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Business Performance

Executive Responsible: Bruce Richmond

Core Business/Program Area Description:

Business Performance provides corporate services to enable and support the Agency in building value for clients by designing, implementing and sustaining Human Resources solutions. The support provided is varied and delivered by three different areas.

The Performance Measurement and Reporting section provides advice aided by business intelligence, survey research, reporting and analytics including workforce planning analytics (Work Environment Survey) in partnership with BC Stats.

The Contract Management section provides contract management services and oversight of the TELUS Master Services Agreement, including onboarding of broader public sector clients to the corporate payroll solution. This group also provides the Agency's technical analysis, helpdesk, information security, privacy, records management and Freedom of Information services.

The last group of services provided are performed by the Planning and Portfolio Management section. The services include planning, business analysis, project management, business continuity planning, facilities management, and the Agency's Lean support.

Operations Vote Budget: \$22,056,000

Full Time Equivalents (FTEs): 30



Employee Relations & Workplace Health

ADM Responsible: John Davison

Core Business/Program Area Description:

The Employee Relations & Workplace Health core business provides for a full range of labour relations services including negotiation and administration of collective agreements, labour relations investigation, advice and dispute resolution. In addition, this division provides leadership for workplace health and safety and all policy development.

Operations Vote Budget: \$3,815,000

Benefits Vote Budget: \$6,527,000

Full Time Equivalents (FTEs): 110



Executive and Support Services

DM Responsible: Lori Halls, Deputy Minister

Core Business/Program Area Description:

The BC Public Service Agency is accountable to the Deputy Ministers' Council to provide cost effective HR services to our customers and clients in the BC Public Service. The Agency is also the provincial government's bargaining agent, responsible for negotiating the public service collective agreements. In addition, the BC Public Service Agency is called upon to play a central role in delivering the programs and initiatives necessary to achieve the Corporate Human Resource Plan goals.

The Agency has eight core business areas that contribute to developing an innovative and responsive public service, whose employees are motivated and supported to reach their highest potential. The core businesses include: Executive Account Management, Business Performance, Hiring and Service Operations, Talent Management, Employee Relations and Workplace Health, Lean BC Office, Benefits, and Executive and Support Services.

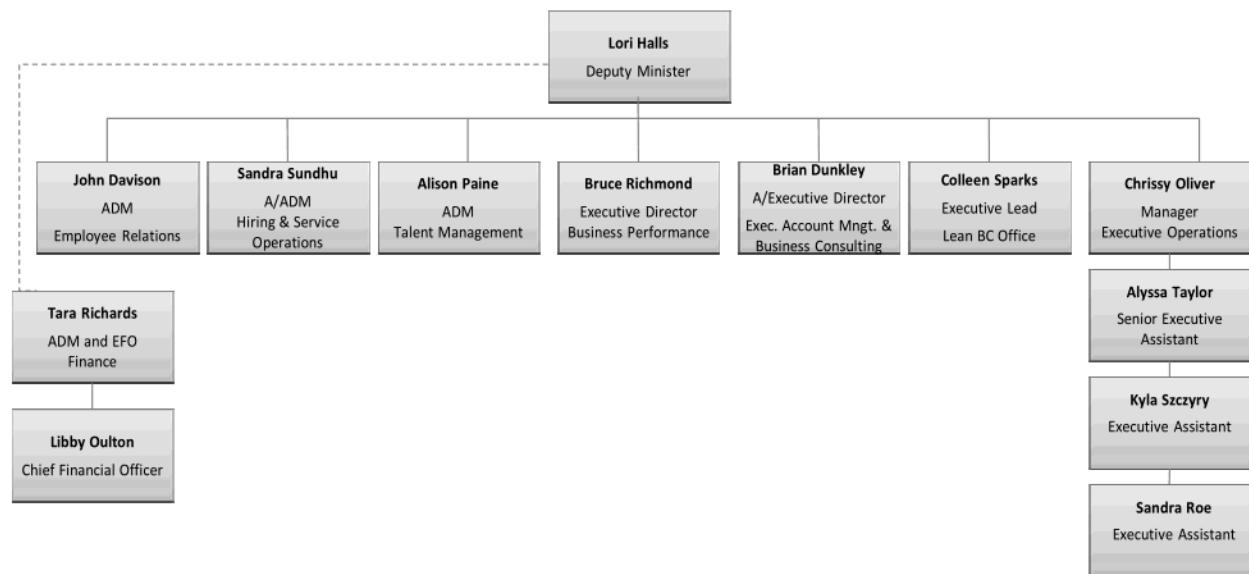
Operations Vote Budget: \$1,818,000 (Deputy Minister's Office, Corporate Financial Management Office)

Benefits Vote Budget: \$287,000 (Benefits Financial Management Office)

Full Time Equivalents (FTEs): 24



Organizational Chart:





Executive Advisory and Corporate Priorities

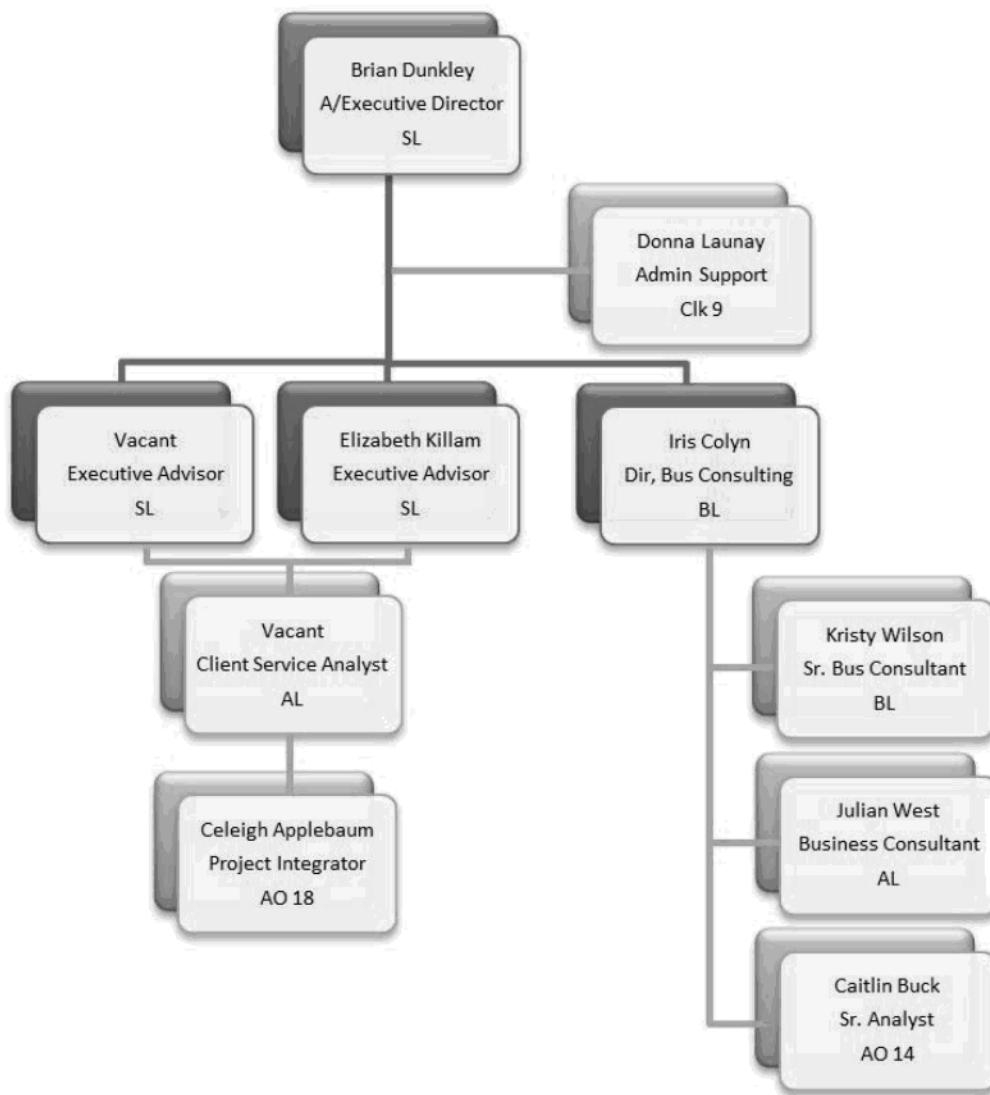
Executive Responsible: Brian Dunkley (Acting)

Core Business/Program Area Description:

The Executive Advisory and Corporate Priorities team is responsible for managing client relationships with ministry executives on behalf of the BC Public Service Agency. Their key role is to translate client workforce needs and service plan objectives into effective human resource solutions and options: through the provision of simple service solutions to complex organizational reviews and strategic consulting services. The team also works closely with the Agency Executive and Agency lines of business to support and lead projects and initiatives that require the coordination and delivery of Agency Services across the BC Public Service.

Budget: \$1,099,750 (Included in Hiring and Service Operations Estimates total of \$12,540,000)

Full Time Equivalents (FTEs): 10





Hiring and Service Operations

A/ADM Responsible: Sandra Sundhu

Core Business/Program Area Description:

Hiring and Service Operations (HSO) provides a diverse collection of front line services to Agency customers through a multi-channel, technology enabled service model that includes self-service, online and phone service options. The division's core business includes the delivery of a wide range of Human Resource services including payroll, benefits, personnel records, classification, advisory and interpretation services as well as recruitment and hiring. Hiring services are focused on leading and implementing strategies that address the shifting demands of recruitment in today's labour market, and developing and implementing new marketing and recruitment practices.

The division's mandate includes governance and stewardship of the MyHR website, the contact centre and the internal knowledge base to support the delivery of consistent and accurate information to customers and staff. Additionally, the division has responsibility for continuing to improve the quality and delivery of the Agency's services by maximizing its use of self-service and web-based tools.

HSO utilizes LEAN methodology to continuously improve the quality and delivery of the Agency's front line services.

Operations Vote Budget: \$12,540,000 (for Estimates purposes Executive Advisory Services and Business Consulting is included at \$1,099,750)

Full Time Equivalent (FTEs): 171



Lean BC Office

Executive Lead Responsible: Colleen Sparks

Core Business/Program Area Description:

The BC Public Service Lean initiative was launched in April 2012 to foster a Lean Six Sigma continuous improvement culture across the BC Public Service and they achieve that by:

- Supporting process improvements using the Lean Six Sigma methodology
- Engaging and communicating with leaders and staff
- Accessing, creating and delivering training to build capacity to improve processes
- Planning and fostering successful adoption of a Lean culture by coaching ministries on the development of a comprehensive change leadership approach
- Celebrating successes – sharing information about successful Lean improvements and champions across the BC Public Service.

Budget: \$2,028,000 (Budget is fully recoverable from ministries)

Full Time Equivalents (FTEs): 12



Public Service Engagement and Corporate Initiatives

Executive Responsible: Rueben Bronee

Core Business/Program Area Description:

The Public Service Engagement and Corporate Initiatives Division is responsible for corporate internal communication and employee engagement for the BC Public Service. This includes:

- Development and delivery of the Corporate Human Resource Plan, *Being the Best*;
- Corporate executive communications;
- Secretariat support to the Deputy Ministers' Committee on the Public Service;
- Technical support and content for the corporate intranet;
- Management of the Where Ideas Work employer brand;
- Promotion of a more consistent "one employer" culture and employee experience across the public service; and
- Communication and promotion of BC Public Service Agency services to employees.

Operations Vote Budget: \$2,445,360 (Included in Talent Management Estimates total of \$10,632,000)

Full Time Equivalents (FTEs): 22



Talent Management

ADM Responsible: Alison Paine

Core Business/Program Area Description:

The Talent Management division's core business provides for leadership, program delivery and services in the areas of succession management planning, employee learning, executive development and diversity, executive recruitment, performance management, coaching and conflict management, and total compensation and benefits.

Operations Vote Budget: \$10,632,000 (For Estimates purposes PSECI is included at \$2,445,360)

Benefits Vote Budget: \$436,000 (Benefits Design & Programs)

Full Time Equivalents (FTEs): 70



Benefits Vote

ADM Responsible: John Davison

Core Business/Program Area Description/Critical Business Processes:

The Benefits Vote provides for services in pension, retirement, employee health benefits, workforce adjustment services and severance costs, and related policy, program development, and administration for these business lines. The vote also provides for the delivery of Disability Management and Workplace Health and Safety Programs and the management of the Provincial Employees Community Services Fund. Costs may be recovered from ministries, Crown agencies, boards and commissions, and other parties both internal and external to government.

Budget:

Pension Contribution and Retirement Benefits	289,523
Employee Health Benefits	114,920
Long Term Disability	33,778
Other Benefits	5,198
Benefits Administration	7,277
Recoveries	<u>(450,695)</u>
Total	<u><u>1</u></u>

Full Time Equivalents (FTEs): Included in core business FTEs.

Related Legislation: Public Service Benefit Plan Act

DM ADVISORY NOTE

APRIL 25, 2016

ISSUE: DIVERSITY IN SENIOR GOVERNMENT POSITIONS

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **Overall representation of diverse groups for regular employees in Senior Management Positions (higher level Applied and Business Leadership positions and all Strategic Leadership/ADM/Associate DM, DM) in the BC Public Service¹:**

Groups Represented	2013	2015	Available Workforce ² 2015
Women	45.4%	46%	35.6%
Visible Minorities	6.9%	8.2%	14%
Aboriginal Peoples	2.6%	2.1%	5.3%
Persons with Disabilities	2.0%	2.1%	4.3%

- ◆ **We are making progress toward full gender parity with women in senior leadership positions demonstrating a slight rise from 45.4% in 2013 to 46% in 2015 with 10.4% higher representation than the available workforce of 35.6%.**

SECONDARY MESSAGES:

- ◆ **Aboriginal people, Visible Minorities, and Persons with Disabilities appear to be currently under-represented at executive levels of the provincial government.**
- ◆ **We do not currently capture data on LGBTQ employees.**
- ◆ **The BC Public Service is committed to reflecting the communities we serve at all levels up to and including Executive.**

¹ Source of this data is from the 2013 and 2015 Workforce Profile Reports prepared by BC Stats found at <https://www.bcstats.gov.bc.ca/StatisticsBySubject/EmployeeResearch/EmploymentEquity.aspx>.

² Available Workforce is the potential supply of labour. It is calculated by adjusting the occupational mix and recruitment area for each Ministry. The data to calculate the available workforce comes from National Household Survey (NHS), Statistics Canada (<http://www12.statcan.gc.ca/NHS-ENM/ref/Questionnaires/2011NHS-ENM-eng.cfm>). The NHS provides information about the demographic, social and economic characteristics of people living in Canada as well as the housing units in which they live.

CURRENT STATUS:

The BC Public Service Agency (BCPSA) launched a new branch in February 2016, **Executive Development and Diversity**, to increase diversity across the organization, including in senior government positions, to better reflect the citizens and communities of British Columbia.

The BC Public Service Agency (BCPSA) launched a large **Corporate Succession Management Initiative** in February 2016 that will help to address under-representation through putting a diversity lens on succession practices.

We are currently hosting **Regional Engagement Sessions** with BC Public Service Employees across the province to gain feedback for our new Corporate HR Plan.

KEY FACTS REGARDING THE ISSUE:

The BC Public Service Agency (BCPSA) Learning Centre offers the **Supervisor's Development Certificate** open to all employees currently at a supervisory level to further develop their supervisory skills for promotional opportunities.

All BC Public Service employees including members of diverse groups have access to our internal **Performance Coaching Services** which provides coaching for leadership development.

We set up direct linkages to coaching for interns in the Aboriginal Youth Internship Program and Work-Able Graduate Internship Program to foster early leadership development of diverse candidates.

Contact: Sasha Hobbs

604-765-3193

SIGN OFF:

Program	ADM	DM
Sasha Hobbs	Alison Paine	Lori Halls

DM ADVISORY NOTE

APRIL 25, 2016

ISSUE: DIVERSITY IN THE BC PUBLIC SERVICE

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **Diversity data is collected through our bi-annual Work Environment Survey, completed in Fall 2015.**
- ◆ **Overall representation of diverse groups for regular employees across all occupations in the BC Public Service¹:**

Groups Represented	2013	2015	Available Workforce 2015²
Women	60.9%	61.6%	56.4%
Visible Minorities	13.1%	13.9%	20.7%
Aboriginal Peoples	3.1%	3.2%	4.9%
Persons with Disabilities	3.1%	3.9%	5.3%

- ◆ **Our commitment in the BC Public Service is to reflect the communities we serve.**
- ◆ **We also maintain a focus on creating a respectful and inclusive work environment to support employee retention.**

SECONDARY MESSAGES:

- ◆ **With the exception of Women, we are under-represented in each group but are applying new recruitment and retention strategies to address.**
- ◆ **We are showing progress in recruitment of Visible Minorities. Visible Minorities have a higher representation in the Vancouver area reflecting regional demographics.**

¹ Source of this data is from the 2013 and 2015 Workforce Profile Reports prepared by BC Stats found at <https://www.bcstats.gov.bc.ca/StatisticsBySubject/EmployeeResearch/EmploymentEquity.aspx>.

² Available Workforce is the potential supply of labour. It is calculated by adjusting the occupational mix and recruitment area for each Ministry. The data to calculate the available workforce comes from National Household Survey (NHS), Statistics Canada (<http://www12.statcan.gc.ca/NHS-ENM/ref/Questionnaires/2011NHS-ENM-eng.cfm>). The NHS provides information about the demographic, social and economic characteristics of people living in Canada as well as the housing units in which they live.

- ◆ **Members of diversity groups self-identify, and actual numbers may be higher.**
- ◆ **We do not currently capture data on LGBTQ community.**

CURRENT STATUS:

- ◆ The BC Public Service Agency (BCPSA) launched a new branch in February 2016, **Executive Development and Diversity** with a specific focus on increasing diversity.
- ◆ The BC Public Service continues to market to prospective employees with a refreshed **Recruitment Strategy** to attract diverse candidates to the provincial government, including:
 - Specific outreach to cultural organizations, pre-purchased job site packages targeting diverse candidates;
 - Targeted campaigns, particularly in Northern BC, to attract Aboriginal candidates through the use of Aboriginal media.
- ◆ **Accessibility 2024** is government's 10-year plan to make B.C. the most progressive place for people with disabilities in Canada. The Public Service Agency (BCPSA) is committed to raise awareness of employing persons with disabilities and providing tools and supports for hiring managers, applicants and employees. A new **Employee Accessibility Advisory Council** was formed in 2015 to further support this work.

KEY FACTS REGARDING THE ISSUE:

- ◆ **Aboriginal Youth Internship Program (AYIP)**
This very successful internship program for Aboriginal Youth is entering its milestone 10th Year in September 2016. The program offers Aboriginal Youth under 29 residing in BC a 12 month paid internship, 9 months in a provincial ministry and 3 months in a selected Aboriginal organization. Over 171 Aboriginal youth have completed this program.
- ◆ **Aboriginal Relations Behavioural Competencies:**
These 17 Aboriginal competencies developed for BC Public Servants were developed in strong collaboration with indigenous stakeholders, and assist employees in serving Aboriginal people, communities and organizations in a manner that is respectful and mutually beneficial.
- ◆ **Work-Able Graduate Internship Program**
This is a one year paid internship program for recent university graduates with disabilities. The program welcomed 9 interns in its first year, and is now growing in its second year with 14 internship positions available.
- ◆ **Initiatives for Persons with Disabilities:**
Our main BC government website and MyHR website content, design, and browser compatibility are optimized for accessibility following internationally accepted standards. MYHR has a webpage dedicated to diversity and accommodation to help applicants obtain assistance should they require accommodation to compete effectively for a position.

DM ADVISORY NOTE

- ♦ **Online Diversity Courses:**

The BC Public Service Agency (BCPSA) offers an online **Diversity eLearning** course available for all employees to increase awareness around issues and benefits of diversity, and specific courses such as **Building Capacity in Aboriginal Relations** and a **Discrimination Prevention Workshop**. Over 1,762 employees have taken these courses.

Contact: Sasha Hobbs

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Program	ADM	DM
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DM ADVISORY NOTE

APRIL 11, 2016

ISSUE: BC PUBLIC SERVICE EXCLUDED MANAGEMENT COMPENSATION

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **We recognize the challenge the public sector, including the public service, is facing and the effect the wage restrictions has on managers.**
- ◆ **A salary freeze was put in place in Sept. 2012 and fiscal restraint continues to be demonstrated for excluded positions. Controlling compensation in this way has been an important step in achieving and maintaining a balanced budget. Nearly 60 per cent of the province's budget goes to compensation and we are seeking to balance affordability with fair and reasonable compensation levels.**
- ◆ **Modest steps are now being taken for the public sector, including the public service, to begin to address the compensation challenges for excluded managers.**

SECONDARY MESSAGES:

- ◆ **The BC Public Sector Compensation Review report recommended the development of a more standardized compensation philosophy across the broader provincial public sector.**
- ◆ **Accordingly, the Public Sector Employers' Council Secretariat is undertaking consultations that focus on collaborative ways government and public sector employers can share information to achieve the report's recommendations. The public service is supporting this consultation process.**

CURRENT STATUS:

- **The BC Public Sector Compensation Review, conducted by Ernst & Young, identified different compensation models across the BC public sector and showed a lack of alignment in compensation among government entities and between levels of government. The report showed that comparable jobs in the broader public sector are generally paid higher than those in the public service.**

- Within the guidelines set by the Public Sector Employers' Council Secretariat (PSEC), modest, targeted steps are being taken for the BC Public Service to address the compensation challenges for excluded managers.

KEY FACTS REGARDING THE ISSUE:

- In September 2012, the Minister of Finance implemented a compensation freeze for excluded management. This measure prevented management staff in core government and the broader public sector from progressing through their salary ranges.
- In March 2014, government began to address significant compensation pressure in the Public Service by giving excluded management employees —excluding senior executives (DMs and ADMs) and political staff— a one-time, three per cent wage increase. This increase specifically dealt with growing recruitment and retention issues stemming from increasing salary compression between union workers and non-union managers.
- Public sector employers will likely have interpreted the BC Public Sector Compensation Review report as the means to end the wage freeze and heightening their expectations. Many will not have considered that government may choose to stagger the exit to allow for the Public Service to catch up, and may limit or provide no funding to offset increases.
- In 2014/15, the Public Service addressed concerns around the retention of top performers and permitted in-range increases, not general wage increases, to a maximum of eight per cent subject to strict criteria.
- In June 2015, the Minister of Finance authorized public sector employers to provide management staff with modest, targeted increases of up to two per cent within existing salary ranges and subject to strict parameters. The public service is currently implementing this direction with the first increase effective July 1, 2015 and a subsequent increase under the same guidelines will also be permissible effective July 1, 2016. Approximately, 50% of public service managers received an increase of up to 2% effective July 1, 2015.
- Unionized employees in the public service received an Economic Stability Dividend in February 2016 which provided a modest salary increase of 0.45 per cent as a result of economic growth in B.C. The Economic Stability Dividend complements the general wage increases for unionized employees totaling 5.5 per cent over the four year agreements.

Contact: Sandy Zorn
File Created: April 11, 2016

Phone Number: 250 387-0429

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Program	ADM	DM
Sandy Zorn	Alison Paine	Lori Halls

DM ADVISORY NOTE

MAY 5, 2016

ISSUE: EXECUTIVE RECRUITMENT, COMPENSATION AND SEVERANCE

ADVICE AND RECOMMENDED RESPONSE:

- ◆ Executive Recruitment in the BC Public Service is managed through either a competitive process or a redeployment of internal talent. Where a competitive process is undertaken, positions are posted, applications received and qualified candidates are assessed and selected for the position.
- ◆ Compensation was established through an executive compensation framework approved by Cabinet in 2008.
- ◆ All executive salaries are subject to a 5% or 10% salary holdback; a percentage of which is paid out annually determined by meeting pre-set performance objectives.
- ◆ For fiscal 2014/15, executives with a 5% holdback the average payment was 4.9% and executives with a 10% holdback the average payment was 9.9%.
- ◆ Severance amounts for senior executives, i.e. Deputy Ministers and Associate Deputy Ministers, are specifically set out in the Employment Termination Standards of the *Public Sector Employers Act*. Severances for all other public service employees, including Assistant Deputy Ministers, are based on common law factors, including age and years of service.

SECONDARY MESSAGES:

- ◆ As of March 31st, 2016 Executives in the BC Public Service consist of:
 - 26 Deputy Ministers;
 - 13 Associate Deputy Ministers; and,
 - 95 Assistant Deputy Ministers.
- ◆ New executive appointments in the BC Public Service since April 1st, 2015:
 - 6 Deputy Ministers;
 - 5 Associate Deputy Minister; and,
 - 14 Assistant Deputy Minister.
- ◆ Since April 1, 2015, one executive in the public service was terminated and received a severance settlement.

CURRENT STATUS:

- ♦ The average executive salary as of March 31, 2016, including holdback is:

Deputy Minister to the Premier and Cabinet Secretary	\$310,000
Deputy Minister (including Associate DM)	\$218,551
Assistant Deputy Minister	\$158,525

- ♦ Total cost of executive severances paid since April 1, 2015: \$81,156

s.22	Name	Termination	Ministry	Severance
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* Severance totals include holdbacks.

Contact: Tracy Mandur 250-507-6245
File Created: April 15, 2016
File Updated: May 5, 2016
File Location:

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Program	ADM	DM
Tracy Mandur	Alison Paine	

DM ADVISORY NOTE

APRIL 28, 2016

ISSUE: INCREASE IN FTEs IN THE BC PUBLIC SERVICE

ADVICE AND RECOMMENDED RESPONSE:

- ◆ Full-time equivalent (FTE) staff utilization for 2015/16 was projected to be 27,000.
- ◆ The projection of government employment for 2015/16 is higher than the budgeted 26,500 based on government's commitment to filling positions which are critical to front line service delivery, such as social workers, and greater than anticipated staffing requirements to fight forest fires.
- ◆ Full-time equivalent (FTE) staff utilization is projected to increase to 27,400 in 2016/17 based primarily on the need to hire additional social workers, as well additional staff required for the new Okanagan Correctional Centre.
- ◆ Going forward, FTE utilization is projected to increase again in 2017/18 to 27,600 due to continued hiring of social workers and finalizing hiring for the new correctional centre, before stabilizing in 2018/19.

CURRENT STATUS:

	Fiscal 2013/14	Fiscal 2014/15	Fiscal 2015/16	Fiscal 2016/17	Fiscal 2017/18	Fiscal 2018/19
FTE Utilization	Actual: 26,526	Actual: 26,678	Actual: 27,192 Blue Book - February 2016 Plan: 27,000	Blue Book - February 2016 Plan: 27,400	Blue Book - February 2016 Plan: 27,600	Blue Book - February 2016 Plan: 27,600
Net Change Increase/ (Decrease)	(800)	74	514	208	200	-

- Actual full-time equivalent (FTE)¹ staff utilization for 2015/16 is 514 higher than fiscal 2014/15 and higher than the 2015/16 forecast by 192.
- The increase is due to government's commitment to filling positions which are critical to front line service delivery, such as social workers, staff to support the Water Sustainability Act and BC Timber Sales, as well as increased staff resources required to fight forest fires.
- FTEs and STOB50 balances are closely monitored by the BC Public Service Agency on monthly basis.

¹ FTE – One FTE is defined as an employee who works 1827 hours a year. This could be one full time employee, or multiple part-time employees who collectively work 1827 hours

KEY FACTS REGARDING THE ISSUE:

Increases in excess of the 2015/16 forecast base of 27,000 FTEs can be explained as follows:

	2016/17	2017/18	2018/19
<i>Base - 2015/16 Forecast</i>	<i>27,000</i>	<i>27,000</i>	<i>27,000</i>
CFD - 100 new social workers plus support staff	120	140	140
PSSG - Opening Okanagan Correctional Centre	80	260	260
FIN - HPAS and Chief Records Officer	57	57	57
TRAN - Conversion of Contractors to FTEs	50	50	50
NGD - Supporting the LNG Industry	40	35	23
Other	45	45	45
TOTAL Additional Budget 2016 FTEs	392	587	575
Annual Forecast: FTEs	27,392	27,587	27,575

Contact:

Bruce Richmond

250-387-0222

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Program	ADM	DM
Bruce Richmond	N/A	Lori Halls

DM ADVISORY NOTE

Appendix A: 2015/2016 FTE Utilization by Ministry, Month and Fiscal Year

MINISTRY	2015/16 FTE UTILIZATION												AVERAGE For fiscal 2015/16
	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	
Legislation	350	350	350	350	350	350	350	350	350	350	350	350	350
Officers of the Legislature	319	315	320	320	315	307	314	323	327	326	334	327	321
Office of the Premier	69	70	66	67	65	66	69	70	71	69	71	69	68
Aboriginal Relation and Reconciliation	215	220	220	223	224	225	227	226	227	224	222	223	223
Advanced Education	502	502	499	495	491	492	503	508	513	513	512	512	504
Agriculture	345	345	348	344	343	345	346	343	341	341	344	339	344
Child and Family Development	3,912	3,904	3,942	4,002	3,998	4,006	4,039	4,033	4,057	4,062	4,076	4,070	4,008
Community, Sport and Cultural Development	227	229	232	237	240	234	230	229	229	227	230	231	231
Education	328	317	308	309	311	315	317	317	320	321	329	337	319
Energy and Mines	202	204	205	208	211	208	210	216	222	217	220	224	212
Environment	860	902	936	950	959	967	943	924	896	894	898	902	919
Finance	1,490	1,493	1,504	1,505	1,507	1,518	1,540	1,567	1,575	1,584	1,608	1,609	1,542
Forests, Lands & Natural Resource Operations	3,997	4,484	5,198	5,719	6,046	5,725	4,632	3,677	3,597	3,606	3,684	3,947	4,526
Health	1,134	1,137	1,125	1,120	1,122	1,129	1,141	1,140	1,146	1,149	1,155	1,158	1,138
Housing	135	134	136	135	135	136	129	129	129	129	129	129	132
International Trade	115	117	120	123	125	127	125	125	125	123	123	124	123
Jobs, Tourism and Skills Training	263	260	267	274	281	283	282	278	278	279	287	295	277
Justice	6,256	6,248	6,226	6,231	6,215	6,208	6,234	6,239	6,254	6,240	6,324	6,331	6,251
Labour	325	325	326	332	335	332	330	330	329	329	333	327	329
Natural Gas Development	77	78	78	79	80	79	78	81	81	82	82	82	80
Public Service Agency	420	429	429	434	440	441	442	443	443	451	454	451	440
Small Business and Red Tape Reduction	115	115	115	124	124	125	132	132	131	128	129	129	125
Social Development and Innovation	1,884	1,897	1,846	1,870	1,880	1,863	1,866	1,857	1,880	1,921	1,939	1,944	1,887
Tech, Innov & Citizens' Services	1,369	1,381	1,386	1,385	1,389	1,391	1,396	1,396	1,393	1,396	1,416	1,411	1,392
Transportation and Infrastructure	1,400	1,422	1,429	1,434	1,428	1,416	1,428	1,421	1,420	1,416	1,424	1,412	1,421
Other Appropriations	30	29	30	30	30	29	29	29	30	31	30	31	30
TOTAL	26,340	26,905	27,643	28,298	28,643	28,316	27,334	26,385	26,364	26,409	26,701	26,964	27,192

Appendix B:
Changes in Average FTE Utilization by Ministry from Fiscal 2014/15 to Fiscal 2015/16

Ministry	FTE Utilization 2014/15	FTE Utilization 2015/16	Net Change
Legislation	350	350	0
Officers of the Legislature	314	321	6
Office of the Premier	72	68	-4
Aboriginal Relation and Reconciliation	217	223	6
Advanced Education	503	504	1
Agriculture	340	344	4
Child and Family Development	3,954	4,008	55
Community, Sport and Cultural Development	224	231	7
Education	289	319	31
Energy and Mines	197	212	15
Environment	895	919	24
Finance *	1,492	1,542	49
Forests, Lands & Natural Resource Operations	4,304	4,526	222
Health	1,109	1,138	29
Housing	125	132	7
International Trade	115	123	8
Jobs, Tourism and Skills Training	255	277	22
Justice *	6,226	6,251	25
Labour	329	329	0
Natural Gas Development	80	80	0
Public Service Agency	430	440	10
Small Business and Red Tape Reduction *	115	125	10
Social Development and Innovation	1,965	1,887	-78
Tech, Innovation & Citizens' Services *	1,376	1,392	16
Transportation and Infrastructure *	1,371	1,421	49
Other Appropriations	31	30	-1
Total	26,678	27,192	514

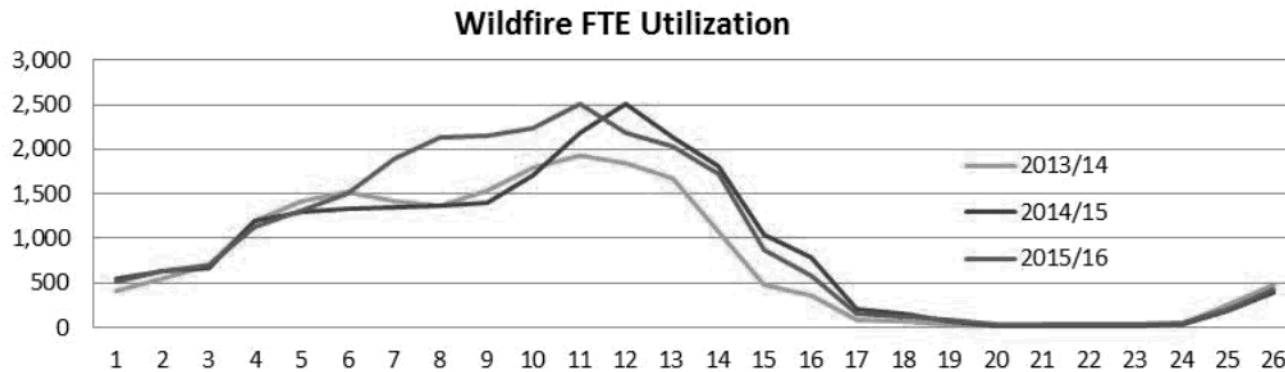
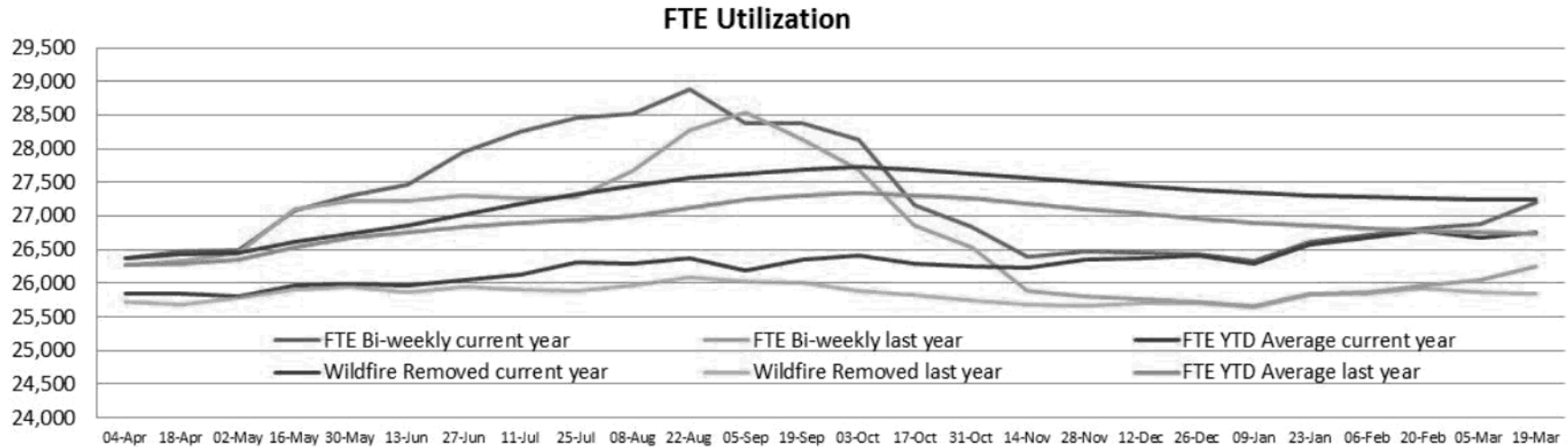
*** To account for ministry re-organizations during 2015/16, the following adjustments were made to better reflect the actual net change in FTEs**

EMBC Transfer - Justice to Transportation and Infrastructure	85
Justice to Sm Bus and Red Tape Reduction	96
Jobs, Tourism and Skills to Sm Bus and Red Tape Reduction	17
International Trade to Sm Bus and Red Tape Reduction	2
Records Management - TICS to Finance	173

DM ADVISORY NOTE

Appendix C: Bi-weekly FTE and STOB 50 Reporting for Fiscal 2015/16

(updated to March 19th - last pay period in fiscal 2015/16)



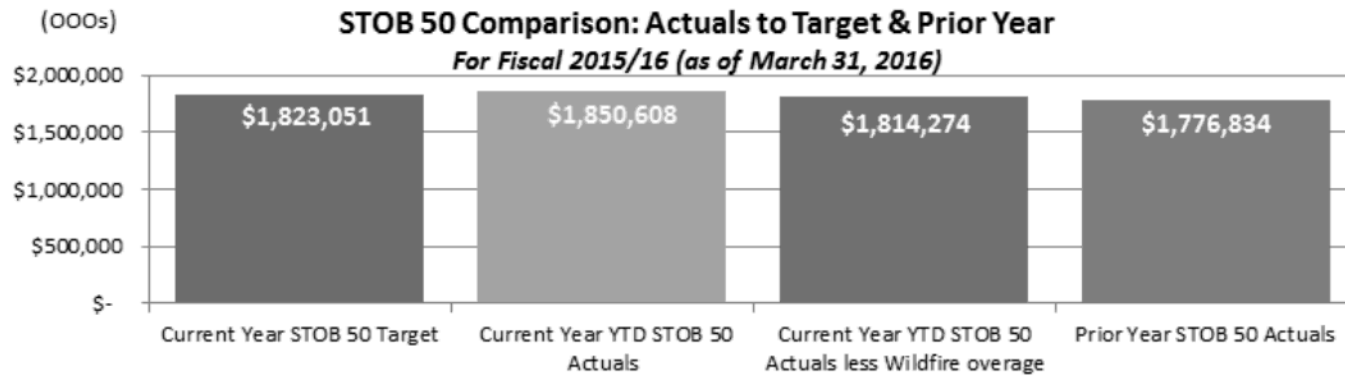
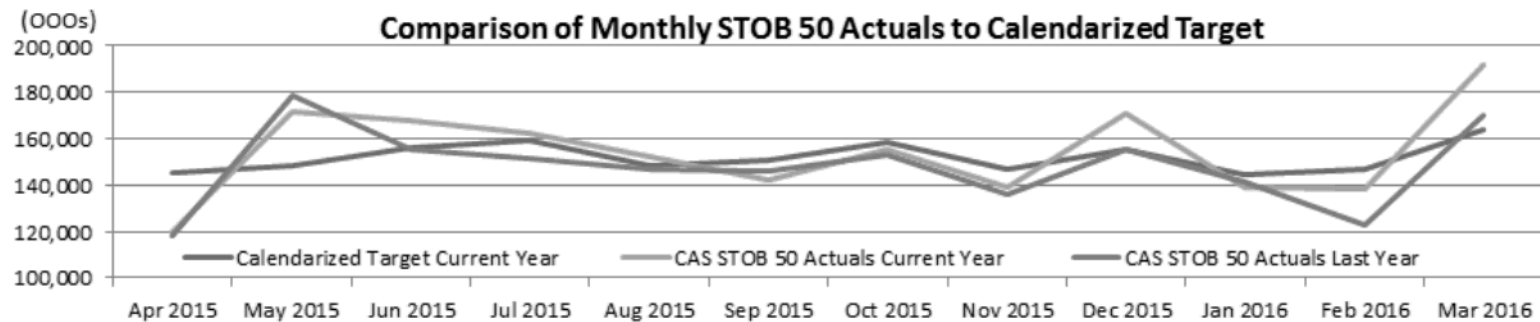
- Total FTEs increased this period by 321 due to an increase in Wildfire FTEs (+233) and core FTE's (+88).
- Overall FTEs are 519 higher than last fiscal due to higher core FTEs (435) and Wildfire FTEs (83).

All FTEs YTD Average	
2014/15	2015/16
26,730	27,249

Core FTEs (w/o Wildfire)	
2014/15	2015/16
25,841	26,277

Wildfire YTD Average	
2014/15	2015/16
889	972

STOB 50 Reporting For Fiscal 2015/16 *(as of March 31, 2016)*



- YTD STOB 50 Actuals are \$27.6M higher than the YTD target. When the overage for Wildfire is removed, actuals are \$8.7M lower than target.
- YTD STOB 50 actuals are \$73.8M higher than for the same period last year. About a third of this increase relates to STOB 50 targets being higher this year by \$18M, as well as higher Wildfire spending by \$8.7M over last year.

DM ADVISORY NOTE

APRIL 28, 2016

ISSUE: HIRING IN THE BC PUBLIC SERVICE

ADVICE AND RECOMMENDED RESPONSE:

- ◆ Recruitment in the BC Public Service is managed through a rigorous, meritorious, and competitive process where new and vacant positions are posted, applications received and screened, a selection process is followed, and qualified candidates are selected for the position.
- ◆ The Public Service Agency is responsible for the Hiring Services in the BC Public Service.

SECONDARY MESSAGES:

- ◆ We recognize the importance of Hiring in the BC Public Service and ensure that vacant positions are filled in a timely manner.
- ◆ There is a continued focus on ensuring Hiring Services has the resources to continue serving the BC Public Service: trained staff, methodologies, efficiencies in processes, strategies, and systems enhancements to address the demand.

CURRENT STATUS:

- ◆ The volume of hiring activity has increased by 45% since 2013, with an average of 585 new requisitions a month last fiscal.

Year	Total # of New Requisitions
2015/2016	7,028
2014/2015	5,877
2013/2014	4,459

- ◆ Hiring activity is continuing to increase, which is resulting in an increase in the time required to fill vacancies.
- ◆ Time to Hire is currently 104 days (by end of last fiscal). This has increased from 98 days in 2014/15.*

**Improvements were made to the approach for measuring time to hire resulting in a more accurate and complete amount of time, therefore the amount of time reported in previous years has been adjusted upward to reflect these changes.*

- ◆ The Public Service Agency is exploring partnerships and outreach opportunities to attract qualified applicants for critical, hard to recruit positions.

KEY FACTS REGARDING THE ISSUE:

- ◆ In 2015, 8 FTEs were reallocated within the Public Service Agency in order to meet the demand. The addition of these resources resulted in a 66% decrease in customer response times.
- ◆ In 2015, a corporate applicant inventory was established to fill clerical vacancies in Victoria. The inventory pilot resulted in a 45% reduction in the time to hire for Clerk 9 vacancies in Victoria.
- ◆ In 2015, a group hiring approach was implemented to fill 200 Child Protection Worker positions with the Ministry of Children and Family Development.
- ◆ A similar approach was used to fill 97 Employment and Assistance Worker positions with the Ministry of Social Development and Social Innovation in 2015/16.
- ◆ In 2016, a resource optimization review was conducted in the Hiring Centre to identify areas of further improvements. The Public Service Agency is currently analyzing findings and determining next steps.

Contact: Susan Wood
File Created: April 14, 2016
File Updated: April 28, 2016
File Location:

250-356-2655

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Program	ADM	DM
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DM ADVISORY NOTE
APRIL 28, 2016

ISSUE: LEAN BC INITIATIVE

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **Lean is a workplace process improvement methodology that is proven extensively across the private sector.**
- ◆ **The public service is at the forefront of deploying Lean and has built staff capacity to save time, reduce costs and improve the quality of services.**
- ◆ **The Lean methodology puts customers, clients and citizens at the center by soliciting feedback and ensuring processes meet their needs.**
- ◆ **The value of effort and cost savings in fiscal 15/16 is estimated to be \$27M when improvements are fully implemented.**

SECONDARY MESSAGE:

- ◆ **Lean focuses on improving processes, not on reducing staff. Any effort saved through Lean allows staff to focus on other, higher value work. To date there has been zero job losses due to Lean improvements.**

CURRENT STATUS:

- The cost to deliver this program has dropped dramatically. The fiscal 15/16 budget was \$2.03M, and the actual cost was \$1.7M. Similarly the cost to deliver the program is expected to continue to drop by at least another \$.3M for fiscal 16/17. The budget funds the delivery of multiple process improvements, training and support.
- Estimated savings reported have increased exponentially – from \$2.4M in 13/14, to \$4.5M in 14/15, to \$27M in 15/16.
- Reliance on external contractors was reduced by 39% (from \$1.133M in 14/15 to \$684K in 15/16), while the number of medium-complex projects increased by 20%.
- With well over 300 medium to complex process improvements complete since 2012 (ministries and broader public sector also undertake projects not funded or reported centrally) there are many successes:

Ministry of Transportation and Finance - Cellular Billing Optimization

- Redefined process for billing to utilize benefit of voice and data pooling for cellular devices. The projected annual employee effort savings is \$169,500.00 and a one-time cost avoidance is valued at \$67,000.00

Ministry of Children and Family Development – Competency Assessment

- The Competency Assessment Guide (renamed Delegation Assessment Readiness Tool or DART) project implemented \$420,000 dollars of effort savings this fiscal. Future fiscal years will be monitored for additional savings as the process continues to show improvement.
- To date, over 20,000 employees have received targeted training to improve processes. The BC Public Service delivers training in-house, as compared to using contractors (training delivered in 15/16 is valued at \$750K annually in open market training costs).
- Staff are now adopting a fix-it-yourself culture. In fiscal 15/16 over 465 staff initiated small improvements have been reported, saving over 29,000 hours of staff effort. For example:

Corporate Services for the Natural Resource Sector

- A staff initiated small *Lean where you work* project to change from paper to electronic files is estimated to save 750 hours of annual effort. This teams Workplace Engagement Satisfaction score related to Lean is 93 per cent.

Key Facts Regarding the Issue:

- See attached Appendix for Key Performance Indicators for Fiscal 2015/16.

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Lean Consultant, BC Public Service Agency
File Created: February 29, 2016
File Updated: April 28, 2016

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DM ADVISORY NOTE

APRIL 25, 2016

ISSUE: STATUS OF PUBLIC SERVICE BARGAINING

ADVICE AND RECOMMENDED RESPONSE:

- **The Public Service Agency has 5 year agreements in place with the vast majority of its workforce. These agreements are consistent with the Economic Stability Mandate.**
- **The Public Service Nurses agreement has expired and the parties are in the process of scheduling bargaining dates.**
- **The Economic Stability Mandate provides public sector employers the ability to negotiate longer-term agreements within a fixed fiscal envelope, and offers employees an opportunity to participate in the Province's economic growth.**
- **Settlements are expected to be unique between sectors and reflect government's priorities of having labour stability and affordable service delivery throughout B.C.**

SECONDARY MESSAGES:

- **The Public Service-BCGEU 5 year agreement was one of the first agreements negotiated under the Economic Stability Mandate which applies to all public sector unionized employees.**
- **The BCGEU settlement covers approximately 95% of all the bargaining unit employees in the public service; the PEA settlement covers approximately 4.7%.**
- **There is 1 smaller agreement covering approximately 120 nurses that is outstanding and we have every expectation that this table will also be settled within mandate.**

CURRENT STATUS:

In 2014 the BCGEU ratified a 5 year contract consistent with the broader public sector mandate. In 2015 the PEA and Queens Printer also ratified contracts that are consistent with the broader public sector mandate.

Negotiations with Nurses (BCNU) have yet to commence. Negotiations for this agreement were delayed while the Health Sector Nurses' Agreement was still under negotiation. It is expected that the parties will commence negotiations early in the summer.

KEY FACTS REGARDING THE ISSUE:

The BC Public Service Agency represents government as the Employer for bargaining for the following public service agreements:

Union/Association	Employees	Expiry Date
BCGEU	25,000	March 31, 2019
PEA	1135	March 31, 2019
Nurses (BCNU)	120	March 31, 2014
Unifor (Queen's Printer)	46	June 30, 2019
Crown Counsel Association	500	March 31, 2019

The Public Sector Employers' Council Secretariat mandate for this round of public sector bargaining, including the public service, is referred to as the "Economic Stability Mandate". Settlements under this mandate have been for 5 years with 5.5% general wage increases over the term of the mandate and include the possibility of further increases if the Province's real GDP exceeds forecasts in the final four years.

The BC Public Service Agency and the BCGEU reached an early 5 year renewal agreement in December 2014 that expires on March 31, 2019. The deal was one of the first public sector agreements reached under the Province's Economic Stability Mandate. Highlights of the agreement include:

- General wage increases of 5.5% over the last four years of the contract. Year one is "net zero".
- Potential for annual "Economic Stability Dividend" increases after year one if the Province's real GDP exceeds forecasts.
- Targeted increases spread out over the last four years of the contract for known pressures in specific occupation groups, including:
 - Fire Weather Forecasters
 - Child and Youth Mental Health Social Workers
 - Court Clerks
- Significant employer gains related to the gradual elimination of employment security benefits, enhanced contracting out flexibility, simplifying the hiring process and excluding employees from the bargaining unit.

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	John Davison	

DM ADVISORY NOTE

APRIL 25, 2016

ISSUE: SUCCESSION MANAGEMENT ACTIVITIES

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **Before 2008, forecasts told us the BC Public Service could be as much as 30% smaller by 2015. That dramatic outcome hasn't materialized, but the aging of our workforce has.**
- ◆ **The average government employee is now over 46 years old with 15 years of service. The average age among senior management leaders is:**
 - **Business Leaders is 48.**
 - **Strategic Leaders is 50.**
 - **Assistant Deputy Ministers and Deputy Ministers is 52.**
- ◆ **Approximately 1/4 of the BC Public Service employees and 1/3 Assistant Deputy Minister cohort is eligible to retire right now.**
- ◆ **The BC Public Service Agency (BCPSA) launched a Corporate Succession Management Initiative in February 2016 that will develop and implement a Corporate Succession Management Framework to establish a comprehensive approach linked to government's business strategy.**

SECONDARY MESSAGES:

- ◆ **While more pressing at the senior leadership level, Succession Management is also an issue for critical roles at all levels across the public service.**
- ◆ **In exit surveys, the top reason cited for resignations is the lack of career advancement.**

- ◆ For the past five years, the BC Public Service Agency has taken a proactive approach to executive succession planning, including recruitment, talent identification, leadership development, and knowledge transfer.
- ◆ While there will be ongoing demand to fill these important leadership roles, I am confident we have a well-established approach that will ensure our continued success.
- ◆ Defined leadership competencies align with research on predictors of leadership success, and specific training and learning opportunities support the development of these competencies.
- ◆ We also recognize the importance of identifying people early in their careers with leadership potential and/or skills needed for critical positions, in order to ensure that younger and emerging talent can be developed.

KEY FACTS REGARDING THE ISSUE:

The BC Public Service Agency (BCPSA) launched a Corporate Succession Management Initiative in February 2016 that will develop and implement a Corporate Succession Management Framework to establish a comprehensive approach linked to government's business strategy.

In 2015, **workforce planning** was included in an integrated strategic business planning process where ministries were asked to identify key critical roles required to meet business needs.

Assistant Deputy Minister and management strategic leadership **Review Boards** have been held on a biennial basis for the last 5 years to support succession management activities, including leadership development.

The BC Public Service Agency (BCPSA) Learning Centre offers the **Supervisor's Development Certificate** open to all employees currently at a supervisory level to further develop their supervisory skills for promotional opportunities.

Contact: Alison Looyzen

Phone number 250-508-0417

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Alison Looyzen	Alison Paine	Lori Halls

DM ADVISORY NOTE

APRIL 19, 2016

ISSUE: WORK ENVIRONMENT SURVEY

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **The BC Public Service has surveyed employee engagement since 2006 because we know that higher employee engagement leads to higher citizen satisfaction with public services.**
- ◆ **In the 2015 Work Environment Survey, employee engagement reached its highest levels since 2009.**
- ◆ **Compared to the previous survey in 2013, scores in 2015 increased or remained stable in all of the 16 drivers that contribute to engagement.**

SECONDARY MESSAGES:

- ◆ **The results from the Work Environment Survey inform our corporate and ministry human resource plans to ensure we have the high-performing people we need to serve the citizens of B.C.**
- ◆ **The Work Environment Survey is funded corporately, with the cost recovered corporately from ministries on a per-FTE basis.**

CURRENT STATUS:

- The 2015 Work Environment Survey was conducted Oct. 6-30, 2015 and the corporate results were released Dec. 9, 2015.
- Ministries received their ministry reports the week of Jan. 11, 2016 and their work-unit level reports the week of Feb. 9, 2016.
- 2016 is an “off-cycle” year between the biennial Work Environment Surveys. The Agency is currently finalizing priorities for off-cycle research and analysis of the Work Environment Survey results.

KEY FACTS REGARDING THE ISSUE:

- The cost of the Work Environment Survey in 2015/16 was \$579,000, recovered from ministries on a per-FTE basis through the Corporate Human Resource Initiatives Fund.
- The corporate employee engagement score in 2015 was 66, up from 64 in 2013 and from 58 when the survey was first conducted in 2006.
- 79 per cent of eligible employees responded to the 2015 survey.

Contact:

Rueben Bronee

250-213-6614

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DM ADVISORY NOTE

APRIL 25, 2016

ISSUE: OFFICE OF THE AUDITOR GENERAL– BC PUBLIC SERVICE ETHICS AUDIT 2015/2016

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **In November 2015, the Office of the Auditor General (OAG) initiated a performance audit to determine the effectiveness of the ethics framework established by the BC Public Service.**
- ◆ **The audit scope includes central agencies, several government ministries and crown agency CEOs/Boards.**
- ◆ **The OAG's report is targeted for release in November 2016.**

CURRENT STATUS:

- The Deputy Minister responsible for the BC Public Service Agency is coordinating the response to the audit on behalf of government.
- In scope for the audit are the central agencies (BC Public Service Agency, Office of the Comptroller General and Office of the Chief Information Officer) as well as the Ministry of Forests, Lands and Natural Resource Operations, Ministry of Finance, Ministry of Health, Ministry of Advanced Education, Ministry of Justice and Ministry of Children and Family Development.
- The Legislative Assembly (including political staff), and Independent Offices of the Legislature are out of scope.
- The audit is currently underway. The audit methodology includes interviews with BC Public Service employees, a survey of employees and a survey of crown agency CEOs/Boards.
- The government will receive a draft of the OAG's report and recommendations in advance of the report being released and have an opportunity to respond. The government's response will be included in the OAG's final report.

KEY FACTS REGARDING THE ISSUE:

- The current BC Auditor General, Carol Bellringer, conducted a similar audit when she was Auditor General in Manitoba in 2014.
- The ethics framework for public service employees attempts to balance the values of serving the public good, supporting loyalty to the employer, and upholding employees' right to freedom of expression.

- This accountability framework includes legislation, policy, and collective agreements administered by the BC Public Service Agency, the Office of the Comptroller General, the Office of the Chief Information Officer, and the Office of the Chief Information and Records Management Officer. See Appendix 1 for a diagram depicting the accountability framework.

Human Resources

- All BC Public Service employees/appointees are required to complete an Oath of Employment under the *Public Service Act*. The oath expressly includes the Standards of Conduct as a condition of employment and requires employees to conduct themselves in a manner that maintains and enhances the public's trust and confidence in the public service. Employees who fail to comply with these standards may be subject to disciplinary action up to and including dismissal.
- The Standards of Conduct makes explicit the duty of confidentiality and loyalty required of public service employees. The duty of confidentiality is not absolute. The policy addresses conflicts of interest, confidentiality, public comments, political activity, service to the public, workplace behavior, allegations of wrongdoing, legal proceedings, working relationships, personnel decisions, and outside remunerative and volunteer work.
- The Standards of Conduct also includes a description of disclosure expectations and protection from discipline if employees bring forward issues in good faith and in the proper manner (whistleblower protection) as follows:

"Employees have a duty to report any situation that they believe contravenes the law, misuses public funds or assets, or represents a danger to public health, safety or the environment. Employees will not to be disciplined for bringing forward to a deputy minister, in good faith, allegations of wrongdoing in accordance with prescribed procedures."
- Some ministries have supplementary codes for their staff which contain additional ethical standards consistent with those identified in the Standards of Conduct. For example, within the Ministry of Public Safety and Solicitor General, the Deputy Sheriff's Code of Conduct deals with matters such as deportment, use of government vehicles, and relationships with jury members.
- Collective agreements have provisions protecting employees from discipline for whistleblowing if the proper procedures for reporting issues are followed. If employees do not follow these procedures they may be subject to disciplinary action up to and including dismissal (e.g., Article 32.13 of the BC Government and Service Employees' Union Master Agreement or Article 36.12 of the Professional Employees' Association Agreement).
- Many public service employees are members of professional associations (psychologists, social workers, engineers, lawyers, medical doctors, accountants and others) and must adhere to professional codes of ethics and conduct established by their association.

DM ADVISORY NOTE

Financial Management

- The Office of the Comptroller General establishes Core Policy and Procedures (Core Policy) to guide ethical financial management decisions within government and define the standards and performance expected by ministry staff and officials.
- Within Core Policy there is also specific Fraud Risk Management Policy (which was updated in April 2012). It sets out clear roles and responsibilities for staff at all levels for fraud and loss detection, prevention, reporting, investigation and mitigation, as well as, the consequences for fraudulent behavior. All fraud and loss reporting is made available to the Comptroller General.
- Section 33.2 of the *Financial Administration Act* establishes an obligation for every member of the public service to report to the Comptroller General any expenditure or payment that they consider contravenes legislative authority.

Information Management and Information Technology

- The accountabilities for IM and IT are shared across the Office of the Chief Information Officer and the Chief Information and Records Management Officer.
- This includes statements regarding the appropriate use of government Information technology and how to properly handle government information (including personal information).
- Employees are required to abide by the Standards of Conduct while accessing government information and using government information technology.

Contact: Angela Weltz, Director, Policy and Research Phone: 250 952 6298

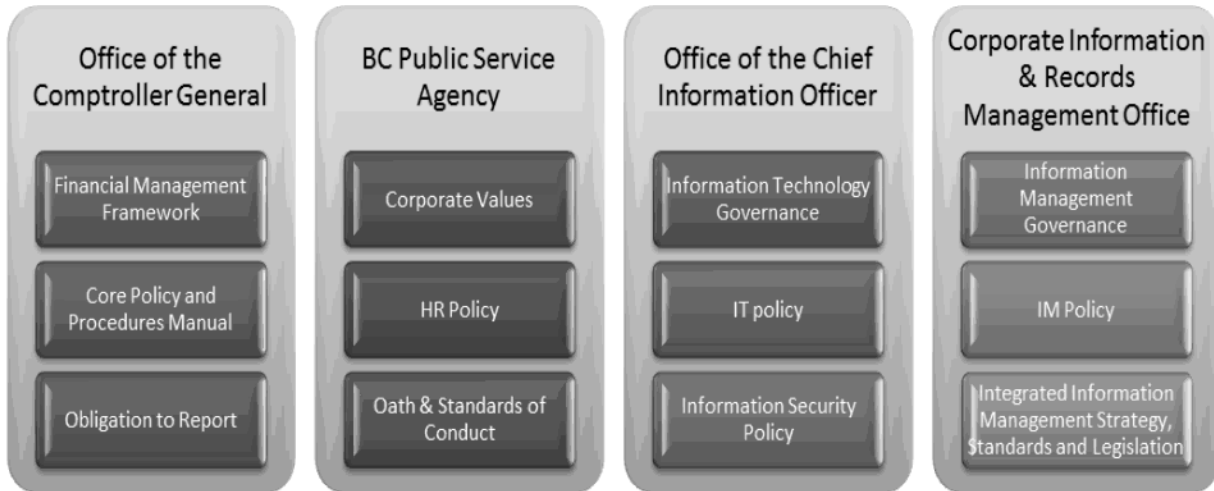
SIGN OFF:

Program	ADM	DM
Angela Weltz	John Davison	Lori Halls

APPENDIX 1 – Accountability Framework

Treasury Board

- Sets priorities and provides funding
- Authority for direction and control of government financial management
- Conformity is the responsibility of individual ministers and their deputy minister(s)



Ministries

- Deputy ministers, senior executives, supervisors & HR professionals are all individually accountable for HR functions delegated to them within a shared service delivery model
- Employees are responsible for own performance, appropriate workplace behaviour, complying with standards of conduct and reporting wrongdoing

DM ADVISORY NOTE

May 6, 2016

ISSUE: MERIT COMMISSIONER'S MERIT PERFORMANCE AUDIT REPORT 2014/15

ADVICE AND RECOMMENDED RESPONSE:

- **We appreciate the Merit Commissioner's observations and recommendations as they help us identify those areas where we could make further improvements to the hiring process.**
- **Merit is the foundation of the BC Public Service and we proudly uphold the principles of merit as described in the *Public Service Act*.**
- **All hiring actions audited by the Merit Commissioner confirmed that there is no evidence of patronage or unqualified individuals having been appointed in the BC Public Service.**
- **Continuous improvement is at the heart of everything we do to ensure the BC Public Service is a professional non-partisan organization where individuals are hired and promoted on the principal of merit.**

KEY FACTS REGARDING THE ISSUE:

The Merit Commissioner has three central responsibilities under the *Public Service Act*:

- to monitor the application of merit by conducting random audits of appointments to, and from within, the public service;
- to provide a review of the application of merit as the final step in a staffing review process for positions in the bargaining unit; and
- to report annually to the Legislative Assembly on the application of the merit principle in BC Public Service appointments.

The Merit Commissioner has completed her 2014/15 Merit Performance Audit. The report was published November, 2015.

The 2014/15 Merit Performance Audit:

A total of 243 randomly-selected appointments, made between April 1, 2014 and March 31, 2015, were audited for the 2014/2015 Merit Performance Audit. The audit found all appointed individuals possessed the qualifications specified as required for the position, and there was no evidence that any of the appointments audited were the result of patronage.

The report indicates that 60.1% of appointments audited were the result of a merit-based process, 32.1% were "merit with exception" (process was merit-based but issues were found, ranging from minor to serious, which did not have a negative impact on the outcome). A common example is the posted education and experience requirements were relaxed, which allowed applicants who did not meet the stated minimum criteria to advance. While the lesser requirements were assessed consistently for those who had applied, this approach disadvantaged any individuals who may have applied had they known that the posted criteria would not be required. Another common example is poor documentation. 7.8% had flaws and

were not merit-based. Nearly half were the result of appointments made without a process designed to evaluate applicants. These results represent an overall improvement of 7.4% from 2013/2014 for merit-based process.

Overall audit results demonstrate improvement over the last 3 years:

	2012		2013/2014		2014/2015		% CHANGE FROM 2013/20145
TOTAL APPOINTMENTS AUDITED	228		150		243		
	# APTS	% OF TOTAL	# APTS	% OF TOTAL	# APTS	% OF TOTAL	
Merit applied	127	55.7%	79	52.7%	146	60.1%	Increased 7.4%
Merit with exception	83	36.4%	37	38%	78	32.1%	Decreased 5.9%
Total Merit	210	92.1%	136	90.8%	224	92.1%	Increased 1.3%
Merit not applied	14	6.1%	14	9.3%	19	7.8%	Decreased 1.5%
Unable to determine	4	1.8%	0	1.8	0	0	0%

Although the percentage of issues and flaws has decreased in 2014/15 from previous years, the highest number of identified issues and flaws continue to be in the category of process and assessment. The following recommendations to improve hiring practices were made to the Head of the Public Service Agency, Deputy Ministers and organization heads:

- Ensure that a competitive process is undertaken to make appointments which allows for the possibility of a reasonable applicant pool and evaluation of applicants, rather than using an approach which has only one possible outcome.
- When using the results of a previously competitive process, confirm that the position to be filled is similar enough to the initial vacancy to legitimately use the results.
- Ensure that the qualifications advertised as “minimum requirements” are accurate and are not reduced at the short-listing stage.
- Establish meaningful and sufficient assessment standards for each element of the selection process.
- Ensure final notification of the competition outcome to employee applicants includes those eliminated during screening or early stages of the process.

To address the above-noted recommendations, the Public Service Agency has delivered webinars and training sessions for hiring managers and hiring staff on the following topics:

- Hiring and Competitive Process
- Candidate Assessment
- Assessment Standards
- Short-listing Standards

The Public Service Agency has also improved the content available on MyHR for hiring managers. Additionally, expanded reference materials have been developed for hiring staff to access when providing consultation, guidance and advice to hiring managers.

Program Area Contact: Susan Wood, Director, Hiring Centre 250 356-2655

SIGN OFF:

Program	ADM	DM
Susan Wood	Sandra Sundhu	Lori Halls

DM ADVISORY NOTE

APRIL 29, 2016

ISSUE: RESPONSE TO THE MCNEIL REPORT

ADVICE AND RECOMMENDED RESPONSE:

- ◆ On December 19, 2014, government received the report from Ms. McNeil that identified 12 findings from her review of the process that led to the dismissal of 7 employees in the Ministry of Health in 2012.
- ◆ The government and Public Service Agency accepted all the findings in the report and accepted accountability for the findings.
- ◆ The McNeil report provided a solid foundation to implement or revise policies and procedures to improve how the public service responds to serious allegations of employee misconduct.
- ◆ On my direction, the Public Service Agency reviewed the McNeil report and took immediate steps to improve how the Public Service responds to allegations of employee misconduct.

SECONDARY MESSAGES:

- ◆ Overall, the steps the Agency have undertaken aim to help the Public Service improve its ability to respond in the following ways:
 - Improve the way ministries initially respond upon receiving a serious allegation.
 - Ensure investigations are conducted in a manner that conforms to existing policies and best practices.
 - Ensure proper decision-making processes are followed.
 - Improve communication practices related to the investigation process.

CURRENT STATUS:

- All of the steps identified by the Agency have been implemented as of December 2015.

KEY FACTS REGARDING THE ISSUE:

- Ms. McNeil's report found that the allegations required a broad-ranging investigation, but her review concluded that the investigation that was put in place did not at all times follow established best practices and the investigation did not align with existing procedures.
- The purpose of the McNeil report was to get a better understanding of the how the public service responded to allegations of employee misconduct at the Ministry of Health in 2012 for the purpose of making improvements going forward. The review was not intended to lay blame or seek to revisit decisions that were made.
- The following areas were outside the scope of the McNeil review:
 - The Ministry of Health policies and practices related to research, contracting and data-management at the time the allegations were made and any changes that have been made to those policies and practices in response to the allegations.
 - The circumstances of any privacy breach or inappropriate data access related to the allegations and how they were subsequently resolved.
 - Decisions made following the terminations in the context of settlement of grievances and legal claims.

Contact: John Davison

356-3090

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Program	ADM	DM
	John Davison	Lori Halls

DM ADVISORY NOTE

APRIL 29, 2016

ISSUE: OMBUDSPERSON'S REVIEW

ADVICE AND RECOMMENDED RESPONSE:

- ◆ **On December 19, 2014, government received the report from Ms. McNeil that identified 12 findings from her review of the process that led to the dismissal of 7 employees in the Ministry of Health in 2012.**
- ◆ **Recognizing that there were still some outstanding matters of public interest that were outside the scope of the McNeil Report, the government called for the matter to be referred to the BC Ombudsperson in July.**
- ◆ **The issue was subsequently referred to the Ombudsperson by an all-party legislative committee.**
- ◆ **The matter is properly before the Ombudsperson at this time. The government expects all employees to fully cooperate with the review and looks forward to receiving his report.**

CURRENT STATUS:

- **After engaging in an initial document gathering and review process, the Ombudsperson's office has recently begun conducting interviews. It is unlikely that he will meet his initial target of completing the review within a year.**

KEY FACTS REGARDING THE ISSUE:

- **The terms of reference for the Ombudsperson's review includes the "events leading up to the decision to terminate the employees; the decision to terminate itself; the actions taken by government following the terminations and any other matters the Ombudsperson may deem worthy of investigation."**
- **All witnesses who testify before the Ombudsperson are covered by an indemnity policy that allows for up to \$1000 to cover legal advice. The policy allows for an additional \$25,000 in coverage for anyone who needs to respond to a potential negative finding in the report.**

- Witnesses will be allowed to refer to documents while they give testimony. Former employees are being asked to make FOI requests for documents related to their employment that they no longer have access to.

Contact:

John Davison

356-3090

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Program	ADM	DM
	John Davison	Pending briefing

BC PUBLIC SERVICE AGENCY
Benefits Vote (Vote 26)
IMPLICATIONS OF 2016/17 FUNDING

The 2016/17 net budget for the Benefits Vote (Vote 26) increased by \$6.704M or 1.51% to \$450.695M compared to the 2015/16 budget of \$443.991M (see Resource Summary per Estimates).

The 2016/17 gross budget for the Benefits Vote (Vote 26) increased by \$8.150M or 1.60% to \$516.461M compared to the 2015/16 budget of \$508.311M (see Supplement to the Estimates by STOB below).

Highlights of changes include:

- \$6.639M increase in employee health expenses:
 - Extended Health and Dental conservatively increased by 4% based on Pacific Blue Cross advice that industry trends show increases of approximately 10.75% on extended health and 7.5% for dental. The Benefits Vote traditionally sees lower than predicted Extended Health and Dental costs.
 - MSP premiums increased by 4.2% on January 1, 2016, and are anticipated to further rise in January 2017.
 - Based on Great-West Life's annual review of the Group Life plan, and given plan experience, premiums increased from 17 cents to 18 cents per thousand dollars of coverage effective January 1, 2016.
 - The number of employees eligible for the flex credit increased from 6700 to 6817.
- \$1.899M increase in Long Term Disability costs as the contribution rate for the Province increased from 1.68% to 1.88%.
- Decrease of \$0.042M for benefits adjusted for the Employee Benefits Chargeback Rate change from 24.8% to 24.3% (Appendix 1).
- Increase of \$0.005M in salaries & benefits resulting from negotiated salary increases under the Economic Stability Mandate (Appendix 2).
- Increase of \$0.014M in salaries & benefits resulting from negotiated salary increases under the Economic Stability Dividend (Appendix 2).
- Increase of \$0.620M in operating expenses due to increases related to legal services.
- Increase of \$6.704M in internal recoveries from the benefits chargeback rate, due to requirement to balance increase in budgeted expenditures, offset by \$50K decrease as a result of realignment of recoveries to different STOB.
- Increase of \$1.496M in external recoveries due to the reallocation of recoveries from internal to external across all expense lines in Vote (re-classification of several contributing organizations).

CRF Capital Budget

Compared to the 2015/16 restated budget, there is no change to the capital budget in 2016/17. There is no capital budget for the Benefits Vote.

Reductions/Increases for 2017/18 and 2018/19

In terms of net expenditures, the 2017/18 budget for the Benefits Vote (Vote 26) will increase by \$17.758M or 3.94% to \$468.454M, compared to the 2016/17 budget of \$450.695M.

In terms of gross expenditures, the 2017/18 budget for the Benefits Vote (Vote 26) will increase by \$16.551M, or 3.20% to \$533.012M, compared to the 2016/17 budget of \$516.461M.

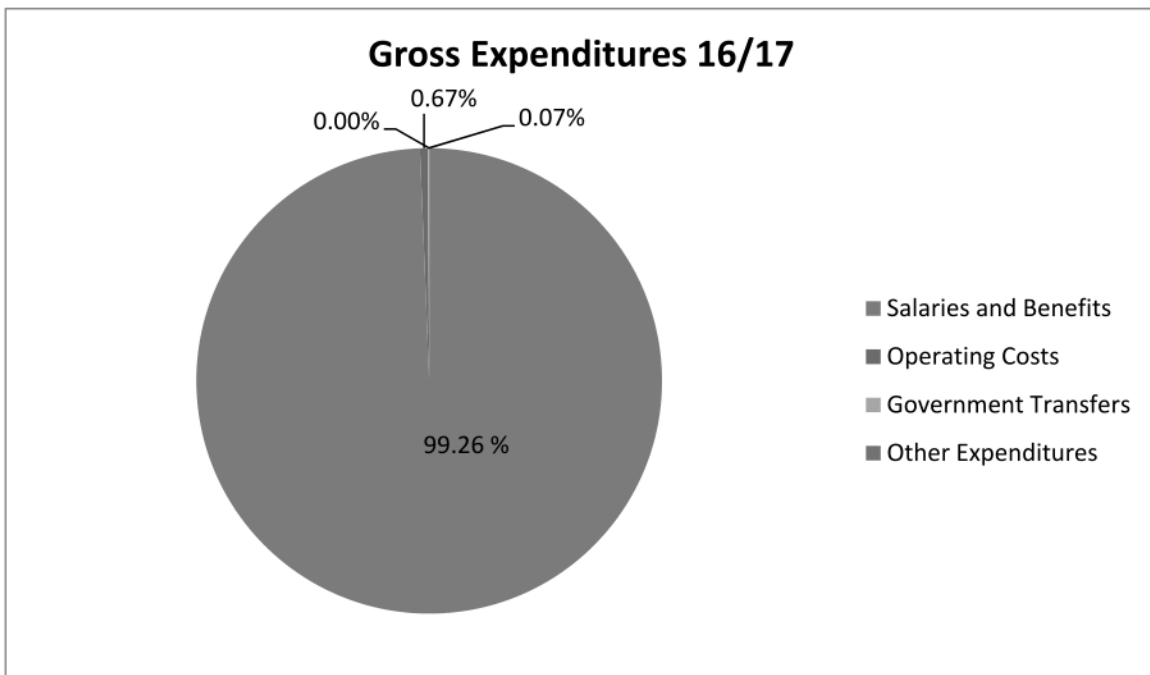
| In terms of net expenditures, the 2018/19 budget for the Benefits Vote (Vote 26) will increase by \$5.229M or 1.12% to \$473.683M, compared to the 2017/18 budget of \$468.454M.

In terms of gross expenditures, the 2018/19 budget for the Benefits Vote (Vote 26) will increase by \$5.229M, or .98% to \$538.241M, compared to the 2017/18 budget of \$533.012M.

The amounts for 2017/18 and 2018/19 include a net transfer of \$34.515M to the Long Term Disability Fund special account.

**BC PUBLIC SERVICE AGENCY
Benefits Vote (Vote 26)
Supplement to the Estimates by STOB**

	Restated 2015/16 Estimates	2016/17 Estimates	Increase (Decrease)	Increase (Decrease)
	\$000	\$000	\$000	%
Salaries and Benefits	505,110	512,640	7,530	1.49%
Operating Costs	2,830	3,450	620	21.91%
Government Transfers	350	350	0	0.00%
Other Expenditures	22	22	0	0.00%
Expenses Sub-Total	508,312	516,462	8,150	1.60%
Recoveries Internal to CRF	-444,089	-450,743	-6,654	1.50%
Recoveries External to CRF	-64,222	-65,718	-1,496	2.33%
Recoveries Sub-Total	-508,311	-516,461	-8,150	1.60%
Total	1	1	0	0%
Capital	0	0	0	0%



Appendix 1 – Employee Benefits Chargeback Rate

The Benefits Vote provides for the costs of employee benefits for the public service. In addition to the direct benefit plan costs there is an administrative component consisting of the costs of managing and administering the benefit plans on behalf of government.

The Vote is fully recoverable through a chargeback to all ministries, plus recoveries from a number of external entities participating in the benefits plans (e.g. Royal BC Museum, Pension Corporation of BC). The 2016/17 employee benefits chargeback rate will decrease to 24.3% from 24.8% in 2015/16.

The chargeback rate is a function of the estimated benefits costs for a year in relationship to the salary base for government. The basic process is:

1. Agency gathers data on the estimated costs for provided benefits, including statutory rate/salary driven benefits (e.g. provincial pension, CPP, EI) usage driven benefits (e.g. extended health, dental, WorkSafe BC, Medical Services Plan) and other benefits (e.g. group aviation insurance, legal services).
2. Treasury Board Staff compiles information regarding estimated salary budgets for ministries and agencies receiving benefits.
3. Once the above steps are completed, Treasury Board Staff calculates the chargeback rate for the coming fiscal year by dividing the estimated total costs into the estimated salaries.

Example:

Estimated benefits cost	\$400,000,000 (divided by)
Estimated salary base	\$1,680,000,000 (equals)
Employee benefits chargeback rate	24%

4. The chargeback rate is applied automatically to public service salaries via the PeopleSoft payroll system, with charges and recoveries flowing through an interface to the general ledgers of the ministries and Agency respectively.

Appendix 2 – Economic Stability Mandate and Economic Stability Dividend

Economic Stability Mandate

The Economic Stability Mandate provides for the negotiation of modest general wage increases to be negotiated within a fixed fiscal envelope, providing stability throughout the public sector and protecting the Province's fiscal plan through affordable collective agreements.

A five-year agreement with the BCGEU was ratified on December 2, 2013. BCGEU employees will receive a salary increase of .5% effective April 2, 2017.

Economic Stability Dividend

The Economic Stability Dividend provides for a general wage increase for union members covered by agreements under the Economic Stability Mandate for collective bargaining based on economic growth. If GDP growth for the Province is higher than the Economic Forecast Council's prediction, then half of the difference is used to calculate the increase.

The BC economy grew 3.2% in 2014, exceeding the forecast of 2.3% by .9%, resulting in a 0.45% salary increase for unionized public sector employees effective February 7, 2016.

Under the terms agreed to by the BCGEU in the last round of collective bargaining, BCGEU members will receive an equivalent cents per hour increase based on the average member salary. This results in a \$0.1301 per hour increase for BCGEU members for the 2014 GDP results.

Schedule A Employees

The BCGEU Economic Stability Mandate and Economic Stability Dividend also apply to Schedule A employees. The Agency has 189 Schedule A employees, 40 of whom are paid through the Benefits Vote.

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Requester: Jennifer Illingworth

WFR BCOA Estimates Report

Run Date: 2016/02/03 Run Time: 07:41:52

Inquiry Parameters :

Ministry:	Ministry of Finance
Period Year:	2017
Service Line Rollup:	SLCORE1

Parameter Set Name:

WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

MINISTRY OF FINANCE

The mission of the Ministry of Finance is to provide fiscal policies and regulatory frameworks that support sound and transparent management of government's finances; provide a strong, competitive and vibrant economy; lead fair, efficient, and effective tax and royalty programs to support government services; and ensure that the public has confidence in British Columbia's gaming sector.

MINISTRY SUMMARY

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	Estimates 2015/16	Estimates 2016/17
VOTED APPROPRIATIONS		
Vote 25 - BC Public Service Agency	50,957	50,861
Vote 26 - Benefits	1	1
OPERATING EXPENSE	<u>50,958</u>	<u>50,862</u>
PREPAID CAPITAL ADVANCES	0	0
CAPITAL EXPENDITURES	0	10
LOANS, INVESTMENTS AND OTHER REQUIREMENTS		
REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES	0	0
FULLTIME EQUIVALENT (FTE) EMPLOYMENT	0	0

WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

MINISTRY OF FINANCE

CORE BUSINESS SUMMARY

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	2015/16	2016/17	ESTIMATES	
	Net	Gross	External Recoveries	Net
OPERATING EXPENSE				
Core Business				
BC Public Service Agency	50,957	52,601	(1,740)	50,861
Benefits	1	65,719	(65,718)	1
TOTAL OPERATING EXPENSE	50,958	118,320	(67,458)	50,862
	Net	Disbursements	Receipts	Net
CAPITAL EXPENDITURES				
Core Business				
BC Public Service Agency	0	10	0	10
TOTAL CAPITAL EXPENDITURES	0	10	0	10

WFR BCOA Estimates

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MINISTRY OF FINANCE

OPERATING EXPENSE BY CORE BUSINESS

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Estimates	Estimates
2015/16	2016/17

VOTE 25 - BC PUBLIC SERVICE AGENCY

This vote provides for the programs and operations described in the voted appropriations under the following core business: BC Public Service Agency.

BC PUBLIC SERVICE AGENCY

Voted Appropriations

Business Performance	22,066	22,056
Corporate Services	1,821	1,818
Employee Relations	3,827	3,815
Service Operations	12,575	12,540
Talent Management	10,668	10,632
	<u>50,957</u>	<u>50,861</u>

Voted Appropriations Description:

This sub-vote provides for the BC Public Service Agency programs and operations, including a full range of day-to-day human resource services to assist clients in meeting their business goals, including consulting, compensation and classification, payroll, learning services, performance management, recognition and engagement programs, and hiring. This sub-vote also provides for a full range of labour relations services, including negotiation and administration of collective agreements, severance, and labour relations advice and dispute resolution. This sub-vote also provides for the executive direction of the BC Public Service Agency, including management services for the Benefits Vote, along with administrative support services, policy and program development, financial services, communications, corporate human resource application management, strategic planning, and information systems. Costs may be recovered from ministries, Crown agencies, boards and commissions, and other parties both internal and external to government for services described within this sub-vote.

VOTE 25 - BC Public Service Agency	50,957	50,861
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WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

MINISTRY OF FINANCE

OPERATING EXPENSE BY CORE BUSINESS

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Estimates	Estimates
2015/16	2016/17

VOTE 26 - BENEFITS

This vote provides for the programs and operations described in the voted appropriations under the following core business: Benefits.

BENEFITS

Voted Appropriations

Benefits Administration	7,250	7,277
Employee Health Benefits	109,777	114,920
Long Term Disability	31,879	33,778
Other Benefits	4,578	5,198
Pension Contribution and Retirement Benefits	290,508	289,523
Recoveries	(443,991)	(450,695)
	<u>1</u>	<u>1</u>

Voted Appropriations Description:

This sub-vote provides for services in pension, retirement, employee health benefits, workforce adjustment services and severance costs, and related policy, program development, and administration for these business lines. This sub-vote also provides for the delivery of Disability Management and Workplace Health and Safety Programs and the management of the Provincial Employees Community Services Fund. Costs may be recovered from ministries, Crown agencies, boards and commissions, and other parties both internal and external to government for services described within this sub-vote.

VOTE 26 - Benefits

1

1

MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY

GROUP ACCOUNT CLASSIFICATION

Operating Costs	29,582	30,283
Other Expenses	6,289	6,290
Recoveries	(454,612)	(461,464)
Government Transfers	350	350
Salaries and Benefits	535,311	542,861
Recoveries External	(65,962)	(67,458)
TOTAL OPERATING	<u>50,958</u>	<u>50,862</u>

WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

Ministry of Finance

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VOTE 25 BC Public Service Agency (\$000)

Description	Total 2015/16 Operating Expenses	50	51	52	54	Total Salaries and Benefits	55	57	59	60	63	65
BC Public Service Agency	50,957	24,141	213	5,867	0	30,221	0	950	186	2,437	20,253	2,139
Business Performance	22,066	2,396	10	582	0	2,988	0	76	55	30	19,719	109
Service Operations	12,575	9,679	120	2,352	0	12,151	0	164	0	29	108	139
Talent Management	10,668	7,736	74	1,880	0	9,690	0	423	0	1,016	197	1,557
Employee Relations	3,827	2,789	1	678	0	3,468	0	255	125	0	43	124
Corporate Services	1,821	1,541	8	375	0	1,924	0	32	6	1,362	186	210
Total Vote	50,957	24,141	213	5,867	0	30,221	0	950	186	2,437	20,253	2,139

VOTE 26 Benefits (\$000)

Description	Total 2015/16 Operating Expenses	50	51	52	54	Total Salaries and Benefits	55	57	59	60	63	65
Benefits	1	6,171	0	506,469	0	512,640	0	172	2,120	931	37	190
Pension Contribution and Retirement Be	290,508	0	0	296,100	0	296,100	0	0	0	0	0	0
Employee Health Benefits	109,777	0	0	171,239	0	171,239	0	0	0	0	0	0
Long Term Disability	31,879	0	0	34,515	0	34,515	0	0	0	0	0	0
Other Benefits	4,578	0	0	3,115	0	3,115	0	0	2,120	250	0	0
Benefits Administration	7,250	6,171	0	1,500	0	7,671	0	172	0	681	37	190
Recoveries	(443,991)	0	0	0	0	0	0	0	0	0	0	0
Total Vote	1	6,171	0	506,469	0	512,640	0	172	2,120	931	37	190

WFR BCOA Estimates

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Ministry of Finance
(\$000)

VOTE 25 BC Public Service Agency (\$000)

67	68	69	70	72	73	75	Total Operating Costs	77	79	80	Total Government Transfers	81	83	85
280	0	0	0	0	495	93	26,833	0	0	0	0	0	0	6,268
0	0	0	0	0	493	10	20,492	0	0	0	0	0	0	15
0	0	0	0	0	0	0	440	0	0	0	0	0	0	44
280	0	0	0	0	0	83	3,556	0	0	0	0	0	0	6,076
0	0	0	0	0	0	0	547	0	0	0	0	0	0	9
0	0	0	0	0	2	0	1,798	0	0	0	0	0	0	124
280	0	0	0	0	495	93	26,833	0	0	0	0	0	0	6,268

VOTE 26 Benefits (\$000)

67	68	69	70	72	73	75	Total Operating Costs	77	79	80	Total Government Transfers	81	83	85
0	0	0	0	0	0	0	3,450	0	0	350	350	0	0	22
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	2,370	0	0	0	0	0	0	0
0	0	0	0	0	0	0	1,080	0	0	350	350	0	0	22
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	3,450	0	0	350	350	0	0	22

WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

Ministry of Finance
(\$000)

VOTE 25 BC Public Service Agency (\$000)

Total Other Expenses	86	88	Total Internal Recoveries	89	90	Total External Recoveries	Total 2016/17 Operating Expenses	Total 2015/16 Capital Expenses	Land	LI	Bldg	SpE	FE
6,268	0	(10,721)	(10,721)	(828)	(912)	(1,740)	50,861	0	0	0	0	10	0
15	0	(20)	(20)	(603)	(816)	(1,419)	22,056	0	0	0	0	0	0
44	0	(45)	(45)	(25)	(25)	(50)	12,540	0	0	0	0	0	0
6,076	0	(8,625)	(8,625)	0	(65)	(65)	10,632	0	0	0	0	0	0
9	0	(3)	(3)	(200)	(6)	(206)	3,815	0	0	0	0	0	0
124	0	(2,028)	(2,028)	0	0	0	1,818	0	0	0	0	10	0
6,268	0	(10,721)	(10,721)	(828)	(912)	(1,740)	50,861	0	0	0	0	10	0

VOTE 26 Benefits (\$000)

Total Other Expenses	86	88	Total Internal Recoveries	89	90	Total External Recoveries	Total 2016/17 Operating Expenses	Total 2015/16 Capital Expenses	Land	LI	Bldg	SpE	FE
22	0	(450,743)	(450,743)	(9,400)	(56,318)	(65,718)	1	0	0	0	0	0	0
0	0	0	0	(1,200)	(5,377)	(6,577)	289,523	0	0	0	0	0	0
0	0	0	0	(7,952)	(48,367)	(56,319)	114,920	0	0	0	0	0	0
0	0	0	0	(117)	(620)	(737)	33,778	0	0	0	0	0	0
0	0	0	0	0	(287)	(287)	5,198	0	0	0	0	0	0
22	0	(48)	(48)	(131)	(1,667)	(1,798)	7,277	0	0	0	0	0	0
0	0	(450,695)	(450,695)	0	0	0	(450,695)	0	0	0	0	0	0
22	0	(450,743)	(450,743)	(9,400)	(56,318)	(65,718)	1	0	0	0	0	0	0

WFR BCOA Estimates

Run Date: 2016/02/03 Run Time: 07:41:52

Ministry of Finance
(\$000)

VOTE 25 BC Public Service Agency (\$000)

Veh	Info	TI	Roads	Other	Total 2016/17 Capital Expenses
0	0	0	0	0	10
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	10
0	0	0	0	0	10

VOTE 26 Benefits (\$000)

Veh	Info	TI	Roads	Other	Total 2016/17 Capital Expenses
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

**BC PUBLIC SERVICE AGENCY
Agency Operations Vote (Vote 25)
IMPLICATIONS OF 2016/17 FUNDING**

Compared to the 2015/16 budget of \$50.957M, the 2016/17 budget for the BC Public Service Agency (Vote 25) decreased by \$.096M or .19% to \$50.861M (see Resource Summary per Estimates).

Highlights of changes include:

- Increase of \$0.119M in salaries & benefits for new initiative Workable Graduate Internship Program (fully recovered).
- Decrease of \$0.017M in salaries & benefits resulting from adjustments to the Economic Stability Mandate (Appendix 1). This amount is a decrease as the Vote was given excess funding in 2015/16 which was then withheld in 2016/17.
- Increase of \$0.036M in salaries resulting from negotiated salary increases under the Economic Stability Dividend (Appendix 1).
- Decrease of \$0.118M in benefits adjusted for the Employee Benefits Chargeback Rate change from 24.8% to 24.3%.
- Increase of \$0.081M in operating for new initiative Workable Graduate Internship Program (fully recovered).
- Increase of \$0.200M in recoveries to fund the new initiative Workable Graduate Internship Program.
- Decrease of \$0.002M in recoveries for Lean BC (fully recovered) to match lower expenses resulting from Employee Benefits Chargeback Rate reduction.

CRF Capital Budget

Compared to the 2015/16 budget, there is an increase to the capital budget in 2016/17 of \$.010M. The capital budget is for minor capital equipment needs for assistive technology for people with disabilities under the recently-launched WorkAble program and audio-video equipment used by the Agency to support the Premier's Awards ceremonies.

There was no capital budget in 2015/16.

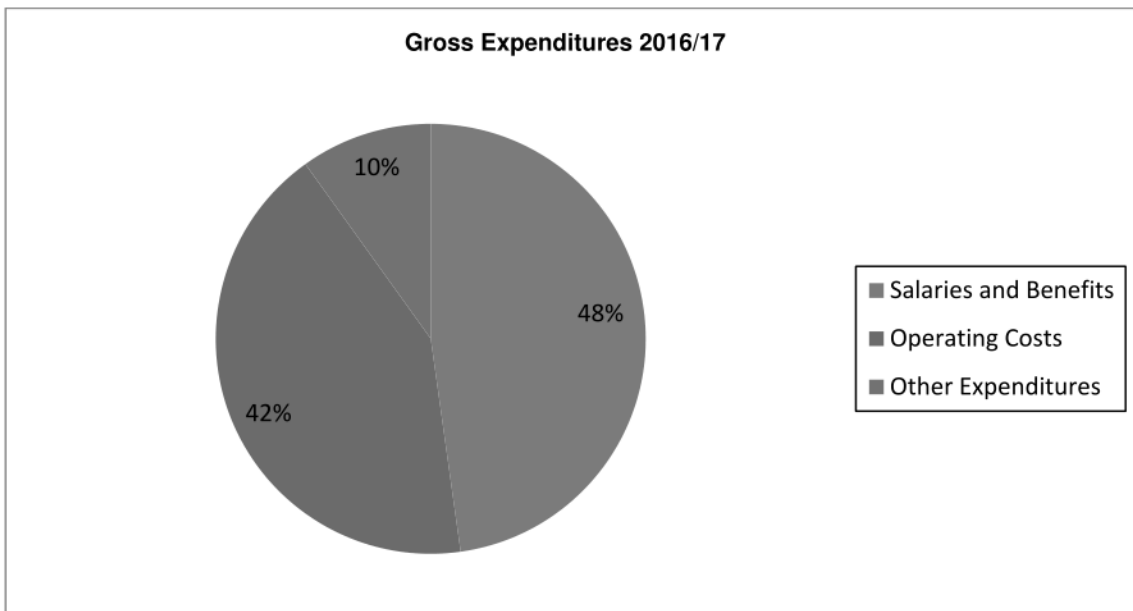
Reductions/Increases for 2017/18 and 2018/19

Compared to the 2016/17 budget of \$50.861M, the 2017/18 budget will increase by \$0.229M or 0.45% to \$51.090M due to the Economic Stability Mandate.

Compared to the 2017/18 budget of \$51.090M, the 2018/19 budget will increase by \$0.116M or .23% to \$51.206M due to the Economic Stability Mandate.

**MINISTRY OF FINANCE
BC Public Service Agency (Vote 25)
Supplement to the Estimates by STOB**

	2015/16 Estimates	2016/17 Estimates	Increase (Decrease)	Increase (Decrease)
	\$000	\$000	\$000	%
Salaries and Benefits	30,201	30,221	20	0.07%
Operating Costs	26,752	26,833	81	0.30%
Government Transfers	0	0	0	0.00%
Other Expenditures	6,267	6,268	1	0.02%
Recoveries Internal to CRF	-10,523	-10,721	-198	-1.88%
Recoveries External to CRF	-1,740	-1,740	0	0.00%
Total	50,957	50,861	-96	-0.19%
Capital	0	10	10	100%



Appendix 1 – Economic Stability Mandate and Economic Stability Dividend

Economic Stability Mandate

The Economic Stability Mandate provides for the negotiation of modest general wage increases to be negotiated within a fixed fiscal envelope, providing stability throughout the public sector and protecting the Province's fiscal plan through affordable collective agreements.

A five-year agreement with the BCGEU was ratified on December 2, 2013. BCGEU employees will receive a salary increase of .5% effective April 2, 2017.

Economic Stability Dividend

The Economic Stability Dividend provides for a general wage increase for union members covered by agreements under the Economic Stability Mandate for collective bargaining based on economic growth. If GDP growth for the Province is higher than the Economic Forecast Council's prediction, then half of the difference is used to calculate the increase.

The BC economy grew 3.2% in 2014, exceeding the forecast of 2.3% by .9%, resulting in a 0.45% salary increase for unionized public sector employees effective February 7, 2016.

Under the terms agreed to by the BCGEU in the last round of collective bargaining, BCGEU members will receive an equivalent cents per hour increase based on the average member salary. This results in a \$0.1301 per hour increase for BCGEU members for the 2014 GDP results.

Schedule A Employees

The BCGEU Economic Stability Mandate and Economic Stability Dividend also apply to Schedule A employees. The Agency has 189 Schedule A employees, 149 of whom are paid through the Operations Vote.

Resource Summary per Estimates

BC Public Service Agency				
Operations Vote				
Operating Expense (\$000's)				
Core Businesses	Restated Budget 2015/16	2016/17	2017/18	2018/19
Business Performance	22,066	22,056	22,070	22,073
Service Operations	12,575	12,540	12,670	12,753
Talent Management	10,668	10,632	10,685	10,700
Employee Relations	3,827	3,815	3,833	3,838
Corporate Services	1,821	1,818	1,832	1,842
Lean BC	-	-	-	-
Total	50,957	50,861	51,090	51,206

Resource Summary per Estimates

BC Public Service Agency				
Benefits Vote				
Operating Expense (\$000's)				
Core Businesses	Budget 2015/16	2016/17	2017/18	2018/19
Pension Contributions & Retirement Benefits	290,508	289,523	307,215	312,405
Employee Health Benefits	109,777	114,920	114,920	114,920
Long Term Disability	31,879	33,778	33,778	33,778
Other Benefits	4,578	5,198	5,198	5,198
Benefits Administration	7,250	7,277	7,344	7,383
Recoveries	(443,991)	(450,695)	(468,454)	(473,683)
Total	1	1	1	1

DM ADVISORY NOTE

April, 2016

Issue: BC Public Service Agency – Travel

Background/Status:

- BC Public Service Agency total travel in 2015/16 was \$978,394 (Budget \$1.097M)
- This was a decrease of \$3,640 or 0.4% on 2014/15 travel of \$982,034 (Budget \$1.077M)
- Travel expenditures were consistent with fiscal 2014/15 largely due to:
 - *On-site labour relations investigations.*
 - *Agency training staff travelled to the regions to prevent multiple government staff travelling to Victoria for training.*
 - *Agency Occupational Health and Safety staff travelled to the regions to meet increased demand for safety audits, assessments and training.*
 - *Agency delivery of Region to Region engagement sessions and Welcome to the Public Service Ceremonies to increase regional staff engagement.*
- Strategies utilized to reduce travel included:
 - Increased use of “Live Meetings” via the internet
 - Continuing and increased use of conference calls
 - Delivery of multiple courses per location in the regions (reducing trainer travel)

Agency staff incurring the highest travel expenses in 2015/16 were:

Name	Title	Travel Amount	Reason for travel
Ourania Chrisgian	Director of Labour Relations	\$40,805	Oversight of multiple Labour relations issues across the province
Ole Petersen	Learning Consultant	\$31,942	Deliver Occupational, Safety & Health training
Korina Tsui	Employee Relations Specialist	\$29,752	Labour relations issues across the province
Ellen Hrad	Employee Relations Specialist	\$23,894	Labour relations issues across the province
Sandra Sundhu	A/Assistant Deputy Minister, Service Operations & Director, E-Services & Development	\$18,401	Management responsibilities for staff in different locations

PREPARED BY:

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Financial Management Office
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REVIEWED BY:

Tara Richards
Executive Financial Officer

TR

Lori Halls, Deputy Minister
BC Public Service Agency

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DM ADVISORY NOTE

APRIL 27, 2016

ISSUE: MODERNIZATION AND EXPANSION OF PAYROLL SERVICES

ADVICE AND RECOMMENDED RESPONSE:

- ◆ In 2004, The Province entered into a ten year Master Services Agreement (MSA) with TELUS Sourcing Solutions Inc. (TSSI). Effective 2014, the government negotiated a five-year extension.
- ◆ This extension included 5-year savings of \$19M (21%), comprised of both cost-reductions (\$2.4 M per year for 5 years) and re-invested savings (\$7M) for additional services.
- ◆ The scope of services for this alternative service delivery (ASD) contract include: human resource management; payroll and benefit services; application management services and hosting.
- ◆ The Master Services Agreement (MSA) supports the Province in on-boarding additional public sector organizations, which can provide economies of scale, increased security, improved reporting, and a reduced per-employee payroll cost.
- ◆ In January 2014, the Province and TSSI entered into an agreement with the Ministry of Education and the Vancouver Board of Education to build a new PeopleSoft Human Capital Management (HCM) instance for the K-12 education sector in BC. As of March 2015, the Vancouver Board of Education became the first school district to onboard to this platform (8,250 employees).
- ◆ Additional school districts will be encouraged to on-board to this centralized, modern, scalable, and secure payroll solution, ultimately garnering cost-savings to the province through access to valuable staffing data and technical efficiencies.

SECONDARY MESSAGES:

- ◆ There will be continued effort to onboard other broader public sector entities to the corporate payroll solution, with a concerted focus directed towards the Health Sector.

KEY FACTS REGARDING THE ISSUE:

- ◆ Cost of services under the MSA will be \$15M this fiscal, which includes payroll and related Human Resource computer systems and hosting.
- ◆ Cost of the development of the sector wide K-12 instance was \$6.15M

Contact:	Bruce Richmond, Executive Director Business Performance BC Public Service Agency	Phone number (250) 387-0222
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SIGN OFF:

Program	ADM	DM
Bruce Richmond	N/A	Lori Halls

DM ADVISORY NOTE

April, 2016

Issue: Public Service Agency – Procurement of Goods and Services

Background/Status:

- Procurement Guiding Principles:
 - Acquisitions are managed consistent with government policy and requirements of trade agreements.
 - Government receives best value for money.
 - Government buying power is leveraged through corporate supply arrangements (CSA's) where available.
 - Vendors have fair access to information on procurement opportunities, processes and results.
 - Solicitation and contract award processes managed in a prudent and unbiased manner.
- Summary of Contracts awarded to end of March 2016 below (appendix attached).

Procurement Type	Number of Contracts	Amount
Direct Award - Public Sector Organization	2	\$44,000
Direct Award - Sole Source	9	\$1,838,217
Direct Award - Under \$25,000	14	\$205,500
Open Competitive Process	9	\$24,897,288
Purchase from CSA	29	\$379,481
Selected Vendor from Pre-Qualification List	1	\$55,000
Grand Total	64	\$27,419,486

- Total Public Service Agency direct awards last year were \$2.1M or 4% of total budget. \$1.7M or 83% was for sole source annual software maintenance renewals.
- The Benefits Vote has a further \$109.8M in claims or fee based contracts. These contracts were procured through an open competitive process.

PREPARED BY:

Libby Oulton, CFO
Financial Management Office
250 387-7437

REVIEWED BY:

Tara Richards
Executive Financial Officer

TR

Lori Halls, Deputy Minister
BC Public Service Agency

LH

DM ADVISORY NOTE

APRIL 27, 2016

ISSUE: REPLACEMENT OF TIME CAPTURE SYSTEM FOR PAYROLL SERVICES

ADVICE AND RECOMMENDED RESPONSE:

- ◆ The BC Public Service Agency historically used a product named Kronos Workforce Central which was internally branded as Time on Line (TOL) for imputing the majority of staff work hours into the government's PeopleSoft Payroll solution.
- ◆ There were a number of concerns related to this product, mainly surrounding on-going security from the Office of the Chief Information Officer (see attached memos) and support challenges with the system, as the Kronos product was proprietary software and could not be maintained directly by our outsourced service provider (TSSI).
- ◆ Due to these issues, the Public Service Agency implemented PeopleSoft's Time and Labour and Absence Management modules as a replacement for TOL.
- ◆ A pilot project was undertaken in May 2015 which included the BC Public Service Agency, Ministry of Energy and Mines and the Ministry of Natural Gas Development in partnership with TELUS Sourcing Solutions Inc.
- ◆ Since the pilot was launched, the balance of the Public Service was on-boarded through a phased approach to the solution with its ultimate completion being April 2016.

SECONDARY MESSAGES:

- ◆ Significant improvements and efficiencies have materialized, especially related to managing leave in government. Granular data that was difficult or unable to be accessed by the Agency's Health and Safety branch under TOL is now available in a more detailed way for trending analysis and pro-active leave management, enabling managers to manage staff more efficiently and cost effectively

- ◆ A mobile solution is now available for Time and Leave, so that much of the functionality that previously was only accessible by a desktop computer is in the hands of staff and managers at any time or any place given they possess a cellular phone or tablet computer.

CURRENT STATUS:

- ◆ Project is complete

KEY FACTS REGARDING THE ISSUE:

- ◆ Cost of software development, including implementation was \$10.8M.

Contact:	Bruce Richmond, Executive Director Business Performance BC Public Service Agency	Phone number (250) 387-0222
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SIGN OFF:

Program	ADM	DM
Bruce Richmond	N/A	

DM ADVISORY NOTE
February 2016

ISSUE: LONG TERM DISABILITY FUND

ADVICE AND RECOMMENDED RESPONSE:

- **Budget 2016 introduces legislation that will move the Long Term Disability Plan from a trust fund to a special account within the Consolidated Revenue Fund effective April 1, 2017.**
- **This will reduce administration costs and increase transparency because details – including revenues and program costs – will now be disclosed through the Estimates as a special account under the Ministry of Finance.**
- **The change is consistent with government's debt management strategy and will allow government to use the fund's assets – surplus to immediate needs – to support strategic debt management.**
- **Improved cash management reduces taxpayer-supported debt-to-GDP ratio, protecting our triple-A credit rating and minimizing interest costs.**
- **This change does not affect LTD plan benefits or those beneficiaries receiving disability benefits. It will not impact programs offered by the plan nor will it affect employer contributions.**
- **The Province remains the guarantor of the LTD plan and the special account will continue to earn interest at a rate set by Treasury Board from time to time.**
- **This change will create more stability and funding certainty for the Plan and it will also shelter the Plan from wide external market swings.**
- **As a result of a strengthening economy and disciplined fiscal management, Budget 2016 invests \$1.6 billion in new and increased spending over three years on core services. Almost \$500 million of which is funded by lower interest costs in part due to ongoing strategic debt management.**
- **Transformation of the LTD trust is just one of the measures that government has and will be undertaking to continue to reduce debt and interest costs.**

DM ADVISORY NOTE

February 2016

KEY FACTS REGARDING THE ISSUE:

- Under the Public Service Benefit Plan Act, the government administers and guarantees a long term disability plan for public service and other participating employers for the benefit of their employees.
- To date, the government has used a special purpose trust to collect employer premiums and administer the program. The trust's accumulated assets are not counted as part of the Province's finances.
- Like an insurance plan, the trust accumulates collected premiums to help pay for current and expected future obligations.
- Although the Fund is held by the government and its shortfalls are guaranteed by the government, because of the separate legal nature of the Fund and rules regarding its use as a trust fund, government is unable to use the Fund's surplus assets to support of strategic debt management. Legislative changes proposed will transition the Fund from a trust to a Special Account.
- As of December 31, 2015 LTD fund investments were valued at \$605 million. Annual contributions from participating employers average about \$40 million.
- The Fund has a number of employer participants, some within the government reporting entity and some not. These employers make assessed contributions to the Fund and the Fund provides benefits to their eligible employees. Most employees covered by the LTD plan are employed under the Public Service Act and contributions to the Plan have mainly been paid by taxpayer-funded ministries.
- As of March 31, 2015 there were approximately 32,700 employees covered by the LTD Plan and 1,889 employees on LTD. This number fluctuates by approximately 2% as claims are accepted and denied.
- Approximately 95% of contributions to the LTD plan are taxpayer-funded through ministries and agencies.
- In general, all of the Fund's purposes, obligations, ongoing inflows/outflows and administration will continue as a Special Account. However, government will be able use the Fund's accumulated investments to fulfill full broader strategic debt management.
- As well, replacement of the Fund's accumulated investments along with ongoing investment income rates set periodically by Treasury Board, will lead to more stability and funding certainty in future. Today, those investment returns are subject to wide swings caused by external markets.

Program Area Contact: Libby Oulton, CFO PSA

250 387-7437

Program Area	ADM	Deputy Minister
LO	TR	LH

DM ADVISORY NOTE

February 2016

Appendix: Questions and Answers

1. What is the Long term disability Plan?

The LTD Plan provides members with income continuation in the event that an eligible employee becomes totally disabled due to illness or injury for a period of time greater than six months. The Plan also pays for services and costs associated in supporting individuals returning back to work from LTD claims.

2. Who are the plan members?

Approximately 95% of contributions to the LTD plan are taxpayer-funded through ministries and agencies (GRE):

Government Reporting Entity (GRE)

- Province of British Columbia
- Liquor Distribution Branch

External to GRE

- BC Ferry Services (including Deas Pacific Marine)

GRE Small Participating Employers:

- BC Innovation Council
- BC Securities Commission
- BC Treaty Commission
- BC Utilities Commission
- Community Living BC
- First Peoples' Cultural Foundation
- Legislative Assembly
- Oil and Gas Commission
- Partnerships BC
- Transportation Investment Corporation

External GRE Small Participating Employers:

- BC Investment Management Corporation
- Broadmead Care Society
- Business Practices and Consumer Protection
- Freshwater Fisheries Society of BC
- Habitat Conservation Trust Foundation
- Professional Employees Association

3. How is the plan funded?

The LTD Plan (Plan) is funded through contributions from participating employers as well as investment income earned on the contributions received by the Plan, less costs of providing benefits, services and administration of the Plan.

The Province (through the Minister of Finance) remains the guarantor of the LTD plan and the special account will continue to earn interest at a rate set by Treasury Board from time to time. This will provide interest/investment income certainty for the Plan over the longer term, whereas today those returns are subject to swings in the market place.

4. Will this change the funding model for the plan?

No. Participating employer contributions and interest income will continue to fund the LTD Plan.

DM ADVISORY NOTE

February 2016

5. Will the contribution rates for participating employers change?

No. It is not expected that contribution rates over the longer term will change as a result of the transition from a Trust Fund to a Special Account. In contrast, with the Trust Fund model employer contribution rates were subject to volatility from investment earnings. Going forward, the Plan will continue to have its actuarial liabilities determined through the LTD Plan's independent actuarial valuation.

6. Will this reduce the investment return earned by the fund?

At the time of transition, all of LTD Plan's assets will be used to establish the opening balance of the new special account. Earnings previously earned from LTD Plan investments will be replaced by interest accrued at the rates by Treasury Board from time to time (every two years at least). Initially, interest rates used for the special account will be comparable to what the Plan was earning immediately prior to the transition.

Replacing investment earnings with interest income based on rates set by Treasury Board periodically will create more stability and funding certainty for the LTD Plan over the short and longer term.

7. How much money will this save government?

This is expected to save government about \$20 million in interest savings annually. This transition will save about \$25,000 annual external audit fees for the Plan – this will now be covered by the Office of the Comptroller General. There may also be some reduction in annual actuarial costs given that the focus will mainly be on claims liability estimates.

While utilizing the Fund's surplus assets to reduce provincial debt will lead to lower debt interest costs overall, this will be offset by the removal of the Fund's investment income and the replacement with interest earnings of the special account.

In keeping with the Province's strategic debt management objectives, reducing provincial debt by using surplus assets in excess of immediate need helps to minimize debt; preserve the Province's credit rating; and overall help ensure that provincial debt interest costs remain as low as possible.

8. Will the amendments result in any public service job losses?

No. There will be no impacts on staffing levels in the BC Public Service Agency.

9. Who administers the LTD Plan? Will there be any changes to these roles?

The BC Public Service Agency is responsible for administering the LTD Program and the LTD Plan. Great-West Life is under contract to adjudicate LTD claims and manage claimants who are eligible for benefits. There are no changes anticipated with these roles.

10. Who currently manages the fund?

BC Investment Management Corporation currently manages the investments and will continue to so until the investments are liquidated and used as part of government's ongoing debt management strategy.

July 27, 2015

CLIFF # 5701

The Honourable Michael de Jong
Minister of Finance and Government House Leader
Room 153 - Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister de Jong:

Re: response to ministerial direction to recommend and implement actions that address McNeil report on Health firings

On February 11, 2015, I wrote you to provide a preliminary update on the steps the BC Public Service Agency was taking to respond to the findings of the McNeil report. The government received a report from Marcia McNeil on December 19, 2014, that identified 12 findings from her review of the process that led to the dismissals in the Ministry of Health. All 12 findings were accepted by the government.

Overall, the steps the Agency is undertaking aim to help government improve its ability to respond in the following ways:

- Improve the way ministries initially respond upon receiving a serious allegation.
- Ensure investigations are conducted in a manner that conforms to existing policies and best practices.
- Ensure proper decision-making processes are followed.
- Improve communication practices related to the investigation process.

Since I last wrote to you, the Agency has continued to implement the steps that it is taking in response to the McNeil report. Please refer to the attached appendices for a status update on the measures the Agency has taken to date.

In February I also reported that we will propose amendments to the *Public Service Act* Regulations to clarify ministry and Agency authorities in relation to the investigation, suspension and discipline of employees. Upon further review, we have determined that amendments to the regulations are not necessary for this purpose. The education sessions we have delivered for senior executives and managers includes a section on the updated investigation and disciplinary decision-making roles and responsibilities.

As the Head of the Public Service Agency, I remain committed to ensuring that the actions that the Agency and the public service take in response to the McNeil report will make quick and lasting improvements to how allegations of employee misconduct are dealt with in the future.

Sincerely,

A handwritten signature in dark ink, appearing to read "Elaine McKnight". The signature is written in a cursive, flowing style.

Elaine McKnight
Deputy Minister

Appendix 1

Steps Completed to date:

- Establish clear Agency and ministry roles and accountabilities for investigations. A ministry must promptly notify the Agency of any allegation of employee misconduct prior to taking action so that the appropriate level of Agency involvement is determined before the ministry responds. All investigations of alleged serious misconduct must be led by the Agency or Agency-approved investigators.
- Provide enhanced investigation and discipline decision-making information on MyHR so management employees understand the process and know what to do when they are initially confronted with an issue (e.g. who to call, what steps to take if there is an immediate concern/threat, etc.).
- Implement an investigations-specific training course for excluded managers in government.
- Reinforce existing investigation protocols of informing employees at the start of the investigation of what happens during the investigation, their rights, and points of contact for questions or concerns.
- Reinforce that employees are entitled to due process in an investigation. Where it is deemed necessary due to safety concerns, etc. that an employee cannot remain in the workplace while an investigation is carried out, the employee should be suspended from the workplace. Investigations are to be carried out as promptly as possible in recognition of the impact of the suspension on the employee.
- Reinforce existing practice of considering suspensions with pay for investigations where doing so without pay may compromise the investigation.
- Implement mandatory enhanced investigations training program for Agency investigators.
- Implement a mentor program for Agency investigators that requires new investigators to be teamed up with an experienced colleague for several investigations prior to leading an investigation.
- Reinforce existing Agency policy requiring that the investigative and decision-making parts of the process are kept separate and decision-makers remain at arms-length until the findings have been rendered. Disciplinary decisions also must only be made after the investigation has been completed and labour-relations and/or legal advice has been received and documented.

- Establish oversight and escalation protocols for investigations that are sensitive and/or have potentially significant outcomes. In the event of a disagreement between a Deputy Minister and the Deputy Minister of the BC Public Service Agency, regarding the investigation process or outcomes, the matter will be advanced to the Deputy Minister to the Premier.
- Provide mandatory education sessions for Deputy Ministers, Assistant Deputy Ministers and senior managers on investigations and making disciplinary decisions. We are planning on rolling out these education sessions to all other excluded managers in the near future.
- Update internal investigation protocols, including assessment tools to ensure:
 - Lead investigators on complex/sensitive investigations have significant experience leading progressively more challenging investigations;
 - Investigative teams are appropriate given the nature of the investigation, conform to best practices, and continue to be adequately resourced, and;
 - Highly specialized internal or external investigators are preferred for high-profile/contentious cases or investigations that are likely to involve specialized expertise or legal analysis, as per Agency policy.
- Develop and implement a communications and change management strategy to improve awareness of investigative information, training, tools, resources and protocols.

Appendix 2

Steps still under way:

- Develop clear and comprehensive investigation and information-sharing protocols for multi-branch, cross-government undertakings to ensure that roles and responsibilities are clearly defined and investigations are completed in a timely fashion without unnecessary overlap.
- The Agency and GCPE will conduct a review of the appropriate role of communications in employee investigations/discipline and establish protocols clearly defining roles, responsibilities and the appropriate timing of communication activity.

February 11, 2015

CLIFF # 5607

The Honourable Michael de Jong
Minister of Finance and Government House Leader
Room 153 - Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister de Jong:

Re: response to ministerial direction to recommend and implement actions that address McNeil report on Health firings

On December 18, 2014, government received the report from Ms. McNeil that identified 12 findings from her review of the process that led to the dismissals in the Ministry of Health. Government accepted the findings, and you directed me to report to you by the end of January 2015 with the steps and actions the BC Public Service Agency (Agency) and government will take to address these findings and restore the faith of employees and the public in our employment related investigation procedures.

As a result of the findings presented in the report, there is now a clearer sense of how the public service responded to the allegations of misconduct. It's clear that, faced with serious allegations of inappropriate conduct, contracting, and possible violations of privacy, the public service did not respond effectively. This report provides a solid foundation to implement or revise policies and procedures to improve how the public service responds to serious allegations of employee misconduct.

The senior leadership team at the Agency and I have thoroughly reviewed the report and assessed the steps the Agency and the public service need to take to address the findings. Overall, the steps we are undertaking aim to help government improve its ability to respond in the following ways:

- Improve the way ministries initially respond upon receiving a serious allegation.
- Ensure investigations are conducted in a manner that conforms to existing policies and best practices.
- Ensure proper decision-making processes are followed.
- Improve communication practices related to the investigation process.

.../2

Prior to receiving Ms. McNeil's report the Agency had already been working to improve the way the public service responds to allegations of employee misconduct and, guided by the findings in the report, we have completed additional measures and will pursue further actions. Measures that have already been completed at this point include:

- Establish clear Agency and ministry roles and accountabilities for investigations. A ministry must promptly notify the Agency of any allegation of employee misconduct prior to taking action so that the appropriate level of Agency involvement is determined before the ministry responds. All investigations of alleged serious misconduct must be led by the Agency or Agency-approved investigators.
- Provide enhanced investigation and discipline decision-making information on *MyHR* so management employees understand the process and know what to do when they are initially confronted with an issue (e.g. who to call, what steps to take if there is an immediate concern/threat, etc.).
- Implement an investigations-specific training course for excluded managers in government.
- Reinforce existing investigation protocols of informing employees at the start of the investigation of what happens during the investigation, their rights, and points of contact for questions or concerns.
- Reinforce that employees are entitled to due process in an investigation. Where it is deemed necessary due to safety concerns, etc. that an employee cannot remain in the workplace while an investigation is carried out, the employee should be suspended from the workplace. Investigations are to be carried out as promptly as possible in recognition of the impact of the suspension on the employee.
- Reinforce existing practice of considering suspensions with pay for investigations where doing so without pay may compromise the investigation.
- Implement mandatory enhanced investigations training program for Agency investigators.
- Implement a mentor program for Agency investigators that requires new investigators to be teamed up with an experienced colleague for several investigations prior to leading an investigation.
- Reinforce existing Agency policy requiring that the investigative and decision-making parts of the process are kept separate and decision-makers remain at arms-length until the findings have been rendered. Disciplinary decisions also must only be made after the investigation has been completed and labour-relations and/or legal advice has been received and documented.
- Establish oversight and escalation protocols for investigations that are sensitive and/or have potentially significant outcomes. In the event of a disagreement between a Deputy Minister and the Deputy Minister, BC Public Service Agency, regarding the investigation process or outcomes, the matter will be advanced to the Deputy Minister to the Premier.

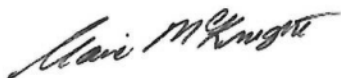
There are a number of further steps that are targeted for completion in the coming weeks:

- Provide mandatory education sessions for Deputy Ministers on investigations and making disciplinary decisions. Deputy Minister, BC Public Service Agency and Assistant Deputy Minister, Labour Relations Branch, BC Public Service Agency is providing training. Sessions have been scheduled and will be delivered in the coming weeks.
- Update internal investigation protocols, including assessment tools to ensure:
 - Lead investigators on complex/sensitive investigations must have significant experience leading progressively more challenging investigations.
 - Investigative teams are appropriate given the nature of the investigation, conform to best practices, and continue to be adequately resourced, and;
 - Highly specialized internal or external investigators are preferred for high-profile/contentious cases or investigations that are likely to involve specialized expertise or legal analysis, as per Agency policy.
- Develop clear and comprehensive investigation and information-sharing protocols for multi-branch, cross-government undertakings to ensure that roles and responsibilities are clearly defined and investigations are completed in a timely fashion without unnecessary overlap.
- Develop and implement a communications and change management strategy to improve awareness of investigative information, training, tools, resources and protocols.
- The Agency and Government Communications and Public Engagement will conduct a review of the appropriate role of communications in employee investigations/discipline and establish protocols clearly defining roles, responsibilities and the appropriate timing of communication activity.

Over the medium term, we will also propose amendments to the *Public Service Act* Regulations to clarify ministry and Agency authorities in relation to the investigation, suspension and discipline of employees.

As Head of the Public Service Agency, it is my responsibility and accountability to provide for fair investigations that meet due process requirements. I am committed to ensuring that the actions that the Agency and the public service take in response to the McNeil report will make quick and lasting improvements to how allegations of employee misconduct are dealt with in the future.

Sincerely,



Elaine McKnight
Deputy Minister

December 14, 2015

CLIFF # 5783

The Honourable Michael de Jong
Minister of Finance and Government House Leader
Room 153 - Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister de Jong:

Re: Response to ministerial direction to recommend and implement actions that address McNeil report on Health firings

On July 27, 2015, my predecessor, Elaine McKnight, wrote to you with an update on the Agency's implementation of the steps being taken in response to the findings of Marcia McNeil report. Government received a report from Marcia McNeil on December 19, 2014, that identified 12 findings from her review of the process that led to the dismissals in the Ministry of Health. All 12 findings were accepted by the government.

I am pleased to advise that as of today's date, the BC Public Service Agency has completed the implementation of all action items identified in response to the McNeil report.

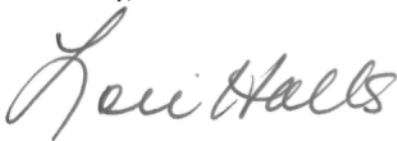
Overall, the Agency's aim was to help government improve its ability to respond by:

- Improving the way ministries initially respond upon receiving a serious allegation.
- Ensuring investigations are conducted in a manner that conforms to existing policies and best practices.
- Ensuring proper decision-making processes are followed.
- Improving communication practices related to the investigation process.

Please refer to the attached appendix for the full list of the actions completed by the BC Public Service Agency. If you have any questions, please don't hesitate to contact me.

The BC Public Service Agency takes allegations of employee misconduct seriously and I can assure you, remains committed to ongoing and lasting improvements to how these allegations are dealt with.

Sincerely,



Lori Halls
Deputy Minister

Appendix

Actions completed/implemented in response to findings from the Marcia McNeil review:

- Establishment of clear Agency and ministry roles and accountabilities for investigations. A ministry must promptly notify the Agency of any allegation of employee misconduct prior to taking action so that the appropriate level of Agency involvement is determined before the ministry responds. All investigations of alleged serious misconduct must be led by the Agency or Agency-approved investigators.
- Enhanced investigation and discipline decision-making information provided on *MyHR* so management employees understand the process and know what to do when they are initially confronted with an issue (e.g. who to call, what steps to take if there is an immediate concern/threat, etc.).
- Implementation of an investigations-specific training course for excluded managers in government.
- Ongoing reinforcement of existing investigation protocols of informing employees at the start of the investigation of what happens during the investigation, their rights, and points of contact for questions or concerns.
- Ongoing reinforcement of employees' entitlement to due process in an investigation. Where it is deemed necessary due to safety concerns, etc. that an employee cannot remain in the workplace while an investigation is carried out, the employee should be suspended from the workplace. Investigations are to be carried out as promptly as possible in recognition of the impact of the suspension on the employee.
- Ongoing reinforcement of existing practice of considering suspensions with pay for investigations where doing so without pay may compromise the investigation.
- Implementation of mandatory enhanced investigations training program for Agency investigators.
- Implementation of a mentor program for Agency investigators that requires new investigators to be teamed up with an experienced colleague for several investigations prior to leading an investigation.
- Ongoing reinforcement of existing Agency policy requiring that the investigative and decision-making parts of the process are kept separate and decision makers remain at arm's length until the findings have been rendered. Disciplinary decisions also must only be made after the investigation has been completed and labour relations and/or legal advice has been received and documented.

- Establishment of oversight and escalation protocols for investigations that are sensitive and/or have potentially significant outcomes. In the event of a disagreement between a Deputy Minister and the Deputy Minister, BC Public Service Agency, regarding the investigation process or outcomes, the matter will be advanced to the Deputy Minister to the Premier.
- Mandatory education sessions provided for Deputy Ministers, Assistant Deputy Ministers and senior managers on investigations and making disciplinary decisions. In addition we plan to roll out these education sessions to all other excluded managers.
- Internal investigation protocols updated, including assessment tools to ensure:
 - Lead investigators on complex/sensitive investigations have significant experience leading progressively more challenging investigations.
 - Investigative teams are appropriate given the nature of the investigation, conform to best practices, and continue to be adequately resourced, and;
 - Highly specialized internal or external investigators are preferred for high-profile/contentious cases or investigations that are likely to involve specialized expertise or legal analysis, as per Agency policy.
- Development of clear and comprehensive investigation and information-sharing protocols for multi-branch, cross-government undertakings to ensure that roles and responsibilities are clearly defined and investigations are completed in a timely fashion without unnecessary overlap.
- Development and implementation of a communications and change management strategy to improve awareness of investigative information, training, tools, resources and protocols.
- The Agency and GCPE have completed a review of the appropriate role of communications in employee investigations/discipline and establish protocols clearly defining roles, responsibilities and the appropriate timing of communication activity.
- The Agency completed a review of proposed amendments to the *Public Service Act* Regulations to clarify ministry and Agency authorities in relation to the investigation, suspension and discipline of employees and determined that changes to the regulation were not necessary.

Memorandum



Ref: 96843
Date: July 27, 2012
To: Lynda Tarras, Head of BC Public Service Agency
Re: Time-OnLine Exemption Request



I wish to bring to your attention that no further exemptions will be granted for Time-Online beyond July 2013. This means that the Public Service Agency will be fully accountable for any impact associated with its non-compliant applications in the event of a breach.

Since 2002, Time-Online has requested and has received exemptions for not deploying critical security patches for the Java Runtime Environment. Within the last three years there have been three such requests without any appreciable progress in fixing the situation. At this time, I have not received any assurances that another exemption will improve the ability to maintain current security patches for the Java Runtime Environment.

Java vulnerabilities are identified as a major exploitation vector by leading security research organizations. The current situation with Time-Online is putting every Government workstation and the Time-Online servers at risk of a breach. In addition, Broader Public Sector workstations that use Time-Online, as well as Telus workstations that support Time-Online, are at risk.

If the Public Service Agency is seeking capital funding for any proposed permanent solution, a submission must be made through the Transformation Planning process prior to the September 2012 due date.

Dave Nikolejsin
Chief Information Officer
Province of British Columbia

Pc: Bruce Richmond, Executive Director, Business Performance Division, BCPSA
John Ricard, Manager Technical and Contract Performance, BCPSA

Memorandum

BC Public Service Agency
PO Box 9404 Stn Prov Govt
Victoria, BC V8W 9V1

September 11, 2012

CLIFF #5153

To: Dave Nikolejsin
Chief Information Officer
Ministry of Labour, Citizens' Services and Open Government

Re: Time on Line Exemption Request

I am writing in response to your memorandum dated July 27, 2012 which details your security concerns related to the Time on Line Product and the Java Run Time vulnerability.

I assure you that we are aware of the challenges related to the application and we are working diligently with our partner, Telus Sourcing Solutions and the product developer Kronos, to examine a long term solution. However, to date the solutions tabled have been costly and will only result in a short term reprieve to these security challenges.

Therefore, we are examining an alternate approach which would transition from the Kronos product to a scheduling module resident within the PeopleSoft product suite. This approach would not only resolve our security challenges, but will also provide for a more integrated approach to managing payroll and HR processes across the BC Public Service.

Funding required to develop this alternate solution exists within our base budget as part of our strategic partnership agreement with Telus Sourcing Solutions. We are not contemplating submitting a capital request.

I understand that Bruce Richmond has discussed these issues with you. I am also available to discuss this with you at any time.



Lynda Tarras
Head of the BC Public Service Agency