Internal Audit

Follow-up Audit –
OAG 2005 Report – Elections Canada
Administering the Federal Electoral Process

November 2008

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1. Executive Summary

1.1 Background

The *November 2005 Report of the Auditor General of Canada to the House of Commons* included an audit report entitled *Elections Canada – Administering the Federal Electoral Process*. The audit focused on Elections Canada's activities to maintain readiness for and deliver elections, improve the electoral process, educate and inform voters and manage its operations.[1]

The Office of the Auditor General (OAG) audit report highlighted many positive aspects of Elections Canada's activities and operations. The report also highlighted opportunities to improve efficiency in certain aspects of Elections Canada's activities and made five specific recommendations.

The OAG asks departments and agencies to provide an update each year on their progress in implementing the recommendations. It uses the information to assist in planning follow-up audits, and to report to Parliament on the percentage of recommendations fully implemented and substantially implemented four years after the release of the audit. November 2009 will mark four years after the release of the report on Elections Canada's administration of the federal electoral process.

In parallel to the update provided to the OAG, this follow-up audit of the Office of the Auditor General's *November 2005 Report of the Auditor General of Canada to the House of Commons; Chapter 6 – Elections Canada – Administering the Federal Electoral Process* was carried out by internal audit during the period of February to April 2008, as per the approved Risk-Based Audit Plan for 2008–2009. The internal audit engagement provided an opportunity to further document and analyze the action taken by management to address the observations and recommendations included in the OAG report.

1.2 Audit Objective

The objective of the follow-up audit was to assess and provide assurance to the Chief Electoral Officer, senior management and the Audit Committee on the extent of progress that has been made on the recommendations included in the OAG 2005 Report.

1.3 Audit Scope

The follow-up audit assessed the extent to which management had made satisfactory progress in implementing the recommendations in the OAG November 2005 Report by the end of the 2007–2008 fiscal year.

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[1] Report of the Auditor General of Canada – November 2005; Chapter 6, Elections Canada – Administering the Federal Electoral Process; par. 6.18.

1.4 Methodology

The audit work covered interviewing the operational and senior management of Electoral Events, Information Technology (IT), Corporate Services, and Outreach, Communications and Research (OCR) sectors of Elections Canada, and reviewing and analyzing the documentation provided by the respective managers. These procedures were performed to assess the actions taken by the agency to implement the recommendations made in the OAG 2005 Report.

1.5 Conclusion

Elections Canada has made progress in implementing a number of recommendations made by the Office of the Auditor General in its November 2005 Report to Parliament entitled "Elections Canada – Administering the Federal Electoral Process."

Improvements to address the recommendations, aligned with the long-term *Strategic Plan 2008–2013*, which affirms the agency's commitment to results-based management, are in progress to varying degrees in all sectors of the agency. These improvements include:

- data collection and information management

- better co-operation and partnerships with Canada Revenue Agency, Statistics Canada, Canada Post Corporation and provincial electoral agencies to access and share elector information to ensure high-quality data for federal and provincial elections

- effectiveness of targeted revision activities

- a plan to develop an integrated framework for its communications

- work plans for 2008–2009 with a strengthened approach for the measurement of direct outcomes, risk management, monitoring and reporting on results

- enhance communication with Parliament, stakeholders, Elections Canada employees and Canadians on the future strategic direction of the agency

- reports on plans and priorities (RPPs) and departmental performance reports (DPRs), starting from 2007–2008, with increased focus on results and benefits to Canadians

- a new framework for the statutory report that is submitted to the House of Commons following an electoral event

- human resources plans for each sector to address their specific requirements including succession planning

It is recognized that the agency faced an environment of minority governments, requiring continuous readiness to meet the challenges of federal elections, and continuous legislative change, which have placed heavy demands on its resources. However, to address all the recommendations, reach full implementation status and meet the OAG's expectations, formalized action plans with scheduled completion dates, monitoring and progress reports to senior management, are required.

2. Statement of Assurance

We have completed the follow-up internal audit of the Audit of the Office of the Auditor General's November 2005 Report, "Chapter 6 – Elections Canada – Administering the Federal Electoral Process."

In our professional judgment, sufficient and appropriate audit procedures have been conducted, and evidence gathered to support the accuracy of the conclusion reached and contained in this report. Our conclusion is based on an assessment of the follow-up actions taken by sectors of the agency determined through a review of documentation and interviews conducted during the period of February to April 2008, and a comparison of the conditions, as they existed at the time, against pre-established audit criteria.

The conclusion is applicable only to the implementation of the recommendations contained in the OAG November 2005 Report, "Chapter 6 – Elections Canada – Administering the Federal Electoral Process."

3. Introduction

3.1 Background

The Office of the Auditor General's (OAG) November 2005 Report to Parliament included a chapter entitled "Elections Canada – Administering the Federal Electoral Process." The audit focused on Elections Canada's activities to maintain readiness for and deliver elections, improve the electoral process, educate and inform voters and manage its operations.

The OAG audit highlighted many positive aspects including that Elections Canada:

- plans, manages and administers the federal electoral process well

- provides good assistance and support to returning officers to maintain their readiness for an election call and to deliver elections

- delivers a number of public education and information programs and reaches out to groups of electors whose participation rate has been low

- plays a key role in supporting the fairness and transparency of the electoral process and ensures compliance with the *Canada Elections Act*

- shows no significant weaknesses in controls for procurement and expenditures

The OAG audit report also highlighted opportunities to improve efficiency in certain aspects of Elections Canada's activities. They include that Elections Canada needs to:

- pursue its current efforts and explore additional ways to improve the efficiency of the collection and management of information on geography and electors, on a government-wide basis

- formalize its planning for human resources

- continue its efforts to improve the quality of its performance measures, particularly for communication and public education programs

- enhance its reporting to Parliament on its strategic direction and on the progress made in achieving its objectives

- evaluate the effectiveness of its communication strategy

A follow-up audit of OAG 2005 Report to Parliament was carried out during the period of February to April 2008, as per the agency's approved Risk-based Audit Plan for 2008–2009.

3.2 Objectives

The objective of the follow-up audit was to assess and provide assurance to the Chief Electoral Officer, senior management and the Audit Committee on the extent of progress that has been made on the recommendations included in the OAG 2005 Report.

3.3 Scope

The follow-up audit assessed the extent to which management had made satisfactory progress in implementing the recommendations in the OAG November 2005 Report by the end of the 2007–2008 fiscal year.

3.4 Audit Methodology

The follow-up audit approach covered:

- interviewing auditee senior and operational management personnel to understand the process and clarify issues

- reviewing and analyzing supporting documents demonstrating progress in implementing the recommendations and assessing the degree to which the proposed actions were implemented

- debriefing auditee management personnel on the results of the follow-up audit

The follow-up audit work was carried out in accordance with *A Guide to Planning, Conducting, and Reporting on Internal Auditing Assurance Engagements in the Federal Government of Canada*. The audit sought evidence on the degree of implementation of the recommendations included in the OAG report.

The OAG reports to Parliament on the percentage of recommendations fully implemented and substantially implemented four years after the release of an audit. November 2009 will mark four years after the release of the report on the administration of the federal electoral process.

The audit reviewed and analyzed respective sectors' responses and level of implementation status, ranging from level 1 – no progress or insufficient progress to level 5 – full implementation. Audit criteria can be found in Appendix A, and the levels of implementation are further described in Appendix B.

Overall management of the internal audit was the responsibility of the Internal Audit Directorate. The follow-up audit was managed and carried out by the Directorate with the assistance of a consultant.

4. Findings of Follow-up Recommendations and Implementation Status

4.1 Efficiency of Data Collection

> 2005 – Initial Recommendation No. 6.41
>
> *Elections Canada, in collaboration with other public sector organizations, should pursue its efforts and explore additional ways to rationalize and improve the overall efficiency of data collection and management of information on Canadians and Canadian geography.*

What OAG Found in 2005

The OAG, in its performance report of 2005, observed that to stay prepared for an election that can be called at any time, Elections Canada ensures that eligible voters' information is accurate and up to date. It devotes considerable efforts to maintain the information needed to prepare the preliminary lists of electors. Elections Canada faces significant challenges in maintaining the quality of information in the National Register of Electors (the Register). Under data-sharing agreements, it receives information from federal departments, provincial and territorial electoral agencies and other sources. The use of multiple data sources from outside Elections Canada creates the risk of receiving different information about the same person or receiving incomplete or incorrect information. To ensure the information is accurate and complete, Elections Canada conducts manual investigations and additional revision activities. It also maintains geographical databases.

It was recognized that the agency had undertaken a number of initiatives, but there are opportunities to increase efficiency and save money on a government-wide and multi-jurisdictional basis in the collection and management of common information on voters, while complying with the various legislative requirements. Moreover, it was noted that the rapid evolution of technology could also provide opportunities to increase the cost-effectiveness of data collection. As a result, it was observed by the OAG that there are opportunities for increased efficiency and cost savings in data collection and management.

2008 Follow-up

The Electoral Events and IT sectors of the agency are responsible for maintaining adequate information and data about eligible voters on an ongoing basis to ensure election readiness. Between 2005 and the present, Elections Canada has established increased co-operation and partnerships with Canada Revenue Agency (CRA), Statistics Canada, Canada Post and provincial electoral agencies to access and share elector information to ensure high-quality data for federal and provincial elections.

These efforts will result in improvements to the accuracy of the National Register of Electors through the addition of a separate citizenship question for Elections Canada on the CRA tax form and the inclusion of new consenting tax filers (especially youth) to be directly added to the Register. Also, Canada Revenue Agency has initiated transfers to Elections Canada of the names of deceased tax filers, resulting in the removal of their names from the Register. These matters were raised in the Chief Electoral Officer's recommendations report to Parliament following the 38th general election and have since been enacted in *An Act to amend the Canada Elections Act and the Public Service Employment Act*, S.C. 2007, c. 21 (Bill C-31).

An Assistant Deputy Minister (ADM)-level Steering Committee (Statistics Canada and Elections Canada) was put in place to look at broader areas of co-operation, as well as to review the progress of the jointly managed National Geographic Database. Preliminary discussions are underway with Statistics Canada to add an Elections Canada consent question to the 2011 census, similar to the one on the federal tax forms. Statistics Canada and Elections Canada have also begun discussions with Canada Post on the potential of sharing geography and address data among the three agencies. The discussions on the potential of sharing address information is now being re-evaluated due to privacy concerns raised within each participating federal agency.

Elections Canada is an active member of the Inter-Agency Committee on Geomatics, which is a federal ADM-level interdepartmental coordinating body for effective and efficient utilization of geomatics within the government. In addition to providing a forum for discussion and action on several horizontal geomatics issues, a dedicated working group was created to establish a common national digital road network, and a maintenance process that may eventually be adopted by Elections Canada and Statistics Canada.

To improve the overall efficiency of data collection, in 2003–2004 Elections Canada signed the Electoral Technology Accord for a term of three years, with all provincial and territorial chief electoral officers. The Accord has provided a set of valuable data standards, which Elections Canada plans to incorporate into its IT renewal architecture development. To continue exploring opportunities for sharing technologies and databases with all provincial and territorial chief electoral officers, a new mechanism is being explored. This would involve the creation of a new technology committee to explore options for further technology and information sharing. The proposal has been approved by the National Register of Electors Advisory Committee in November 2007. This will further assist Elections Canada to address its needs for an efficient and improved data collection process. The *Strategic Plan 2008–2013* also outlines a strategic initiative to continue working with other electoral management bodies to leverage existing work as it relates to accessibility and the introduction of new technologies to support the electoral framework.

The IT renewal project approved by senior management is a comprehensive and long-term major Information Technology redevelopment initiative to meet the agency's directions and objectives as stated in the *Strategic Plan 2008–2013*. The IT renewal project is critical to enable Elections Canada to develop an IT infrastructure that is able to support future initiatives, such as on-line registration and the redevelopment of REVISE.

Conclusion

For maintaining adequate information and data about electors on an ongoing basis to ensure election readiness, the activities of the Electoral Events Sector and the Information Technology Sector are interdependent.

Based on our review of the documentation, a number of initiatives demonstrated progress in implementing this recommendation. Both the Electoral Events Sector and the Information Technology Sector have made efforts in pursuing efficient ways of collecting data and managing information. This has resulted in increased co-operation between Elections Canada and federal departments and Elections Canada and provincial and territorial governments to improve the overall efficiency of data collection and management of information on Canadians and Canadian geography.

A few key initiatives to address the implementation of this recommendation are at the planning stage. For example, the IT renewal project is a long-term comprehensive project, which will assist in improving data collection, and management of information and data in the future.

It is therefore concluded that the implementation of this recommendation is at level 3 – preparation for implementation.

Recommendation #1

The Electoral Events Sector and Information Technology Sector should coordinate their efforts and initiatives to develop and fully implement an action plan that provides increased efficiency and cost savings in data collection and management, and periodically report progress towards full implementation to senior management.

Management Response to Follow-up

Senior Director, Electoral Data Management and Readiness:

Building on existing partnerships and data supplier agreements, Elections Canada will develop in 2008–2009 an action plan to increase efficiency of data collection. The plan will include the following activities:

- Complete the implementation of changes to the 2007 income tax form required of Bill C-31 (addition of a separate citizenship question for Elections Canada).

- Review existing data agreements to determine if Elections Canada can obtain additional information and more frequent updates from existing data suppliers and partners.

- Initiate contact with and evaluate participation in federal committees and working groups that could help increase Elections Canada's data-collection efficiency.

- Continue to work with Statistics Canada to test a specific consent question on the census form. A decision on whether or not to include a specific consent question will be made.

- Work to resolve privacy concerns related to the sharing of address information with Canada Post and Statistics Canada.

- Work closely with the IT Sector to ensure the new On-Line Voter Registration System takes full advantage of the new technologies that will be adopted through the IT Renewal Project.

Information Technology Sector:

To support the initiatives to increase efficiency of data collection, the Information Technology Sector will:

- continue to pursue opportunities for collaboration with provincial electoral agencies through the Electoral Technology Accord or other mechanisms, and identify methods to streamline data and information sharing; and

- be prepared to exploit opportunities for data collection, enhancing data and information exchange through the use of new technology products, processes and tools that will be implemented in the first phase of IT renewal, which is planned for completion by October 2009.

4.2 Cost-Effectiveness of Targeted Revision Activities

2005 – Initial Recommendation No. 6.57 A

Elections Canada should:

– assess the cost effectiveness of its targeted revision activities

What OAG Found in 2005

The OAG 2005 Report observed that Elections Canada ensures access to the electoral system for all eligible voters, communicates to voters about how, when and where to exercise their right to vote and provides voters with alternative ways to cast their ballots. A substantial cost is incurred for revision activities, including voter information cards, communication on registration and targeted revision. Given the cost of targeted revision,

it would be important for Elections Canada, in determining the extent of use in the future, to assess the cost-effectiveness of targeted revision relative to other types of revision activities.

2008 Follow-up

Following the 39th general election, the Chief Electoral Officer recommended to Parliament that the *Canada Elections Act* be amended so that it would no longer require that revising agents conducting door-to-door targeted revision work in pairs. Significant savings would have been realized during a general election. Parliament chose not to implement this recommendation.

In April 2007, the Electoral Events Sector analyzed the targeted revision program and developed performance indicators for each of these objectives: reaching out to electors during the election, enhancing coverage and currency of voters lists, reducing registrations on election day, and engaging campaign organizations in the implementation of targeted revision plans. A comparative analysis of the cost of the various revision programs was carried out in July 2007. Further analysis of potentially more cost-effective revision methods was carried out during recent by-elections. Comprehensive results of these studies will be presented to EXCOM (senior management committee) for their review and approval in 2008–2009.

Conclusion

The OAG report recommended that Elections Canada assess the cost-effectiveness of its targeted revision activities. An assessment was performed, and a comparative analysis of the cost of the various revision programs was carried out. The results of the assessment still have to be presented to EXCOM. However, an option that considers the cost-effectiveness of targeted revision when determining the extent of its use still has to be prepared and approved by senior management.

It is therefore concluded that the implementation of this recommendation is at level 2 – planning stage.

Recommendation #2

It is recommended that, following the assessment of the cost-effectiveness of targeted revision activities, a plan defining the extent of the use of the various revision activities be developed, based, among other things, on the cost-effectiveness of all revision activities.

Management Response to Follow-up

The Field Readiness and Event Management Directorate of the Electoral Events Sector has been responsible for ensuring that this recommendation was acted upon. In light of the recent 40th general election, our planning assumptions are as follows:

- February 2009: The cost-benefit analysis of revision programs will be updated to measure the impact of new and potentially more cost-effective initiatives implemented during the recent general election. Approval to proceed with changes to the revision programs will be sought from the Chief Electoral Officer at the latest by March 2009.

- October 2009: Elections Canada will be ready to implement during a general election, cost-effective targeted revision initiatives that were developed and tested in 2007–2008.

- In the longer term: One of the strategic objectives of the organization is to develop an on-line voter registration system. We would ensure that the operation of such a system, during an election, is supported by a solid business case and allows for further improvement in the efficiency of the revision programs.

4.3 Systems to Maintain and Update the List of Electors

2005 – Initial Recommendation No. 6.57 B

Elections Canada should:

– consider other options to REVISE

What OAG Found in 2005

Returning officers are responsible for revisions to the lists of electors during an election. The results of all revision activities are captured in a computer application called REVISE and the revision information is uploaded to the Register. REVISE and the Register are two separate systems and, because of some incompatibilities, require detailed review before uploading the revision records to the Register. It was noted that it can take up to 10 months after an election to update the Register of Electors.

2008 Follow-up

The Information Technology Sector has developed an IT renewal architecture and development process. It is a comprehensive long-term initiative to meet Elections Canada's IT infrastructure and systems needs for integration of future business processes. The scope of the IT renewal project includes addressing the effectiveness of the IT infrastructure used to maintain and revise the list of electors, and considering

other options to REVISE. Phase 1 of the project will focus on centralization of all data and applications, and of the REVISE system that currently runs in 308 local returning offices during an election into one central location.

Conclusion

A new option to REVISE, or other options, can only be developed after completion of the initial phase of the IT renewal project. The first phase will enable the centralization of the REVISE application, which will help to reduce delays in updating the Register. The IT renewal project has been approved by EXCOM, but has yet to be implemented. It is a multi-year plan that will be carried out in phases. It should enable Elections

Canada to consider new options and the use of new technology that can increase the cost-effectiveness of the IT systems used to maintain and revise the list of electors.

It is therefore concluded that the implementation of this recommendation is at level 2 – planning stage.

Recommendation #3

It is recommended that, in the context of IT renewal, the cost-effectiveness of REVISE and other options to manage revisions of the list of electors be assessed and included in the new IT renewal plan.

Management Response to Follow-up

Information Technology Sector:

Management supports this recommendation within the context of new options that may become feasible after the completion of the first phase of IT renewal. The centralization of data and use of newer IT products and technologies will provide a platform against which the existing revision system can be benchmarked. Opportunities for new options for efficient and cost-effective solutions can then be evaluated. Phase 1 of IT renewal will be implemented in two steps. The core foundation pieces of IT renewal, specifically, IT architecture and standards, new data centre location, Elections Canada IT portal, IT service management strategy, Elections Canada high-speed field network and procurement vehicles will be completed in October 2009. Step two, which involves the centralization of field application and data, will be completed by October 2010.

4.4 Communication with Voters

2005 – Initial Recommendation No. 6.57 C

Elections Canada should:

– evaluate the effectiveness of its communication strategy

What OAG Found in 2005

Elections Canada devotes significant efforts to communicating with voters. It was observed that Elections Canada had a separate plan for each type of communication. There is an inherent degree of overlap among the various modes and types of communications used during the election period. However, the agency needs to update and finalize its communication framework, with performance indicators, in order to provide an overall plan to guide its various communications. Given the magnitude and costs of its communication activities, Elections Canada could benefit from a comprehensive and integrated assessment of the cost-effectiveness of the activities.

2008 Follow-up

In 2006–2007, the Outreach, Communications and Research Sector evaluated the cost-effectiveness of the communications strategy implemented during the 39th general election. This evaluation and the development of the agency's five-year strategic plan was completed, and led to the inclusion of several key activities in the agency's 2008–2009 business plans, such as the development of an advertising evaluation framework and the design of an outreach framework. The successful implementation of these activities will help Elections Canada to develop an integrated communications framework in 2009–2010. This communications framework will include advertising and outreach activities and will contribute to the delivery of the agency's *Strategic Plan 2008–2013* through cost-effective, integrated and measurable strategic initiatives.

For the 40th general election, Elections Canada has developed an overall performance evaluation framework that is based on risks and issues. This framework includes an evaluation of the advertising campaign.

Conclusion

Following the approval of the *Strategic Plan 2008–2013*, the Outreach, Communications and Research (OCR) Sector is currently developing a new plan and framework for communications activities. In the strategic plan, communications is one of the key enablers for its three strategic objectives: trust, accessibility and engagement. The communications strategy and plan will have wide coverage and implications for each sector of the agency. The OCR Sector is planning to develop an integrated communications framework and a performance management framework.

It is, therefore, concluded that the implementation of this recommendation remains at level 2 – planning stage.

Recommendation #4

It is recommended that an integrated communications framework be developed and approved, with performance indicators, based on an assessment of the cost-effectiveness of the various communications activities.

Management Response to Follow-up

The Outreach, Communications and Research Sector agrees with this recommendation and will undertake to:

- in 2008–2009 develop an evaluation framework for its communications activities during a general election

- develop an integrated communications framework in 2009–2010, with performance indicators, based on the agency's performance management framework

4.5 Performance Management

2005 – Initial Recommendation No. 6.91

Elections Canada should enhance the quality of its performance measures and ensure that performance targets and indicators are in place for all of its key activities.

What OAG Found in 2005

The OAG found that at Elections Canada, the core elements of a good performance measurement framework are in place. Extensive evaluations were performed after each general election. The results of these evaluations identify areas for improvements in service delivery and election management. Elections Canada had also set performance targets and indicators to monitor and assess the performance of its election delivery and some of its ongoing activities, such as the coverage and accuracy of the National Register of Electors and the reach of its advertising campaign. However, the audit report noted that there are opportunities for improvement, particularly in areas of performance measurement of communication activities and public education programs.

2008 Follow-up

Elections Canada's *Strategic Plan 2008–2013*, approved by the Chief Electoral Officer, affirms its commitment to results-based management. It provides for enhanced quality of performance measurement, implementation of performance indicators and a measurement strategy for all of its key activities and election delivery.

To enhance the quality of its performance measures, the annual planning process was modified in 2008 to provide additional focus on outcomes, risk management and performance measures. This new process will improve how the agency reports on achieved results.

To assess its performance in implementing the new voter identification requirements (bills C-31 and C-18), the agency developed formal evaluation frameworks and associated logic models. The frameworks were used and refined during seven recently held by-elections.

For the 40th general election, Elections Canada developed an overall performance evaluation framework based on risks and issues. In 2009–2010, the agency will continue to advance in performance evaluation, focusing more on its ongoing programs and activities.

Conclusion

As indicated in the OAG report, performance information is essential if Elections Canada is going to make sound decisions about how to manage itself to produce expected results (par. 6.86). The Corporate Services Sector is currently planning to develop an initial performance management framework in 2008–2009.

Based on our review and consultation with the Corporate Planning and Organizational Performance Division, management has concluded that the implementation of this recommendation is at level 3 – preparation for implementation.

Recommendation #5

It is recommended that the agency continue its efforts to implement a performance management framework that would provide the essential information to monitor performance and make sound decisions, and periodically report progress towards full implementation to senior management.

Management Response to Follow-up

Corporate Planning and Organizational Performance:

The agency is progressing towards the development and implementation of an overall integrated performance management framework. The call of the 40th general election accelerated work on the event activities of the agency. Corporate Planning and Organizational Performance will continue in 2009–2010 to implement a performance management framework.

4.6 Reporting to Parliament

2005 – Initial Recommendation No. 6.98

Elections Canada should enhance its reporting to Parliament on its future strategic direction and on the progress made in achieving its objectives.

What OAG Found in 2005

Elections Canada provides annual reports on its plans, priorities and performance, and additional reports to Parliament on the administration of a general election and on recommendations for amendments to the *Canada Elections Act*. OAG stated that these documents contain extensive information but do not clearly show how activities and proposals are linked to long-term strategic goals and objectives. Therefore, the information in these documents needs to be better integrated.

The OAG noted that Elections Canada's most recent strategic plan, at the time of the audit in 2005, covered the period ending in 2001–2002. Elections Canada needs to update the plan and set and communicate its future direction with more strategic information on the resources that it will need and how it will measure success.

Elections Canada informs Parliament through an annual performance report and a post-election report. However, it was noted that the information was presented as a list of activities, rather than the extent to which the initiatives were successful.

2008 Follow-up

To enhance its reporting to Parliament on its future strategic direction, Elections Canada has developed the *Strategic Plan 2008–2013*. The plan, approved by the Chief Electoral Officer, identifies priorities around three strategic objectives: trust, accessibility and engagement.

The strategic plan was shared with the Advisory Committee of Political Parties in February 2008 and with the Advisory Panel on the Funding and Oversight of Officers of Parliament in March 2008. The plan will be used as a communication tool with Parliament, stakeholders, Elections Canada employees and Canadians about the future direction of the agency.

Elections Canada has strengthened its reporting to Parliament by streamlining and increasing its focus on results and benefits to Canadians starting with its 2007–2008 *Report on Plans and Priorities* (RPP) and *Departmental Performance Report* (DPR).

Elections Canada recently adopted a new framework for preparing the report on the election that must be submitted to the House following an electoral event. This report will be more targeted to the results achieved by the agency in delivering the electoral

event and issues encountered. This approach will be used for producing the report on the activities relating to the 40th general election. Elections Canada will draw linkages between issues encountered during the electoral event and the recommendations it puts forth to Parliament.

Conclusion

Elections Canada's *Strategic Plan 2008–2013* enhances reporting to Parliament on the future strategic direction of the agency, and will be used as a basis to report on the progress made in achieving its objectives. Starting in 2007–2008, Elections Canada's RPP and DPR have included streamlined and more focused information on results and benefits to Canadians.

The reports to Parliament following an electoral event were improved by streamlining the content, and covering more of the results achieved and issues encountered.

Based on our assessment, it is therefore concluded that the implementation of this recommendation is at level 4 – substantial implementation.

Recommendation #6

It is recommended that the reports to Parliament should include appropriate linkages with the strategic plan, and should report on the extent to which initiatives were successful based on performance indicators.

Management Response to Follow-up

Corporate Planning and Organizational Performance:

A measurement strategy for the strategic plan was completed and the 40th general election is being used to establish benchmark data. In 2009–2010, the agency will pursue the development of performance indicators for its ongoing activities and programs.

Recommendation #7

It is recommended that reports to Parliament following a general election should include performance indicators and a description of the extent to which the initiatives were successful.

Management Response to Follow-up

Corporate Planning and Organizational Performance:

The agency developed and adopted a new performance management framework for the 40th general election. This will serve in addressing this recommendation.

4.7 Human Resources Plan and Performance Indicators

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2005 Initial Recommendation No. 6.110

Elections Canada should:

– develop and implement a human resources plan and a succession plan that are linked to its long-term strategic direction and objectives, and

– establish key performance indicators and obtain information on its performance for the management of human resources.

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What OAG Found in 2005

Regarding practices for planning and managing human resources at Elections Canada, the audit noted that they are in place, but the agency needs to formalize its planning for human resources (HR), succession planning and tracking and reporting information on performance in managing its human resources. It was noted that an HR system that produces relevant and timely information for decision-making purposes is essential.

The report discussed that term employees form a key component of Elections Canada staff and the agency would continue to need term employees for specific and temporary activities related to elections. It also noted that in recent years, a large number of term positions were converted to permanent positions. OAG noted that Elections Canada needs to ensure that the tenure of positions is well defined before it initiates staffing action.

2008 Follow-up

The Human Resources, Security and Administration Directorate, in the Corporate Services Sector, has coordinated the development of the agency's 2008–2010 human resources and staffing plans for each of its sectors. The HR plans address specific requirements of each of its sectors. They focus on demographic overview, potential retirements, departures, succession planning and employee survey results. The HR plans link with the agency's long-term strategic direction and objectives, and identify actions to be taken for succession planning critical positions, gap analysis, overall staffing strategy and human resources management within each of its sectors in 2008–2009 and onward. The HR plans include the development of a succession plan for key positions in 2008. The individual HR plan by sector will be rolled up into the agency's overall HR plan and presented to senior management (EXCOM) for approval.

The human resources function, identified as a key enabler in the agency's *Strategic Plan 2008–2013*, is conducting an HR renewal initiative to develop HR short-term and long-term plans in 2008–2009. These plans will contain performance indicators for the management of human resources.

Conclusion

The agency has made progress towards the implementation of this recommendation by developing appropriate HR plans for each sector. Work remains to be done to develop an agency-wide HR plan, succession plan, and include appropriate performance indicators. The HR plan and succession plan are important to ensure that the agency has employees with the necessary knowledge, skills and experience, and that corporate knowledge is not lost. The HR plan will also be used to ensure that the tenure of positions is well defined before the agency initiates staffing action. Performance indicators would help Elections Canada assess trends and identify important human resources issues.

The implementation of this recommendation is estimated to be at level 4 – substantial implementation for the first portion, and level 2 – planning stage for the second portion of the recommendation.

Recommendation #8

It is recommended that the development of the integrated HR plan and succession plan be completed and approved, that they include links to the agency's long-term strategic plan and ensure that the tenure of positions be well defined before staffing action is initiated.

Management Response to Follow-up

Human Resources, Security and Administration Directorate:

Elections Canada has done significant work to this effect in the recent past. We need to bring together all previous efforts to culminate in a viable HR strategy.

Within the third quarter of 2008–2009, Elections Canada will complete the development of its HR strategy for 2008–2013. A draft of the strategy was presented in early November 2008 to all executives of the agency.

Recommendation #9

It is recommended that performance indicators on human resources issues be developed to provide timely and relevant information to support sound decision making on important HR issues.

Management Response to Follow-up

Human Resources, Security and Administration Directorate:

We agree that we need to develop performance indicators for HR management. We are, however, currently constrained by the limitations of our corporate systems in this regard. We are however, actively looking at means to improve our reporting against our staffing plans.

5. Overall Assessment

Overall, the audit noted progress on most recommendations, while no recommendation was fully implemented. The new strategic plan for Elections Canada brings a direction that will assist in addressing the observations in the OAG report. Also, some initiatives, such as the strategic plan, IT renewal and the performance management framework, will have impacts on the entire organization and will provide support to actions that will address more than one recommendation. However, it was noted that action plans with timelines for full implementation of the recommendations are not always clearly established. To address the recommendations, reach full implementation status and meet the OAG's expectations, formalized action plans with scheduled completion dates, monitoring and progress reports to senior management, are required.

Different parts of the 2005 OAG report raised the issue of cost-effectiveness:

- increased efficiency and cost savings in data collection and management
- cost-effectiveness of targeted revision activities
- cost-effectiveness of communication activities

From our review of responses and documents received from the respective sectors, we conclude that some actions have been initiated or completed to review, and improve whenever possible, the cost-effectiveness of various activities. The mandate and legal requirements can be constraints on the ability to increase cost-effectiveness. However, the agency can benefit from reviewing the cost-effectiveness of various options, while respecting those constraints it faces.

6. Appendix A – Audit Criteria

- An approved action plan to implement the recommendations made in the OAG 2005 Report, "Chapter 6 – Elections Canada – Administering the Federal Electoral Process," is in place and followed.

- Roles and responsibilities for managing and delivering the initiatives relating to implementation of each recommendation are assigned.

- A mechanism exists to identify, assess, monitor and report on the progress made and on risks facing implementation of the recommendations.

- A management framework is in place to ensure that there is adequate coordination among sectors in developing an initiative or a work plan to address implementation of the recommendation.

- Communication on progress status of initiatives and projects, and resulting issues and outcomes, occurs on a regular basis among relevant sectors, such as through a committee structure to steer sectors' implementation efforts in the right direction.

- There is a process in place to determine whether the initiative or the project was successful in contributing to the implementation of the recommendation.

7. Appendix B – Levels of Implementation

These levels are used by the OAG in its annual update on the status of recommendations. They have been used to assess the level of implementation of the recommendations.

Level 1: No progress or insignificant progress
Actions such as striking a new committee, having meetings and generating informal plans should be regarded as insignificant progress.

Level 2: Planning stage
If formal plans for organizational changes have been created and approved by the appropriate level of management (at a sufficiently senior level, usually executive committee level or equivalent) with appropriate resources and a reasonable timetable, the entity has achieved the planning stage.

Level 3: Preparation for implementation
If the entity has made preparations for implementing a recommendation by hiring or training staff, or developing or acquiring the necessary resources to implement the recommendation, regard this as having achieved preparation for implementation.

Level 4: Substantial implementation
If the structures and processes are in place and integrated within at least some parts of the organization, and some achieved results have been identified, this should be seen as substantial implementation. The entity will probably also have a short-term plan and timetable for full implementation.

Level 5: Full implementation
Rate the progress as full implementation if the structures and processes are operating as intended and are fully implemented.

Obsolete
The recommendation is obsolete if it is no longer applicable because the process or issue has become outdated as a result of having been superseded by something newer.