

Internal Audit Division

AUDIT OF THE NORTHWEST TERRITORIES
REGIONAL OFFICE
FINAL AUDIT REPORT
MARCH 20, 2012

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

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LIST OF ACRONYMS

ACFP	Associate Chief Federal Prosecutor (<i>Procureur fédéral en chef adjoint – PFCA</i>)
CAE	Chief Audit Executive (<i>Dirigeant principal de la vérification – DPV</i>)
CFP	Chief Federal Prosecutor (<i>Procureur fédéral en chef – PFC</i>)
CLCA	Comprehensive Land Claims Agreement (<i>Ententes sur les revendications territoriales globales – ERTG</i>)
CWC	Crown Witness Coordinator (<i>Coordonnateur des témoins de la Couronne – CTC</i>)
DDPP	Deputy Director of Public Prosecutions (<i>Directeur adjoint des poursuites pénales – DAPP</i>)
DG	Director General (<i>Directeur General – DG</i>)
DoJ	Department of Justice (<i>Ministère de la Justice – MJ</i>)
DPP	Director of Public Prosecutions (<i>Directeur des poursuites pénales – DPP</i>)
DPPA	<i>Director of Public Prosecutions Act</i> (Loi sur le directeur des poursuites pénales – LDPP)
DSO	Departmental Security Officer (<i>Agent de sécurité ministériel – ASM</i>)
FAA	<i>Financial Administration Act</i> (Loi sur la gestion des finances publiques – LGFP)
FAD	Finance and Acquisitions Directorate (<i>Direction des finances et des acquisitions – DFA</i>)
HQ	Headquarters (<i>Administration centrale – AC</i>)
HR	Human Resources (<i>Ressources humaines – RH</i>)
HRD	Human Resources Directorate (<i>Direction générale des ressources humaines – DGRH</i>)
IAD	Internal Audit Division (<i>Division de la vérification interne – DVI</i>)
IFMS	Integrated Financial and Materiel System (<i>Système intégré des finances et du matériel – SIFM</i>)
IT	Information Technology (<i>Technologie de l'information – TI</i>)
NPP	Notice of Proposed Procurement (<i>Avis de projet de marché – APM</i>)
NTP	National Timekeeping Protocol (<i>Protocole national de comptabilisation du temps – PNCT</i>)
NWTRO	Northwest Territories Regional Office (<i>Bureau régional des Territoires du Nord-Ouest – BRTNO</i>)
PO	Purchase Order (<i>Bon de commande</i>)
PPSC	Public Prosecution Service of Canada (<i>Service des poursuites pénales du Canada – SPPC</i>)
TBS	Treasury Board Secretariat (<i>Secrétariat du Conseil du Trésor – SCT</i>)

1.0 EXECUTIVE SUMMARY

1.1 AUDIT OBJECTIVE AND SCOPE

The overall objective of this audit was to assess the adequacy and appropriateness of the Northwest Territories Regional Office's (NWTRO) management framework within which it provides prosecutorial services. The management framework comprises policies, practices, and procedures relating to: planning, organizing, controlling, leading, communicating, and managing human, financial and material resources.

The audit scope included procedures, guidelines and practices, as well as the monitoring and reporting mechanisms in place. The audit team examined samples of prosecution case files, human resources files, contract files and financial transactions primarily from the 2011-12 fiscal year.

1.2 AUDIT CONCLUSION

Overall, the region has an appropriate management framework with the exception of financial delegations and procurement practices that require strengthening in order to be compliant with policies and directives. In addition, there are opportunities for improvement noted for the region and the Public Prosecution Service of Canada (PPSC) to operate more effectively and efficiently.

1.3 SUMMARY OF FINDINGS AND RECOMMENDATIONS

Stewardship

Stewardship in the region needs to be strengthened, particularly in the areas of financial delegations and procurement practices.

- *The Chief Financial Officer (CFO) should take immediate steps to establish management oversight mechanisms for monitoring procurement procedures for the NWTRO and take corrective action where needed to ensure procurement is in compliance with applicable laws, policies, and directives.*
- *The CFO should establish Payment Authority (s.33) for the Northern Offices in accordance with the requirements of the Financial Administration Act (FAA), Treasury Board policies, Receiver General directives, and all other applicable regulatory authorities.*
- *The Deputy Directors of Public Prosecutions (DDPPs) in consultation with the Director General (DG) of Human Resources Directorate (HRD), should review regional overtime guidelines/practices with all Chief Federal Prosecutors (CFPs) to promote consistency across the PPSC.*

Security

- [REDACTED]

Findings and recommendations that were national in scope made in the Audit of the Ontario Regional Office (December 2011) are noted in this report and will be followed up with management.

1.4 STATEMENT OF ASSURANCE

In my professional judgment as the PPSC 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 PPSC management. The findings and conclusion are applicable only to the entity examined. The audit was planned and conducted to be in accordance with the *Internal Auditing Standards for the Government of Canada*.

I appreciate the cooperation and assistance afforded to the audit team by PPSC staff at headquarters and in the NWTRO.

Philip Morton
Chief Audit Executive

2.0 INTRODUCTION

2.1 BACKGROUND

The Director of Public Prosecutions (DPP) employs federal prosecutors and retains private counsel to act as agents to perform the duties and functions assigned to him under the *Director of Public Prosecutions Act* (DPPA). As of March 31, 2011 the PPSC had 958 employees and retained 224 standing agent firms, representing approximately 535 individually appointed counsel. The PPSC is a national prosecution service with a network of regional offices across Canada in: Vancouver, Edmonton, Saskatoon, Winnipeg, Toronto, Ottawa, Montreal, Halifax, Iqaluit, Yellowknife, and Whitehorse. Each region is headed by a CFP who reports directly to one of the two DDPPs at Head Quarters (HQ).

The NWTRO is the largest of the three Northern regional offices in terms of staff with 43 employees as at October 31, 2011. The staffing complement, by Treasury Board Secretariat (TBS) classification group, is made up of approximately: 42% in the LA group, including prosecutors, team leaders and managers; 5% in the EC group, paralegals; 14% in the PM group, Crown Witness Coordinators (CWC); 5% in the AS group, an executive assistant and a business coordinator; 33% in the CR group, four administrative clerks, seven legal assistants and three finance specialists; and 2% in the CS group, an Information Technology (IT) analyst to provide onsite support. The regional office is managed by the CFP and the Associate Chief Federal Prosecutor (ACFP), two team leaders oversee the prosecutors.

2010-11 Spending (in \$) – Northwest Territories Regional Office

	Salary	O&M	Total
Total	\$ 3,660,154	\$ 1,163,266	\$ 4,823,420

The NWTRO has one office located in Yellowknife. Staff counsel operate on a daily basis in the Yellowknife courts. In addition, counsel appear in circuit courts throughout the Northwest Territories, both Territorial and Supreme Courts. In total, 20 communities are served by circuits. Prosecutors litigate or provide advice in respect of prosecutions under federal legislation including the *Criminal Code of Canada*, ranging from murder, to drugs, to property crime; and appear at all levels of court in the Northwest Territories, including the Northwest Territories Court of Appeal.

Prosecutions under the *Criminal Code of Canada* by the PPSC are unique to the North; in other jurisdictions, most *Criminal Code* prosecutions are handled by provincial prosecutors. This adds another element not typical to federal prosecutions, i.e. victims of crime. Crown Witness Coordinators (CWC) communicate with victims and witnesses to inform and guide them through the court process, and will refer them to territorial victims' services for support. PPSC's working conditions in the NWTRO are demanding and challenging due to the remoteness of the communities served, the climate, as well as the sensitive nature of the cases.

In 2010-2011, the NWTRO began with 2,159 open cases, and opened an additional 3,667 cases during the year. In total, 4,009 cases were closed during the year, leaving 1,817 cases open at year end.

The audit of the NWTRO was identified as a risk area in the 2011-2012 Risk-Based Audit Plan, due to capacity issues, the degree of dependencies on external partnerships, and the unique challenges faced in the North.

2.2 OBJECTIVES AND SCOPE

The overall objective of this audit was to assess the adequacy and appropriateness of the Region's management framework within which it provides prosecutorial services. The management framework comprises policies, practices, and procedures relating to: planning, organizing, controlling, leading, communicating, and managing human, financial and material resources.

In particular, the audit examined and assessed:

- the soundness of the Region's resource and relationship management framework, including governance, planning and performance;
- the procedures and practices for controlling the Region's resources; and
- the extent to which a system of management exists governing the prosecution activities and decisions of the region, including a system of delegation of authority, appropriate information management practices, and legal risk management considerations and practices.

The audit scope included procedures, guidelines and practices as well as the monitoring and reporting mechanisms in place. The audit team examined samples of prosecution case files, human resources files, contract files and financial transactions primarily from the 2011-12 fiscal year.

This audit was planned and conducted between September and December 2011.

2.3 METHODOLOGY

2.3.1 Planning Phase

The planning phase consisted of obtaining and documenting background information to gain an understanding of the NWTRO, its operations, key processes, and controls. The team interviewed regional management and analysed financial, human resource, and prosecution data, and TBS and PPSC policies, directives and guidelines to develop the audit objectives, scope, criteria and methodology. In addition, the team reviewed audit and performance reports of international prosecution services to identify best practices. A Terms of Reference document including audit

objectives and criteria was developed, shared with, and accepted by management at the conclusion of the planning phase.

2.3.2 Conduct Phase

The audit team conducted on-site work in Yellowknife the week beginning October 24th, 2011.

The conduct phase included the review and analysis to compare against audit criteria of documentation and processes, including roles, responsibilities and accountabilities, monitoring, and risk management practices. Interviews were conducted with staff from the PPSC HQ and the region. Judgemental samples of employee files, prosecution files, and acquisition and travel payments were examined. The financial transactions were considered to be of higher risk based on the dollar amounts of the payments, and the aggregate travel spending. The audit team assessed systems, controls and practices to identify opportunities for improvement. Finally, the audit team validated the preliminary findings with the CFP.

2.3.3 Reporting Phase

A draft report was sent to the CFP and senior management at HQ. The Internal Audit Division (IAD) reviewed management's comments in response to the report and refined it in consideration of the additional information and clarification provided. The revised draft was sent to the CFP and the appropriate senior managers to develop a management action plan in response to the recommendations within the report.

3.0 OBSERVATIONS AND RECOMMENDATIONS

The observations and recommendations are structured around findings based on audit criteria derived from government policies and guidelines, the Federal Prosecution Service Deskbook (Deskbook), as well as best practices of other government organizations and prosecution services in other jurisdictions and countries, and other regions within the PPSC. This section presents observations on Governance & Strategic Directions; People, Results and Performance; and Stewardship and Accountability.

3.1 GOVERNANCE & STRATEGIC DIRECTIONS

Governance and strategic directions, part of the TBS Management Accountability Framework, are the essential conditions (internal coherence, corporate discipline, practices, and alignment to outcomes) to provide effective strategic direction, management of risks, support to DPP and the Attorney General, and delivery of results.

The NWTRO's governance structure was mostly documented and well understood. Job descriptions for some support staff are out of date.

Organizations can be structured in various ways depending on the environment in which they operate. While the structure may change over time, in order to be an effective tool to assist in achieving objectives, management must ensure the structure is documented, communicated and well understood.

The audit team analyzed the documented structure and roles and responsibilities, then compared them with those in place within the region. The region is managed by a CFP, supported by an ACFP. The region has a Human Resources (HR) plan and has been effective in recruiting new staff, and retaining existing staff. The region has implemented a team-based structure; prosecutors are divided into four teams, based on geographic areas within the Northwest Territories. Teams are responsible for circuit court within their own area, and all team members share the duties in Yellowknife. Each team includes four prosecutors, one CWC, and one legal assistant. There are two team leaders, who each oversee two teams. At the time of the audit, the documented structure only identified one team leader as a „team leader“, while the other was identified as „senior counsel“. Recently, that position was reclassified as a „team leader“.

Analysis of roles and responsibilities of support staff compared to documented work descriptions identified that the majority of work descriptions had not been recently reviewed. This has resulted in work descriptions that are either: out of date and do not reflect the split between PPSC and Department of Justice (DoJ) in 2006; do not accurately reflect the expected duties in the positions, or do not accurately reflect supervisory positions as documented in the HR system (PeopleSoft). Due to resource constraints, the Human Resources Directorate (HRD) prioritized the renewal of LA work descriptions, and then support staff. LA work description renewal is ongoing, with paralegals and legal assistants planned next.

Outdated work descriptions may cause employees to perceive they are being asked to perform duties outside their responsibilities, or to perform duties that are at a higher work level than their current position.

Recommendation:

1. *The NWTRO CFP, in consultation with the DG HRD, should ensure that work descriptions for all employees are accurate and current. Information on updated positions should be shared with management of other regional offices who may have similar positions in need of updating.*

3.2 PEOPLE, RESULTS & PERFORMANCE

Monitoring and controlling results and performance of processes and projects is just as important as good governance and planning. The audit team examined two facets of results and performance, quantitative and qualitative, to assess compliance with PPSC policies, directives, and protocols, and identify opportunities for improvement.

3.2.1 Performance Quality

The NWTRO has several processes in place to monitor the quality and consistency of its prosecution cases, however there is limited review of completed cases.

Quality and consistency in prosecutions are key elements of the PPSC's guiding values. They are critical to the success of the organization given the independence of prosecutors and the high visibility and level of scrutiny applied to the PPSC. The audit team noted that the PPSC has several national committees/working groups and initiatives underway that are focused on the quality of prosecution matters of national interest. In addition, the criminal justice system itself acts as an external quality control measure. The work of PPSC's prosecutors is subject to validation by investigative agencies, judges and defence counsel on each and every case they prosecute.

Supervision and Consistency

Prosecutors have independence in day-to-day decision-making, but are accountable for decisions to their managers, and ultimately the DPP. This ensures confidence in the reliability of the prosecution function as a whole. There is a significant likelihood that more than one prosecutor will be involved in any one case, providing an opportunity for "peer review" by other prosecutors, and file review by support staff. The prosecutor assigned to a courtroom on a particular day will typically handle all of the day's cases in that courtroom, even though it may be their first time looking at a case which is in its final stages. The region has developed several processes and systems to promote the quality, consistency and supervision of cases.

The region is made up of primarily junior counsel, many LA-01s and newly appointed LA-2As. The region maintains an open work environment in which prosecutors can go to those with more experience, or to a supervisor/manager to ask questions regarding files. Every Friday morning a „vetting session“ is held in the boardroom in which managers, team leaders, and available

prosecutors meet for roundtable discussions on any issues a prosecutor may be facing. The advice from the vetting session, including the consensus is documented and kept in the prosecution file. The audit team noted a culture of openness and support.

Management reviews every Supreme Court file approximately two months prior to the scheduled court date. They then meet with the prosecutor who has carriage of the file to discuss legal strategies and ensure readiness. Management also indicated they review files on a random basis to ensure files are properly maintained and conducted. Occasionally management participates in the circuit courts as a way to review files, and observe the prosecutors.

The processes in place allow for a separate review of most files to ascertain the validity of key prosecutorial decisions taken, and adherence to the Deskbook and regional guidelines.

Quality Control Documents

Standardized forms and checklists, assist with quality control, facilitate review, and reduce preparation time for prosecutors who are not familiar with a specific case. The audit team found that the NWTRO has implemented various documents that are used by prosecutors and support staff.

Templates and checklists have been created to: document the decision to prosecute; provide a summary of the case, and document court appearances including sentencing, or the decision to withdraw or stay a prosecution and appeal requests; document iCase related information such as risk, complexity, and initiatives; document „vetting sessions“; facilitate disclosure; and to review and close files.

The audit team found that the information contained within checklists and templates can be useful to promote the quality and consistency of decision making, and the review of files. However, as discussed in section 3.3.3 of the report, these documents are not always completed by the prosecutors.

Quality Assurance

Many professions and organizations have implemented post-activity review procedures to ensure quality and consistency across a large area, such as a region or an entire organization. Some have established a qualified, independent group to perform assessments to ensure compliance with policies, procedures, and professional standards.

The audit team found limited evidence that the NWTRO, or PPSC, had implemented such quality control measures for the review of prosecution files. The CFP indicated that a new process is being implemented to review a sample of 10 files from every circuit.

Recommendation:

A recommendation with a national scope related to Performance Quality was made in the Audit of the Ontario Regional Office (December 2011) that will be followed up with management.

3.2.2 Quantitative Indicators

The NWTRO and the PPSC have an opportunity to use quantitative indicators to manage performance more effectively.

Quantitative indicator data can be used to manage the effectiveness and efficiency of processes, the region, and the organization as a whole. PPSC's primary quantitative data source is iCase, a web-based legal information management system that provides timekeeping, billing, case management, document management, and case reporting functions. This data is an asset to the PPSC for informed decision-making as it continues to enhance its use of performance measurement techniques and analyze the costs of its services.

Timekeeping Input

PPSC requires all prosecutors and paralegals to record their time in iCase. The National Timekeeping Protocol (NTP) states that time should be entered on a daily basis, and in all circumstances time entries must be completed by the end of each week. Analysis of NWTRO timekeeping entries shows that in 2010-2011 approximately 35% of time entries were inputted or last revised the same working day, and 75% within seven days, both represent a 7% increase over the previous fiscal year. In 2010-2011, the national average was 43% and 75%, respectively. Though being away from the office on circuit court creates delays for employees entering time, the NWTRO is in line with the seven day national average; while this metric has improved, there is still further opportunity for improvement. Late time entries impact the organization causing incomplete bills to be sent to concerned departments and agencies for cost-recoverable files, and inaccurate overtime forecasts.

Monitoring Performance

PPSC has established certain quantitative performance indicators to monitor its operations. One indicator is the number of open and carried over cases against LA classification levels, and also against complexity compared to past fiscal years.

In the NWTRO, the iCase administrator produces two timekeeping reports for each employee every four weeks; one summarizing hours entered each day, and another summarizing time by file and detailing each timekeeping entry by file, including the activity performed and any applicable notes. These reports are given to the employee's supervisor to review, and disseminate to individual employees. Employees review each entry, enter any time that is outstanding from the preceding four weeks, and finally certify their time.

The iCase coordinator and supervisors perform a thorough review of time. They monitor the timekeeping activities to ensure reasonability of the data such as comparing litigation to non-litigation travel, and pre-charge to post-charge hearings and advice. They also closely monitor the use of general timekeeping files, which should not be over 30 minutes to ensure timekeeping entries are as detailed as possible. However, there is no monitoring of total time spent on cases to ensure that cases are completed in a reasonable amount of time, based on benchmarks for similar

cases or estimates for more unique cases. Additional quantitative analysis would enhance monitoring and allow management to review any outlying cases or trends with respect to time spent on cases.

Recommendation:

A recommendation with a national scope related to Quantitative Indicators was made in the Audit of the Ontario Regional Office (December 2011) that will be followed up on with management.

3.3 STEWARDSHIP AND ACCOUNTABILITY

Appropriate stewardship identifies how activities should be performed to prohibit inappropriate action and achieve objectives. Stewardship relies on a diverse range of controls from policies and procedures, financial management practices and controls, to physical and information security. Accountability defines authority, responsibility, and reporting to support effective coordination between all parts of the organization.

3.3.1 Stewardship

Stewardship in the region needs to be strengthened, particularly in the areas of financial delegations and procurement practices.

Contracting and Accounts Payable

The objective of procurement in the Government of Canada is to acquire goods and services in a manner that enhances access, competition and fairness and results in best value or, if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people. In the North, Comprehensive Land Claims Agreements (CLCA), a legal obligation, requires any purchase, no matter how small, to have a Notice of Proposed Procurement (NPP) sent to the local land claim office which has five days to respond. In late 2010, the Finance and Acquisitions Directorate (FAD) provided training to the Region on contracting, delegation, and CLCA for the first time.

The audit team analyzed a sample of seven purchase orders (PO) and eleven related invoices totalling \$46,559 and identified the following:

- five of seven (71%) PO required HQ approval, but were signed only by the CFP or ACFP (local POs for goods over \$5,000);
- four of seven (57%) POs did not contain evidence of a NPP;
- eleven invoices of the sample (100%), contained proper supporting documentation and a valid s.34 signature.

Analysis of all POs between Sept 2010 and Sept 2011 showed multiple POs for similar items (IT equipment or office supplies) from the same vendor within days of each other, or on the same day, which may be perceived as contract splitting. Of the 134 POs, 32 (24%) were from the same

vendor within two days of each other. Additionally, for 9 POs (7%), work was invoiced before the contract was created or entered into Integrated Financial and Materiel System (IFMS), which indicates a lack of proper planning related to procurement. Also, the audit team found no evidence that contracting and payment activity below \$10,000 was monitored to detect such occurrences. These anomalies occurred multiple times in the audit sample with no justification or indication of corrective action.

Procurement of goods and services are a challenge for the North, due in part to the remoteness of the communities and the limited number of local vendors. During the audit period, the NWTRO was not in compliance with its delegation of authority, nor with the TBS Contracting Policy and *Government Contracts Regulations* which could result in a loss of delegation, negative public perception, and potential complaints related to CLCA.

Financial Administration Act (FAA) s. 33 (Payment Authority)

Delegation of financial payment authorities constitutes a key internal control mechanism that plays an essential role in the expenditure process and achieving departmental and government priorities and objectives. The *TBS Directive on Delegation of Financial Authorities for Disbursements* states, “No person is permitted to exercise financial authorities unless the appropriate minister or the deputy minister has formally delegated these authorities as established under sections 33 and 34 of the Financial Administration Act and the incumbent’s supervisor or superior has formally designated that person.”

The audit team found that individuals processing payments are not properly delegated with s.33 authority, but that there is evidence of a verification process in place, as well as some post-payment verification. FAA s.33 Delegation (payment authority) is not established at the NWTRO.

The audit team found that individuals who were authorizing the payment runs in IFMS did not have s.33 delegated authority. While no employee in the region has s.33 delegation, each finance specialist, and the business coordinator have the ability to perform payment runs in the system, though the majority of payment runs were performed by one financial specialist. Interviews and observations determined that the physical process does have adequate segregation of duties for financial responsibilities, although the user profiles in the IFMS do not. Financial specialists and the business coordinator have essentially the same access. Each can perform transactions from start to finish (create POs, enter invoices, perform goods receipt, and perform payment runs), except changing vendor information.

There are two financial officers in the Whitehorse office who provide services to the NWTRO and the Nunavut Regional Office. One of the officers is delegated with s.33 authority, but does not approve the NWTRO payment runs. This officer does however perform post-payment verification on a sample of payments, typically representing at least 50% of transactions from the NWTRO.

The shared responsibilities of local staff, financial officers in Whitehorse, and at HQ are not clear and are complicated due to the limited staff available in the regions, creating a lack of accountability. Finally, without segregation of duties in IFMS, there is a risk that the segregation

of duties established in the physical process may be circumvented, and that unauthorized transactions may be processed.

Overtime Reconciliation

Overtime for prosecutors is reconciled on a four week cycle as defined in the LA Collective Agreement. According to the collective agreement, overtime must be approved in advance, and documentation must be submitted within six working days after the end of the four week timekeeping cycle to be eligible for overtime compensation, with room for management discretion in certain circumstances. We were advised by management that prosecutors have two weeks to submit overtime documentation, and discretion may be given, if requested in advance. Management has also established regional guidelines to control overtime based on experience of the level of effort required.

When on circuit, if a prosecutor has been in court all day, and has court the next day, they are permitted up to two hours of overtime that evening in preparation time. Likewise, if a prosecutor is assigned to duty counsel two days in a row in Yellowknife, they are permitted up to one hour of preparation time on the evening of the first day. Sometimes, in extenuating circumstances, additional overtime is approved, e.g. for big Supreme Court cases, though it is rare. Otherwise, there is generally no overtime allowed for preparation work. The audit sample of overtime claims demonstrated a few instances where overtime was worked, in accordance with the above „guidelines“, however it was denied due to not being approved prior to being worked, or due to being submitted late.

Analysis of prosecutors' time sheets and overtime claims indicated systemic rounding issues. The Directive on Hours of Work, Overtime, Exceptional Leave, Travelling Time and Reimbursement of Meal Expenses for the Law Group currently states that daily hours over 8.5 hours will be credited as actual hours, in 30-minute blocks to be rounded down. This contradicts the TBS's interpretation that hours over 8.5 should be credited as actual hours, and rounded down on the sum of the 4 week period, as opposed to rounding down on a daily basis. To clarify this, the HRD issued an overtime question and answer document, and recently updated the Directive, which will soon be published.

In 2010-2011, the NWTRO had the fourth lowest total overtime hours of all the regions. The audit team observed that total overtime hours vary greatly from region to region, and is not correlated to the number of staff. For example, the largest region had an average of 57 total overtime hours per FTE, while the second largest region had only 4 overtime hours per FTE. The NWTRO had an average of 21 hours, which is below the average of 25 across all regions. While the audit team did not analyze the reasons for these differences, it was noted that the regional practices for approving and claiming overtime are not uniform.

The PPSC has delegated monitoring and controlling overtime responsibilities to regional management, as well as the flexibility to establish regional guidelines due to the varying work requirements and the nature of the caseloads from one region to the next. The variances in overtime hours claimed among the regional offices present an opportunity for the PPSC to promote consistency in the regional overtime guidelines by collaborating and reviewing best practices.

Recommendation:

2. *The CFO should take immediate steps to establish management oversight mechanisms for monitoring procurement procedures for the NWTRO and take corrective action where needed to ensure procurement is in compliance with applicable laws, policies, and directives.*
3. *The CFO should establish Payment Authority (s.33) for the Northern Offices in accordance with the requirements of the FAA, Treasury Board policies, Receiver General directives, and all other applicable regulatory authorities.*
4. *The DDPPs in consultation with the DG of HRD, should review regional overtime guidelines/practices with all CFPs to promote consistency across the PPSC.*

3.3.2 Security

[REDACTED]

The TBS Policy on Government Security states that security is the assurance that information, assets and services are protected against compromise and individuals are protected against workplace violence. The PPSC works with highly sensitive information on a daily basis.

[REDACTED]

[REDACTED]

[REDACTED]

Recommendation:5. **3.3.3 Information Management**

File management standards are in place in the NWTRO; however, prosecution decisions were not consistently documented.

The objective of the TBS Policy on Information Management is to achieve efficient and effective information management to support program and service delivery; foster informed decision making; facilitate accountability, transparency, and collaboration; and preserve and ensure access to information and records for the benefit of present and future generations.

Prosecution File Management

A prosecution file management system should ensure files are easily accessible, documents are retained within a file in a logical manner so anyone reviewing the file can follow the sequence of events and the decisions taken, and that completed files are „closed“ and properly stored.

The audit team reviewed a sample of 28 prosecution case files. All of the files requested were available upon our arrival. PPSC uses an electronic system (iRIMS) to track files and sign them in and out. Files can range in size from one folder for simple cases to multiple pockets for complex cases. The folders created by the file room all followed the same guidelines, but there is no standard format or guidelines for managing large files. Legal support staff organize files, each using their own methodology. As a result, it was difficult to find certain documents in some of the larger, more complex files.

The NWTRO’s file management system has been effective in making files easily accessible, facilitating review of files, and creating efficiencies in managing files; the region would further benefit from the development of a national framework for information management as recommended in the Audit of the Ontario Regional Office (December 2011).

Prosecution Decisions

Prosecutions require a number of decisions to be made throughout; typically beginning with the decision to prosecute, and ending with a sentencing recommendation, or decision to file an appeal. Prosecutors are given the professional independence to make these decisions themselves, in accordance with the Deskbook, and are accountable for those decisions to the DPP.

The case complexity rating is determined at the file creation stage by the file room support staff and inputted into iCase. The default complexity is low, except in certain cases such as murder or sexual assault, which are high. The PPSC uses case complexity for internal reporting purposes and relies on its accuracy. Prosecutors are expected to revise the complexity on the appropriate

template if impacted by new developments such as unexpected *Charter of Right and Freedoms* challenges, though there was limited evidence of this. The audit team identified 8 of 28 (29%) files in which the complexity rating differed between iCase and the hardcopy file. Management indicated that generally prosecutors were not updating the complexity on the hardcopy, but were improving.

The TBS Policy on Information Management requires the DPP to ensure that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of the evolution of policies and programs, and allow for independent evaluation, audit, and review. The Directive on Information Management Roles and Responsibilities also requires employees to document their activities and decisions. The audit team found that prosecution decisions were made by an individual with the appropriate authority, but were inconsistently documented. The region has developed templates and checklists to facilitate the documentation of prosecution decisions; however, of the 28 files reviewed, only 6 (21%) had all of the templates and checklists completely filled out. Also, of the 9 files reviewed which involved a decision to stay or withdraw a prosecution, only 6 (66%) files had a memo sufficiently documenting the decision.

It is a challenge for prosecutors to complete and revise all of the templates and checklists as appropriate. This is in part due to their heavy workload which does not provide a lot of time for administrative duties, and prosecutors seeing some decisions as obvious and not needing documentation, e.g. the fact that the case was prosecuted is the evidence that the decision to prosecute was made.

Decisions and decision-making processes should be clearly documented and easily accessible. This will help with the efficiency of the review by team leaders or senior prosecutors, and facilitate accountability and communication.

Recommendation:

6. *The NWTRO CFP should ensure that prosecution decisions, and decision making processes are clearly documented in prosecution files.*

A recommendation with a national scope to establish a framework to improve information management practices was made in the Audit of the Ontario Regional Office (December 2011) that will be followed up on with management.

4.0 CONCLUSION

The IAD assessed the Region's management framework within which it provides prosecutorial services against pre-determined audit criteria based on TBS policies and directives, PPSC policies, directives, protocols and procedures/guidelines such as the Deskbook, as well as good practices of other government organizations and prosecution services in other jurisdictions and countries. Overall, the region has an appropriate management framework with the exception of financial delegations and procurement practices that require strengthening in order to be compliant with policies and directives. In addition, there are opportunities for improvement noted for the region and the PPSC to operate more effectively and efficiently.

The management action plan is located in section 5.0 of the report. In six to twelve months, the CAE will follow-up with those responsible to determine the extent to which the management action plan has been implemented.

5.0 MANAGEMENT ACTION PLAN

Risk Ranking	<i>Recommendation</i>	Management Response and Action Plan	Office of Primary Interest	Initial Target Date for Completion
Work Descriptions				
L	<p>1. <i>The NWTRO CFP, in consultation with the Director General (DG) HRD, should ensure that work descriptions for all employees are accurate and current. Information on updated positions should be shared with management of other regional offices who may have similar positions in need of updating.</i></p>	<p>As per Treasury Board Classification Monitoring Framework, Deputy Heads are accountable for using their classification authorities in a way that respects a series of values in classification. The Deputy Head ensures that a monitoring system is implemented including a cyclical review schedule (5 years) of all positions within the organization.</p> <p>At the PPSC, the review and update of all EC positions was completed in June 2009; all Law Management positions were reviewed and updated in July 2011; all LA practitioner positions were reviewed and updated in January 2012. The Legal Assistant and Paralegal positions will be reviewed and updated before the end of the fiscal March 31, 2013.</p> <p>The NWTRO CFP will consult with HR and will request assistance in updating any remaining work descriptions for employees whose positions were not covered as part of the cyclical reviews. Any updates will be communicated by HR to the CFP's of other regional offices if requested.</p>	NWTRO CFP	March 31, 2013

Risk Ranking	Recommendation	Management Response and Action Plan	Office of Primary Interest	Initial Target Date for Completion
Stewardship				
H	<p>2. <i>The CFO should take immediate steps to establish management oversight mechanisms for monitoring procurement procedures for the NWTRO and take corrective action where needed to ensure procurement is in compliance with applicable laws, policies, and directives.</i></p>	<p>The CFO's acquisition manager met the CFP once briefed by the audit team. In January 2012, the acquisition manager visited the region to review additional procurement files, provide additional training, and clarify duties of the business coordinators and financial clerks.</p> <p>As a result, the CFO will seek the authority to create and staff a procurement officer position to centralize the delivery of procurement services from Headquarters, thereby providing the expertise to ensure compliance with applicable laws, policies, and directives.</p>	CFO	September 30, 2012
H	<p>3. <i>The CFO should establish Payment Authority (s.33) for the Northern Offices in accordance with the requirements of the FAA, Treasury Board policies, Receiver General directives, and all other applicable regulatory authorities.</i></p>	<p>The CFO will centralize the responsibilities and delegation for FAA S.33 of all Northern Offices to a financial officer from the Finance and Acquisitions Directorate in the Yukon Regional Office. The current payment process will be modified accordingly.</p>	CFO	June 30, 2012

Risk Ranking	Recommendation	Management Response and Action Plan	Office of Primary Interest	Initial Target Date for Completion
M	4. <i>The DDPPs in consultation with the DG of HRD, should review regional overtime guidelines/practices with all CFPs to promote consistency across the PPSC.</i>	The DDPPs will discuss overtime on a periodic basis via the monthly telephone meeting with each CFP. Overtime practices will also be added as a discussion item at an upcoming Senior Advisory Board meeting and will be recorded in the record of decision.	DDPP	June 30, 2012
Security				
M	5. [REDACTED]	The CFP and DSO agree with the recommendation. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Further, management will ensure all employees complete security awareness training by March 31, 2013.	NWTRO CFP	April 30, 2012
Information Management				
L	6. <i>The NWTRO CFP should ensure that prosecution decisions, and decision making processes are clearly documented in prosecution files.</i>	As a result of the audit, at the conclusion of each court circuit or court docket, 5 random active files are pulled by the file room staff and are given to the CFP to review forms completion. In addition, Legal Assistants randomly select 5 closed files for the CFP to review and give the CFP all closed files that do not have a completed file review sheet. The CFP will	NWTRO CFP	March 31, 2012

Risk Ranking	<i>Recommendation</i>	Management Response and Action Plan	Office of Primary Interest	Initial Target Date for Completion
		ensure that the lawyer in question completes all necessary forms before the file is closed. We will continue to monitor files as noted.		

**APPENDIX A: LINKS TO RELATED LEGISLATION, POLICIES, DIRECTIVES,
GUIDELINES AND FRAMEWORKS**

[Agreement between the Treasury Board and the Association of Justice Counsel](#)

[Comprehensive Land Claims Agreement](#)

[Director of Public Prosecutions Act](#)

[Federal Prosecution Service Deskbook](#)

[Financial Administration Act](#)

[Government Contracts Regulations](#)

[TBS Directive on Account Verification](#)

[TBS Directive on Delegation of Financial Authorities for Disbursements](#)

[TBS Contracting Policy](#)

[TBS Directive on Information Management Roles and Responsibilities](#)

[TBS Policy on Information Management](#)

[TBS Policy on Government Security](#)

APPENDIX B: AUDIT CRITERIA

Criteria		Management Accountability Framework (MAF) Element
1.1	There is a well documented organizational structure within the Region that describes roles and responsibilities	Governance G-1, G-2
1.2	The Region has appropriate plans in place for the allocation of financial and human resources	Governance G-4
1.3	The Region is positively and effectively engaged with investigative agencies and federal departments. The expectations, roles and responsibilities of these parties are documented, communicated and understood.	Governance G-5, G-8 Citizen-Focused Service CFS-2
2.1	The Region's performance is regularly monitored using a mix of quantitative and qualitative indicators	Results and Performance RP-2, RP-3 Stewardship ST-16
2.2	The Region's staff are qualified and receive training that develops and maintains the skills they need to execute their current and future responsibilities effectively.	People PPL-4, PPL-5, PPL-6
3.1	Human resource utilization is monitored and controlled	Results and Performance RP-4 Stewardship ST-17

Criteria		Management Accountability Framework (MAF) Element
3.2	Financial resource utilization is monitored and controlled	Stewardship ST-18, ST-15, ST-4, ST-13
3.3	Security is properly controlled	Stewardship ST-9, ST-12
4.1	Prosecution decisions are undertaken by individuals with delegated authority, and the records of the region demonstrate this.	Accountability AC-1, AC-2
4.2	The records of the region demonstrate complexity rating considerations for prosecution cases of high and mega complexity	Risk Management RM-2
4.3	The prosecution records of the region are accessible, relevant and comprehensive. Case files demonstrate proper recordkeeping and include key prosecution information.	Stewardship ST-12, ST-19