

Audit of Inclusion, Diversity, Equity and Accessibility

Presented to the Departmental Audit Committee (DAC)

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Executive Summary

Introduction

As an employer, the federal public service must adhere to a series of relevant legislative and regulatory instruments that collectively provide a framework for departments to advance the principles of inclusion, diversity, equity, and accessibility (IDEA). These include the *Employment Equity Act*, *Employment Equity Regulations*, *Accessible Canada Act*, *Public Service Employment Act*, *Canadian Human Rights Act*, the *Canadian Multiculturalism Act* and the *Official Languages Act*. Additionally, the objective of the Treasury Board (TB) *Policy on People Management* (the Policy) and supporting TB Directive on Employment Equity, Diversity and Inclusion (the Directive) is to foster a high-performing workforce that ensures good governance and service to Canadians, and that embodies public service values, such as respect, integrity, stewardship, and excellence in its actions and decisions.

In addition to legislative and regulatory requirements, the Clerk of the Privy Council released a Call to Action (CTA) on Anti-Racism, Equity and Inclusion in the Federal Public Service in January 2021. The CTA outlined the need to take direct, practical actions to address and remove systemic racism and barriers within the public service. In June 2023, the Clerk released an updated CTA¹ to Deputy Heads listing six concrete actions for immediate implementation, and 12 further steps for setting goals, measuring progress, establishing mechanisms for accountability, and incorporating identified drivers of success.

The Office of Inclusion, Diversity, Equity and Accessibility (O-IDEA, the Office) was formally established in 2021 with funding provided through the Departmental Reserve. The O-IDEA reports directly to the Deputy Head, to advance the Clerk's CTA, support sectors and networks in advancing IDEA

initiatives, and coordinate IDEA efforts across the Department. Parties with key roles for supporting the integration of IDEA within the Department include: senior management, the Human Resources Branch (HRB) within Corporate Management Services Sector (CMSS), volunteer-led employee networks, departmental IDEA Pillar Leads, Sector Leads, as well as managers and sector staff.

During the initial audit planning the audit team held discussions with the Lead of O-IDEA to identify areas where the audit could add the most value for the Department. The audit scope was also designed to avoid duplication with activities of other assurance providers. Staffing activities in federal departments are subject to external monitoring through various means, including audits by the Public Service Commission, the Canadian Human Rights Commission (CHRC), and the Office of the Auditor General.

The objective of this audit was to assess the overall adequacy and effectiveness of governance, key business processes and activities supporting NRCan's approach to implementing and integrating the principles of IDEA within the Department.

Strengths

Several governance and oversight mechanisms are in place to communicate IDEA-related objectives, and IDEA has been integrated in the Department's Integrated Business Plan and Corporate Risk Profile. Clear roles and responsibilities for IDEA have been established at most levels of the Department. Overall, the Department has established many diverse capacity-building initiatives, including training and guidance, to enable IDEA integration in NRCan's internal workplace, and administration of public-facing policies and programs.

Areas for Improvement

There is a need for the Department to formalize mechanisms to provide strategic direction on IDEA-related objectives; and to clearly delineate the roles and responsibilities between O-IDEA and the Human Resources Branch regarding the intersection of IDEA between the two domains. There is also a need to formalize a performance measurement framework that includes expected results and key performance indicators, and identifies the additional data that should be collected and analyzed to track progress and inform decision making.

The impact of not addressing these areas for improvement is that the Department may not be able to meaningfully measure and monitor progress on integrating IDEA, to inform decision making that would enable the achievement of IDEA related objectives.

Internal Audit Conclusion and Opinion

In my opinion, the Department has made progress in implementing an approach to integrate the principles of IDEA within the Department, with consideration given to the most recent CTA. The audit identified areas of improvement to ensure effective governance and oversight mechanisms are in place, to establish a performance measurement framework that includes expected results and key performance indicators, and to support and coordinate capacity building initiatives across the Department.

Creating a workplace that is inclusive, diverse, equitable, and accessible is not something that can be done easily by implementing policies or mandatory training. There is no standard approach for changing the way we think, the way we treat each other, and the way we work. Changing the culture of the workplace takes time, resources, intentional efforts, and ongoing commitment. The Department faces the challenge of balancing

time and resources between adequate planning and reporting of IDEA activities and progress, and making concrete and tangible steps to demonstrate progress.

Statement of Conformance

In my professional judgement as Chief Audit and Evaluation Executive, the audit conforms with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the Government of Canada's *Policy on Internal Audit*, as supported by the results of the Quality Assurance and Improvement Program.

Michel Gould, MBA, CPA, CIA

Chief Audit and Evaluation Executive

May 9, 2024

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Introduction

As an employer, the federal public service must adhere to a series of relevant legislative and regulatory instruments pertaining to inclusion, diversity, equity, and accessibility (IDEA). These include the *Employment Equity Act*, *Employment Equity Regulations*, *Accessible Canada Act*, *Public Service Employment Act*, *Canadian Human Rights Act*, the *Canadian Multiculturalism Act* and the *Official Languages Act*. The Treasury Board (TB) *Policy on People Management* (the Policy) and supporting TB Directive on Employment Equity, Diversity and Inclusion (the Directive), came into effect

April 1, 2021, and April 1, 2020, respectively. The objective of the Policy and Directive is to foster a high-performing workforce that ensures good governance and service to Canadians, and that embodies public service values, such as respect, integrity, stewardship, and excellence in its actions and decisions. Collectively, these legislative and policy requirements provide the framework for departments to advance the principles of IDEA.

In January 2021, the Clerk of the Privy Council released a Call to Action (CTA) on Anti-Racism, Equity and Inclusion in the Federal Public Service. The CTA outlined the need to take direct, practical actions to address and remove systemic racism and barriers within the public service. In June 2023, the Clerk released an updated CTA to deputies listing six concrete actions for immediate implementation, and 12 further steps for setting goals, measuring progress, establishing mechanisms for accountability, and incorporating identified drivers of success.

Natural Resources Canada's (NRCan's) vision for IDEA is to change the departmental culture to ensure principles of inclusion, diversity, equity, and accessibility are seamlessly and sustainably integrated into the NRCan workforce and the natural resource sector. Parties with key roles for integrating IDEA within the Department include: the Office of Inclusion, Diversity, Equity and Accessibility (O-IDEA, the Office), senior management, the Human Resources Branch (HRB) within Corporate Management Services Sector (CMSS), volunteer led employee networks, departmental IDEA Pillar Leads, Sector Leads, and sector staff.

The O-IDEA was established in 2021 to advance the Clerk's CTA, support sectors and networks in advancing IDEA initiatives, and coordinate IDEA efforts across the Department. The Office reports directly to the Deputy

Head, and is funded through the Departmental Reserve. Each sector has developed their own IDEA action plan based on a standard format provided by the O-IDEA.

NRCan has several volunteer-led employee networks, which are key partners in advising and collaborating on, advancing, enabling, and informing IDEA initiatives and implementation in the Department based on lived experience. The networks also provide direct support to employees belonging to their communities.

This audit was included in the 2022-2026 Integrated Audit and Evaluation Plan, approved by the Deputy Minister on June 16, 2022.

Audit Purpose and Objectives

The objective of this audit was to assess the overall adequacy and effectiveness of governance, key business processes and activities supporting NRCan's approach to implementing and integrating the principles of IDEA within the Department.

Specifically, the audit assessed whether:

- Effective governance and oversight mechanisms are in place that provide strategic and operational direction, including the communication of IDEA-related objectives. This includes clear roles, responsibilities, and accountabilities to build and reinforce an organizational culture that is inclusive, diverse, equitable, and accessible;
- Business processes are in place to support adequate performance tracking, monitoring and reporting, and to facilitate the sharing and use of key information to relevant parties; and
- Adequate capacity building initiatives, including training and guidance, are executed to equip departmental staff in integrating IDEA.

Audit Considerations

A risk-based approach was used in establishing the objectives, scope, and approach for this audit engagement. One of the biggest challenges in achieving the ultimate outcome of fully integrating IDEA principles is the need for a significant culture change. This culture change is the responsibility of every employee and the shared accountability of senior leadership. Given the limitations of what could be tangibly examined by the audit without duplicating other ongoing work in this area, our focus was on the key areas identified below, in order to assess the Department's approach to integrating IDEA:

- Effective governance mechanisms that provide strategic and operational direction to enable the Department's advancement of an inclusive, diverse, equitable, and accessible workplace.
- Adequate oversight and clear roles, responsibilities, and accountabilities that build and reinforce an organizational culture that is inclusive, diverse, equitable, and accessible.
- Clearly defined and communicated departmental objectives and tangible actions that support the Department's progress on the Clerk's CTA.
- Business processes to track, monitor and report on the Department's progress on integrating IDEA principles, and that enable data collection for informed decision making.
- Adequate capacity building initiatives, including training and guidance, to equip departmental staff in integrating IDEA.

Scope

The scope of the audit focused primarily on the Department's integration of inclusion, diversity, equity, and accessibility. This included a review of actions taken in response to the Clerk's CTA on Anti-Racism, Equity, and

Inclusion in the Federal Public Service and the recent Renewed CTA released in June 2023.

The audit examined activities and initiatives from January 2021 to December 2023 in order to include the most recent activities. The audit reviewed actions taken to implement changes from the amendments to the *Public Service Employment Act* that came into force in July 2023; however, the audit did not assess or provide an opinion on processes for compliance with the *Employment Equity Act* and the *Accessible Canada Act* and any associated regulations.

Additionally, the audit did not examine the Department's progress on advancing Indigenous reconciliation, as this is covered by the Joint Audit and Evaluation of Advancing Reconciliation, which is currently underway.

Staffing activities in departments are subject to external monitoring through various means, including audits by the Public Service Commission and the Canadian Human Rights Commission (CHRC). The CHRC recently conducted a sector-wide horizontal audit on the federal public service's employment of racialized people in management and executive positions, which included NRCan's employment activities and those of 46 other departments and agencies. The report was finalized in June 2022. This audit has taken into account the results of the CHRC audit, including recommendations and actions taken by the Department, in order to avoid duplicated efforts in these areas.

In light of the mandated reporting requirements for the various legislative and regulatory instruments outlined, and the regular progress reporting to the Privy Council Office on the Clerk's CTA, the audit did not evaluate or assess the department's progress in these areas.

The results of other previous advisory, audit, and evaluation projects on related topics were considered where deemed relevant in order to inform the audit and reduce duplication of efforts.

Approach and Methodology

The approach and methodology used in the audit followed the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* (IIA Standards) and the Treasury Board *Policy on Internal Audit*. These standards require that the audit be planned and performed in such a way as to obtain reasonable assurance that audit objectives are achieved. The audit included tests considered necessary to provide such assurance. Internal auditors performed the audit with independence and objectivity as defined by the IIA Standards.

The audit included the following key tasks:

1. Internal interviews with key O-IDEA personnel, senior management, various representatives from the Human Resources Branch, the Gender Based Analysis Plus Centre of Expertise (GBA+ CoE), representatives from each Sector, representatives of current employee networks, and other identified stakeholders and partners working to advance IDEA within the Department;
2. Review of key documentation and select business processes in support of IDEA integration including:
 - i. Departmental planning and reporting documents
 - ii. Sector IDEA action plans
 - iii. Relevant governance committees' documentation (Terms of References, agendas, Records of Decision and presentation material)
 - iv. Departmental and sector guidance and communications on integrating IDEA

3. Review and analysis of documentation from of capacity building activities implemented by various stakeholder groups within the Department; and,
4. Review of available survey data, including Public Service Employee Survey 2022 results.

In addition to these audit tasks, the team reviewed current literature on diversity, equity and inclusion to ensure that recommendations were aligned with best practices.

The conduct phase of this audit was substantially completed in February 2024.

Criteria

The criteria were developed based on key controls set out in the Treasury Board of Canada's Audit Criteria related to the Management Accountability Framework – A Tool for Internal Auditors, in conjunction with the Privy Council's CTA, the *Policy on People Management*, the Directive on Employment Equity, and the Canadian Audit and Accountability Foundation's research highlights on Auditing Organizational Culture in the Public Sector. The criteria guided the fieldwork and formed the basis for the overall audit conclusion.

Please refer to Appendix A for the detailed audit criteria.

Findings and Recommendations

Governance and Oversight

Summary Finding

Overall, several governance and oversight mechanisms are in place to communicate IDEA-related objectives. There is a need to formalize mechanisms to provide strategic direction on IDEA-related objectives. Clear roles and responsibilities have also been established at most levels of the Department; however, there is a need to clearly delineate the roles and responsibilities between O-IDEA and the Human Resources Branch regarding the intersection of IDEA between the two domains.

Supporting Observations

Effective governance and oversight mechanisms should be in place to provide strategic and operational direction, including the communication of IDEA-related objectives. This includes clear roles, responsibilities, and accountabilities to build and reinforce an organizational culture that is inclusive, diverse, equitable, and accessible. The audit examined whether effective governance and oversight mechanisms are in place to provide strategic and operational direction on IDEA-related objectives and the approach for integrating IDEA in the workplace, policies, and program. Further, the audit examined whether roles, responsibilities, and accountabilities for the integration of IDEA principles are clearly defined and communicated.

IDEA Planning

NRCan's IDEA vision and planning of IDEA is driven by the Clerk's Call to Action (CTA), released in January 2021. Deputy Ministers responded by preparing and submitting a letter that outlined specific commitments that their departments are making. This letter included the Departmental context, an update on progress made thus far (in 2021 since the initial CTA was released), the identification of challenges and barriers to success, and an outline of measurements for results. NRCan was quick to take action by

formally establishing the Office of Inclusion, Diversity, Equity, and Accessibility (O-IDEA), developing a governance structure, and identifying five pillars or focus areas for NRCan to direct efforts.

The five pillars, led by sectors with relevant expertise, are: NRCan Workforce (Corporate Management Services Sector (CMSS)/HR-led); Data (SPI-led); natural resource sector workforce (SPI-led); Advancing Reconciliation with Indigenous Peoples (Nòkwewashk-led); and Applying a Complete Policy Lens (SPI-led). O-IDEA met regularly with pillar leads to share updates on progress, to identify pillar goals, and to identify required resourcing to establish the infrastructure and foundation of IDEA governance in the short term. With the Clerk's Renewed CTA that came out in May 2023, a decision was made to refocus and refresh the pillars, to reflect a shift in the approach for IDEA integration.

The pillar structure has since been shifted into a logic model which includes high-level IDEA inputs, activities, outputs, and expected outcomes. The logic model was developed in consultation with the Gender Based Analysis Plus Centre of Expertise (GBA+ CoE) and was approved by the Senior Management Committee (SMC) as a planning document, presented to IDEA sector leads, and is intended to be updated on an annual basis. It details expected outcomes (immediate and long term), the list of stakeholders that have been consulted, and the identification of stakeholders who are implicated in the implementation of the model. The activities that feed into the outputs and outcomes includes the Department's response to Clerk's Renewed CTA.

After the establishment of O-IDEA in 2021, the Office provided support to each sector for the development of their own action plan that outlined activities and initiatives to integrate IDEA in their work. Reporting on progress and status updates happened through bilateral meetings

between the O-IDEA executive lead and sector IDEA leads and/or senior management. The audit team noted that in fall 2022, meetings became less frequent and sector representatives indicated that reporting requirements (e.g. the requirement to annually update action plans) became unclear.

IDEA integration has also been discussed and considered as part of the Department's integrated business planning (IBP) process, and was identified as a strategic risk in the Corporate Risk Profile. An IDEA template was developed for sectors to provide input into the IBP in 2023-24. This template and input serve as sector action plans and sectors are no longer required to provide separate annual updates on IDEA action plans.

NRCan clearly communicates the Department's vision for IDEA on the departmental intranet (*The Source*). The O-IDEA page clearly articulates and communicates IDEA objectives, directions, and priority ranking for integrating IDEA on a broad basis. The audit team found the document clearly articulated and communicated how and why IDEA is a priority, as well as the necessary direction the Department intends to take to further integrate IDEA. The document additionally defines changing the culture and removing all threats and risks as the objective.

The audit team noted that webpages on *The Source* that house guidance and tools are not reviewed and updated often after publishing. For example, the main IDEA landing page on *The Source* was last updated in January 2023, references a broken link, includes out-of-date information regarding the use of IDEA Pillars, sector IDEA Action Plans, and the IDEA Podcast, and does not mention the Clerk's CTA. With the shift in approach for IDEA integration, it is important to have clear and updated communication to the department.

IDEA as a departmental priority is also being communicated through the Departmental Plans. Efforts to promote diversity in the Department's policies, programs, initiatives and services were initially articulated through Gender Based Analysis Plus (GBA+) in the 2020-2021 Departmental Plan. Diversity and inclusion as a priority was outlined more explicitly in the subsequent years' Departmental Plans, and included many programs that commit to addressing diversity and inclusion, and Indigenous reconciliation. The integration of IDEA is identified as a key corporate strategic risk in the 2023-24 Departmental Plan.

The audit team noted that while specific actions, initiatives, and programs have been identified and highlighted for corporate planning through the Departmental Plan, and sector efforts and initiatives feed into the integrated business planning process, the Department does not have an overall approach and cohesive plan that sets out concrete objectives and actions for the integration of IDEA.

IDEA Governance

The Department has established governance mechanisms to coordinate the Department's efforts and to provide operational direction on the Department's approach for IDEA integration.

The longest standing IDEA governance body at NRCan is the IDEA Advisory Committee, established as a response to the Clerk's initial CTA in 2021. This committee includes members from O-IDEA, employee networks, IDEA pillar leads, and sector representatives and has been meeting regularly to "coordinate departmental priorities, projects, and activities related to IDEA across sectors and networks". The audit team noted that the committee is an information sharing forum to inform sectors of the work being done to integrate IDEA as well as a forum for sectors to raise issues and concerns. Further, the meetings are regarded as a forum for networks and sectors to

share their updates regarding the integration of IDEA principles within their sectors and provide status updates concerning their sector IDEA plans. In early 2023, a separate Sector Leads Committee was established for sector IDEA representatives and O-IDEA to “provide oversight over the implementation of NRCan Sector IDEA Action Plans and develop a common and rigorous approach to track progress on IDEA”.

It is beneficial to have these forums to discuss IDEA issues and challenges; to share best practices and capacity building initiatives; and to provide updates (e.g. decisions and discussions from SMC, and progress updates from the sectors). However, neither of these bodies are meant to provide strategic direction and are not decision-making bodies. These two committees have been used by O-IDEA to bring forward ideas and to seek feedback and input before seeking approval or endorsement at Senior Management Committee (SMC) or from the Deputy Minister.

Individual sectors have created governance committees to address the integration of IDEA principles within their respective sectors and for developing and implementing their sector specific IDEA Plans. The audit noted that there is variation across sectors in the level of sophistication of sector governance committees. Seven sectors have established working groups and/or task teams that meet regularly to plan and implement initiatives from sector IDEA action plans. Three sectors have established working groups but have not been meeting regularly or have been put on hold, with plans to restart meetings in 2024. One sector does not have a working group; however, there are plans to establish one in 2024.

Strategic decision-making pertaining to IDEA currently takes place at the Senior Management Committee (SMC), as it was identified as the primary forum for establishing priorities and tracking progress with diversity and inclusion as a standing agenda item. In the fall of 2023, O-IDEA obtained

the Deputy Minister's approval to establish a dedicated IDEA ADM Leadership Committee that would supplement SMC's current focus on IDEA. This committee would serve as an additional departmental governance decision-making body and support accountability for IDEA integration. This new committee is intended to hold meetings on a quarterly basis; however, the audit team observed that as of the end of the audit scope period (December 2023), this committee has yet to meet.

Other Key Stakeholders

Another key player in the Department's integration of IDEA is the Human Resources Branch (HRB) within the Corporate Management and Services Sector. The Accessibility, Inclusion, Diversity, and Employment Equity (AIDE) team in HRB is responsible for addressing and implementing legally mandated requirements, such as impacts and implications of the *Accessible Canada Act* and the *Public Service Employment Act*. Additionally, they are responsible for the employment equity program, including self-identification, and all data related to employment equity. HRB is an active participant in the IDEA governance committees, and there is close collaboration with O-IDEA.

The AIDE team coordinates the Department's reporting to central agencies for several mandated requirements such as the Multiculturalism Report, and progress reporting for NRCan's Accessibility Action Plan. The AIDE team is also responsible for NRCan's implementation of recommendations from CHRC (Canadian Human Rights Commission) audit reports. The recommendations from the 2022 audit on employment equity of racialized employees have been all implemented, with NRCan providing outstanding documentation for validation in February 2024. The AIDE team provides

support to NRCan's employee networks by managing their budgets and providing administrative support such as communications and translation for events and initiatives.

The audit team found that the relationship between O-IDEA and HRB is not clearly defined, and that roles and responsibilities are not clearly understood. Documentation to delineate clear roles and responsibilities had been drafted but was never formalized. The audit team noted that the distinction between the support provided to networks by AIDE and the support provided by O-IDEA is not clearly understood by the networks.

HRB's contribution to the Department's efforts in IDEA integration are as the lead for the NRCan Workforce Pillar. This includes activities such as providing employment equity data to sectors, running the self identification campaign, and developing the NRCan Accessibility Action Plan. HRB also plays a key role in recruitment, inclusive staffing, and talent management. There could be an opportunity to better leverage the support and involvement of HRB at a more strategic level.

NRCan's employee networks also play a role in integrating IDEA within the department. Networks under the *Employee Equity Act* (Employee Equity Networks) have been collaborating with other IDEA governance structures to directly engage with and integrate IDEA principles and practices. This is done by participating in meetings, discussions, programs, panels, the developmental phases, and in providing feedback on Language Acts, Policy Pillars, and other Workplace Strategies. The networks that are not considered under the *Equity Employee Act* have expressed interest and desire to be included in the collaborative and communicative efforts to support the integration of IDEA, but are sometimes overlooked.

The Clerk's CTA includes the overall objective for Deputy Ministers to provide an inclusive, safe, and respectful workplace for all employees. NRCan's Public Service Employee Survey provides insights on the reasons why employees do not file a grievance or formal complaint after experiencing harassment. Specifically, the 2022 Survey results show that there are two main reasons for this, which relate to the fear of reprisal and the belief that the complaint process would not make a difference. In consultation with HRB and O-IDEA, the department established an Ombuds Office. The Ombudsperson was appointed on March 28, 2024. This function is intended to be a neutral and independent function that creates a safe space for employees to express concerns, such as those related to workplace harassment, discrimination, and racism. Engagement with internal and external stakeholders was conducted to explore options and best practices for setting up an ombuds office. A Terms of Reference and Charter have been drafted, outlining the core values and scope of the work of the ombudsperson.

IDEA Accountability

Government-wide corporate priorities developed and shared by the Privy Council Office and Treasury Board of Canada Secretariat (TBS) reflect efforts to integrate IDEA as a response to the Clerk's CTA. NRCan uses these priorities and departmental commitments for all NRCan executives, which includes common performance measures. Executives' actions to address these commitments are reflected in their performance agreements. In this way, all executives are responsible for their sector's progress on integrating IDEA. The Office of IDEA supports sectors and coordinates departmental efforts. Since O-IDEA is not accountable for the entire department's success, additional work is needed to examine and determine how to manage the shared accountability of integrating IDEA.

Risk and Impact

Without an overall approach and cohesive plan that set out concrete objectives and actions for the integration of IDEA in the Department, there is a risk that objectives will not be achieved.

Without clear roles and responsibilities between O-IDEA and HRB there is a risk of duplication of efforts and gaps in integrating strategic perspectives from the human resources function, as well as missed opportunities for sectors and employee networks to seek and obtain the support they need to integrate IDEA.

Without an executive level governance body dedicated for IDEA, an overarching departmental strategy for implementation, and clear accountability, there is a risk that the department is unable to make meaningful and enduring progress on integrating IDEA.

Recommendations

Recommendation 1: It is recommended that the DG of O-IDEA develop and communicate an overall approach and cohesive plan that sets out concrete objectives and actions for the integration of IDEA in the Department.

Recommendation 2: It is recommended that the DG of O-IDEA, in collaboration with the ADM CMSS, formalize the delineation of clear roles and responsibilities between the O-IDEA and HRB, to better leverage the support and involvement of HRB at a more strategic level.

Recommendation 3: It is recommended that the DG of O-IDEA, in collaboration with the Senior Management Committee, review the current governance structure for IDEA to ensure that it supports implementation of an overarching departmental strategy and clear accountability to ensure meaningful and enduring progress on integrating IDEA.

Management Response and Action Plan

Management agrees.

In response to Recommendation #1:

IDEA will leverage existing governance committees (IDEA Advisory and Sector Leads Committees), NRCan's Employee Networks, and other departmental level committees including SMC, PRC, and HRC to ensure a thorough consultation approach to develop and communicate an overall approach and cohesive plan that sets out concrete objectives and actions for the integration of IDEA in the Department.

The O-IDEA Logic Model presented to SMC in Fall 2023, which includes specific actions and accountabilities over the short, medium, long term, will be used as a basis for to develop the IDEA Strategic Plan and will be communicated to stakeholders.

The final plan will be presented by the DG, O-IDEA for SMC approval and will be communicated to all NRCan employees.

Position responsible: DG: O-IDEA

Timing: Q3 2024-25

In response to Recommendation #2:

O-IDEA DG will work with the ADM CMSS to establish clear roles and responsibilities which will be clearly documented, formalized and communicated.

A series of engagements will be held to formalize the delineation of clear roles and responsibilities between the O-IDEA, HRB and additional IDEA stakeholders. Preliminary work that has already been done on this objective will be leveraged.

Position responsible: DG O-IDEA

Timing: Q1-Q4 2024-25

In response to Recommendation #3:

O-IDEA in collaboration with SMC will review the current NRCan IDEA governance structure including all three committees: ADM IDEA Leadership, Advisory Committee, Sector Leads Committee. The review will consider whether the structure is working effectively, and doing the right things to support the overall strategy.

The review of mandates and purpose of governance structures will also include assessment of accountability and coordination of capacity building activities.

The review will help identify where there is duplication of activities, inconsistent sharing of best practices, and/or lack of monitoring of the effectiveness of the various activities to ensure they're achieving intended results.

The Senior Leadership Committee (SLC) proposal that was established and approved by the DM in Fall 2023, will be referenced and updated based on the outcome of the above review.

Position responsible: DG O-IDEA

Timing: Q2 2024-25

Performance Measurement

Summary Finding

Overall, the Department has developed an IDEA logic model that serves as a framework for performance measurement. IDEA integration has also been included in the Department's Integrated Business Plan and Corporate Risk Profile. Various sources of data have been collected and made

available to support performance measurement. There are opportunities to formalize a performance measurement framework that includes expected results and key performance indicators. This would also identify what additional data should be collected and analyzed to track progress and inform decision making.

Supporting Observations

Business processes should be in place to support adequate performance tracking, monitoring and reporting of the Department's progress on IDEA integration, and to facilitate the sharing and use of key information to relevant parties. The audit examined whether there are processes in place to track, monitor and report on the Department's progress and performance. Further, the audit examined whether relevant and timely performance data is collected, analyzed, and shared to support and inform decision-making activities.

Performance Measurement

As mentioned in the above section, the Department has developed a 3-year Integrated Business Plan which incorporates IDEA. The integration of IDEA has also been identified as a strategic risk in the Corporate Risk Profile. The audit team noted that for all risk categories, including IDEA, the CRP had a note that target dates and level of effort or resources for action plans are to be confirmed through monitoring. The IDEA template that was developed initially to solicit sector input for the IBP process has evolved into a more detailed reporting template to guide sectors in the IBP reporting process. The template also serves the purpose of identifying and tracking IDEA progress for each sector. Some sectors continue to conduct separate annual reviews and updates to their sector action plans, as they found the exercise useful. The audit team noted that progress updates are provided

regularly at the IDEA Sector Leads Committee, and that Sector Leads are responsible for monitoring their sector's implementation of IDEA initiatives.

The Department is currently in its second year of the Integrated Business Planning cycle. Progress on priorities, including IDEA integration, is consolidated and reported to senior management to inform decision making. Departmental employment equity gaps are regularly reported to SMC to demonstrate progress on the department's efforts to address these gaps. There are plans for sectors to provide quarterly reporting on progress towards addressing employment equity gaps. Interviews with sector representatives revealed that not all sectors have a clear understanding of how and whether IDEA progress monitoring and reporting is being done. Some sectors indicated that they report progress through their senior management to O-IDEA at quarterly meetings. All sectors provide input into the IBP process, but some are unclear on whether this is considered IDEA progress reporting, or whether the information goes to O-IDEA.

Outside of their participation in the IBP process, there is a range across sectors in terms of maturity of their internal performance tracking and monitoring. Some sectors are more mature in their IDEA integration due to the work of internally established sector IDEA committees to develop, implement, and monitor their sector IDEA action plans. Three sectors have established or are developing performance measurement strategies or frameworks with metrics and milestones to monitor progress. Four sectors track progress and report internally to sector management on a regular basis, with a formal performance measurement framework or identification of metrics and indicators. Other sectors are less mature in their IDEA

integration due to limited resources and/or staffing changes. These sectors are focused on taking tangible actions towards IDEA integration, rather than formally planning, documenting, and monitoring IDEA progress.

The IDEA logic model was developed based on the work and refinement of a previously drafted IDEA performance measurement framework that was presented to senior management in 2022. It contains high-level IDEA inputs, activities, outputs, and expected outcomes, a list of stakeholders who have been consulted, and the identification of stakeholders who are implicated in the implementation of the model. While a logic model can be a useful and important tool for planning and performance measurement, it does not serve the same purpose as a performance measurement framework or strategy. Although efforts have been made to develop an approach for tracking and monitoring IDEA progress through the logic model and through the work of the IDEA Sector Leads Committee, the audit team noted that there is no formal performance management framework with identified expected results and key performance indicators in place.

IDEA Data

One of the pillars of IDEA is looking inward at data on the NRCan workforce. The Department has committed to reducing all employment equity gaps by 50% in 2022-23 and further eliminating all gaps by 2024-25. As the lead for the NRCan Workforce pillar, the Human Resources Branch in the Corporate Management and Service Sector has been providing employment equity data to sectors in order to identify gaps and establish targets for closing employment equity gaps. This data is used by sectors for staffing purpose. Some sectors have conducted further analysis to look at employment equity representation gaps based on job classifications and have used this information with the objective of closing employment equity gaps when hiring. For example, one sector noted that there are no

employment equity gaps for women in their sector. However, when the data was disaggregated by job classification, the sector was able to identify that a gap existed for women in one particular job classification. This gap is now being actively addressed through staffing efforts. Most sectors do not collect their own data, outside of completion status for their sector action plan activities.

O-IDEA acknowledges that “improving the evidence base for [diversity and inclusion] will address a data gap that is limiting effective analysis and action across the other pillars of the framework”. The IDEA Workforce Data Working Group was established by O-IDEA in July 2023 to analyse and identify barriers and opportunities around workforce data gathering and validation. The working group has been meeting monthly to share information and challenges around data and workforce goals, and to help establish the current baseline and targets among other workforce-related areas.

The Centre of Expertise on Gender Based Analysis Plus has developed a data collection best practices report and toolbox. These tools were established after consultations and interviews with all departmental programs, based on the Department Results Framework. The goal was to establish a baseline of where the Department was at, so progress could be identified year after year. The report also serves as a basis for data training for the Department, which is under development.

Additional data sources being used by sectors to support their IDEA activity planning include results from the Public Service Employee Survey, NRCan self identification data (HR and staffing data) and Census 2016 data. With the available PSES data, the data is disaggregated to a level that allows

most sectors to look at the intersectionality of employment equity groups and job classifications; however, the data is suppressed for smaller groups to protect individuals' privacy and may be less useful for these groups.

The audit team noted that there is not a common understanding of what data is needed to be collected and analyzed to track progress and inform decision making. While the Renewed CTA includes several actions that are specific and measurable (e.g. sponsoring employees for leadership roles, and endorsing recruitment campaigns), there are benefits to a more intentional focus on identifying meaningful indicators to monitor progress on all the other actions.

Risk and Impact

Without a formalized performance measurement framework that identifies expected results and key performance indicators, there is a risk that the Department would not be able to tangibly monitor and measure progress on IDEA integration.

Without a common understanding of what data is needed to be collected and analyzed, there is a risk that the Department would not be able to meaningfully track IDEA progress and inform decision making.

Recommendations

Recommendation 4: It is recommended that the DG of O-IDEA finalize and implement a performance measurement framework with expected results and key performance indicators, as well as additional data that needs to be collected in order to monitor and report on the Department's progress on IDEA.

Management Response and Action Plan

Management agrees.

In response to Recommendation #4:

O-IDEA will build on work underway to finalize an IDEA performance measurement framework. Several existing components will be leveraged: IDEA Logic Model, Corporate Risk Profile, IBP results, among others.

The Performance Measurement Framework will identify expected results, data gaps, methods used to collect data, monitoring and reporting mechanisms.

O-IDEA will work with stakeholders in support of the aforementioned activities and establish data sharing agreements where needed.

Momentum be maintained by establishing an annual planning and reporting cycle to update data and deliverables.

Position responsible: DG O-IDEA

Timing: Q4 2024-25

Capacity Building Activities

Summary Finding

Overall, the Department has established capacity building initiatives, including training and guidance, to enable IDEA integration in NRCan's internal workplace, and administration of public-facing policies and programs. Initiatives address a diverse set of subject matter and vary in the manner and extent in which they may equip departmental staff to achieve progress on embedding IDEA within the organization. There is a need to ensure all capacity building initiatives are developed, organized, and offered in a coordinated way that creates a workplace that fosters and is conducive to systemic IDEA integration.

Supporting Observations

Capacity building initiatives, including training and guidance, should be executed to equip departmental staff in integrating IDEA in the workplace as well as in the administration of the Department's policies and programs. The audit examined whether the Department has executed capacity building initiatives, including establishing training and guidance materials, on how to integrate IDEA in the workplace and the administration of the Department's policies and programs.

Type and Content of Capacity Building Initiatives Established

The audit observed that the Department has established capacity building initiatives to enable IDEA integration in both of the following categories: the workplace (including: workforce, departmental culture, corporate services), and the administration of policies and programs (including: public policy, program and service delivery, research and science practices).

Capacity building initiatives that enable IDEA integration in the workplace showed both potential to equip staff with general IDEA awareness of how and why IDEA should be applied to the corporate context, as well equip staff with the knowledge on how IDEA can be applied to create systemic long-term change. Moreover, many capacity building initiatives that enable IDEA integration in the administration of policies and programs inherently have the potential to equip staff with the tools to embed IDEA within the processes and systems that facilitate the delivery of NRCan's core outputs.

The audit team reviewed and considered capacity building initiatives as activities and mechanisms that promote learning and communication related to the implementation of IDEA, and activities and initiatives that enable the implementation of IDEA.

The type and nature of capacity building initiatives established is diverse, enabling staff to participate in various educational opportunities according to individual learning preferences, availability, and capacity. The nature of established capacity-building initiatives to enable IDEA integration in the workplace, and policies and programs can be classified under seven main umbrellas:

Analysis, document review, environmental scan

Review and/or assessment of existing policies and programs for integration of IDEA and/or GBA+ principles

Communications material

Comprised of internal communications products that raise awareness and understanding of or invoke action towards an IDEA-based topic or situation. Communications material took the form of announcements, news, and updates on *The Source*, the department's Intranet and weekly newsletter, emails, messages, and podcasts

Events, discussion forums, presentations, conferences

Recurring or one-off in nature, assembles participants together, and varies in formality

Guidance, reports, strategies

Educational and informational documentation that provide readers with advice, direction or a standard protocol

Tools

Hands-on in nature and enable users to directly apply IDEA principles to their work and engagements

Training

Ranging from virtual and in-person webinars, sessions, workshops, or learning activities that are educational in nature. Includes both mandatory and voluntary training

Working groups

Organized groups of participants who meet on a recurring basis to work towards common IDEA objectives

Most capacity building activities pertaining to IDEA are non-mandatory, and most training that is mandated is primarily for Managers and Executives. The Mandatory Training webpage on *The Source* lists Canada School of Public Service training required for NRCan staff. All Supervisors, Managers with staffing sub-delegation and Executives must complete Inclusive Hiring Practices for a Diverse Workforce; and, Executives must also complete Leading Diversity, and Adopting an Inclusive Mindset at Work. Additionally, the Department has established a requirement for a minimum of eight-hours of self-directed Indigenous learning, which all staff regardless of level or classification, are expected to complete each fiscal year.

Three sectors were observed to also have implemented sector-specific IDEA training requirements for employees, expanding the eight-hour self-directed Indigenous learning requirement to include an additional seven hours of self-directed IDEA learning that should be tracked annually through each employee's learning plan. These sectors have also provided staff with resources and ideas for learning material to support staff in achieving the 15-hour mandate. A fourth sector indicated their intention to pilot a similar requirement in two of its branches.

Capacity building initiatives pertain to a wide range of subject matter that focus on universal IDEA topics. Many initiatives exist pertaining to IDEA in corporate applications such as the Inclusive Hiring for Managers Engagement Session, Gender Inclusive Correspondence Strategy, and the Inclusive Science's Accessible Labs Pilot Project. There were also many inclusive science initiatives observed that spoke to a wide range of science considerations such as the Advancing Inclusive Science event, and the Inclusive Science Best Practice event. Additionally, the audit observed that many capacity building initiatives were developed with a more targeted

focus on IDEA application related to the sectors' respective area of expertise and mandate. This was found to be true especially for initiatives that enable IDEA integration in policies, programs and science.

Stakeholder Involvement in Development of Capacity Building Initiatives

The audit found that the O-IDEA develops some initiatives, mainly to integrate IDEA in the workplace. The O-IDEA aims to collaborate with sectors during Integrated Business Planning (IBP) to help identify any additional training and support needed related to IDEA rather than providing prescriptive guidelines on what initiatives should be offered or completed. The O-IDEA primarily provides a supporting role to the other parties involved in the establishment and roll out of initiatives. For example, O-IDEA supported the execution of the IDEA Toolkit with SPI, co-led the Inclusive Science Research Study with CFS, and collaborated with the Internal Communications Unit in the Communications and Portfolio Sector, Employee Networks, and NRCan's Deputy Ministers (DMs) on the NRCan Commemorative Days Strategy. The O-IDEA was engaged and consulted by the Office of the Chief Scientist (OCS) on changes to the Career Progression Management Framework for Federal Researchers (RE Framework) regarding the integration of IDEA principles, and collaborated with HRB to support the availability of employment equity data to enable representative policy making.

The audit team recognizes several initiatives that have the potential to equip staff in creating sustainable culture change and systemic departmental impact. See **Figure 1** for examples of some of these initiatives.

Figure 1 – Example Initiatives

HRB, O-IDEA, AccessAbility Network's NRCan Accessibility Action Plan: Three-year departmental roadmap highlighting nine priority areas for accessibility to be improved, including culture, built environment, and design and delivery of programs and services.

HRB's Inclusive Hiring Guide: Guidance for managers to conduct inclusive hiring processes from the planning stage to appointing a candidate.

GBA+ COE's GBA+ 101 Training: Introductory training on the GBA Plus analytical process and how to use the intersectional tool to develop inclusive policies, programs, and initiatives.

GBA+ COE's GBA+ Data Collection Best Practices Report.

Conversely, some initiatives are specific to an individual sector's mandate, such as the Energy Efficiency and Technology Sector's (EETS) Electrification Workshop where one of three key themes discussed in the training was why IDEA is important for and how IDEA should be incorporated in the design and delivery of research EETS's Development and Demonstration (RD&D) projects. See **Figure 2** for examples of other initiatives developed by sectors.

Figure 2 – Example Sector Initiatives

CFS, OCS, Nòkwewashk, O-IDEA's Inclusive Science: Set of initiatives to build necessary capacity to advance and embed IDEA in science and research.

CFS, OCS, CMSS, EETS, AccessAbility Network, O-IDEA's Accessible Labs: Set of activities to promote accessibility of NRCan labs and address the hiring gap for people of diverse abilities.

CFS' Common Call for Proposals: Project proposal template and ancillary guidance that incorporate Indigenous Knowledge, IDEA, and GBA+ considerations in applicants' research.

Volunteer led employee equity networks noted that their meetings provide a safe space for members to discuss and share concerns about issues impacting their community. Several networks indicated that their internal membership's collaboration and their collaboration with other networks is a strength and they have been able to learn and leverage best practices from more mature networks. Networks have also been heavily involved in leading and supporting initiatives for their membership in addition to enabling IDEA integration in the workplace. (See **Figure 3** for examples of initiatives developed by employee networks and communities.)

It was observed that employee equity networks are often requested to consult on departmental initiatives, regardless of whether these activities are within the scope of the network's mandate. Some networks suggested that this can adversely affect the network, as it may result in a lack of time and resources to support membership, or cause 'consultation fatigue' for members. Although the department provides funding to employee networks to support their activities, network representatives noted resourcing as a constraint to executing desired initiatives, given that there is finite departmental funding to support networks and they rely on their members to volunteer to support initiatives. These volunteer activities are in addition to their substantive roles and are not consistently formally recognized through Performance Agreements or other means. Another challenge identified by networks was the accessibility to participate in and attend training and events, if not granted permission by managers.

Figure 3 - Example Initiatives led by Employee Networks and Communities

AccessAbility Network's Time for Us Event: Informal forum for the Network's community to come together to talk, share lived experience, provide each other with support.

Black Employees Advisory Council (BEACON) Black History Month Spotlight: Interview with some of NRCan's Black colleagues to share stories and wisdom, and honour the Black community in recognition of Black History Month.

Policy Analyst Recruitment and Development Program (PARDP), Visible Minorities Advisory Council (VMAC), Young Professional Network (YPN) Mentorship Program: Career development program for working-level mentees from equity-deserving communities to connect with and shadow a senior-level mentor.

Communication and Accessibility of Capacity Building Initiatives

The audit found that communication of initiatives is generally effective, with some room for improvement. The Communications and Portfolio Sector (CPS) plays a lead role in the Department's corporate context, providing internal communications to the Department to inform, spread awareness, and invoke actions on various IDEA topics via *The Source* intranet and email newsletters. Internal communications regarding departmental initiatives such as guidance, reports, and tools are typically shared in a timely manner via these mechanisms when initiatives are launched and/or incur significant updates. Departmental trainings, conferences, events, and presentations were largely found to be added to the calendar of events on *The Source*, and communicated via the weekly *The Source* newsletter in a timely manner. Most departmental events, discussion forums, presentations, conferences, and some trainings are

typically accessible to register via *The Source* and accessible to view or participate in virtually, on MS Teams or Zoom, or in a hybrid capacity (both virtual and in-person options). Some of these initiatives are recorded or transcribed and available to watch or read at another time. Additionally, the audit team also observed that groups who host regular trainings or events, such as the AccessAbility Network, GBA+ COE and the Circle of Nations keep an evergreen list of upcoming events for which participants can register, which is noted as a best practice.

Many sectors indicated that they also promote and circulate communications regarding capacity-building initiatives within their sector to ensure high level of awareness of available activities. The audit team observed that the primary mechanisms used by sectors to communicate and promote initiatives with staff include: all-staff emails from senior management, sector newsletters, and townhalls and all-staff meetings. Additionally, some sector-specific initiatives are only shared with and available to the individual sector in which it was intended for. Therefore, there is an opportunity for improved inter-sector discussion and exchange of ideas through the Advisory Committee.

Continuous Improvement in Support of Capacity Building Initiatives

Overall, the audit observed that while progress has been made, current capacity building efforts are not yet comprehensive and sufficient to support staff in integrating IDEA in the Department. Although many positive and potentially impactful initiatives exist, the decentralized approach to capacity building has not been optimized to ensure systematic coverage of all learning objectives and desired outcomes. Likewise, many initiatives have not been reviewed and updated since their inception, therefore opportunities for continuous improvement exist.

There has been some work and discussion by central groups and sectors to identify current and desired IDEA competency, and to fill resulting gaps and the audit noted that some initiatives document learning objectives and desired outcomes. However, there is a lack of documented identification of all competency gaps, which poses a challenge to intentionally target efforts to achieve the desired state of IDEA competency within the Department. The O-IDEA indicated this exercise to be an objective of fiscal year 2024-2025.

O-IDEA and HRB have been working to develop a pilot sponsorship approach to address the Clerk's Renewed CTA on sponsoring at least two Indigenous, Black or racialized employees for leadership roles. The aim is to launch a DM Sponsorship program, and identify and nominate successful candidates into the program in Fall 2024. The program is intended to match eligible candidates with senior leaders in order to work towards their career goals through mentorship and specific activities and assignments prepared by the sponsor. At the end of the 18-month program, successful candidates would be ready for advancement into EX and EX minus 1 positions.

Risk and Impact

Without regularly reviewing and updating capacity building initiatives, there is a risk that the effectiveness of established initiatives may be hindered in equipping staff in integrating IDEA in the workplace and their work.

Recommendations

The audit findings on Capacity Building will be addressed through implementation of audit recommendation three contained in the Governance section of this report.

Management Response and Action Plan

Management agrees.

Refer to notes on recommendation three to ensure observations relating to capacity building activities are addressed. There is an opportunity to leverage governance structures to coordinate capacity building activities to ensure a coordinated approach.

Appendix A – Audit Criteria

The objective of this audit was to assess the overall adequacy and effectiveness of governance, key business processes and activities supporting NRCan's approach to implementing and integrating the principles of IDEA within the Department.

The following audit criteria were used to conduct the audit:

Audit Sub-Objectives	Audit Criteria
Audit Sub-Objective 1: To determine whether effective governance and oversight mechanisms are in place that provide strategic and operational direction, including the communication of IDEA-related objectives. This includes clear roles, responsibilities, and accountabilities to build and reinforce an organizational culture that is inclusive, diverse, equitable, and accessible.	1.1 It is expected that there are effective governance and oversight mechanisms in place to provide strategic and operational direction on IDEA-related objectives and the approach for integrating IDEA in the workplace, policies, and programs.
	1.2 It is expected that roles, responsibilities, and accountabilities for the integration of IDEA principles are clearly defined and communicated.

Audit Sub-Objectives	Audit Criteria
<p>Audit Sub-Objective 2:</p> <p>To determine whether business processes are in place to support adequate performance tracking, monitoring and reporting, and to facilitate the sharing and use of key information to relevant parties.</p>	<p>2.1 It is expected that there are processes in place to track, monitor and report on the Department’s progress and performance.</p>
	<p>2.2 It is expected that relevant and timely performance data is collected, analyzed, and shared to support and inform decision-making activities.</p>
<p>Audit Sub-Objective 3:</p> <p>To determine whether adequate capacity building initiatives, including training and guidance, are executed to equip departmental staff in integrating IDEA.</p>	<p>3.1 It is expected that the Department has executed capacity building initiatives, including establishing training and guidance materials on how to integrate IDEA in the workplace.</p>
	<p>3.2 It is expected that the Department has established training and guidance on how to integrate IDEA in the administration of the Department’s policies and programs.</p>

1 Call to Action forward direction message to deputies - Privy Council Office - Canada.ca

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