should be formally communicated to all regions by HQ.

5.2 Human Resources Management

5.2.1 Integrated Human Resources Planning

To help ensure that a region optimizes the use of its human capital and to help achieve its goals, it is important that human resource (HR) planning be aligned with strategic and business planning, and that it includes information on the related financial resources. Without a good understanding of the human and financial resources required to execute planned activities and achieve strategic goals, it is difficult for management to determine the appropriate complement of human resources.

The Quebec Region has developed a number of HR planning documents and tools to support the identification of personnel needs and requirements. Current and future HR needs were analyzed within the 2011-2014 three year HR strategic plan document which was linked to the 2011-2012 Regional Business Plan. The HR plan addresses specific HR objectives and activities which were linked to AANDC established priorities. Our audit noted that the 2011/2012 HR planning process had been completed and HR priorities had been integrated into the 2011-2012 business plan.

Our review of all these documents demonstrated that the Québec Region HR plan is aligned with the Region's business plan which in turn is aligned with AANDC national priorities.

Recommendation:

No recommendations were identified in this area.

5.2.2 Human Resources Recruitment, Hiring and Promotion

Within the federal government context, it is expected that staffing decisions consider current and future needs and are conducted in a manner that is fair and objective. It is critical that management practices and internal control procedures are in place to help ensure policy compliance as well as fairness and transparency in the staffing process. It is also important that management conducts periodic analysis of the staffing process to identify possible trends and anomalies.

As previously noted, the Québec Region's organizational needs are analyzed within the HR planning process. Current and future organizational needs are analyzed within the HR plan as well as the 2011-2012 business plan. The process requires each director to present their current and future HR needs at the HR committee (Table des ressources humaines) for approval.

An audit of regional staffing actions that covered staffing during the period of October 1, 2009 to March 31, 2011 was conducted by the Human Resources and Workplace Services Branch (HRWSB) in July 2011. The audit concluded that staffing decisions and the selection of staff were done based on merit and that the staffing process adhered to the established policies and procedures. This was also the case during the review of a sample of five¹ staffing files out of 40.

The review of a sample of five records of decision from the HR committee, revealed that actions taken by management are consistent, in compliance with relevant legislation and government policies, and approved according to delegated authorities.

During the audit, a number of representatives from the Region commented on their desire for more support from the regional HR unit, that they should perform more of the required steps in the staffing process. Some commented, for example, that they would appreciate more help during the selection process and in the creation of the selection criteria. During the CSA workshop, participants commented that staffing actions took too long. In recent years, HR units across government have assumed more of an advisory role, providing guidance to hiring managers and supervisors who are responsible for leading HR staffing actions. The responsibility for staffing actions lies with Directors responsible for the position being staffed.

Despite these comments, it was noted during a discussion with the Director of HR that many tools and resources were available to managers and supervisors to educate them on the various requirements and to help them expedite their staffing actions. Managers were just not aware of them.

Recommendations:

The AES recommends that the Regional Director General of the Québec Region:

2. Increase the awareness of regional managers responsible for hiring and promotion activities by providing training and information sessions. The training should identify the tools and resources available to help them better understand their roles and responsibilities within the hiring process and help ensure it is efficient and effective; and identify the documentation to be retained to demonstrate compliance with policies and procedures.

¹ While the audit plan indicated that a review of a sample of 15 staffing files was to be conducted for compliance with applicable policies and procedures and clear documentation of business rationale, the original sample was reduced to five. The reduction in files was due to the fact that between the period of January 1, 2010 and August 3, 2011 there were only 40 staffing actions, which is less than one per week. Therefore according to the sampling strategy, a sample of five is required.

5.2.3 Management of Staff Performance

To help ensure the satisfaction of employees and provide further input on career development, it is important to engage employees in a discussion on goals and objectives and to provide employees with timely and constructive feedback on their performance and opportunities for development.

On an annual basis, employees meet with their immediate supervisor to complete their employee performance management (EPM) forms and individual learning plans. Once training needs are determined a compilation of training requirements are completed by each directorate which specifies associated costs. The learning plans must be presented and approved by the HR committee.

In the course of our audit we examined a sample of 15 EPM forms and learning plans.

EPMs

In two (or 13%) of the 15 EPM forms reviewed, it was noted that the employees' initial goals had not established. In two additional cases, goals were established but had not been signed off by either the employee or the supervisor. As a result, the audit team was not able to determine whether these goals had been agreed upon and communicated to the employee. These results represent a non-compliance rate of 27%.

The audit also noted that the quality of the goals established on the EPM forms were inconsistent depending on the supervisor or manager performing the evaluation and that employee development goals (and the associated training) were not identified in any of the EPM files examined. It was noted that the evaluation of EPM forms required by HQ does not provide guidance to supervisors and employees in setting goals that are specific, measurable, attainable, realistic, and timely (i.e. SMART goals).

During the fiscal year 2009-10, Headquarters established a target of 90% completion rate for EPM forms. This target includes both the completion of employee performance evaluations for the previous year as well as goal setting for the upcoming fiscal year.

The audit noted that the Quebec Region has put in place controls to ensure completion of EPM forms by all employees. However there is no central quality control review of EPM forms which could help increase the likelihood that employee goals are consistent and meet organizational expectations. The lack of an effective quality review of EPM forms could result in employees having goals where achievements cannot be easily measured and can lead to misinterpretations regarding expected roles that need to be taken to support development.

Learning Plans

Following the audit, it was noted that a learning plan had been prepared for each employee and

included justification for the proposed training. The training was aligned with the organizational objectives demonstrating the need for the training but it was noted that the completion certificate for external training was not required to be submitted by the employee.

The audit also noted that a database has been created to specify competencies that will be needed in the future as retiring employees begin to be replaced and for new position requirements. This database will also compile current employee competencies. All employees will have the ability to consult this database to identify future career possibilities and what competencies they need to apply for future opportunities.

Recommendations:

The AES recommends that the Regional Director General of the Québec Region:

3. Collaborate with HRWSB and propose new approaches to adjust EPM requirements to reflect the alignment of developmental goals with employees' needs, position requirements and established regional competencies. Also, any developmental goals identified should be used to inform learning plans for the year providing a clear link between the EPM and Learning Plan. Training should be carried out to help improve the consistency and quality of EPM form preparation and assessment. The Québec Region should also conduct an ongoing quality review of a sample of EPMs to assess whether they are completed as expected.

5.3 Grants and Contributions

5.3.1 Risk-based Administration of Recipient Agreements

In addition to the ongoing monitoring performed by program officers, the Quebec Region has implemented a number of tools to assist in monitoring First Nation (FN) funding to help ensure that recipients are in compliance with the terms and conditions of their funding agreement(s) and that funds are utilized for the intended purpose.

Following the 2009 management practice review, the Region has established a conformity committee (Groupe consultatif en conformité) consisting of representatives from each program area. The mandate of the committee, which meets a minimum of three times a year, is to discuss and evaluate the relevance of the conformity activities performed in the Region.

On an annual basis, a "General Assessment" (an overall evaluation/risk assessment) of each recipient is performed by the Region based on the recipient's historic performance and current capacity with regards to governance, planning, financial management and program management. Each recipient receives a rating of high, medium or low risk for each criteria as well as an overall risk rating. Meetings are scheduled with recipients that are assessed as high risk in order to implement a risk mitigating strategy. In our review of three recipient funding agreements, we noted that the General Assessment had been performed and included approval by all program directors.

Since 2009, the Quebec Regional office has drafted a number of guides to assist the staff in conducting compliance audits of recipients. These guides specify the methodology to be employed by staff and the criteria against which recipient compliance with the funding agreement is to be assessed. The guides promote a risk based audit approach to compliance auditing.

In the course of our interviews with Management and regional program personnel, participants noted that they were confident that the Region had an adequate approach to compliance. A review of five grants and contributions files noted that reports were received in a timely manner and in accordance with the terms and conditions of the funding agreement. In one instance, the report had been received later than the date specified in the funding agreement. In this case, we noted evidence of timely follow-up performed by the program officer.

Recommendation:

No recommendations were identified in this area.

5.4 Governance and Strategic Direction

5.4.1 Operational Objective Setting and Planning

The achievement of regional objectives is enabled by the collective suite of management processes and controls that are in place to set strategic direction, operational plans, objectives, and priorities, and to provide guidance on how resources should be allocated to achieve these plans. Resource allocation and budgets support the planning and use of financial, human and physical resources. These are critical elements of planning, as they define the nature of resources and competencies required and improve the possibility that sufficient resources exist to achieve objectives. These controls provide employees and third-party service providers with an understanding of priorities and performance targets, and provide direction in the pursuit of operational objectives.

The Regional 2011-12 Corporate Business Plan specifies the region's objectives that are aligned to the Departmental Report on Plans and Priorities. Each objective details the key activity, performance indicator/milestones, quarterly targets, the source of the data, risk of achievement, accountabilities and priority. Progress against key Corporate Business Plan priorities are reported in the Quarterly Report, format of which is prescribed by HQ. In our review of the 2010-11 Q1 Quarterly Report, we noted that the reports include full-time employee requirements or financial information associated with the delivery of key activities and the pursuit of regional objectives. Currently, the Financial Status Report provides detailed financial information by program and activity.

Recommendation:

No recommendations were identified.

5.5 Policy and Programs

5.5.1 Influencing Policy Development

Given the nature of AANDC, which has operations in diverse areas with unique operating conditions and environments, the development of policy requires careful consideration of these factors and consultation with stakeholders. It is important that the Region actively participate in influencing policy development at Headquarters to ensure that the policy instruments developed by Headquarters appropriately take into account local regional requirements.

In the course of the audit work, as well as during the regional CSA workshop, participants noted that programs available to FNs were not adequately designed to fulfill all of their needs and that program designers (located at HQ), do not have a strong understanding of the operational realities of the Region and the FNs.

According to participants, the majority of programs are designed without consultation of regional offices or FN representatives.

Recommendation:

The AES recommends that the Regional Director General of the Québec Region:

4. Continue to collaborate with Headquarters and increase HQ's awareness of the need to consult and work closely with regional offices and First Nation representatives to support an improved understanding of the needs and requirements of First Nations First Nations.

6. MANAGEMENT ACTION PLAN

Recommendations	Response from Management / Actions	Manager in Charge (Title)	Expected Implementation Date
<p>The Audit and Evaluation Sector recommends that the Regional Director General of the Québec Region:</p> <p>1. Continue to collaborate with Headquarters to define external client services offered by AANDC and to develop performance targets for the delivery of these services as part of on-going monitoring and management of the performance against established standards. To help ensure a consistent, national approach is adopted, standards, performance expectations and monitoring requirements should be formally communicated to all regions by HQ.</p>	<p>1.1. The Quebec Regional Office will work with the Chief Financial Officer to develop service standards for internal services in this sector's areas of activity. Regional service standards will be shared to promote a nationally consistent approach.</p> <p>1.2. The Quebec Regional Office will also work with Regional Operations to develop service standards for transfer payments for external clients.</p> <p>1.3. The Quebec Regional Office is working with Sectors at Headquarters to develop external client service standards for transfer payments, land management, Indian registration, estates, processing of applications for funding for economic development projects, handling of election appeals, and by-laws.</p>	<p>Regional Director General</p> <p>Chief Financial Officer</p> <p>Regional Operations</p>	<p>Ongoing</p>
<p>2. Increase the awareness of regional managers responsible for hiring and promotion activities by providing training and information sessions. The training should identify the tools and resources available to help them better understand their roles and responsibilities within the hiring</p>	<p>2.1. Organize information sessions with the extended management team to remind them about the documents to be kept on file.</p> <p>2.2. Set up group training sessions for managers to help them learn more</p>	<p>Regional Director General</p>	<p>Mid-March 2012</p> <p>May 2012 Learning month</p>

<p>process and help ensure it is efficient and effective; and identify the documentation to be retained to demonstrate compliance with policies and procedures</p>	<p>about the respective roles and responsibilities in the staffing process.</p> <p>2.3. Develop and/or share tools with managers, e.g., pre-selection and assessment tools, regional competency profile, etc.</p> <p>2.4. Update staffing tools and ensure they are available through regional intranet.</p>		<p>May 2012 Learning month</p> <p>Beginning of March 2012</p>
<p>3. Collaborate with HRWSB and propose new approaches for adjustments to employee performance management (EPM) requirements to reflect the alignment of developmental goals with employees' needs, position requirements and established regional competencies. Also, any developmental goals identified should be used to inform learning plans for the year providing a clear link between the EPM and Learning Plan. Training should be carried out to help improve the consistency and quality of EPM form preparation and assessment. The Québec Region should also conduct an ongoing quality review of a sample of EPMs to assess whether they are completed as expected</p>	<p>3.1. The region will ensure that its EPM process is perfectly in line with the Department's national policy.</p> <p>3.2. When sending out the regional call letter announcing the start of the process, messages will be tailored to managers and employees. Expectations will be specified, concrete examples will be provided and electronic links will be made available to all.</p> <p>3.3. Examples of work objectives from a random regional sample will be used for a quality review of the 2011-12 evaluations. Anonymous examples of "good" and "weak" wording will be shared with managers during an information session (see item 4).</p> <p>3.4. Information sessions will be provided to managers on the EPM process, including setting goals (measurable, attainable, realistic, clear).</p> <p>3.5. Before the midyear review, a second random sample will be taken and</p>	<p>Regional Director General</p> <p>HRWSB</p>	<p>Call letter from HQ</p> <p>Beginning of April 2012</p> <p>End of April 2012 for fiscal year ending May 31</p> <p>June 2012</p> <p>September 2012</p>

	used to measure the effectiveness of the process and to make adjustments based on the above goal-setting principles.		
4. Continue to collaborate with Headquarters and increase HQ's awareness of the need to consult and work closely with regional offices and First Nation representatives to support an improved understanding of the needs and requirements of First Nations	To contribute to greater understanding of the needs of Quebec First Nations, the QRO will continue to use national forums such as sector meetings, committees and conference calls to highlight the importance of holding close consultations with the regional offices and First Nations representatives for policy development, proposed changes to programs, the implementation of special initiatives and pilot projects, etc.	Regional Director General	Ongoing

Appendix A: Audit Criteria

The audit objective is linked to audit criteria developed in alignment with Core Management Controls.

Additional audit criteria were developed to address specific risks identified in the planning phase.

Audit Criteria	
Citizen-Focused Service	
1.1	Lines of communication exist between the organization, users and other external stakeholders.
1.2	Feedback from users and other stakeholders drives strategic and operational planning.
People	
2.1	Human resource planning is aligned with strategic and business/ operational planning.
2.2	Recruitment, hiring and promotion consider the current and future needs of the organization.
2.3	Recruitment, hiring and promotion are conducted in a manner that is fair and objective.
2.4	The organization provides employees with the necessary training, tools, resources and information to support the discharge of their responsibilities.
Grants and contributions	
3.1	Recipient performance monitoring and reporting is in line with the funding agreement and the recipient risk assessment and provides the necessary performance information.
Planning, Results and Performance	
4.1	Management has identified planned results and performance measures linked to organizational objectives.
Policy and Programs	
5.1	The organization has resources to support research and policy analysis.
5.2	The organization has a formal rigorous approach to policy and program design.
5.3	Monitoring of policy and program design options occurs in a regular and timely manner.