



Canadian Space Agency
Agence spatiale
canadienne



Succession Planning Audit

AUDIT REPORT

Project #11/12 01-01

Prepared by the
Audit and Evaluation Directorate

DECEMBER 2011

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1.0 SUMMARY

1.1 Audit objective

The audit objective was to determine whether a management framework is in place to enable the organization to carry out effective succession planning.

1.2 Audit opinion

In our opinion, the organization has an appropriate and well-monitored management framework in place for succession planning.

1.3 Statement of assurance

As Chief Audit Executive, it is my opinion that the audit procedures applied and the evidence gathered are sufficient and appropriate to support the opinion formulated in this report. This opinion is based on a comparison of existing conditions and audit criteria established before the audit and accepted by management. The opinion applies only to the entity examined.

1.4 Summary of recommendations

The audit showed that the CSA identifies and assesses succession planning risks at regular intervals. The planning is done in a progressive, integrated manner, particularly since two new committees were set up (Human Resources / Finance Committee and Integrated Management Co-ordinating Committee [IMCC]), while the effectiveness of planning and management procedures is assessed in various ways (e.g., Management Accountability Framework [MAF], Staffing Management Accountability Framework [SMAF] and Public Service Employee Surveys [PSES]).

In addition, recruiting, training, learning, professional development and corporate knowledge transfer strategies have been developed and implemented. Performance appraisals are designed to be constructive and remedial and include commitments for the next year, individual learning plans and professional development plans. The CSA also verifies staff turnover at regular intervals and in order to promote employee retention, studies the reasons why employees leave.

Before this audit was carried out, management had already identified a weakness in the identification of key positions within the organization and had already made plans to identify these positions during the 2012–2013 fiscal year in accordance with the specific schedule on page 8 of this report. Consequently, although we know that this essential identification exercise has not yet been carried out, we did not include any recommendation in that regard in this report. Based on the information gathered during the audit, we are confident that management will identify these positions as provided for in the established schedule.

Signature of the Chief Audit Executive

Members of the audit team

Louis Martel, Senior Auditor

Karine Roy, Chief, Audit Operations and Professional Practice



2.0 AUDIT REPORT

2.1 Background

The organization is active in a specialized field where there are relatively few people with required expertise. In addition to having to recruit and retain employees who are competent in their specific fields, the organization must be able to train employees who are interested in key management positions so that it can develop in both a scientific and technical context and a federal government context.

2.2 Audit objective, scope and approach

Objective

The audit objective was to determine whether a management framework is in place to enable the organization to carry out effective succession planning.

Scope

The audit was conducted from July to December 2011. We used the audit evidence available during this period to formulate our opinion.

Approach

The audit included various audit procedures, including interviews, a review of documents and observations. The audit criteria were based on various Treasury Board Secretariat (TBS) succession planning management guides and on best succession planning practices.

2.3 Findings, recommendations and management responses

2.3.1 Organization's succession planning management framework

To ensure that the organization has implemented appropriate and effective succession planning measures, we expected to find the following:

1. Risks identified and assessed by management;
2. Planning procedures;
3. Recruiting, learning, training and professional development procedures; and
4. Management procedures (performance appraisals, employee retention, staff turnover, effectiveness of the succession planning process).



Audit objective: Determine whether a management framework is in place to enable the organization to carry out effective succession planning.		
FINDINGS	Criterion 1	Management identifies and assesses risks.
	Conditions	<p>We found that succession planning risks were identified and assessed at regular intervals and as part of two different activities:</p> <ol style="list-style-type: none"> 1) Annually, during the corporate risk analysis exercise; and 2) Every three years, during the Integrated Human Resources Planning (IHRP) exercise. <p>For the purposes of identifying and assessing the CSA’s risks, the following documents are consulted:</p> <ul style="list-style-type: none"> • Clerk of the Privy Council’s priorities, • CSA corporate risk profile, • IHRP exercise directives and user guide, • Human Resources Activities Plan (HRAP), • Sector profiles, • Demographic Profile and Organizational Review, • MAF, • SMAF, • PSESs, and • TBS HR dashboard. <p>We also found that key positions had not yet been identified. We believe it is essential to identify them in order to be able to assess risks appropriately and carry out and manage succession planning effectively.</p> <p>The Human Resources Directorate had planned to identify key positions during the 2012–2013 fiscal year according to the following steps:</p> <ol style="list-style-type: none"> 1) Prepare communication method and strategy tools (March 2012) (for example, the guide, identification criteria and information requirements); 2) Identify key positions in each branch (2nd quarter); 3) Validation and approval of key positions by the Executive Committee (3rd quarter); 4) Incorporate succession planning into the three-year IHRP exercise (3rd quarter); and 5) Develop succession planning tools associated with key positions (March 2013) (for example, Statements of Merit Criteria (SMCs), competency profiles, contingency plans and screening tools). <p>For the time being, the positions that have a critical influence on the operational activities or the strategic objectives of the organization are identified in the staffing activities prioritization exercise. This exercise allows the Executive Committee to decide on the prioritization of staffing activities, taking into account available financial resources and the organization’s ability to meet all of the demand.</p> <p>Given that even before this audit was conducted, management had already</p>



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		planned to identify key positions, we did not include a recommendation in that regard in this report. Based on the gathered information, we are confident that management will identify these positions as planned in the above-mentioned schedule.
	Causes	N/A
	Effects	N/A
RECOMMENDATIONS	N/A	
RESPONSIBILITY IDENTIFIED	Organization	N/A
	Function	N/A
MANAGEMENT RESPONSE	N/A	
MANAGEMENT ACTION PLAN	Action plan details	Timetable
	N/A	N/A

Audit objective: Determine whether a management framework is in place to enable the organization to carry out effective succession planning.		
FINDINGS	Criterion 2	Planning procedures are in place.
	Conditions	<p>We found that the CSA develops and implements various plans and strategies for succession planning, learning, training, professional development and knowledge transfers.</p> <p>These plans and strategies have been developed for senior management (EX), scientific (ENG, RES), technical (EG, EL) and corporate (PE, CS) positions. The plans cover all CSA reporting levels (senior management, managers, supervisors and employees). In addition, a strategy for using student programs has been developed.</p> <p>Tools</p> <p>The human resource planning tools used by the CSA take succession planning risks into account. These tools are used to determine the CSA’s current and future requirements, identify existing employees, compare them with the CSA’s current and future requirements and thus identify positions that must be staffed.</p> <p>Subsequently, the manager responsible for the staffing process uses updated SMCs and work descriptions to determine the essential qualifications for the positions to be staffed. There are also generic SMCs for some job groups, which help to speed up the staffing of positions belonging to those groups.</p>



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		<p>The CSA also uses a self-assessment tool developed jointly by various departments that CSA staff (supervisors, managers, senior managers and employees) can use to define key skills for the purposes of discussions about performance, learning needs and career planning.</p> <p>The CSA also had plans to gradually implement competency-based management (CBM) for learning, performance appraisal and human resource planning and staffing activities. CBM can be used to identify, define, measure, develop and implement individual and/or organizational skills.</p> <p>Integration of planning</p> <p>Some weaknesses in the integration of human resource planning with the CSA’s planning of operations had been reported in recent years. In that regard, the 2011–2012 HR Priorities document prepared by Human Resources mentions the need of improvement in this area. In addition, the CSA Corporate Risk Profile mentions the need to incorporate human resource planning into the CSA’s strategic planning and financial cycle. We found that several improvements had been implemented to facilitate this integration, including the setting up of two committees, ie, the Human Resources / Finance Committee and the IMCC. The Year One Report of the 2010–2013 IHRP exercise recommends that these two committees continue their efforts to integrate management planning procedures, that the participation of managers and their administrative staff be simplified, that relevant information be provided for departmental decision making and that the Agency be provided with assistance in order to meet the expectations of the central agencies.</p> <p>In addition, the IHRP exercise now makes reference to the Program Activity Architecture (PAA) and clearly establishes a relationship between the human resource strategies and the organization’s operational objectives. A list of staffing activities based on the Annual Reference Level Update (ARLU) and the CSA’s Report on Plans and Priorities (RPP) has been included in the HRAP. The CSA’s integrated management cycle schedule now includes human resource planning and follow-up activities.</p>
	Causes	N/A
	Effects	N/A
RECOMMENDATIONS	N/A	
RESPONSIBILITY IDENTIFIED	Organization	N/A
	Function	N/A
MANAGEMENT RESPONSE	N/A	
MANAGEMENT ACTION	Action plan details	Timetable



Audit objective: Determine whether a management framework is in place to enable the organization to carry out effective succession planning.		
PLAN	N/A	N/A

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FINDINGS	Criterion 3	The CSA has recruiting, learning, training and professional development procedures in place.	
	Conditions	<p>In order to recruit and provide training and professional development for the next generation of employees, the CSA refers to policies, guidelines and guides developed in house and externally (by the Treasury Board [TB], the TBS and the Public Service Commission [PSC]). These documents provide a framework for the strategies developed and implemented by the CSA.</p> <p>The CSA uses a variety of recruiting strategies, such as recruitment programs for the scientific and technical sectors, group staffing processes for the purposes of creating pools of qualified candidates, generic staffing processes, internal promotions, the Finance Officer Recruitment and Development / Internal Auditor Recruitment and Development (FORD/IARD) program and the student program. These strategies give the CSA timely access to various sources of potential applicants.</p> <p>The CSA has developed and implemented learning, training and professional development strategies, such as required learning, a continuous learning program (CLP), Professional Development And Apprenticeship Program (PDAP), departmental learning priorities, annual individual learning plans, career management services, coaching services, mentoring programs, a management succession planning initiative and professional development programs for employees at EX, ENG, EG, EL, PE and CS levels. These strategies help employees acquire the skills they need to develop their potential and advance in the organization.</p>	
	Causes	N/A	
	Effects	N/A	
	RECOMMENDATIONS	N/A	
RESPONSIBILITY IDENTIFIED	Organization	N/A	
	Function	N/A	
MANAGEMENT RESPONSE	N/A		
MANAGEMENT ACTION PLAN	Action plan details	Timetable	
	N/A	N/A	



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FINDINGS	Criterion 4	Management procedures are in place.
	Conditions	<p>In terms of management procedures, the CSA uses various policies, guidelines and guides as references, including the following:</p> <ul style="list-style-type: none"> • CSA’s Guidelines on the Performance Management Program for Executives (EX); • CSA’s Guidelines on the Performance Management Program for Employees, Supervisors and Managers; and • CSA’s Recognition Policy. <p>Performance management</p> <p>The CSA has posted on its intranet site a toolkit consisting of a set of documents and references to help managers effectively manage the employee performance management process.</p> <p>The narrative portion of performance appraisals is designed in a constructive, remedial way and indicates to employees current behaviour to be improved upon and desired changes in behaviour. The appraisals also contain commitments for the coming year, an individual learning plan and a professional development plan.</p> <p>Employee retention</p> <p>To retain employees, the CSA uses methods such as in-house assignments, the Interchange Canada Program and secondments to help develop employee loyalty and help employees further their professional development. Various incentives exist, such as an employee assistance program, bonuses paid to engineers and continuous learning programs.</p> <p>Furthermore, the CSA invests in an organizational development function which issues regular information capsules on subjects such as the well being at work, and organizes workshops and workplace wellness forums.</p> <p>The CSA also has an employee recognition program that includes the presentation of excellence and long service awards.</p> <p>Surveys and analysis of organizational data</p> <p>The PSES is the main tool used by the Agency to ascertain the satisfaction of its employees. The responses to the survey are analysed and used to develop an action plan to implement identified opportunities for improvement.</p> <p>Staff turnover is analysed every year mainly from information taken from the Demographic Profile and Organizational Review prepared by the CSA.</p> <p>The CSA has also set up a program to collect feedback from departing employees. The three main objectives of this program are the following:</p> <ul style="list-style-type: none"> • Understand reasons why employees leave in order to determine how employee well-being and retention may be improved; • Analyse emerging issues and trends in order to develop strategies for



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		<p>dealing with them; and</p> <ul style="list-style-type: none"> • Compile overall data in order to prepare statistical reports. <p>Effectiveness of succession planning management</p> <p>To assess the effectiveness of succession planning and of succession planning management, the CSA uses the following tools that we considered appropriate:</p> <ul style="list-style-type: none"> • Component 10, “Excellence in People Management”, of the TSB’s MAF, which provides an overview of departmental performance in relation to a series of indicators and key measures concerning people management; • The SMAF and its indicators are the basis for assessing the <i>Departmental Staffing Accountability Report (DSAR)</i>. One of its indicators pertains to staffing planning and results monitoring; • The TBS’s PSES which gives employees an opportunity to express their opinions about management, the workforce and the workplace; • The TBS’s Human Resources dashboard, which is a set of key measures associated with the monitoring of people management, provides an overview of the CSA situation in that regard; • The annual employee appraisal process, which gives managers an opportunity to discuss the individual learning plans and career development plans of their employees; • The IHRP report prepared by the CSA allows to take stock of the strategic measures put in place during the implementation of the previous IHRP exercise following identification of the organization’s human resources challenges; • The <i>Demographic Profile and Organizational Review</i> provides data that can be used to draw up the organization’s human resources profile; • The Employment Equity Plan, which includes the CSA’s targeted results and employment equity commitments as well as performance measurements that can be used to assess progress made in achieving the Plan’s objectives. <p>We also found that an exercise to determine succession planning effectiveness is conducted regularly. During this exercise, the average length of time (in calendar days) that certain positions remain vacant is determined. This exercise is carried out solely for EX positions because key positions other than EX positions have not yet been identified.</p> <p>Furthermore, several documents that we examined revealed that the CSA has made it clear to employees that succession planning and succession planning management are organizational priorities.</p>
	Causes	N/A
	Effects	N/A
RECOMMENDATIONS	N/A	



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MANAGEMENT RESPONSE	N/A	
MANAGEMENT ACTION PLAN	Action plan details	Timetable
	N/A	N/A