

Internal Audit Division

AUDIT OF THE BRITISH COLUMBIA
REGIONAL OFFICE

FINAL VERSION

DECEMBER 2015

Recommended for Approval to the Director of Public Prosecutions by the Departmental Audit Committee on December 16, 2015.

Approved by the Director of Public Prosecutions on December 16, 2015.

[*] The report has been severed where exempted information has been removed in accordance with the *Access to Information Act*.

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY 1

1.1 OBJECTIVES AND SCOPE 1

1.2 AUDIT CONCLUSION..... 1

1.3 SUMMARY OF RECOMMENDATIONS 1

1.4 STATEMENT OF ASSURANCE 2

2.0. INTRODUCTION..... 3

2.1. BACKGROUND..... 3

2.2. OBJECTIVES, SCOPE AND METHODOLOGY..... 3

3.0 OBSERVATIONS AND RECOMMENDATIONS 5

3.1 PUBLIC SERVICE VALUES 5

3.2 GOVERNANCE..... 5

3.3 PEOPLE 7

3.4 PERFORMANCE MANAGEMENT..... 9

3.5 SECURITY 10

3.6 PROGRAM ACTIVITIES 12

3.7 RESULTS AND PERFORMANCE..... 16

3.8 STEWARDSHIP..... 18

4.0 CONCLUSION 19

5.0 MANAGEMENT ACTION PLAN 20

APPENDIX A – LINKS TO RELATED LEGISLATION, POLICIES, DIRECTIVES AND GUIDELINES 23

APPENDIX B -- AUDIT CRITERIA 24

APPENDIX C – LIST OF ACRONYMS..... 25

1.0 EXECUTIVE SUMMARY

1.1 OBJECTIVES AND SCOPE

The overall objective of this audit was to assess the adequacy and effectiveness of the management control framework in support of the PPSC's mandate, mission and values. It also assessed the efficiency of operational processes.

The audit focused on the operations of the British Columbia Regional Office (BCRO) including interactions with selected headquarters (HQ) functional areas that provide support to the regional office.

The audit methodology included:

- interviews conducted with PPSC personnel and senior management in the BCRO and HQ;
- a review and analysis of documented policies, practices and procedures, and related corporate documents;
- analysis of financial and human resource system data;
- analysis of workload data;
- review of prosecution files; and,
- physical walk-throughs of offices.

This audit was planned and conducted during June to August 2015.

1.2 AUDIT CONCLUSION

The Internal Audit Division (IAD) assessed the adequacy and effectiveness of the BCRO's management control framework against predetermined audit criteria based on Treasury Board (TB) policies and directives, PPSC policies, directives, protocols, and procedures / guidelines such as the *Deskbook*, as well as general best practices. Overall, the BCRO's management control framework is appropriate however there are opportunities for improvement in the following areas: budget management; compliance with policies related to Teleworking, Occupational Health and Safety, and Security; preparing prosecution plans; and follow-up on agent issues. An opportunity for improvement was also identified in the area of Official Languages.

1.3 SUMMARY OF RECOMMENDATIONS

This report includes the following recommendations addressed to the Chief Federal Prosecutor (CFP), BCRO. The CFP should:

- delegate part of the regional budget to the Deputy CFP and/or other senior staff to foster financial competencies and aid in succession planning;
- ensure that a Threat and Risk Assessment, as well as, a Task Hazard Analysis and Safe Work Procedure is completed in all telework situations;
- ensure that Occupational Health and Safety deficiencies, including those related to the *PPSC Policy on Small Appliances*, are adequately addressed;

- ensure that security deficiencies are adequately addressed;
- ensure that employees complete the Incident Reports as per the requirements of the Employee Protection Program (EPP);
- ensure that prosecution plans are developed in accordance with Chapter 3.1 of the *Deskbook*; and,
- ensure that appropriate feedback is provided to the Agent Affairs Unit to reflect follow-up on issues identified in the Audit Recommendations Tracking Form (ARTF).

The report also includes one recommendation directed at the Official Languages Committee to ensure that the *2014-17 Official Languages Strategic Plan* is finalized and includes detailed roles and responsibilities.

1.4 STATEMENT OF ASSURANCE

In my professional judgment as the PPSC's Chief Audit Executive (CAE), sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusion provided and contained in this report. The audit findings and conclusion are based on a comparison of the conditions, as they existed at the time of the audit, against pre-established and approved audit criteria that were agreed upon with the PPSC's management. The findings and conclusion are applicable only to the entity examined. The audit was conducted in accordance with the *Internal Auditing Standards for the Government of Canada*.

I appreciate the cooperation and assistance provided to the audit team by PPSC staff in the BCRO and HQ.

Julie Betts
Chief Audit Executive

2.0. INTRODUCTION

2.1. BACKGROUND

2014-15 British Columbia Regional Office Overview¹

Salary (\$)	O&M (\$)	Total (\$)	FTEs
10,303,896	11,595,093	21,898,989	98

The British Columbia Regional Office (BCRO) has four locations in Vancouver with prosecutors providing prosecution services throughout the province assisted by legal agents.

The work of the BCRO focuses primarily on drug prosecutions, economic crimes, and crimes that could have a detrimental effect on the environment or the health and safety of Canadians. Many of these cases arise outside the Lower Mainland of British Columbia, and counsel travel throughout the province on a regular basis, including to northern British Columbia and Haida Gwaii. The BCRO is also responsible for the Powell River Practice.

Many of the BCRO's files in 2014–2015 continue to be major drug files involving organized crime; however, there is a growing number of files related to complex immigration and regulatory matters.

The Internal Audit Division (IAD) conducted this Audit of the BCRO in accordance with the PPSC's 2015-2018 Risk-Based Audit Plan, which was approved by the Director of Public Prosecutions (DPP) on March 26th, 2015.

2.2. OBJECTIVES, SCOPE AND METHODOLOGY

The overall objective of this audit was to assess the adequacy and effectiveness of the management control framework in support of the PPSC's mandate, mission and values. It also assessed the efficiency of operational processes.

The audit focused on the operations of the BCRO including interactions with selected HQ functional areas that provide support to the regional office.

The audit methodology included:

- interviews with:
 - Chief Federal Prosecutor (BCRO)
 - Deputy Chief Federal Prosecutor (BCRO)
 - Staff (BCRO)
 - Agent Affairs staff (BCRO and Headquarters)
 - Internal services managers/staff (HR, Finance, other)

¹ Public Prosecution Service of Canada's Financial Situation Summary Report as of March 31, 2015.

- a review and analysis of documented policies, practices and procedures, and related corporate documents;
- analysis of financial and human resource system data;
- analysis of workload data;
- review of prosecution files; and
- physical walk-throughs of offices.

The planning and conduct phases of the audit were carried between June and August 2015.

3.0 OBSERVATIONS AND RECOMMENDATIONS

3.1 PUBLIC SERVICE VALUES

Employees in the region have a high degree of awareness of the PPSC *Code of Conduct* and have received sufficient information on organizational values and ethics.

Explicit, well-communicated and well understood ethical requirements are a key element contributing to the commitment of staff as they set the standard to which all employees must adhere. Reinforced through ongoing communication, training and the organization's policy framework, this foundational element of a control framework is necessary to prevent conflict of interest, to provide guidance for proper behaviour, to identify improper behaviour promptly, to remove temptation for unethical behaviour, and provide discipline, where appropriate.

The audit expected that the PPSC's *Code of Conduct* which came into effect May 1, 2013 is effectively communicated to BCRO employees. All PPSC employees were required to sign an acknowledgement form stating that they had received a copy and a mandatory learning activity was developed to ensure that employees have a full understanding of their obligations. As well, all PPSC employees are expected to complete the PPSC Code of Conduct Awareness Presentation before September 2015. In addition, the Corporate Counsel has developed a communication process to increase employee's awareness of their rights and obligations under the PPSC *Code of Conduct*.

The audit found that BCRO employees had signed the acknowledgement form and remembered receiving a copy of the PPSC *Code of Conduct*. Interviewees were aware of the ongoing communication by the PPSC Corporate Counsel related to PPSC's *Code of Conduct* and that it was referenced on iNet and in their Performance Management Agreements. Interviewees also recalled completing the online Code of Conduct Awareness Presentation. The Office of the Corporate Counsel reported that as of September 29, 2015, 82 out of 112 employees (73%) in the BCRO had completed this training. Furthermore, there were no regional issues with respect to Conflict of Interest Disclosures.

3.2 GOVERNANCE

The region has appropriate decision making structures in the form of committees and management meetings that are generally viewed as transparent and collaborative, however, budget management could be delegated.

Governance is the combination of processes and structures implemented to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives. The audit expected the BCRO to have appropriate governance established to support effective decision making and communication.

Oversight Bodies

Oversight committees are one of the structures that are important to ensuring that management's direction, plans and actions align with organizational objectives and are communicated effectively. The audit found that regional office's committees have appropriate membership, meet regularly and receive key information to support effective decision making.

Budget Management

CFPs typically delegate part of their budgets to the Deputy CFPs and/or other senior staff as means of fostering financial competencies and aiding in succession planning. In the BCRO, the CFP manages all of the regional budget. This decision limits the opportunity to bridge the gap between the outgoing CFP and the new CFP by providing direct experience and/or support from other senior staff.

Decision Making and Communication

The audit found that management meetings are generally viewed as transparent and collaborative, however, some decisions could be better communicated.

The senior management team meets regularly with appropriate representation in order to receive and disseminate information. Every Friday morning there is a weekly meeting chaired by the CFP that includes the Deputy CFP, all Team Leads and General Counsel. Team Leads reported that this was an effective means of keeping them up-to-date and they in turn would communicate information to their teams. Some interviewees stated that their Team Lead was very effective at communicating with the team. However, some stated that they did not receive adequate information from management on decisions regarding staffing actions and assignments. Interviewees stated that there were no all staff or team meetings but the CFP communicates directly with all staff via email where topics are relevant to everyone.

A good practice was identified in this area where the region realized significant savings by bringing agent work in North Vancouver in-house demonstrating effective and strategic management decision making. The CFP stated that the region is always looking for ways to gain efficiencies by bringing agent work in-house and this opportunity was made possible by the court consolidation in the North Vancouver area. The CFP worked in collaboration with the Director, Agent Affairs as well as the Team Lead, Agent Supervision Unit (ASU) to effect the transition.

Recommendation:

- 1. The CFP should delegate part of the regional budget to the Deputy CFP and/or other senior staff to foster financial competencies and aid in succession planning.*

3.3 PEOPLE

While overall the policies and procedures supporting the management of human resources are sound, there are opportunities for improvement in complying with policies on Teleworking, Occupational, Health and Safety and Official Languages.

An organization's success depends on the people, work environment and focus on building capacity and leadership. Therefore, there should be controls in place to support the development and management of human resources.

Human Resource Services

The audit expected to find that PPSC policies and procedures on human resource management are effectively communicated. Interviews revealed that the transitioning of Human Resource Services from the Corporate Service Provider to the PPSC Human Resources Directorate (HRD) has presented challenges for the BCRO. The region has experienced some frustration over the new processes and procedures particularly in the area of staffing actions where it was felt that a checklist would eliminate a lot of the back and forth communication with the PPSC Operational Resourcing and Labour Relations Team in Whitehorse. HRD confirmed that a Manager's checklist for staffing actions was in the draft stage and would provide some guidance in this area.

Formal Recourse Process

The results of the 2014 Public Service Employee Survey (PSES) revealed that the BCRO compared to other regional offices had the lowest scores for the following question - "I feel that I can initiate a formal recourse process (e.g., grievance, complaint, appeal) without fear of reprisal?" (BC 33%, PPSC 42%) The audit found that 58% of interviewees responded in the affirmative when asked the same question. Thirty-two percent responded in the negative and two of the interviewees did not know. The interviewees who responded in the negative expressed the view that these types of actions would be pointless based on what they had previously experienced or had heard about.

The DDPPs and HRD are currently working with each of the regional offices to develop a PSES action plan. In addition, the implementation of "Creating a Harassment-Free Workplace Workshops" within all regions will help foster an environment in which harassment and discrimination are not tolerated.

Leave Analysis

The audit team analysed Sick Leave, Management Leave and No Vacation Leave recorded and found that:

- Sick leave (certified and uncertified as well as management sick leave) for the past three fiscal years has been trending downwards in comparison to the national average which has been trending upwards. From the 2012-2013 to the 2014-2015 fiscal years, the average sick leave for the BCRO declined from 89.96 hours to 70.47 hours (22%) compared to an increase from 71.63 hours to 75.07 nationally;

- Management Leave for the 2014-2015 fiscal year was approved and recorded according to the PPSC Directive on management leave;
- Seven employees did not record vacation leave for the 2014-2015 fiscal year. All but one of these employees were away on leave or had been hired that year.

Teleworking

There are two employees that are currently in a telework situation. HRD is aware of one of these situations and a “mini” Threat and Risk Assessment was completed in this situation to ensure that the employee had the proper tools i.e., laptop, secure briefcases and cabinets. However, there is also another employee who is teleworking in Kelowna where no Threat and Risk Assessment has been completed.

In addition, PPSC’s Occupational Health and Safety Program is implementing a new Hazard Prevention Program that will include a Task Hazard Analysis and Safe Work Procedure for telework situations.

Occupational Health and Safety

The audit expected to find that the BCRO complies with the policies and procedures governing Occupational Health and Safety (OHS). The region has established two OHS committees which have been meeting the required nine times per year and a review of the minutes indicates that issues are identified and actioned. All interviewees felt that they had received adequate OSH Training. The Manager, Occupational Health and Safety advised that there had been no Accident/Incident Reports filed within the last two years. The audit also reviewed copies of Inspection Reports, Automated External Defibrillator (AED) Inspection Reports and Air Quality Reports and no exceptions were noted.

A physical walkthrough of all four offices was conducted utilizing the same checklist that the region had used. The auditors noticed some deficiencies in all of the offices including uncovered/damaged outlets, broken glass and expired defibrillator pads. All of the offices had a number of personal unapproved small appliances that did not comply with the PPSC *Policy on Small Appliances and Devices*. The deficiencies that were noted during the walkthrough were not identified in any of the Inspection Reports completed by the region. It should be noted that the checklist that is being utilized does not specifically reference the use of personal unapproved small appliances.

Official Languages

The audit examined the BCRO’s compliance with the *Directive on Official Languages for Communications and Services* and found that the regional office “actively offers” communications and services in both official languages. However, it could only be confirmed that one of the two employees currently in bilingual positions, has their voicemail message in both French and English. Signage identifying the PPSC in one of the offices was in English only and one office had public notices posted concerning surveillance that were not in both official languages. Another office had “EXIT” signs only in English.

Second Language Evaluation (SLE) test results were examined for the region and it was noted that two employees test results had expired. These are the only employees currently in bilingual positions in the region. Employees are deemed to meet the linguistic requirements of their position as long as these were met on their appointment to the position. Only when an employee transfers or is appointed to another position is there a requirement to revalidate their expired results. While there is no requirement to test employees whose SLE test results have expired, there is a risk that they will no longer meet the linguistic requirements while still in their current position. Since these are the only two employees with the capacity to deliver services in both official languages, this presents the added risk that the region will not be able to meet the requirements of the *Directive on Official Languages for Communications and Services* referred to above.

The organization is in the process of developing an *Official Languages Strategic Plan 2014-2017* that will “articulate the vision of what the PPSC must become as a bilingual federal institution” and how that will be implemented at the regional level.

Recommendations:

The CFP should ensure that:

- 2. a Threat and Risk Assessment, as well as, a Task Hazard Analysis and Safe Work Procedure are completed in all telework situations; and,*
- 3. OHS deficiencies, including those related to the PPSC Policy on Small Appliances, are adequately addressed.*

- 4. The Official Languages Committee should ensure that the 2014-2017 Official Languages Strategic Plan is finalized and includes detailed roles and responsibilities.*

3.4 PERFORMANCE MANAGEMENT

The organization is in the process of developing performance management indicators to link planned activities to organizational results.

Effective organizational decision making success is dependent on the processes in place to link planned results with organizational objectives. The audit expected to find that management had established appropriate performance measures and was monitoring actual results and adjusting course as needed.

Interviews with the Team Leaders revealed that they rely on a number of indicators that are primarily qualitative to monitor performance. They stated that they would not review specific hours spent per file but rather would examine overall workload and that they do not utilize reports in iCase for this purpose. They will rely on feedback from investigative agencies and defence counsel. They will also evaluate counsel performance when they review files particularly their written work.

An operational benchmarking pilot for in-house files was conducted by the CFP, Ontario Regional Office and the Director, Agent Affairs Unit during the period of April 2013 to

September 2013. The chosen benchmark was based upon the total time charged on the *Controlled Drugs and Substances Act* (CDSA) 4(1) low complexity files with no trial. The same benchmark was implemented nationally in 2014 with two rounds of file review – the second completed in January 2015. The BCRO completed the benchmarking exercise and there were no outstanding issues. A decision was made by the PPSC to continue to review low complexity files and to include other profiles for CDSA matters.

The need to develop, monitor and report on benchmarks was previously identified in the *Audit of the National Capital Regional Office*. The Management Action Plan states that “Benchmarks have already been developed and implemented in respect of offences under 4(1) of the CDSA. An evaluation of the effectiveness of these benchmarks will be prepared and considered by the DDPPs by September 30, 2015. The results of that evaluation will determine whether additional or alternative benchmarks should be considered and established”.

3.5 SECURITY

While recent training has raised employees’ awareness of security issues in the region, there are opportunities for improvement in addressing identified deficiencies and incident reporting.

The objective of the TB [*Policy on Government Security*](#) (the *Policy*) is to ensure that deputy heads effectively manage security activities which will result in information, assets and services that are safeguarded from compromise and employees that are protected against workplace violence. The audit expected to find that the BCRO was in compliance with the *Policy* and supporting instruments.

In 2009, a Vulnerability Survey was requested by the PPSC and another federal department with respect to offices co-located in Vancouver to examine physical security. A combined total of 55 recommendations were submitted for both departments’ consideration. In 2015, another Vulnerability Assessment was requested with the resulting report containing 27 recommendations specifically related to the PPSC offices. The survey included an assessment of current security measures and practices and the physical security of staff at the Burrard Street and Columbia Street locations. The Main Street location while not included in the scope of the review was mentioned due to safety concerns communicated by staff working at the courthouse due to the surrounding area and population.

In May 2015, Employee Protection sessions were conducted in the BCRO. In June 2015, Security Awareness Training was provided by the Employee Protection Program/Business Continuity Planning (EPP/BCP) Security Officer. This training was also provided to all agents in the region via webinar. All of the interviewees stated that this training had been adequate and many had favorable comments regarding the recent training they had received from the EPP/BCP Security Officer. They were also aware of the availability of secure briefcases in the event they should require them. Security Services at NHQ has noticed that the region appears to be more engaged with them since the training.

[*]

[*]

[*] Site Inspections conducted by the Security Services unit noted security deficiencies in all four office locations back in 2012 and follow-up visits were scheduled for the fall of 2015. A physical walk-through conducted by the auditors before/after normal working hours revealed security deficiencies in all four offices including unlocked offices, accessible passwords and unsecured documents. As some of these are the same as those identified back in the 2012 Site Inspections, it is clear that security deficiencies have not been addressed. There is a risk that appropriate safeguards are not in place to secure information, assets, and services; and to protect employees from workplace violence.

Physical Security

Interviews revealed that while employees feel that any identifiable threats to their security or that of their family are dealt with, there are day-to-day security concerns that are not being adequately reported and addressed.

[*]

The Main Street and Columbia Street offices are located in a high crime area and staff face random occurrences of threatening behavior. Paid secure parking had been made available to the staff working in these locations but was discontinued as a result of the 2010 update to the Public Works and Government Services Canada (PWGSC) Custodial Parking Policy. Employees must now walk to another parking lot or the bus stop and are frequently hassled. [*]² Interviewees described incidents where they or their colleagues have been followed or threatened. However, they are not always completing Incident Reports to document these situations. This was also noted in the 2015 Vulnerability Survey which stated that “the issue of staff safety when entering and leaving the court building is not recognized because the number of reports of issues are (*sic*) low. Whilst staff do not report incidents of feeling unsafe there is no apparent organizational focus on the issue.” There is the risk that because employees have become inured to this type of environment, there is no pressure to make improvements.

Security Services at HQ acknowledged that there were few reported situations prior to the formal implementation of the Employee Protection Program but since delivering the sessions in May 2015, the bulk of the reporting has taken place.

Recommendations:

The CFP should ensure that:

5. *security deficiencies are adequately addressed; and,*
6. *employees complete the Incident Reports as per the requirements of the Employee Protection Program.*

² [*]

3.6 PROGRAM ACTIVITIES

Prosecution activities were generally compliant with PPSC policies, guidelines and directives and there are processes in place that support the “guiding six principles” however there are opportunities for improvement in conducting file review and preparing prosecution plans to ensure compliance and better stewardship of the prosecution function.

The *PPSC Deskbook* (“*Deskbook*”) sets out the guiding principles which all federal prosecutors, and persons acting as federal prosecutors, must follow. It contains the directives and guidelines that instruct and guide federal prosecutors, in the exercise of their prosecutorial discretion. The regional office has developed checklists, templates and guidelines and made them available on the regional KM site where they are accessible to both employees and agents in order to ensure compliance with the *Deskbook* and to promote consistency.

In an effort to reduce work demands and ensure better stewardship of the prosecution function, the PPSC Senior Advisory Board at its September 2014 meeting agreed on six principles to guide the organization of work in the future. The audit expected to find that files are managed and executed in accordance with PPSC’s policies and procedures as well as these “guiding six principles”:

- Work is assigned to employees at the most appropriate level.
- Work is done as early as possible in the life of the file and managers set deadlines for file review and assignment.
- Managers assign the minimal number of staff required to work on a file.
- The practice of early file ownership is followed and the counsel who spends the most time on the file “owns’ it.
- File review and vetting is done in accordance with nationally agreed upon procedures.
- Counsel is not doing the work of police or investigative agencies who have been clearly advised of PPSC’s expectations regarding disclosure.

Interviews indicated that there are processes in place to support these principles however file review and analysis of iCase data reveal that they are not fully implemented at this time.

File Compliance

The audit team reviewed a judgmental sample of 22 files (3 high complexity, 8 medium complexity and 11 low complexity) in hard copy and iCase format that were closed between April 1, 2014 to March 31, 2015 in terms of the compliance with the *Deskbook* and the relevant directives. The review found the following:

- Overall, files were well organized.
- iCase dates did not match hard copy dates in 17 files.
- The decision to prosecute was not documented in two medium complexity files.

- Disclosure documents were identified and demonstrated when each party had received the disclosure information.
- Four files with folders and pockets had no index referencing the content of each pocket.

Pre-charge screening and initial file assignment

Team Leaders generally assign files based on availability and experience. Support staff keep track of files that need to be assigned and sends out a bring forward (BF) reminder e-mail. Team Leaders set deadlines and this is recorded. When the deadline comes up, support staff send an email request to the counsel requesting an update and copies the Team Leaders.

For Project files, counsel involved in the investigation are provided with notice as to when the “take down” will occur. Once the file comes in for charge approval, the paralegal adds it to the list of files documenting who it is assigned to, and a BF date is noted. The Team Leader then meets with assigned counsel to discuss the file and the assigned counsel prepares the Charge Approval Memo.

In the case of agents, a pre-charge screening is conducted and if it is a major file, agents send a Charge Approval Memo for the ASU to review. Except for very rare cases, pre-screening is done for all files before charge approval.

Pre-charge approval of low and medium complexity files

The *Report to Crown Counsel (RTCC) Guideline* provides counsel with the authority not to lay charges before all the required information is received. The police are given six to eight weeks between the arrest and the first appearance. Based on the information received a Charge Approval Memo is prepared.

Search Warrant Review Process

The regional office has one counsel assigned to review agents’ search warrants. While there is no empirical evidence to support the efficiency and effectiveness of this approach, management believes that the quality of files has improved by having a dedicated resource who is highly experienced in this area.

File Assignment

The audit expected to find that assignment of cases provides for a fair distribution of workload and takes into consideration counsel’s experience and development. The guiding six principles expect that the seniority of a prosecutor is in line with the complexity of files, that the work is done as early as possible in the life of the file, that managers set deadlines for file review and assignment, and assign the minimal number of staff to work on a file.

Interviews indicated that files are assigned based on complexity, experience, interest and workload. Agents are generally assigned low and medium complexity files. If a significant case is assigned to an agent, the ASU keeps tracks of the file using a significant case spreadsheet that

is updated before and after each court appearance. As well, files are generally assigned early to one counsel – i.e. the counsel who approved the charges.

Interviews indicated that counsel rely on the *Deskbook* and practice directives as guides in conducting prosecutions, as well as, using templates and forms to promote consistency in prosecution files.

Analysis of iCase data and file review identified opportunities to improve the management of files in accordance with the six guiding principles. To determine if work was assigned to employees at the most appropriate level, a year over year analysis of the number of hours worked by level of counsel for each of the three levels of file complexity was completed. The analysis revealed that the time spent by senior counsel (LP-03 and LP-04) on high and medium complexity files declined slightly from the 2013-2014 fiscal year (FY) to the 2014-2015 FY. This decline may be justifiable due to such factors as senior counsel's requirement to provide additional mentoring on lower complexity files. It is however important for management to review and evaluate this type of data on an ongoing basis.

To determine if work was done as early as possible in the life of the file, the file review consisted of identifying the time between receipt of the RTCC and file assignment, and the time between the receipt of the RTCC and charge approval. In three cases, it took more than three months between receipt of the RTCC and file assignment. In six cases, it took more than three months between the receipt of the RTCC and charge approval. The file review did not address the completeness of the RTCC which could explain some of these delays. The file review also identified the number of counsel working on a file and found that on 21 files, there was more than one counsel identified, and on 12 files there was more than two counsel identified. Again, on-going management review would ensure that these results are not indicative of performance issues.

Additionally, a more comprehensive review of closed files could identify items like those observed by the audit team in the review of file compliance and would better ensure the overall quality and consistency of file management within the BCRO. A similar observation was already made for the *Audit of the Ontario Regional Office* with the expectation of a national action plan to address the audit recommendation by Q3 2015-2016.

File review and vetting

The audit expected that file review and vetting is completed in accordance with nationally agreed upon procedures. Interviews indicated that counsel applies the *RTCC Guideline* for file review when disclosure is received from investigative agencies and police. Interviews also indicated that agents' files were reviewed at the charge approval and closing stages by comparing the charges to the outcome. In-house files were reviewed at the charge approval stage and when issues arise but as noted above no reviews are conducted when a file is closed.

As well, interviews indicated that there is an expectation that police undertake the vetting and that vetting is addressed during training to stakeholders. It was noted that significant improvements have been made in recent years with regards to the police responsibilities for providing completed RTCC and vetting.

Role of Police and Investigative Agencies

The audit expected that counsel are not doing the work of police or investigative agencies.

Interviews indicated that generally investigative agencies send the information needed in order to approve the charges. In the event that information is missing, the region will advise the investigator and expect them to send the missing information for charges to be approved. The *RTCC Guideline* was helpful in this regards and investigative agencies recognize its benefit. The *Reference Guide Drafting Detailed Narrative* has also been beneficial in advising the police of their roles and counsel expectations.

Designated Wiretap Agents

The regional office has one counsel as the main designated wiretap agent along with four counsel and the CFP. The main designated wiretap agent's role is to supervise the four counsel – he mentors them on initial wiretap applications and reviews all wiretaps.

The CFP and the main designated wiretap agent advise the police to consult with the latter and run the material through him to ensure that applications are lawfully made and stand up in court.

Prosecution Plans

Chapter 3.1 of the *Deskbook* requires the preparation of prosecution plans for 'major cases' that address among other requirements, the likely resource demands of the prosecution. The audit requested prosecution plans for four high complexity files and was advised that the region is not consistently preparing prosecution plans for all high complexity files and when they are prepared, resource estimates are not always included, nor are they updated.

Without a prosecution plan addressing resources, there is a risk that resources may not be used efficiently.

Recommendation:

7. *The CFP should ensure that prosecution plans are prepared in accordance with Chapter 3.1 of the Deskbook.*

3.7 RESULTS AND PERFORMANCE

Overall, there are adequate systems in place to monitor and support agents however since the region is not completing the ARTF, it cannot be determined if adequate follow-up has taken place on issues identified by the Agent Affairs Unit.

The Agent Affairs Program (AAP) at HQ is responsible for the overall management of agents. Each regional office (excluding the northern regions) has an ASU to handle the day-to-day supervision of agents and to support them in their work. In the BCRO, the ASU consists of a Team Leader who oversees the work of the Agent Coordinator (who supervises two support staff) and five counsel who supervise the agents throughout the province. There is also a Senior Counsel assigned to the team who is responsible for reviewing applications for search warrants.

Agent Expenditures and Fees

The audit found adequate systems in place to monitor the expenditures, fees and timekeeping of agents. Agents bill through iCase and the Agent Affairs Unit (AAU) verifies expenses and monitors billing. Expenditures greater than \$500 require pre-approval and all travel is subject to monthly pre-authorization. The Team Leader, ASU is responsible for reviewing the reasonableness of the travel expenses which is challenging given the remote locations and the volume of travel. The AAU monitors the expenditures and timekeeping for every file and has set thresholds for files based on complexity.

Agent Support and Communication

- Agents have been provided with the opportunity to participate in a number of training sessions – both in-person and webinar - for in-house counsel in recent years. All agents were provided with webinar training on security by the EPP/BCP Security Officer. For the PPSC School of Prosecutors, they receive the invitation from the AAU and then recommend one agent to attend.
- Contact counsel are assigned and agents deal with them on a day-to-day basis.
- Case specific litigation advice to enforcement and concerned agencies is provided on an ongoing basis. On August 5th, 2015, for example, the Acting Team Leader met with law enforcement agencies to talk about medical marijuana.
- All agents work from offices. The Acting Team Leader has conducted visits to examine security issues and storage of files, etc.
- Communication with agents is an ongoing process. At a more formal level, the Acting Team Leader has been conducting teleconferences with agents since he started acting in

the position. A review of the recorded minutes indicates that in 2013, there were four teleconference meetings and for the past two years there has been one per year. Special teleconferences are also scheduled with individual agents who are having issues.

- The KM site is accessible by all the agent firms and the region has directed them to utilize this site prior to any authorization for other research sites. This good practice assists in eliminating unnecessary costs as well as providing current and up-to-date information from the region. The local KM Administrator uploads agent specific information to the “Agent Issues” section in the BC Region Home page of the site. Agent’s access to KM site and the available checklists, templates, etc. also helps ensure consistency with PPSC policies and procedures. In addition, they generate statistics on agent’s use of the KM site.

Agent Performance Assessment

- The unit monitors all significant cases that are handled by agents. There is a guide that determines what cases are considered significant and these are closely followed from start to finish. The unit maintains a significant case spreadsheet for each agent firm and receives regular updates from the agents before and after each court appearance.
- A Charge Approval Memo must be completed for each and every charge that is submitted by the agents for approval. Upon conclusion of the file the disposition report is forwarded to the firm’s agent supervisor for review. The initial Charge Approval Memo is utilized so that all information is available to the supervisor upon review of the disposition. The outcome is compared to the Charge Approval Memo. Each month, the agents compile and submit a Controlled Drug and Substance Act (CDSA) Report that is compared to the Charge Approval Memos.
- The AAU produces a report each quarter for the regions that looks at year over year trends in agent files assigned, workload and cost metrics such as average cost per file, and average preparation to court ratios. The report includes an ARTF that includes issues that need to be addressed by the ASU. The AAU reports that BC is the only region where audit findings are not being addressed.

Since the ASU is not completing the ARTF of the Audit Report, it cannot be determined what actions, if any, have been taken to address issues identified by the AAU. There is the risk that adequate follow-up is not being undertaken on these issues resulting in inefficient use of agent resources.

Recommendation:

8. *The CFP should ensure that appropriate feedback is provided to the AAU to reflect follow-up on issues identified in the ARTF.*

3.8 STEWARDSHIP

There are compliance issues with regards to proper authorities as per the *Financial Administration Act (FAA)*; the use of proper acquisition vehicles; and the application of the hospitality requirements of the *Directive on Travel, Hospitality, Conference and Event Expenditures*.

Sound stewardship is the result of an organizational control regime (assets, money, people, services, etc.) that is integrated and effective, and where the underlying principles are clear to all staff. The audit expected to find that expenditures are managed in compliance with the *Financial Administration Act (FAA)* and applicable TBS/PPSC directives and guidelines.

Directive on Travel, Hospitality, Conference and Event Expenditures

The *Directive on Travel, Hospitality, Conference and Event Expenditures* came into effect as of April 1, 2013 and was implemented in the PPSC as of October 2013. Given the level of scrutiny these expenditures receive, the DPP requested that IAD perform a limited review of these transactions.

A judgmental sample of 21 transactions processed between October 2013 and September 2015 was selected for testing. The review found that eight of the 21 (38%) transactions were non-compliant with the *Directive*. Four of the 21 (19%) sample transactions did not have the appropriate authority under section 32 of the *FAA* and one file was not available. In September 2013, the PPSC implemented a new archiving process with all financial documents now stored at 160 Elgin Street. The Records unit advised that the missing file predated the centralization of these records. This finding was also identified in the *Audit of the National Capital Regional Office*. The Management Action Plan states that the DDPP, REPMB will in collaboration with the Chief Information Officer develop a file close-out framework for administrative files by Q4 2015-2016.

Acquisition Card Expenditures

A judgmental sample of 13 acquisition card transactions processed between April 2013 and September 2015 was selected for testing based on a number of criteria such as weekend transactions, suspect vendors, suspect duplicates and transactions completed by a non-card holder.

The review found that out of the 13 transactions:

- five (38%) did not have proper section 32 of the *FAA* approval;
- ten (78%) transactions used an improper acquisition vehicle³; and,
- seven (54%) were missing relevant documentation.⁴

³ Vendors were not on the National Master Standing Offer listing.

⁴ Such as proof of a competitive process or justifications such as ergonomic assessments.

As of April 1, 2015, the issuance of bulk commitments was implemented and should address the issues related to section 32 of the FAA. In addition, the Finance and Acquisitions Directorate has developed a reference checklist for sections 32, 34 and 41(acquisitions vehicles) that should address the issue of improper acquisition vehicle usage.

Subscriptions Expenditures

A review of subscriptions expenditures between April 2012 and September 2015 found a good practice where these regional expenditures were significantly reduced in the current fiscal year due to effective fiscal management and decision making. Enterprise-wide access to Westlaw and required access to Quicklaw, as well as, the decision at the regional level to switch from hardcopies to electronic subscriptions and online resources were all factors that enabled the region to recognize a significant reduction in these expenditures.

4.0 CONCLUSION

The IAD assessed the adequacy and effectiveness of the BCRO's management control framework against predetermined audit criteria based on TB policies and directives, PPSC policies, directives, protocols, and procedures/guidelines such as the *Deskbook*, as well as general best practices. Overall, the BCRO's management control framework is appropriate however there are opportunities for improvement in the following areas: budget management; compliance with policies related to Teleworking, Occupational Health and Safety, and Security; preparing prosecution plans; and follow-up on agent issues. An opportunity for improvement was also identified in the area of Official Languages.

5.0 MANAGEMENT ACTION PLAN

RECOMMENDATIONS	MANAGEMENT RESPONSE AND ACTION PLAN	OFFICE OF PRIMARY INTEREST	TARGET DATE
<p>1. <i>The CFP should delegate part of the regional budget to the Deputy CFP and/or other senior staff to foster financial competencies and aid in succession planning.</i> (Risk: Medium)</p>	<p>Management accepts this recommendation. To foster financial competencies and succession planning for both the DCFP and other senior staff, part of the regional budget (one of the three existing cost centres) will be delegated to the DCFP. These changes are expected to be in place by the middle of the next fiscal year.</p>	CFP	August 2016
<p>2. <i>The CFP should ensure that a Threat and Risk Assessment, as well as, a Task Hazard Analysis and Safe Work Procedure is completed in all telework situations.</i> (Risk: High)</p>	<p>Management accepts this recommendation and notes that this recommendation currently applies to two employees in the region. Management will ensure that a Threat and Risk Assessment and Task Hazard Analysis and Safe Work Procedure are completed in all current telework situations and that no future teleworking arrangements will be approved until such assessments are completed.</p>	CFP	January 2016
<p>3. <i>The CFP should ensure that OHS deficiencies, including those related to the PPSC Policy on Small Appliances, are adequately addressed.</i> (Risk: Medium)</p>	<p>Management accepts this recommendation. All identified OHS deficiencies have been addressed and reported back to the functional authority. The CFP will raise the issue of referencing the use of personal unapproved appliances in the OHS Inspection Report checklist with the OHS Committee and the CFP will seek to have the issue addressed by the OHS Committee.</p>	CFP	April 2016
<p>4. <i>The Official Languages Committee should ensure that the 2014-2017 Official Languages Strategic Plan is finalized and includes detailed roles and responsibilities.</i> (Risk: Medium)</p>	<p>In order to finalize the 2014-17 Official Languages Strategic Plan, a series of meetings are scheduled and taking place to refine or add performance indicators with respect to each objective and related actions. Each action will identify an Office of Primary Interest.</p>	OL Co-Champions OL Committee	January 31, 2016

RECOMMENDATIONS	MANAGEMENT RESPONSE AND ACTION PLAN	OFFICE OF PRIMARY INTEREST	TARGET DATE
<p>5. <i>The CFP should ensure that security deficiencies are adequately addressed.</i></p> <p><i>(Risk: Medium)</i></p>	<p>Management accepts this recommendation. The Business Continuity Plan will be tested within the next six months. The CFP will send an email to all staff reminding them of the need to be vigilant and to ensure they avoid security deficiencies including unlocked offices, accessible passwords and unsecured documents.</p> <p>The Main Street and Columbia Street offices are located in a high crime area and staff face random occurrences of threatening behavior. An updated Threat Assessment is being performed and a priority will be given to addressing the results of the Threat Assessment.</p>	CFP	October 2016
<p>6. <i>The CFP should ensure that employees complete the Incident Reports as per the requirements of the Employee Protection Program (EPP).</i></p> <p><i>(Risk: Medium)</i></p>	<p>Management accepts this recommendation. The CFP will send an email to remind staff of the need to complete Incident Reports as per the requirements of the EPP. In addition, the CFP will email all Team leaders to remind them of the need to be vigilant in following-up possible reportable incidents and ensure that they are properly reported in accordance with the requirements of the EPP.</p>	CFP	April 2016
<p>7. <i>The CFP should ensure that prosecution plans are prepared in accordance with Chapter 3.1 of the Deskbook.</i></p> <p><i>(Risk: Medium)</i></p>	<p>Management accepts this recommendation. Management will send out additional reminders about the need to prepare prosecution plans in accordance with Chapter 3.1 of the <i>Deskbook</i>. In addition, the current BF systems for charge approval will now incorporate the need for prosecution plans in high complexity cases. Those same systems will also provide reminders to assigned counsel every six months of the need to update existing prosecution plans to account for any developments in the case that need to be considered and reflected in the prosecution plan.</p>	CFP	January 2016

RECOMMENDATIONS	MANAGEMENT RESPONSE AND ACTION PLAN	OFFICE OF PRIMARY INTEREST	TARGET DATE
<p>8. <i>The CFP should ensure that appropriate feedback is provided to the Agent Affairs Unit to reflect follow-up on issues identified in the Audit Recommendations Tracking Form (ARTF).</i> <i>(Risk: Medium)</i></p>	<p>Management notes that the completion of the ARTF involves substantive follow-up by the ASU that is communicated to the AAU who then completes the ARTF. Management has ensured that issues identified in the ARTF are followed-up appropriately by the ASU and agrees to ensure that this information is provided to the AAU so that the substantive follow-up is properly documented.</p>	<p>CFP</p>	<p>April 2016</p>

APPENDIX A – LINKS TO RELATED LEGISLATION, POLICIES, DIRECTIVES AND GUIDELINES

PPSC Deskbook

Financial Administration Act

Policy on Internal Control

Directive on Travel, Hospitality, Conference and Event Expenditures

Internal Auditing Standards for the Government of Canada

APPENDIX B -- AUDIT CRITERIA

Lines of Enquiry	Audit Criteria
1. Governance	1.1 The organization has appropriate structures in place to support PPSC's objectives.
	1.2 PPSC's Values and Ethics/ <i>Code of Conduct</i> are communicated internally and to key stakeholders.
2. Program Activities	2.1 Prosecution files are managed and executed in compliance with PPSC's policies and procedures.
	2.2 Prosecution files are managed and executed in accordance with the "guiding six principles".
3. Results and Performance	3.1 Agents are adequately supported and monitored.
	3.2 A performance management framework is in place to support effective decision-making.
4. Compliance	4.1 Travel, Hospitality, Conference and Event expenditures are managed in compliance with the amended Directive.
	4.2 Security practices are in compliance with the Treasury Board <i>Policy on Government Security</i> and PPSC directives.
5. People	5.1 Policies and practices support the development and management of human resources.

APPENDIX C – LIST OF ACRONYMS

AAP	Agent Affairs Program
AED	Automated External Defibrillator
ARTF	Audit Recommendations Tracking Form
ASU	Agent Supervision Unit
AAU	Agents Affairs Unit
BCP	Business Continuity Planning
BCRO	British Columbia Regional Office
BF	Bring Forward
CAE	Chief Audit Executive
CDSA	<i>Controlled Drugs and Substances Act</i>
CFP	Chief Federal Prosecutor
DCFP	Deputy Chief Federal Prosecutor
DDPP	Deputy Director of Public Prosecutions
DPP	Director of Public Prosecutions
EPP	Employees Protection Program
FAA	<i>Financial Administrative Act</i>
FTE	Full Time Equivalent
FY	Fiscal Year
HRD	Human Resources Directorate
HQ	Headquarters
IAD	Internal Audit Division
KM	Knowledge Management
NHQ	National Headquarters
OHS	Occupational Health and Safety
OL	Official Languages
PPSC	Public Prosecution Service of Canada
PSES	Public Service Employee Survey
PWGSC	Public Works and Government Services Canada
REPMB	Regulatory and Economic Prosecution Management Branch
RTCC	Report to Crown Counsel
SLE	Second Language Evaluation
TB	Treasury Board
TBS	Treasury Board of Canada Secretariat