



Public Safety  
Canada

Sécurité publique  
Canada



## BUILDING A **SAFE AND RESILIENT CANADA**



# **Auditing the Setting of Strategic Directions & Public Policy**

## **Can it be Done?**

*IIA Ottawa Chapter - Oct 23, 2012*

Rosemary Stephenson, Chief Audit Executive Public Safety Canada

Carmen Abela, Managing Director, WindReach Consulting Services

# Objective



BUILDING A **SAFE AND RESILIENT CANADA**

- To present and discuss the Audit of Policy, Planning & Priority-setting at Public Safety Canada (PS)
- To discuss strategies, challenges and the value associated with auditing the setting of Strategic Directions in a policy department



Public Safety  
Canada

Sécurité publique  
Canada

# Department of Public Safety: Background



BUILDING A **SAFE** AND **RESILIENT** CANADA

## Mandate:

- Provides national leadership in areas related to public safety and emergency management
- Created to better integrate efforts and programming across the PS Portfolio

## Portfolio:

- 9 agencies that contribute to the safety and security of Canadians, including RCMP, CSIS, CBSA, CSC and others

## Scope:

- Strategic policy advice on matters related to: National Security; Border Strategies; Countering Crime; Emergency Management

## Size:

- \$440M and an FTE complement of 1080



# Audit of Policy, Priority-setting & Planning



BUILDING A **SAFE AND RESILIENT CANADA**

**The setting and monitoring of direction is critical in support of portfolio management. No audit attention had been paid to this area in the past, but the value of independent examination was deemed to be high.**

- **Objective**

- To provide reasonable assurance that the management practices in place to set and communicate clear and cohesive strategic and operational direction for the department and the portfolio are adequate and effective.

- **Scope**

- Processes that collectively enable direction- setting:
  - Policy development | Priority-setting | Planning
- Governance, Processes & Informational Inputs, Use of Outputs



# Operational and Risk Environment



BUILDING A **SAFE AND RESILIENT CANADA**

- High degree of horizontality:
  - Almost no file is owned by a single player
  - Multiple touch-points (formal and informal) across the department and the portfolio
- Extremely complex:
  - Portfolio partners and other stakeholders are large, complex and mature organizations (e.g., CSIS, RCMP, CBSA, etc.) each with varied and multiple objectives
  - Issues, files and policy are highly inter-dependent and multi-faceted
- Often messy:
  - Policy development is at times structured, often entrepreneurial and organic and generally quite messy



# Operational and Risk Environment, cont'd



BUILDING A **SAFE AND RESILIENT CANADA**

- Lack of Audit History:
  - Policy development is not typically a domain of Internal Audit
  - Skepticism was high
  - Inaccurate pre-conceptions were prevalent
  - Education and “Marketing” was needed



# The Starting Point: Inherent Risks



BUILDING A **SAFE AND RESILIENT CANADA**

## Process Risk:

- Direction-setting processes may be characterized by insufficient substantive discussion or challenge in relation to emerging issues, policy options and priorities
- Insufficient integration of priority setting/planning and budgeting processes may result in over- or under-resourced priorities

## Culture Risk:

- Organizational culture may not allow for the optimal sharing of information and engaging of necessary stakeholders

## Information for Decision-making Risk:

- Insufficient informational inputs for decision-making and oversight

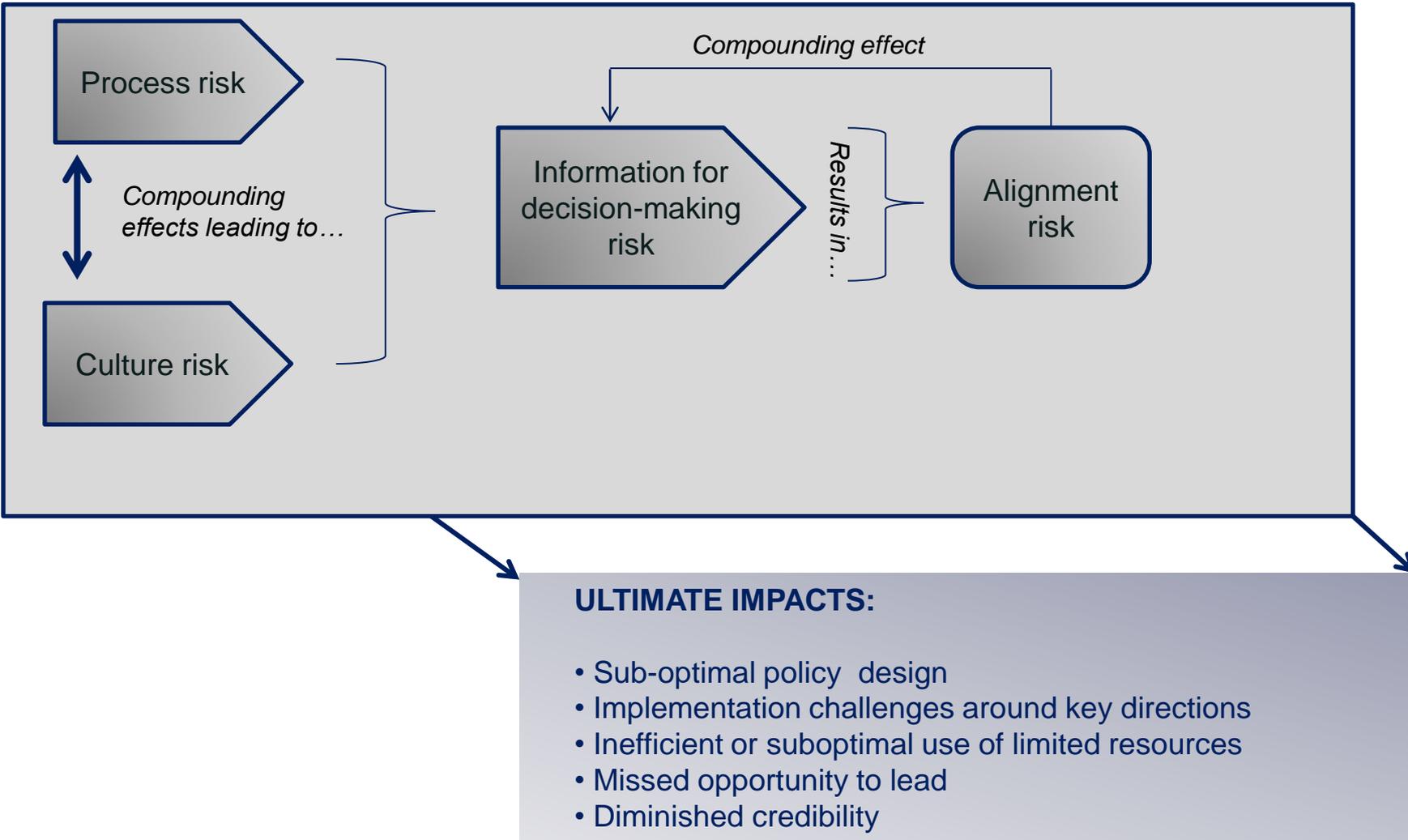
## Alignment Risks:

- Policy, priorities and related resources may not reflect the most critical imperatives
- Interactions and liaison with portfolio agencies may be misaligned or uncoordinated

# So What?



BUILDING A **SAFE AND RESILIENT CANADA**



## ULTIMATE IMPACTS:

- Sub-optimal policy design
- Implementation challenges around key directions
- Inefficient or suboptimal use of limited resources
- Missed opportunity to lead
- Diminished credibility



# The Policy Development Process

## *What To Audit?*



BUILDING A **SAFE AND RESILIENT CANADA**

- No standard guidance or criteria exist against which one might audit
- Principles and practice of public administration point to key elements of the process:
  - Medium / Long-term Policy Planning
  - Agenda Setting: Issues & Problem identification
  - Policy Formulation: Analysis & Development of Policy Options
  - Policy review, approval and endorsement
  - Policy Communication
  - Implementation Planning
  - Implementation (out of our scope)
  - Monitoring and Evaluation

*Reference: Public Safety Generic Policy Development Process Map*



# Approach



BUILDING A **SAFE AND RESILIENT CANADA**

- 3 high level lines of enquiry:
  - Governance | Process & Informational Inputs | Outputs
- Five key initiatives were sampled covering various “models” of direction-setting:
  - Planned | Reactive | Entrepreneurial
- Some processes were audited “under development”



# Overcoming the Challenges



BUILDING A **SAFE AND RESILIENT CANADA**

- Identifying the standards and audit criteria:
  - Research, consultation & negotiation
  - Be open to non-traditional sources
- Managing skepticism and gaining buy-in:
  - Do your research & speak their language
  - Educate them on internal audit
  - Be open minded and reasonable
  - Show value
- Gathering sufficient evidence and making appropriate judgements:
  - Be realistic and relevant in defining and judging “adequacy”
  - Use multiple lines of evidence (formal and informal controls)
  - Try innovative testing methods (e.g., case studies)





- Value to Management :
  - Enhanced risk management around one of the most critical (but under-audited) areas
  - Valuable advice on portfolio management in support of strategic positioning and reputation management
  - Cultural benefits: demonstrated value of collaboration (internal and external)
- Value to Internal Audit:
  - Coverage of a core area of business that might not otherwise have been examined
  - Excellent opportunity to demonstrate the versatility and value of internal audit
  - Good learning opportunity for IA team

# Questions?



BUILDING A **SAFE** AND **RESILIENT** CANADA

Rosemary Stephenson: [rosemary.stephenson@ps-sp.gc.ca](mailto:rosemary.stephenson@ps-sp.gc.ca)

Carmen Abela: [carmen.abela@windreach.ca](mailto:carmen.abela@windreach.ca)

