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Audit on the Application of the Order of Preference for Veterans During the Data Transfer Outage Between the Department of National Defence and the Public Service Commission of Canada

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Executive summary

Veterans and Canadian Armed Forces members are a rich source of talent with valuable knowledge, skills and experience. In 2015, the *Veterans Hiring Act* amended the *Public Service Employment Act* to help eligible veterans and Canadian Armed Forces members find public service jobs through 3 mechanisms: priority, mobility and preference.

Preference, as outlined in section 39(1) of the *Public Service Employment Act*, establishes that in advertised external appointment processes, after all qualified persons with a priority entitlement are appointed, eligible veterans who meet the essential qualifications must be appointed ahead of any other qualified candidates. Information on eligible veterans is transferred from the Department of National Defence to the Public Service Commission of Canada (PSC) so that their entitlement to preference can be identified in the Public Service Resourcing System when they apply to jobs open to the public.

The PSC undertook this audit to examine the impact of a technical issue related to the data transfer process that occurred between November 13, 2020, and January 19, 2024. The issue may have led to a number of veterans not being properly identified for preference in the Public Service

Resourcing System. Any changes to the data transfer protocols or system implemented after January 19, 2024, were not examined as part of the audit.

The audit's objective was to determine whether the order of preference was applied for veterans who were eligible for preference at the time of appointment but whose names and service numbers were not included in the Public Service Resourcing System due to the data transfer outage.

The audit gathered information through a questionnaire sent to 63 departments and agencies on 7 821 job applications submitted by 2 893 eligible veterans in 2 380 advertised external appointment processes.

The audit reaches conclusions for both applications and veterans, as some veterans submitted more than one application.

Results for veteran applications

Of the 7 821 veteran applications examined, the audit determined that:

- in 5 490 cases, the order of preference was not applicable
- in 146 cases, the order of preference was applied
- in 168 cases, the order of preference was not applied
- in 2 017 cases, there was insufficient information to conclude on the order of preference

Results for veterans

Of the 2 893 veterans included in the audit:

- the audit concluded on order of preference for 1 730 veterans:
 - the order of preference was applied for 94 veterans
 - the order of preference was not applied for 87 veterans; these veterans may have been negatively affected by the data transfer

issue

- the order of preference was not applicable for 1 549 veterans, due to a variety of reasons
- the audit determined that further information would be required to reach a conclusion on whether the order of preference was properly applied for the remaining 1 163 veterans

The audit also noted a lack of understanding in some departments and agencies regarding the requirements related to the application of the order of preference for veterans. This was observed in questionnaire responses and comments provided by participating departments and agencies. Application information was not available in some cases, and as a result the audit team could not conclude on whether the order of preference was applied.

Recommendations

Based on the audit findings, the following 4 recommendations are made:

Recommendation 1: The PSC should consider what measures could be undertaken to address the 87 cases where the order of preference was not applied for eligible veterans.

Recommendation 2: For the 2 017 cases where there was insufficient application information to reach a conclusion on the application of the order of preference, the PSC should consider whether follow-up actions are necessary.

Recommendation 3: The PSC should enhance its support and guidance to departments and agencies to ensure that the order of preference, as described in the *Public Service Employment Act*, is well understood and properly applied by sub-delegated managers and human resources advisors.

Recommendation 4: The Department of National Defence and the PSC should review their data transfer and data management practices as they relate to veteran status, to ensure that information is accurate and up to date.

Introduction

Background

1. The Public Service Commission of Canada (PSC) reports independently to Parliament on the health and integrity of a non-partisan, merit-based staffing system, and a public service that is representative of Canada's diversity.
2. To fulfill its accountability to Parliament for overseeing the integrity of the public service staffing system, the PSC conducts audits and other oversight activities to examine risks across the system.
3. Canada's veterans and Canadian Armed Forces members are a rich source of talent with valuable knowledge, skills and experience, and a demonstrated commitment to Canada. The public service values their contribution to our country and supports their employment in the public service.
4. In 2015, the *Veterans Hiring Act* amended the *Public Service Employment Act* to provide Canadian Armed Forces members and eligible veterans with increased access to employment opportunities in the federal public service. This change provided hiring managers with greater access to this group of skilled candidates through 3 mechanisms: priority, mobility and preference.

5. As per section 39(1) of the *Public Service Employment Act*, after all qualified persons with a priority entitlement are appointed, eligible veterans who meet the essential qualifications in advertised external appointment processes (jobs open to the public), shall be appointed ahead of other Canadian citizens and permanent residents. This preference applies at the time of the appointment, regardless of the veteran's status when the job was advertised.
6. The preference provision applies to any veteran, as defined in the *Public Service Employment Act*, who applies to a job open to the public and who meets the following conditions:
 - was honourably released from the Canadian Armed Forces after at least 3 years of service
 - was released from the Canadian Armed Forces within the last 5 years
 - is not already an indeterminate (permanent) public servant
7. One of the mechanisms to facilitate the identification of preference is the electronic transfer of information on eligible veterans from the Department of National Defence to the PSC so that their entitlement can be identified in the Public Service Resourcing System when they apply to job opportunities open to the public. The system prompts veterans to enter their Canadian Armed Forces service number in their applicant profile. This information is matched with the Department of National Defence's information and is provided to hiring managers.
8. Any other reasonable source of information can be used by the hiring manager to confirm whether a person meets the conditions for preference. Examples include a written statement in the résumé, job

application or other document; interview questions; references; and any documents related to a veteran's military career or release.

Context

9. A technical issue between the Department of National Defence and the PSC resulted in a data transfer outage period between November 13, 2020, and January 19, 2024, which may have led to a number of Canadian Armed Forces members and veterans not being properly identified for preference and mobility entitlements in the Public Service Resourcing System.
10. On January 19, 2024, the data transfer process was re-established. The PSC determined that the outage had no impact on the priority entitlements of medically released veterans, as these entitlements are captured in a separate system. In March 2024, the PSC notified veterans and Canadian Armed Forces members who may have been affected by this issue.
11. The PSC also announced in March 2024 that it would be launching an audit with departments and agencies to determine who may have been affected, and advised that it would communicate the results of the audit to those individuals.

About the audit

12. The audit objective was to determine if the order of preference was applied for veterans who were eligible for preference at the time of appointment but whose names and service numbers were not included

in the Public Service Resourcing System due to the data transfer outage.

13. The audit collected information from 63 departments and agencies through a questionnaire on 7 821 applications submitted during the data transfer outage period by 2 893 veterans in 2 380 external advertised appointment processes.
14. For applicants whose eligibility for the veteran's preference began during the data transfer outage period, the audit examined:
 - whether the veteran met the essential qualifications
 - whether the order of preference was applied (where applicable)
 - the rationale for why the veteran was not appointed (or not appointed according to the order of preference)
15. Audit findings are reported by application and by veteran for the following reasons:
 - some veterans submitted more than one application and therefore different application conclusions may apply for the same veteran
 - potential follow-ups to the audit may apply to the individual or to the application
16. Audit findings were categorized as follows:

Order of preference was not applicable: The order of preference did not apply if the veteran was not in the area of selection or did not meet all the essential qualifications. It also did not apply if no appointments were made as a result of the appointment process. In addition, in certain situations, another person could have been appointed ahead of the veteran for an acceptable reason, including the following:

- a person with a priority entitlement was appointed
- another eligible veteran was appointed
- the veteran declined all offers of appointment from the process
- the veteran was not within their 5-year eligibility period for preference at the time of appointment

Order of preference was applied: The veteran met all essential qualifications and was appointed according to the order of preference.

Order of preference was not applied: The eligible veteran met all essential qualifications and was not appointed or was appointed after other qualified candidates.

Insufficient information to conclude: Information provided was incomplete and did not allow one to conclude on the veteran's application status in the appointment process. Examples include cases where the veteran was partially assessed or not assessed, or the veteran's application could not be found.

17. For more details on the audit objective, criteria and methodology, and for the list of participating departments and agencies, see [Annex A](#) and [Annex B](#).

What the audit found

Results for veteran applications

18. We analyzed the information provided by participating departments and agencies on the outcome of **veteran applications**.

19. As shown in the Table 1, of the 7 821 veteran applications examined, we determined that the order of preference was not applicable in 5 490 cases. The order of preference was applied for 146 cases, and not applied for 168 cases. Finally, there was insufficient information to conclude in 2 017 cases.

Table 1: Audit conclusions, by veteran application

Conclusion	Applications
Order of preference was not applicable	5 490
Order of preference was applied	146
Order of preference was not applied	168
Insufficient information to conclude	2 017
Total veteran applications	7 821

20. For the largest number of veteran applications (5 490), the order of preference was not applicable. For example, these veterans may have been outside the area of selection, they may not have met the essential qualifications for the position, or a person with a priority may have been appointed.

21. The audit found that in 146 cases where veteran applications were submitted, the order of preference was applied. These are individuals who met the essential qualifications of the externally advertised position and were appointed in order of preference. However, in 168 cases (2.1%) where applications were submitted by veterans, the order of preference was not applied (in 35 of these cases, the veteran was appointed, but the order of preference was not applied). These

applications are from individuals whose order of preference may not have been applied due to the data transfer issue.

22. The audit also found that for many veteran applications examined (2 017), there was insufficient information to conclude on the order of preference. In most of these cases, the veteran was either partially assessed or not assessed. In other situations, the status of the veteran application was unknown, or the veteran applications could not be found.
23. A detailed breakdown of the audit findings can be found in [Annex C](#) of this report.

Results for veterans

24. In addition to analyzing the information provided by participating departments and agencies on veteran applications, we also analyzed the **information by veteran**. In total, we examined whether the order of preference was applied for 2 893 veterans.

Table 2: Audit conclusions, by veteran

Conclusion	Veterans
Order of preference was not applicable	1 549
Order of preference was applied	94
Order of preference was not applied	87
Insufficient information to conclude	1 163
Total veterans	2 893

25. The audit found that the order of preference was applied for 94 veterans, and that the order of preference was not applicable for 1 549 veterans. Therefore, 1 643 veterans were not affected by the data transfer issue.
26. There was insufficient information to conclude on order of preference for 1 163 veterans:
- In this group are 964 veterans (83%) who were partially assessed or unassessed for at least one of their job applications, including 288 veterans who were partially assessed or unassessed for all their job applications. As a result, the audit could not determine whether these veterans met the essential qualifications for the position and should have been appointed.
 - Also included in this group are 57 veterans who applied to more than one appointment process and where the order of preference was not applied in at least one of these processes. However, there was insufficient information to conclude on the status of their other applications, and as a result, we were unable to draw an overall conclusion for those veterans.
27. Finally, the audit found that the order of preference was not applied for 87 veterans. This represents 3% of the population included in the scope of the audit. These are veterans who may have been negatively affected by the data transfer issue.
28. Questionnaire responses and comments provided by some participating departments and agencies indicate that there is a lack of understanding regarding the requirements related to the application of the order of preference for veterans. For example, when random

selection was used to choose applications for further assessment, veteran status was not always considered when required.

Conclusion

29. This audit was conducted to examine the potential impact of a technical issue related to the data transfer process between the Department of National Defence and the PSC which may have affected the application of the order of preference for veterans.
30. The audit found that of the 2 893 veterans examined, 1 643 were not affected by the data transfer outage. It also found that the order of preference was not applied for 168 veteran applications, which resulted in 87 eligible veterans for whom the order of preference was applicable and yet not applied. These are veterans who may have been affected by the data transfer issue.
31. We were unable to determine if the order of preference was applied for 1 163 of the veterans included in the audit. In these cases, additional information or analyses would be required to determine if the order of preference was applied.

Recommendations

Recommendation 1: The PSC should consider what measures could be undertaken to address the 87 cases where the order of preference was not applied for eligible veterans.

Recommendation 2: For the 2 017 cases where there was insufficient application information to reach a conclusion on the application of the order of preference, the PSC should consider whether follow-up actions are

necessary.

Recommendation 3: The PSC should enhance its support and guidance to departments and agencies to ensure that the order of preference, as described in the *Public Service Employment Act*, is well understood and properly applied by sub-delegated managers and human resources advisors.

Recommendation 4: The Department of National Defence and the PSC should review their data transfer and data management practices as they relate to veteran status, to ensure that information is accurate and up to date.

Moving forward: the Public Service Commission of Canada (PSC) response

32. The Public Service Commission of Canada is taking steps to explore what could be done to address situations where the order of preference may not have been properly applied for eligible veterans. We will work directly with departments and agencies to explore potential placements of qualified veterans to help them secure public service employment.
33. For these cases, we will ask veterans to confirm their interest in public service employment, recognizing that some may have already found or may no longer be seeking employment.
34. For ongoing hiring processes where the audit was unable to conclude on particular cases, we will encourage departments and agencies to promptly complete the assessment of those candidates, to help ensure

that preference will be applied for future appointments for those found qualified.

35. We have also recently consulted with stakeholders, including veterans, on a proposal to increase employment opportunities for individuals whose preference entitlement may not have been properly applied and who have not yet found public service employment. We will continue to assess this and other options to address cases where preference may not have been properly applied.
36. We are currently enhancing our support and guidance to departments and agencies on the order of preference, beyond and including support for veteran hiring, to strengthen understanding and proper application by sub-delegated managers and human resources advisors. Specifically, we are improving existing guidance on hiring veterans and developing precise guidance on the application of the order of preference in appointments.
37. We have already taken steps, in collaboration with the Department of National Defence, to review and confirm the proper functioning of the data transfer process. Finally, we have put in place a series of controls and new processes to detect and help prevent reoccurrence of the outage.

Moving forward: the Department of National Defence (DND) response

38. The DND is deeply committed to ensuring that eligible Veterans and CAF members have access to the legislative supports that exist to help them apply and be considered for public service jobs. They are an

important source of talent with valuable knowledge, skills and experience that can be leveraged for benefit of the public service and Canadians. As such, the DND will collaborate with the Public Service Commission (PSC) and Veterans Affairs Canada (VAC) on all aspects of this Audit, future solutions and actions required on an ongoing basis.

39. DND will continue to support the PSC with any follow-up actions related to the status of Veterans in staffing actions and will monitor future job opportunities to find potential job placements for Veterans.
40. As the largest employer of current and former CAF, DND will take specific action by developing tools to support the understanding and proper application of the Priority Entitlements and the Order of Preference under section 39(1) of the PSEA.
41. In collaboration with the PSC, the DND has already taken steps to address the technical issues in the data transfer that caused the outage from 2020 to 2024. This included the development of business rules to align data with the relevant PSEA criteria; and the implementation of controls that ensure the flow of data from DND to the PSC.
42. A Memorandum of Understanding has also been developed to govern the data transfer mechanism and provide escalation protocols when technical issues arise. DND, including representatives from the Digital Services Group, Chief Military Personnel and ADM HR Civilian, will continue to be engaged with PSC and VAC counterparts to ensure effective management and oversight over all aspects of this issue.

Annex A: About the audit

Objective

The objective of the audit was to determine if the order of preference was applied for veterans who were eligible for preference at the time of appointment but whose names and service numbers were not included in the Public Service Resourcing System due to the data transfer outage.

Scope

The scope included 63 departments and agencies that conducted advertised external appointment processes to which veterans applied and for which they may have been eligible for preference, between November 13, 2020, and January 19, 2024.

Population examined

For veterans whose eligibility status began during the data transfer outage period, the audit examined all applications submitted for advertised external appointment processes during or before the data transfer outage. A total of 2 893 veterans applied to 2 380 jobs open to the public, submitting 7 821 applications.

The list of eligible veterans and the applications potentially affected by the data outage was determined jointly by the PSC's policy, audit and the data services and analysis directorates. The list was determined at the outset of the audit and based on the best information available at the time.

Out of scope

The audit did not examine the following cases, where order of preference does not apply or that were unaffected by the data transfer issue:

- applications by veterans to internal appointment processes
- veterans with an entitlement to preference who applied to advertised external appointment processes after the data transfer outage period
- a person in receipt of a pension by reason of war service, within the meaning of the schedule (*Public Service Employment Act* section 39(1)(a))

Methodology

The list of identified veterans and their applications was provided to participating departments and agencies. For each veteran's application, departments and agencies were asked to complete a questionnaire covering the areas of review.

The audit team analyzed the information provided by departments and agencies to determine whether eligible veterans were considered for preference.

To ensure data integrity, a compilation of responses was sent to each department and agency for verification, and the PSC required deputy heads to attest that the information provided for the purposes of the audit was verified and deemed accurate.

The audit approach was validated by a qualified external body.

Audit limitations

The following reporting limitations apply:

- the audit did not identify a timeline for each veteran to be able to determine whether order of preference was respected for the first eligible opportunity
 - veterans in these situations were included in the audit conclusion “Insufficient information to conclude”
- the audit grouped together reasons why other candidates were appointed ahead of the veteran
- the audit did not examine whether the eligibility of veterans for preference was determined from sources outside the Public Service Resourcing System
- the audit was not intended to establish whether there was a direct link between the data transfer issue and the application of the order of preference

Audit criteria

Objective	Criteria
To determine if the order of preference was applied for veterans who were eligible for preference at the time of appointment but whose names and service numbers were not included in the Public Service Resourcing System due to the data transfer outage	<p>Order of preference: <i>Public Service Employment Act</i> sections 39(1) and 39(2)</p> <p>The audit examined the following:</p> <ul style="list-style-type: none">• whether the veteran met the essential qualifications• whether the order of preference was applied (where applicable)• the rationale for why the veteran was not appointed (or not appointed according to the order of preference)

Annex B: Participating departments and agencies (with number of veteran applications)

1. Administrative Tribunals Support Service of Canada (26)
2. Agriculture and Agri-Food Canada (105)
3. Atlantic Canada Opportunities Agency (9)
4. Canada Border Services Agency (489)
5. Canada Economic Development for Quebec Regions (4)

6. Canada Energy Regulator (17)
7. Canada School of Public Service (3)
8. Canadian Grain Commission (8)
9. Canadian Heritage (32)
10. Canadian Human Rights Commission (7)
11. Canadian Intergovernmental Conference Secretariat (2)
12. Canadian Northern Economic Development Agency (1)
13. Canadian Radio-television and Telecommunications Commission (3)
14. Canadian Space Agency (27)
15. Canadian Transportation Agency (26)
16. Civilian Review and Complaints Commission for the RCMP (1)
17. Correctional Service Canada (588)
18. Courts Administration Service (13)
19. Crown-Indigenous Relations and Northern Affairs Canada (12)
20. Department of Finance Canada (8)
21. Department of Justice Canada (100)
22. Employment and Social Development Canada (528)
23. Environment and Climate Change Canada (207)
24. Federal Economic Development Agency for Northern Ontario (1)
25. Federal Economic Development Agency for Southern Ontario (3)
26. Financial Consumer Agency of Canada (4)
27. Fisheries and Oceans Canada (448)
28. Global Affairs Canada (127)
29. Health Canada (124)
30. Immigration and Refugee Board of Canada (32)
31. Immigration, Refugees and Citizenship Canada (196)
32. Impact Assessment Agency of Canada (6)
33. Indigenous Services Canada (98)
34. Infrastructure Canada (6)
35. Innovation, Science and Economic Development Canada (55)

36. Library and Archives Canada (25)
37. National Defence (1744)
38. Natural Resources Canada (178)
39. Office of the Chief Electoral Officer (18)
40. Office of the Commissioner for Federal Judicial Affairs Canada (1)
41. Office of the Commissioner of Official Languages (2)
42. Office of the Information Commissioner of Canada (4)
43. Office of the Privacy Commissioner of Canada (4)
44. Office of the Secretary to the Governor General (4)
45. Office of the Superintendent of Financial Institutions Canada (18)
46. Parole Board of Canada (14)
47. Patented Medicine Prices Review Board Canada (1)
48. Prairies Economic Development Canada (9)
49. Privy Council Office (12)
50. Public Health Agency of Canada (111)
51. Public Prosecution Service of Canada (22)
52. Public Safety Canada (89)
53. Public Service Commission of Canada (76)
54. Public Services and Procurement Canada (604)
55. Registrar of the Supreme Court of Canada (5)
56. Royal Canadian Mounted Police (475)
57. Shared Services Canada (206)
58. Statistics Canada (135)
59. Transport Canada (215)
60. Transportation Safety Board of Canada (3)
61. Treasury Board of Canada Secretariat (51)
62. Veterans Affairs Canada (477)
63. Veterans Review and Appeal Board (2)

Annex C: Breakdown of audit findings, by veteran application

(Results are based on 7 821 veteran applications)

Observations / Findings	Applications
Order of preference was not applicable	
Veteran was outside the area of selection	104
Veteran did not meet all essential qualifications	3 447
Another person was appointed for an acceptable reason	1 424
No indeterminate or term appointments were made from this external process	515
Order of preference was applied	
Veteran was appointed, and order of preference was applied	146
Order of preference was not applied	
Veteran was appointed, but order of preference was not applied	35
Veteran met all essential qualifications, was not appointed and order of preference was not applied	133
Insufficient information to conclude	
Veteran application could not be found	54
Veteran was partially assessed or not assessed	1 476
Clarification required to conclude	487

Observations / Findings	Applications
Total veteran applications	7 821

Annex D: Questionnaire to departments and agencies

Note: The asterisk (*) indicates that the questionnaire will end of this response option is selected

1. Was the veteran in the area of selection?

- Yes
- No *
- Information not available

2. Did the veteran meet all the essential qualifications, including official language proficiency?

- Yes - The veteran met all the essential qualifications.
- No - The veteran did not meet all the essential qualifications.*
- The veteran was partially assessed (not all essential qualifications have been assessed).
- Information not available

3. Were there any indeterminate and/or term appointments made from this external process?

- Yes
- No *
- Information not available

4. Was this veteran appointed from this process?

- Yes
- No
- Information not available

5. Please specify the date of appointment of this veteran.

6. Was this veteran appointed before other candidates?

- Yes – This veteran was appointed before other candidates.*
- No – Other candidate(s) was/were appointed in indeterminate and/or term position(s) ahead of this veteran.
- Information not available

7. If other candidates were appointed ahead of this veteran, were these appointments made on the basis of asset qualifications, organizational needs, or operational requirements?

- Yes *
- No
- Information not available

8. Were other candidate(s) appointed in indeterminate and/or term position(s) ahead of this veteran for the following reasons?

- Another veteran was appointed.
- A person with a priority entitlement was appointed.
- The appointment was for a job located in Nunavut, and a Nunavut Inuit was appointed.
- This veteran withdrew from this process.
- This veteran was offered and declined all appointment opportunities from this process.
- This veteran was not within their five-year eligibility period for preference at the time of appointment.

- This veteran did not meet the condition(s) of employment.
- Yes – All candidates were appointed in indeterminate and/or term position(s) ahead of this veteran because of one or more of the above reasons.*
- No - Other reasons (i.e. none of the above). Please go to question 9.

9. Please explain any other reasons for which another candidate was appointed in indeterminate and/or term position(s) ahead of this veteran. (comment box).*

Annex E: Key audit dates

February 28, 2024: The Commission ordered that an audit be conducted into the scope and potential impact of missing veteran status data between November 13, 2020, and January 19, 2024. To ensure complete independence of the audit, the PSC President recused herself from the conduct of the audit.

March 25, 2024: Engagement letter sent to deputy heads of participating departments and agencies

March 28, 2024: Audit proposal with audit objectives, scope and population to be examined approved by Commissioners

May 15, 2024: Terms of reference sent to deputy heads of participating departments and agencies

May 16 & 17, 2024: Audit questionnaire sent to departments and agencies

June 7, 2024: Deadline for submitting data

July 18, 2024: All questionnaires submitted by departments and agencies

August 7, 2024: First draft audit report shared with Commissioners

September 20, 2024: Audit report presented to Commissioners for approval

Date modified:

2025-01-21