

**Treasury Board of Canada
Secretariat**

Performance Report

**For the period ending
March 31, 2005**



Reg Alcock
President of the Treasury Board and
Minister responsible for the Canadian Wheat Board

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1. Overview



Minister's Message

It is with pleasure that I present the Treasury Board of Canada Secretariat's *Performance Report* for 2004–05. This document summarizes the achievements of the Secretariat in meeting the objectives outlined in the 2004–05 *Report on Plans and Priorities*. Documents such as these are critically important, as they provide the foundation for strengthening accountability to Parliament by establishing a clear link between commitments to Parliament and the progress made in delivering on those commitments. They also reinforce accountability between ministers and their deputy heads.

The Government of Canada is the largest organization in the country, manages the biggest workforce, and buys more goods and services than any other Canadian enterprise. Good management is the platform for over \$140 billion in programs and services that contribute to Canada's prosperity and support our social and cultural infrastructure, the health of our environment, and the well-being of our communities and citizens. It also supports public service employees in their pursuit of the public interest.

Like other governments around the world, the Government of Canada must keep up with rapid change in an increasingly dynamic environment. Advances in information and communications technologies have placed a premium on speed and responsiveness in everything government does: whether it is policy development, service delivery, resource allocation, management of internal administrative operations, or reporting to Canadians and Parliament on results. In Canada and around the world, governments are working to modernize their public sectors in response to fundamental changes.

To address these challenges to better serve Canadians, governments need to work faster, smarter, and be more accountable for results. Canadians need an **accountable government** that answers clearly and openly for its performance to Parliament and to Canadians. Canadians also need a **responsive government** that serves citizens and manages itself as a unified, coherent enterprise. And Canadians need an **innovative government**, supported by a highly qualified public service equipped to leverage information and make the best use of public funds while managing risk.

I am proud of the progress we have made. Some examples include:

- ▶ re-establishing the Office of the Comptroller General of Canada to oversee and strengthen internal audit and financial management;
- ▶ strengthening the use of the Management Accountability Framework across government;

- ▶ successfully reallocating \$1 billion on an ongoing basis in program spending from lower to higher priorities;
- ▶ moving forward on the implementation of the *Public Service Modernization Act* and efforts to transform the delivery of internal operations and services to Canadians;
- ▶ completing major operational reviews across government to support continued work on improving expenditure management; and
- ▶ increasing the transparency of government by introducing a new format to the Estimates in November 2004 and implementing mandatory quarterly disclosure of information on departmental Web sites for travel and hospitality expenses and government contracts over \$10,000.

We are continuing our work to integrate program information that supports parliamentarians with better information with which to assess the government's performance. We will also continue to strengthen financial management, internal audit, oversight, and accountability. And, while we have established a process and framework for the renewal of all Treasury Board policies, we will revise these policies and support public service officials who implement them.

As this report shows, the Secretariat is well-positioned for the future. We have moved forward with initiatives to improve management performance, expenditure management, financial management and controls, and corporate management. The Secretariat has completed a restructuring of its internal operations, mandate, and management agenda. Collectively, these efforts will serve the Secretariat and the Treasury Board portfolio well as it works to support government efforts to modernize public-sector management in the months and years ahead.

In closing, I want to recognize the efforts of the men and women of the Treasury Board portfolio and the Secretariat for their support, dedication, and hard work.

Reg Alcock



President of the Treasury Board and
Minister responsible for the Canadian Wheat Board

Management Representation Statement

I submit for tabling in Parliament the 2004–05 departmental *Performance Report* (DPR) for the Treasury Board of Canada Secretariat.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the Preparation of 2004–05 Departmental Performance Reports*:

- ▶ It adheres to the specific reporting requirements.
- ▶ It uses an approved Business Lines structure.
- ▶ It presents consistent, comprehensive, balanced, and accurate information.
- ▶ It provides a basis of accountability for the results pursued or achieved with the resources and authorities entrusted to it.
- ▶ It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Wayne G. Wouters



Secretary of the Treasury Board

Summary Information

1. Departmental Mandate

The Treasury Board of Canada Secretariat has a dual mandate. It serves as the advisory and administrative arm of the Treasury Board of Canada, and it fulfills certain statutory responsibilities of government as a central government agency. In fulfilling these responsibilities, it develops management policies, sets expectations, and oversees departmental performance in relation to these. It also assesses and advises on the efficiency and quality of program spending and service delivery across government, and manages the human resources of government as the employer of the federal Public Service.

Treasury Board

The Treasury Board is a Cabinet committee of the Queen's Privy Council for Canada. It was established in 1867 and given statutory powers in 1869. Its powers and responsibilities are set out in various pieces of legislation, regulations, orders-in-council, policies, guidelines, and practices. While the primary statute setting out the legislative authorities of the Treasury Board is the *Financial Administration Act*, there are over 20 other contributing statutes.

As the general manager of the federal government, the Treasury Board manages the government's financial, personnel, and administrative responsibilities. It establishes management policies and procedures, examines and approves the proposed spending plans of government departments and agencies, and reviews the development and delivery of approved programs and services. As part of these efforts, it provides departments and agencies with authority to expend funds in accordance with government policies and priorities, oversees the performance of departments, agencies, and Crown corporations, and sets standards for a range of reports to Parliament. It also determines compensation, approves terms of employment, and manages the various pension and benefit plans provided for public service employees.

The Treasury Board Portfolio

The Treasury Board fulfills its responsibilities through a portfolio of organizations, including:

- ▶ the Treasury Board of Canada Secretariat, which includes the Office of the Comptroller General of Canada and supports Treasury Board ministers by advising on and overseeing government operations;
- ▶ the Public Service Human Resources Management Agency of Canada, which supports Treasury Board by providing advice and oversight of human resources management across the federal Public Service; and
- ▶ the Canada School of Public Service, which supports the Treasury Board's mandate by ensuring that public service employees have access to the common learning they need to effectively serve Canadians.

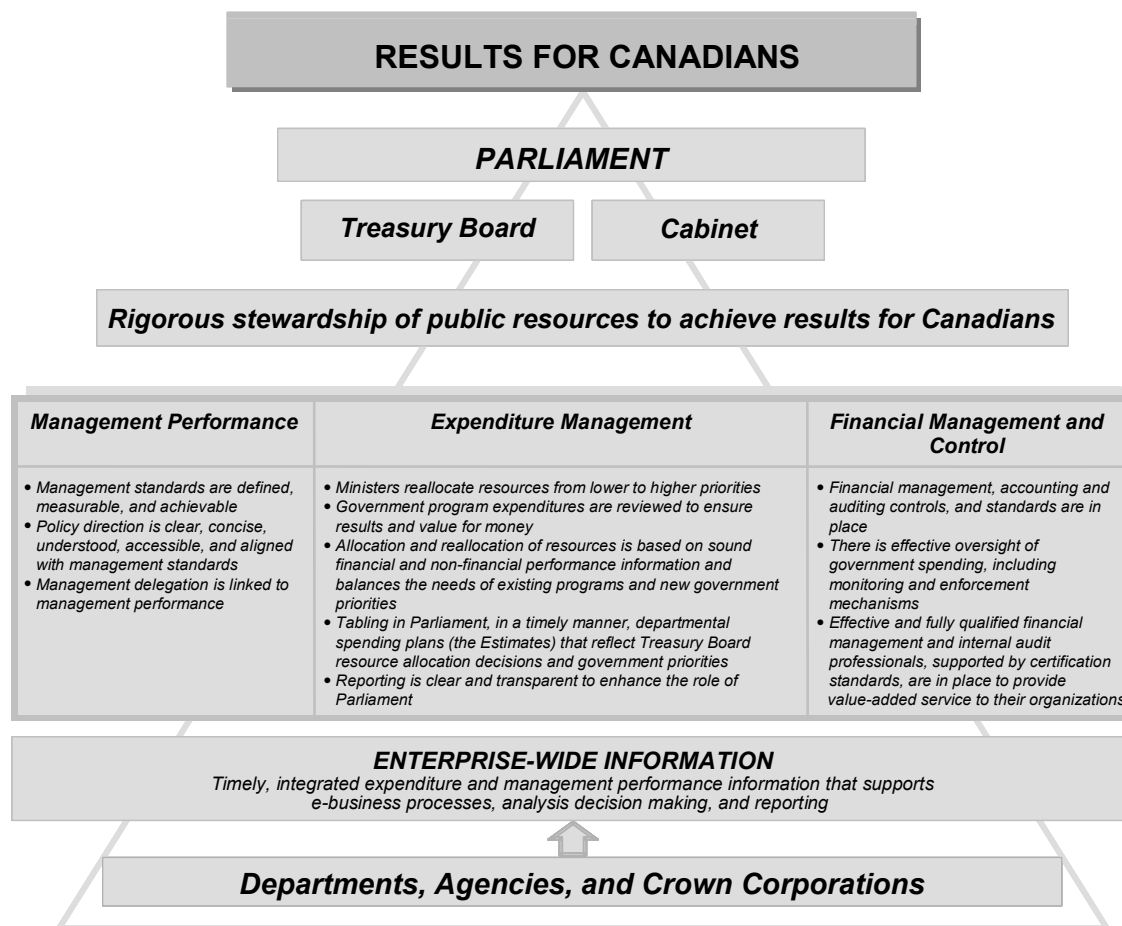
The Treasury Board of Canada Secretariat

The mission of the Treasury Board of Canada Secretariat is to ensure the rigorous stewardship of public resources to achieve results for Canadians. This includes:

- ▶ setting performance expectations and standards for public-sector management;
- ▶ establishing and leading strategies to support the horizontal management of operations across government;
- ▶ assessing departmental, agency, and Crown corporation performance against expectations and providing assurance of probity and value for money for public investments;
- ▶ assessing government operations, programs, and services at the departmental and whole-of-government level and advising the government on ways and means to allocate and reallocate resources to achieve government priorities and objectives;
- ▶ supporting the Treasury Board's role as the employer of the federal Public Service with respect to labour relations, and pensions and benefits, including employee and military compensation;
- ▶ supporting the government-wide service transformation agenda to continuously improve service and quality, and increase Canadians' satisfaction with government service delivery;
- ▶ annually tabling in Parliament the government's overall expenditure plans through the Estimates, departmental reports on plans and priorities (RPPs), and performance (DPRs), audited consolidated financial statements through the Public Accounts of Canada, and other financial information; and
- ▶ supporting the President of the Treasury Board, the Treasury Board, and the Cabinet system as a central agency of government.

2. 2004–05 Strategic Planning Framework and Reporting Structure

The diagram below provides an overview of the Secretariat's strategic planning framework for 2004–05, highlighting the Secretariat's strategic outcome and key objectives.



This planning framework was used by the Secretariat to identify four priorities in the 2004–05 *Report on Plans and Priorities* (RPP) and the key initiatives to support them. The 2004–05 RPP identified the following four priorities under the strategic outcome of rigorous stewardship of public resources to achieve results for Canadians:

- ▶ management performance;
- ▶ expenditure management;
- ▶ financial management and financial control; and
- ▶ corporate management.

To facilitate comparisons with the 2004–05 RPP, this document has been structured around the four priorities and key initiatives, which are reviewed in greater detail in subsequent sections of this document.

While the focus of this document is on the four priorities and key initiatives outlined in the 2004–05 RPP, the financial information in the tables has been developed using the approved business line structure used in the 2004–05 Main Estimates. To facilitate a comparison of the financial information between the business line structure and the priorities, a crosswalk has been provided in Table 1.

3. Overview of Resources and Summary of Performance

Total Financial Resources

Type	Planned	Authorities	Actual
Operating Expenditures	\$148,539,000	\$144,702,800	\$141,686,600
Centrally Administered Funds	\$2,370,396,00	\$2,344,211,200	\$1,433,386,300
Total	\$2,518,935,000	\$2,488,914,000	\$1,575,072,900

The difference between total authorities and actual spending is primarily attributable to unspent Centrally Administered Funds for Vote 5, Government Contingencies (\$640,575,900), Vote 10, Government-wide Initiatives (\$10,750,300) and Vote 20, Public Service Insurance (\$259,498,600). These Centrally Administered Funds are defined in Table 4 of Section III.

Total Human Resources

Planned	Actual	Difference
955	996	41

Status of Performance of Departmental Priorities

<i>Strategic Outcome: Rigorous stewardship of public resources to achieve results for Canadians</i>					
Priorities	Key Initiatives	Summary of Expected Results ¹	Performance Status ²	Planned Spending ³ (\$ thousands)	Actual Spending (\$ thousands)
Management Performance	Strengthen management performance through the government's Management Accountability Framework (MAF) (<i>ongoing</i>)	Identify common indicators for effective management performance by 2005–06	Met expectations	Operating: 51,729 Centrally Administered Funds: 1,609,520	Operating: 48,045.3 Centrally Administered Funds: 1,433,386.3
		Conduct annual assessments of federal departments and agencies	Met expectations		
	Renew Treasury Board management policies (<i>ongoing</i>)	Create an integrated suite of management policy instruments	Ongoing		
		Renewed policy suite is integrated and streamlined, management challenges are addressed and aligned with MAF	Ongoing		
		Policy instruments related to contracting, procurement, and real property will be renewed by March 31, 2005	Partially met expectations		
		Remainder of policy suite will be renewed by March 31, 2007	Ongoing		

- Complete results statements for each initiative can be found in the 2004–05 Treasury Board of Canada Secretariat's *Report on Plans and Priorities*, available at http://www.tbs-sct.gc.ca/est-pre/20042005/TBS-SCT/TBS-SCTr45_e.asp.
- Performance status:
 - “Met expectations” indicates that all 2004–05 expectations identified in the RPP were fully met;
 - “Ongoing” indicates that milestones for results were identified beyond March 31, 2005, and are therefore ongoing;
 - “Partially met expectations” indicates that some or most of the 2004–05 expectations were met; and
 - “Not met” indicates that the result statement was not achieved in the timeframe specified and/or where significant work remains.
- Planned spending figures reported in the 2004–05 *Report on Plans and Priorities* projected an initial plan for restructuring. In June 2004, the Secretariat initiated an in-depth reorganization process, which included the re-alignment of resources. As this reorganization was not completed until early 2005–06, Actual Spending figures reported above are based on the original structure.

<i>Strategic Outcome: Rigorous stewardship of public resources to achieve results for Canadians</i>					
Priorities	Key Initiatives	Summary of Expected Results ¹	Performance Status ²	Planned Spending ³ (\$ thousands)	Actual Spending (\$ thousands)
	Build public service management capacity (<i>new</i>)	Establish objectives and begin development of a core learning framework for public service managers and functional communities	Partially met expectations		
		Establish mechanisms for the development of professional certification standards for several public service functional communities	Partially met expectations		
	Proactive disclosure of government spending (<i>ongoing</i>)	Departments and agencies will begin to report on all contracts for goods and services exceeding \$10,000	Met expectations		
		Consider other types of information that could be made routinely available	Ongoing		
	Strengthen accountability and governance regime (<i>new</i>)	Review the compliance and sanctions mechanisms under the <i>Financial Administration Act</i>	Partially met expectations		
		Review and better define the respective accountabilities and responsibilities of ministers and senior public service officials	Partially met expectations		
		Review and improve the governance and transparency of Crown corporations	Ongoing		
	Transform government service delivery to improve efficiency and effectiveness (<i>new</i>)	A longer-term strategy for sustaining the common infrastructure (Secure Channel) will be developed	Met expectations		
		Government-wide operational reviews of Corporate and Administrative Services, Use of Information Technology and its Management, and Service Delivery Infrastructure will be completed	Met expectations		
		A coherent service vision and strategy will be presented to ministers	Partially met expectations		
		Federal priorities for interjurisdictional service collaboration identified and options for service delivery partnerships will be explored	Partially met expectations		
		Strategies to accelerate the shift to self-service will be developed and implemented in key departments	Met expectations		

<i>Strategic Outcome: Rigorous stewardship of public resources to achieve results for Canadians</i>					
Priorities	Key Initiatives	Summary of Expected Results ¹	Performance Status ²	Planned Spending ³ (\$ thousands)	Actual Spending (\$ thousands)
		A new service policy will be developed, as well as a strategic framework, including approved and communicated performance measures	Not met; work continues		
		Legislative or policy barriers to integrated service delivery will be identified and options for addressing issues determined	Partially met expectations		
		Departmental participation in the Service Improvement Initiative will increase and there will be a 10 per cent increase in overall client satisfaction by the end of 2005	Met expectations		
Expenditure Management	Review government expenditures (<i>ongoing</i>)	Support ongoing expenditure review by reviewing horizontal and policy issues, Government Operations, and departments and agencies	Partially met expectations	Operating: 50,109 Centrally Administered Funds: 750,844.2	Operating: 38,008.7 Centrally Administered Funds: 0
	Reallocate from lower to higher priorities (<i>ongoing</i>)	Confirm reductions of departmental reference levels of \$1 billion on an ongoing basis	Met expectations		
	Improve expenditure management and performance information (<i>ongoing</i>)	Expenditure Management Information System (EMIS) will integrate government-wide information and be used for the production of the Annual Reference Level Update and Main Estimates for 2005–06	Partially met expectations		
		EMIS will incorporate the Program Activity Architectures for departments and agencies and be ready for the 2005–06 Estimates Cycle	Met expectations		
		Continued EMIS development to be ready for 2006–07 for active data flows to align actual spending to planned budgets	Ongoing		
	Reform estimates and reporting to Parliament (<i>ongoing</i>)	Secretariat capacity strengthened to promote accountability, transparency, and good governance	Ongoing		
		A more streamlined approach to reporting will be developed	Partially met expectations		

<i>Strategic Outcome: Rigorous stewardship of public resources to achieve results for Canadians</i>					
Priorities	Key Initiatives	Summary of Expected Results ¹	Performance Status ²	Planned Spending ³ (\$ thousands)	Actual Spending (\$ thousands)
		Better alignment of departmental efforts to achieve government priorities and a more strategic, integrated, and cross-departmental approach to plans, expenditures, and results	Partially met expectations		
		Better information to support Parliament in expenditure approval and oversight	Partially met expectations		
Financial Management and Financial Control	Strengthening financial accountability (<i>ongoing and new</i>)	Sound resource stewardship, reinforced by oversight, including review and sign-off of new spending initiatives, effective professional departmental comptrollers and financial officers, and appropriate financial controls, standards, policies, and reporting that are supported by effective monitoring and enforcement mechanisms	Partially met expectations; ongoing	Operating: 8,496 Centrally Administered Funds: 31.8	Operating: 18,958.4 Centrally Administered Funds: 0
	Strengthening internal audit (<i>ongoing and new</i>)	Effective internal audit that provides value-added information for effective decision making, supported by effective and professional chief audit methodologies and tools	Met expectations; ongoing		
	Building public service financial and audit capacity (<i>ongoing and new</i>)	Effective and fully qualified financial management and internal audit professionals who provide value-added service to their deputy heads and are supported by certification standards, fully developed core learning curricula, specialized programs of recruitment and retention, and mechanisms that promote mobility, professional independence, and life cycle career management	Met expectations; ongoing		
	Strengthening financial management systems (<i>ongoing and new</i>)	Effective financial management and control, better decision making, and a much improved ability to reallocate resources to delivery on accountability, transparency, and oversight, accompanied by a reduced administrative burden and cost	Met expectations; ongoing		

<i>Strategic Outcome: Rigorous stewardship of public resources to achieve results for Canadians</i>					
Priorities	Key Initiatives	Summary of Expected Results ¹	Performance Status ²	Planned Spending ³ (\$ thousands)	Actual Spending (\$ thousands)
Corporate Management	Restructure the Treasury Board of Canada Secretariat (<i>new</i>)	Implement a new organizational structure that meets the needs of the President and is approved by the Treasury Board	Partially met expectations	Operating: 38,205 Centrally Administered Funds: 10,000	Operating: 36,674.1 Centrally Administered Funds: 0
		Implement a new governance regime to better define accountabilities	Met expectations		
		Develop measures to support continuous reallocation and to deliver on the government's plan to strengthen public-sector management	Ongoing		
	Re-engineer internal business processes (<i>new</i>)	Through 2007, the Secretariat will review, re-engineer, and implement key internal business processes to strengthen its capacity for oversight and improve relations with other central agencies, the Treasury Board, and Parliament	Ongoing		

4. Operating Environment

The Treasury Board of Canada Secretariat operates in a very complex environment. It not only oversees the operations of the federal government as a whole, it plays a key role in leading and managing change within government.

This is a major task. The federal public sector is the largest organization in Canada. With over \$200 billion in expenditures, it is seven times larger than any other enterprise in the country. With 450,000 employees, 200 organizations, 400 million transactions a year and 1,750 points of service, it is arguably the most complex institution in Canada. To develop policies and design and deliver programs and services, it relies on a multitude of arrangements with other governments and with non-governmental players, including voluntary organizations, private-sector companies, think tanks, academia, research and science organizations, land trusts, and others to deliver value for money and results to Canadians. Underpinning its capacity to do this well are good management and an effective and efficient workforce.

The public sector must modernize how it works. Globalization, the information revolution, greater demand for openness, and increased scrutiny have all intensified pressures to strengthen management, accountability, and transparency across the public sector. Pressures are also increasing to modernize human resources management in government as the demographic profile of the federal public sector ages and as Canada becomes ever more diverse. Governments everywhere are facing increasing public demands to provide more relevant and integrated services and better demonstrate results in delivering value for money from programs and services.

Fiscal year 2004–05 was also a period of significant change and transition. On December 12, 2003, the government introduced major changes in the organization of departments, re-structuring close to 25 per cent of the federal public sector and announcing a major review of government expenditures. The structural changes to the government included changes to the mandate of the Secretariat, which was re-focussed on its core business of providing oversight of the stewardship of public resources to provide results for Canadians.

Further, the Auditor General of Canada released her November 2003 report addressing the sponsorship program and advertising activities in February 2004. The government responded immediately with the creation of the Gomery Commission of Inquiry and commitments to review the governance of Crown corporations, the *Financial Administration Act* (FAA), and the accountabilities and responsibilities of ministers and senior officials.

The result was a very challenging operating environment. The Secretariat played a major role overseeing the structural changes implemented across the federal government, supported the government's expenditure review processes, and led the governance reviews, while managing major changes in its own organizational mandate and structure. While these changes placed

significant stress on the organization, major progress was made in laying the foundation required to support the government's management modernization agenda.

5. Overview of the Secretariat's Performance

To meet these challenges and deliver on the government's agenda to modernize public-sector management, the Secretariat focussed its efforts in fiscal year 2004–05 on:

- ▶ enhancing accountability and better linking management performance to results;
- ▶ strengthening expenditure management to improve the ability of the government to demonstrate value for money and reallocate resources from lower to higher priorities;
- ▶ ensuring better financial management and controls, and the ability to assure Canadians that their tax dollars are being spent as intended by Parliament; and
- ▶ improving the internal management and administration of the Secretariat itself.

Significant progress was made in all areas. For example, efforts to lay a more rigorous foundation for assessing the state of public-sector management and management performance moved forward through progress in the development and implementation of the Management Accountability Framework (MAF). To enhance transparency and accountability, the proactive disclosure of government information on the Web was extended to contracts over \$10,000. To support efforts to manage programs more efficiently and improve expenditure management, major horizontal reviews of operations and programs were conducted in areas such as climate change, support for Aboriginal peoples, procurement and contracting, and corporate administrative services. In addition, progress was made in strengthening financial controls with the re-establishment of the Office of the Comptroller General of Canada and efforts to significantly enhance financial management and internal audit across the Public Service.

The Secretariat also made important strides in a number of other areas not specifically identified in the 2004–05 RPP. For example, as part of its efforts to ensure the long-term sustainability of public-sector pension plans, the Secretariat completed policy work on employee contribution rates for the Canadian Forces, Royal Canadian Mounted Police, and public service pension plans. It also completed work on amending the formula by which pension plan benefits are co-ordinated with both the Canada and Quebec pension plans. The Secretariat was also successful in negotiating and signing renewal agreements with the Public Service Alliance of Canada, which covered approximately 100,000 public service employees, and set out their terms and conditions of employment until 2007. At the same time, the Secretariat made progress in setting out a compensation policy framework.

At the same time, key areas of the government's management agenda require sustained attention. The Secretariat and departments have made major strides in building a common information base and system that better reflects federal programs and services through the development of Program Activity Architectures (PAAs). Continued effort is needed to ensure government

provides information that will support parliamentarians' and Canadians' ability to better assess the government's performance. More effort is also required to strengthen financial management, internal auditing, oversight and accountability, and to complete the renewal of the suite of Treasury Board policies.

The rest of this section provides an overview of progress made in each of the four key priority areas, summarizing the Secretariat's commitments, achievements, and lessons learned. More detailed reporting on progress against specific initiatives by priority is presented in Section II.

Priority 1: Management Performance

Context and Commitment

The Secretariat, supported by its portfolio partners, is responsible for setting management expectations, standards, policies, and procedures across the federal public sector. This includes efforts to ensure that:

- ▶ management standards are defined, measurable, and accountable;
- ▶ policy direction is clear, concise, understood, accessible, and aligned with management standards; and
- ▶ the delegation of management authorities can be linked with management performance.

To achieve these objectives, the Secretariat undertook several key initiatives in fiscal year 2004–05. They included commitments to:

- ▶ *strengthen management performance* by working with departments and agencies to develop common indicators of effective management within the context of the Management Accountability Framework (MAF) and using these indicators to review and assess departmental and agency performance on an annual basis;
- ▶ *renew Treasury Board management policies* by streamlining and clarifying its suite of policy instruments that support the oversight responsibilities of the Treasury Board and delegate, when appropriate and applicable, accountability and responsibility to departments and agencies;
- ▶ *build public service management capacity* by developing a core learning framework for public service managers and establishing professional certification standards for key functions such as procurement, real property, and materiel management and for departmental financial officers and auditors;
- ▶ *encourage greater transparency and accountability through proactive disclosure* of government spending by making public information on government operations in areas such as contracting, hospitality, and travel;

- ▶ *strengthen compliance and clarify accountabilities* by reviewing the FAA, accountabilities and responsibilities of both ministers and senior public service employees, and Crown corporations; and
- ▶ *transform government service delivery* by developing a long-term strategy for sustaining a common infrastructure (Secure Channel), by seeking ways to improve the delivery of services to Canadians and by improving the efficiency of services internal to government.

Main Achievements

The Secretariat made significant progress in each of these areas. Management standards are being enhanced through development of indicators for the Management Accountability Framework (MAF) and implementation of the MAF bilateral process. The MAF process also provided valuable information on the state of management performance, practice, and capacity across the Public Service; information that will be important to focus efforts on modernizing public-sector management. The groundwork has been laid to renew Treasury Board policies for procurement, project management, investment planning, materiel management, real property management, and internal audit. The government implemented its commitment to extend proactive disclosure and post contracts over \$10,000 on the Web. A framework for core learning for public service managers has been developed and the certification standard for *Competencies of the Federal Government Procurement, Materiel Management and Real Property Community* was published. As well, the government also completed its review of Crown corporations, which was tabled in the House of Commons in February 2005.

Lessons Learned

Government is a large and complex organization, accountable to Canadians through Parliament, and responsible for meeting the needs of many stakeholders. Clarifying accountabilities and management policies, renewing the policy suite, and developing reliable and useful performance information on a whole-of-government basis are major undertakings that take time and dedicated effort. While progress was made in all areas, it was slower than anticipated in some cases.

Key lessons from the past year include the need to:

- ▶ better plan for implementation of initiatives, including allocating time in work plans to accommodate the need for extensive consultations within the Secretariat and across government, and with stakeholders;
- ▶ create better linkages between policy development and operations so that policy instruments and the data and information required to support them can be effectively implemented and supported in practice;

- ▶ work with portfolio partners to ensure that departments and agencies make core learning a priority and provide adequate opportunities for certification and professional development for managers in key areas; and
- ▶ plan carefully, adopt a phased approach, and pay particular attention to change and risk management when undertaking large-scale transformational initiatives.

Priority 2: Expenditure Management

Context and Commitment

A strong expenditure management system helps maintain balanced budgets, align resources with government priorities, and increase the efficiency of program operations. The Secretariat plays a key role in managing government expenditures from a whole-of-government perspective, advising government officials on expenditure management decisions, risks and opportunities, and the administration of the annual expenditure management cycle, which includes the tabling of Estimates to Parliament.

In fulfilling these responsibilities, the Secretariat is committed to ensuring that:

- ▶ ministers can reallocate resources from lower to higher priorities;
- ▶ government program expenditures are reviewed to ensure results and value for money;
- ▶ the allocation and reallocation of resources is based on sound financial and non-financial performance information and balances the needs of existing programs and new government priorities;
- ▶ departmental spending plans (contained in RPPs) are tabled in Parliament in a timely manner, and the Estimates reflect Treasury Board resource allocation decisions and government priorities; and
- ▶ reporting is clear and transparent to support the role of Parliament.

To achieve these objectives, the Secretariat undertook several key initiatives in fiscal year 2004–05. They included commitments to:

- ▶ *review government expenditures* through a series of horizontal, departmental, and operational reviews to ensure that programs are sustainable, effective, and efficient and achieve results consistent with government priorities;
- ▶ *reallocate resources from lower to higher priorities* by working with departments and agencies in providing expenditure management direction and advice to confirm reductions to departmental reference levels of \$1 billion on an ongoing basis (as committed to in Budget 2003);
- ▶ *improve expenditure management and performance information* by improving the alignment of results to resources for departmental management and accountability needs; and

- ▶ *reform Estimates and improve transparency in reporting to Parliament* through a focus on results at both the departmental and government-wide level, and provide clarity and timeliness in reporting.

Main Achievements

The Secretariat made sound progress in its efforts to improve expenditure management in fiscal year 2004–05. It conducted major horizontal policy and operational reviews in areas such as climate change, support for Aboriginal peoples, procurement and contracting, and corporate and administrative services. It successfully implemented the ongoing reallocation of \$1 billion, delivering on its Budget 2003 commitment. The new *Management, Resources, and Results Structure Policy* (MRRS) and Expenditure Management Information System (EMIS) were introduced to overhaul the government's overall approach to collecting, managing, and reporting financial and non-financial performance information. Program Activity Architectures (PAAs), which require each department to create a framework that reflects its programs and resource allocation, were developed for 118 organizations and used as the basis for reporting to Parliament. Significant improvements were also made to *Canada's Performance 2004*, in particular its focus on Government of Canada outcomes. In addition, the Improving Reporting to Parliament task team was created to address systemic issues associated with the current reporting process and identify potential improvements. This is an iterative process that requires close consultation with parliamentarians, departments, agencies, and key stakeholders.

Lessons Learned

To improve expenditure management, the government must continue to improve the quality of both financial and non-financial information on the value for money and results achieved by programs and services, particularly from a whole-of-government perspective. Achieving these objectives requires continued attention to the quality of performance information, the reliability of data, and analysis of horizontal programs. It is also important to ensure that the lessons and recommendations from horizontal and operational reviews are acted on and implemented. As part of these efforts, more work is required to support implementation of the MRRS Policy and enhance client support to ensure EMIS is accessible and easy to use.

Priority 3: Financial Management and Control

Context and Commitment

A key responsibility of the Secretariat, which is undertaken by the Office of the Comptroller General of Canada, is to oversee government spending in departments and agencies; set or review financial, accounting, and auditing standards and policies; and provide leadership to ensure and enforce appropriate financial controls, and cultivate sound comptrollership at all levels across the federal Public Service.

In fulfilling these responsibilities, the Secretariat and the Office of the Comptroller General are committed to ensuring that:

- ▶ appropriate and effective financial management, accounting, and auditing policies, as well as directives, systems, controls, and standards are in place;
- ▶ effective government-wide oversight of internal audit and financial management occurs, including appropriate monitoring and enforcement mechanisms; and
- ▶ effective and fully qualified financial management and internal audit professionals, supported by certification standards, are in place to provide value-added service to their organizations.

To achieve these objectives, the Office of the Comptroller General led several key initiatives in fiscal year 2004–05. They included commitments to:

- ▶ *strengthen financial management* by drafting key elements with respect to the establishment of chief financial officer positions (departmental comptrollers), including profiles of their roles and responsibilities and key provision for sign-offs;
- ▶ *strengthen internal audit* by developing a new draft internal audit policy to bolster the internal audit function on a government-wide basis to ensure comprehensive audit programs;
- ▶ *build public service financial management and audit capacity* by developing draft professional accreditation standards for both chief financial officers (departmental comptrollers) and chief audit executives, and initial complementary plans for nurturing and managing professional development within the financial management and internal audit communities; and
- ▶ *strengthen financial management systems* by assessing how systems used by departments and central agencies can be significantly strengthened.

Main Achievements

Budget 2004 announced the government’s intention to “re-establish the Office of the Comptroller General of Canada to rigorously oversee all government spending . . . to provide leadership across the public service financial management community, and to ensure standards are set and adhered to.” Accordingly, the Office was re-established; the new Comptroller General [was appointed](#) and many key undertakings were accomplished, including the development of a five-year road map to put in place the many transformative changes announced in Budget 2004 and elsewhere. Progress was made across all key initiatives.

Strengthening Internal Audit

Budget 2004 announced the government’s intention to develop a “comprehensive plan to strengthen comptrollership,” including the intention to bolster the internal audit function on a government-wide basis, based on sound risk analyses of all departmental activities. To this end, the Comptroller General consulted stakeholders, managers, and practitioners inside and outside

the public sector, reviewed the track record of the government's auditing activities, and prepared a draft policy for further discussion and approval in 2005–06. When adopted, the implementation strategy will be phased in over a five-year period beginning with the largest organizations.

Strengthening Financial Management

Budget 2004 announced the government's intention to "appoint professionally accredited comptrollers to sign off on all new spending initiatives in every government department." To this end, the Comptroller General consulted stakeholders, managers, and practitioners inside and outside the public sector; developed a draft model for financial management based on the model of a chief financial officer (CFO), including profiles of CFOs (departmental comptrollers) and a proposed process for the review and sign-off of new spending requests.

Accreditation of Professionals

A key element in the Comptroller General's road map is to provide the best support possible to deputy heads in the areas of internal audit and financial management by helping them to recruit and retain accredited and experienced professionals in each of these areas. During 2004–05, a review of the roles, responsibilities, and accreditation standards of audit executives was conducted, and a government-wide survey of departmental internal audit resources and activities was completed. Proposed professional accreditation standards for CFOs and chief audit executives were developed as part of the ongoing discussions that will lead to policy approvals in 2005–06.

Financial Systems

Budget 2004 announced the government's intention to "introduce modern, timely, enterprise-wide financial and human resource information systems to track all spending and provide appropriate tools for effective scrutiny and decision-making." To this end, a comprehensive report was prepared on common business processes in financial management. This report is being used to develop a business case and to engage departments and agencies in discussions about using a shared-service approach to strengthening financial management systems.

Lessons Learned

Truly effective comptrollership requires clear accountabilities and professional leadership within the Secretariat and in departments and agencies, as well as good governance, sound policies and processes, and timely and accurate information—all of which are supported by effective communications and technology. The changes that are being made over the next several years are transformative and will require dedicated effort over the next five years. Implementation of such transformative initiatives will require continued focus and attention.

Priority 4: Corporate Management

Context and Commitment

All large organizations require effective corporate governance and management to deliver on their mandates. Good corporate governance is characterized by strong internal planning, monitoring, and reporting functions; a strong alignment between resources, mandates, and priorities; good information systems; and the ability to identify, assess, and act on risk, effective internal communications, and coherent and disciplined internal management processes.

Following the restructuring of the government and the re-focussing of the Secretariat's mandate in 2003, the Secretariat had to adjust and re-align its internal management systems and processes to its new mandate.

Key initiatives included a commitment to:

- ▶ restructure the Secretariat to ensure alignment of its structure to its new mandate; and
- ▶ re-engineer internal business processes to support implementation of the government's management agenda.

Main Achievements

While the Secretariat clearly had a challenging year, given the degree and scope of change, significant progress was made. A transition team was established to manage the implementation to the new organizational structure and the reorganization of the Secretariat was completed. In addition, a new governance and committee structure was established both within the Secretariat and with external partners to enhance information sharing and decision making. Efforts are also underway to strengthen internal planning, monitoring, and reporting and ensure that the Secretariat itself is aligned with MAF expectations. These changes will allow the Secretariat to improve decision making and manage its ambitious agenda.

Lessons Learned

The right systems, processes, and people are now in place to support Secretariat operations and implementation of the government's management agenda. As the government moves forward with the management agenda, ongoing effort will be required to ensure internal business processes support both core business operations and the implementation of change.

6. Alignment to Government of Canada Outcomes

The Secretariat's strategic outcome of rigorous stewardship of public resources to achieve results for Canadians fully supports Government of Canada outcomes.

Secretariat priorities collectively seek to strengthen and modernize public-sector management. They seek to address some of the key expectations of Canadians by creating a government that:

- ▶ ensures the relevance and coherence of programs and services;
- ▶ improves the delivery while providing value for money and sound stewardship of public funds; and
- ▶ reinforces accountability to Parliament in achieving results for Canadians.

The Secretariat therefore directly supports all Government of Canada outcomes, as outlined in *Canada's Performance 2005*, by seeking to enhance the Public Service's overall efficiency and effectiveness and providing direction and oversight to departments and agencies in the delivery of their programs and services.

For example, the Management Accountability Framework sets out a comprehensive and coherent accountability regime that specifies the management expectations of deputy heads, while the *Management, Resources, and Results Structure Policy* and the Program Activity Architecture provide information on programs and their relation to departmental strategic outcomes. Collectively, these initiatives have begun and will, once at full maturity, provide public service officials, parliamentarians, and Canadians with information on public-sector management and the results being achieved.

The Secretariat and its portfolio partners also support the government's outcomes, as outlined in *Canada's Performance 2005*, related to "an innovative and knowledge-based economy," "an inclusive society that promotes diversity," and "a vibrant Canadian culture and heritage" by seeking to ensure that the federal government's human resources policies and practices are fair, help attract the best and brightest, and reflect Canadian society.

Finally, the Secretariat plays a leadership role in horizontal policy reviews aligned with key Government of Canada priorities.

2. Analysis of Performance by Priority

Introduction

This section provides detailed information on the progress made by the Secretariat in delivering on each of its priorities, plans, and expected results as outlined in the *2004–05 Report on Plans and Priorities*.

The long-term strategic outcome of rigorous stewardship of public resources to achieve results for Canadians led the Secretariat to pursue the following four priorities:

1. management performance;
2. expenditure management;
3. financial management and control; and
4. corporate management.

Information in this section is presented by priority, supplemented by information on key initiatives within each priority and the expected results, plans, and achievements for each initiative.

Priority 1: Management Performance

The Secretariat is committed to improving the quality of public-sector management and management performance across government. As part of its ongoing efforts to improve management performance, it focussed on six key initiatives in fiscal year 2004–05.

The key initiatives were to:

- ▶ strengthen the Management Accountability Framework;
- ▶ renew Treasury Board management policies;
- ▶ build public service management capacity;
- ▶ extend the proactive disclosure of government spending;
- ▶ conduct reviews of accountability and governance; and
- ▶ transform government service delivery to improve efficiency and effectiveness.

Strengthening the Management Accountability Framework

The Secretariat worked with departments and agencies to establish common indicators of effective management performance. Using these common indicators, the Secretariat assessed federal departments and agencies to monitor improvements to management practices, identify and promote best practices in management, and ensure that the management expectations of deputy heads and public service managers were achieved.

Context

Over the course of the year, the government reiterated its commitment to the Management Accountability Framework (MAF). Budget 2005 confirmed that “the MAF sets out a comprehensive and coherent accountability regime within government and enables departments and agencies to strengthen their management capacity.” Departments and agencies used the MAF to challenge the state of their management practices and capacity and to develop integrated action plans for management improvement. The MAF matured as the Secretariat’s framework of analysis and the foundation for comprehensive and effective management oversight.

Highlights

- ▶ The Secretariat provided ongoing advice, direction, and recommendations to departments and agencies on the MAF.
- ▶ Two rounds of bilateral meetings were held between the Secretary of the Treasury Board and 27 deputy heads of departments and agencies.
- ▶ Assessments using 27 indicators of sound management were developed to form a baseline for subsequent annual assessments of management performance.
- ▶ Departments and agencies used the MAF to challenge the state of their management practices and capacity and to develop integrated plans for management improvement.

Strengthening the Management Accountability Framework

Results Statement	Plan	Achievements
<p>The Secretariat will work with departments and agencies to establish a baseline for measurement by identifying and agreeing to common indicators of effective management performance by 2005–06. These common indicators will be designed to strengthen accountability and reporting of federal public-sector management performance.</p> <p>Using these common indicators of management performance, the Secretariat will conduct annual assessments of federal departments and agencies to monitor improvements to management practices, identify and promote best practices in management, and ensure that the management expectations of deputy heads and public service managers are achieved government-wide.</p>	<p>The Secretariat will engage deputy heads to examine key horizontal management issues, as well as those specific to their organization, and to outline their management improvement plan early in 2005–06.</p> <p>The Secretariat will monitor and annually assess management performance, both departmentally and government-wide. Findings from these assessments will be used to:</p> <ul style="list-style-type: none"> ▶ identify and share information on the best management practices and monitor improvement; ▶ monitor adherence of senior public service employees and ministers to the automatic and public disclosure of spending on government hospitality, travel, and contracts entered into by the Government of Canada for amounts over \$10,000; ▶ provide input to the Clerk of the Privy Council's annual performance evaluation of deputy heads; and ▶ publish a government-wide report on the state of management within the Public Service in 2005–06. <p>The Secretariat will also work with departments and agencies to provide ongoing direction and advice on ways in which their management performance can be improved on a continual basis.</p>	<p>Ongoing advice, direction, and recommendations were provided to departments and agencies on the Management Accountability Framework (MAF).</p> <p>Bilateral meetings between the Secretary of the Treasury Board and 33 deputy heads of departments and agencies were completed by May 2005.</p> <p>Assessments using 32 indicators of sound management were developed to form a baseline for subsequent annual assessments of management performance. A review of MAF process and management indicators provided the basis for improvements to the next cycle of management assessment.</p> <p>Data were gathered from the second round of bilateral meetings between the Secretary and deputy heads. The MAF process expanded to include all large departments and more than 25 small agencies. Several management priorities were identified for implementation by each department. Priorities were included in deputy head performance agreements with the Clerk of the Privy Council. Delayed slightly by changes in senior personnel, the second round of bilateral meetings was completed by May 2005.</p> <p>MAF profiles were prepared for departments in the first two bilateral cycles. This information will be used as a starting point for public reporting on the state of management.</p>

Renewing Treasury Board Management Policies

The Policy Renewal Initiative will transform Treasury Board policies, rather than simply reformatting existing instruments. Good progress was made during 2004–05 in building a strong foundation for the Policy Renewal Initiative.

Context

The renewal of Treasury Board management policies is an important means to improving the Treasury Board's oversight responsibilities. Significant work was done during 2004–05 on the renewal of the *Treasury Board Real Property Management Framework Policy*, the *Materiel Management Policy*, the *Procurement Review Policy*, the *Project Management* policy, and the *Policy on Internal Audit*. This work identified issues that needed to be addressed and helped establish a path for the overall renewal process—in particular the need for appropriate consultations and adequate investments of time. In 2004–05, the need for the policy suite to support management performance more effectively was reinforced, resulting in the Policy Renewal and MAF initiatives being united under a single sector in the Secretariat to encourage closer links. Renewing the policy suite will be instrumental in the government's efforts to modernize public-sector management. While significant progress has been made, nonetheless it has been slower than expected. During 2005–06, the Secretariat will increase its efforts and continue to renew the policy suite.

The renewed policy suite will be based on frameworks and policies directed at deputy heads, and supported by detailed directives, standards, and guidelines for program managers and functional practitioners.

Highlights

- ▶ The Policy Renewal Directorate was established, the policy landscape was reviewed, and the project's lexicon was drafted.
- ▶ Links are being established between the policy suite and the MAF to ensure management expectations are consistent between both initiatives.
- ▶ An inventory of all the policy instruments has been completed, and a detailed work plan is being developed to guide renewal of the policy suite.
- ▶ The *Treasury Board Real Property Management Framework Policy*, the *Materiel Management Policy*, the *Procurement Review Policy*, the *Project Management* policy, and the *Policy on Internal Audit* are at advanced stages of review and renewal.
- ▶ The Secretariat and the Public Service Human Resources Management Agency of Canada (PSHRMAC) are collaborating under a single steering committee to renew and harmonize policies.
- ▶ All work is ongoing. Progress will be reported in 2006 and 2007. The target date for completion of the policy suite renewal is December 2006.

Renewing Treasury Board Management Policies

Results Statement	Plan	Achievements
<p>The Secretariat will continue its work to create an integrated suite of management policy instruments to support the Treasury Board's strengthened oversight responsibilities and to reinforce the accountabilities of departments and agencies.</p> <p>The renewed policy suite will:</p> <ul style="list-style-type: none"> ▶ be focussed on key direction to deputy ministers; ▶ be integrated and streamlined to strengthen the foundation for effective accountability and ability to operate at a government-wide level; ▶ address existing and emerging management challenges and priorities; and ▶ be aligned with the Management Accountability Framework to promote clear expectations, accountabilities, and policy compliance. <p>Treasury Board policy instruments related to contracting, procurement, and real property will be renewed by March 31, 2005.</p> <p>The remainder of the Treasury Board management policy suite will be renewed by March 31, 2007.</p>	<p>The Secretariat will continue to collaborate with PSHRMAC to ensure harmonization with the Treasury Board suite of human resources management policies.</p> <p>The Secretariat will also engage departments, agencies, and functional communities during the policy development process to address any issues related to their capacity for implementation, policy compliance, and the choice of effective policy instruments.</p> <p>The Secretariat will also harmonize management policy reforms with the findings and recommendations of the Expenditure Review Subcommittee, especially as related to its review of the <i>Financial Administration Act</i>, Capital Asset Management, Procurement and Contracting, Corporate and Administrative Services, Professional Services, and the Use of Information Technology and its Management.</p>	<p>The Policy Renewal Directorate was established and staffed to ensure that the project's objectives could be met.</p> <p>The project's objectives were outlined and confirmed.</p> <p>The policy landscape was reviewed and the project lexicon drafted.</p> <p>Links between the policy suite and the MAF are being established.</p> <p>Policies for Real Property Management, Materiel Management, Procurement, Project Management, Investment Planning, and Internal Audit are near completion.</p> <p>An inventory of all policy instruments has been completed. A detailed work plan is being developed to ensure that the policy suite is renewed on schedule.</p> <p>All policy centres within the Secretariat are directly involved in the initiative.</p> <p>The Secretariat and PSHRMAC are collaborating under a single steering committee to renew and harmonize policies.</p>

Building Public Service Management Capacity

A framework for training public service managers has been developed and standards have been established for professional development and/or certification, as was a mechanism for curriculum development.

Context

Development of the standard for competencies for the Procurement, Materiel Management, and Real Property community took over a year and a half to develop, due to the large and diverse nature of the various types of specialists that belong to this community. The ongoing challenge will be for departments and agencies to provide the required support (financial and time) for specialists to attend the courses required for certification and professional development.

Highlights

- ▶ The Policy Framework for Learning was developed in collaboration with PSHRMAC and the Canada School of Public Service (CSPS).
- ▶ Progress was made in developing the Core Learning Framework and Required Training Strategy, which will be finalized in 2005–06.
- ▶ The Standard for Competencies of the Federal Government Procurement, Materiel Management, and Real Property Community was developed in partnership with the Canadian General Standards Board, and departments and agencies.
- ▶ The Certification Learning Path Curriculum was designed for procurement and materiel management specialists.

Building Public Service Management Capacity

Results Statement	Plan	Achievements
<p>Throughout 2004–05, the Secretariat will establish objectives and begin development of a core learning framework for public service managers and functional communities from entry level on through successive levels of responsibility.</p> <p>The Secretariat will also put in place mechanisms for the development of professional certification standards for several public service functional communities of practice, such as procurement, materiel management, and real property specialists.</p>	<p>By the end of 2004–05, in partnership with the CSPS, PSHRMAC, and functional communities, the Secretariat will develop a core learning framework to support clear, consistent, and comprehensive programs to meet the common learning needs of public service managers.</p> <p>Over the same time period, the Secretariat will begin government-wide consultations on the development of professional certification standards, define and establish the standard-setting process, and develop certification standards for selected functional communities. This work is expected to continue over the next few years.</p> <p>Also in co-operation with the CSPS and departments, the Secretariat will lead the development of core curriculum learning plans to support the competency profiles of functional specialists, as well as e-learning and classroom courses. Some of these tools will be available this fiscal year and the remainder are planned for availability in 2005–06.</p>	<p>The Required Training Strategy was refined in consultation with stakeholders, selected departments, and the portfolio. Programs and curricula needed to meet the learning needs of managers were developed and will be implemented starting in 2005–06.</p> <p>Achievements in the development of professional certification standards and curricula include the following:</p> <ul style="list-style-type: none"> publication by the Canadian General Standards Board of the Standard for Competencies for the Procurement, Materiel Management, and Real Property Community (March 2005); the curriculum for procurement and materiel management specialists supported by a certification learning path comprised of required courses and e-learning modules developed with CSPS, departments, and agencies; the Labour Relations and Compensation Operations Sector updated the contents of its course on Labour Relations for Human Resources Advisors and implemented the revised curricula on April 1, 2005; and guidelines were prepared on changes to the new <i>Public Service Labour Relations Act</i> and the <i>Financial Administration Act</i> and posted on the Internet on April 1, 2005.

Proactive Disclosure of Government Spending

Proactive disclosure aims to make government information more easily available to Canadians and to promote greater transparency and accountability across the Government of Canada. The Secretariat implements and/or supports the launch of various proactive disclosure initiatives.

Context

Since December 2003, three proactive disclosure initiatives were launched. Information is posted on institutions' Web sites on a quarterly basis in the following areas:

- ▶ travel and hospitality expenses of ministers, ministers of state, ministers' offices, parliamentary secretaries, deputy ministers, associate deputy ministers, and assistant deputy ministers;
- ▶ contracts entered into by the Government of Canada for amounts over \$10,000; and
- ▶ information concerning the reclassification of occupied positions in the Public Service of Canada.

Highlights

- ▶ The Secretariat actively engaged working groups and supported institutions in implementing proactive disclosure requirements, resulting in the successful posting of four quarterly reports on travel and hospitality expenditures in 2004–05.
- ▶ Information on more than 60,000 contracts for goods and services with a value of over \$10,000 are now publicly available through the Proactive Disclosure Web sites. In total, over \$13 billion of government procurement contracts were reported for 2005–06.
- ▶ The Secretariat also supported PSHRMAC in successfully launching its Position Reclassifications initiative.

Proactive Disclosure of Government Spending

Results Statement	Plan	Achievements
<p>In fall 2004, departments and agencies will begin to report on all contracts for goods and services exceeding \$10,000, other than for a very limited number of exceptions, such as those involving national security.</p>	<p>The Secretariat is considering other types of information that could be made routinely available on departmental and agency Web sites.</p>	<p>Four quarterly postings of travel and hospitality expenses to institutions' Web sites.</p> <p>There have been two quarterly postings of contracts of \$10,000 or more and of reclassification information.</p> <p>More than 60,000 contracts of \$10,000 or more were reported by government departments and agencies.</p>

Conduct Reviews of Accountability and Governance

In response to the November 2003 report of the Auditor General of Canada the government announced three reviews related to accountability and governance in the federal government. These reviews included:

- ▶ a review of the *Financial Administration Act* (FAA), which was mandated to assess the rules governing compliance and sanctions under the FAA;
- ▶ a review of the governance of Crown corporations; and
- ▶ a review of accountabilities and responsibilities of ministers and senior officials.

The review of Crown corporations was completed in February 2005 and its recommendations are being implemented. While the FAA and accountability reviews are not yet finalized, they have nonetheless provided valuable information and insight. Considerable analysis and consultations have also already been undertaken on the results obtained to date on these reviews. These reviews are continuing and the outcomes will be advanced through the government's broader efforts to modernize public-sector management.

Context

The review of responsibilities and accountabilities and the review of the FAA were in part delayed to take into consideration the government's preparation for the Commission of Inquiry into the Sponsorship Program and Advertising Activities and to consider recommendations made by the House of Commons Standing Committee on Public Accounts aimed at strengthening ministerial and deputy ministerial accountability. In addition, the general election in 2004 and the ongoing work of the Commission of Inquiry contributed greatly to increased attention being placed on and analysis related to governance and accountability issues.¹ Also, the initial scope of the FAA review was broad, referring to the entire public sector and not only the Public Service. As a result, while progress was made, it was slower than anticipated.

¹ In 2004–05, the Secretariat allocated \$805,200 to respond to work of the Commission of Inquiry into the Sponsorship Program and Advertising Activities. Of this, approximately \$510,500 was expended for preparing documentation, briefings, and information for both Commission counsel and Crown counsel, and for preparing documentation for, and providing advice to, Secretariat witnesses (current and former employees) for Commission hearings. The Secretariat also established a documentation collection process and reviewed documentation covering a lengthy time period to determine relevance of documents. These funds represent direct support to the Commission. They do not include the indirect support provided to the Commission. For example, the Secretariat representatives on the panel of witnesses and their staff devoted time to preparing the Evidence Document, preparing their testimony and that of former Secretariat officials and ministers, and following up on undertakings to the Commission of Inquiry co-ordinating government activity. Support was also provided to producing communications and parliamentary materials (for Question Period), responding to ATIP requests, advising on indemnification and legal assistance requests, and performing due diligence on and processing Treasury Board submissions for the Commission itself and for affected departments. Within the Secretariat, a number of sectors devoted the equivalent of one full-time equivalent at a senior level, along with several officers, to addressing the needs of the Commission. These sectors included Expenditure Management, Government Operations, Management Policy and Labour Relations, the Office of the Comptroller General, and the Internal Affairs, Security and Justice Sector.

Highlights

- ▶ *Meeting the Expectations of Canadians: Review of the Governance Framework for Canada's Crown Corporations*—this report was tabled in the House of Commons on February 17, 2005. Implementation of the recommendations is well advanced and will be completed in 2006.
- ▶ The FAA and accountability reviews will be addressed as part of the government's efforts to modernize public-sector management.

Conduct Reviews of Accountability and Governance

Results Statement*	Plan	Achievements
<p>Review of compliance and sanction mechanisms under the FAA to determine:</p> <ul style="list-style-type: none"> ▶ whether compliance mechanisms would prevent and deter mismanagement; ▶ whether to update criminal sanctions for breaches of the Act; ▶ ways to hold former federal employees accountable for breaches; and ▶ options to facilitate financial recoveries when mismanagement has resulted in the loss of public funds. 	<p>All three reviews will be concluded in the autumn of 2004.</p> <p>The Secretariat will work with key partners for the successful implementation of recommendations, including central agencies, Cabinet, members of Parliament, and Crown corporations and provide the appropriate oversight, analysis, and advice for departments and agencies as implementation of the recommendations takes place.</p> <p>The Secretariat will act on any necessary changes to legislation (e.g. the FAA), regulations, and/or government-wide policies as soon as possible. Where warranted, non-legislative changes identified during the course of these reviews will be implemented.</p>	<p>Extensive research and consultation have been conducted.</p> <p>Options to strengthen oversight and accountability are being developed as part of the government's management modernization agenda.</p>
<p>Review ways to better define the accountabilities and responsibilities of ministers and senior public service employees by examining:</p> <ul style="list-style-type: none"> ▶ who is accountable for what to whom; ▶ whether accountabilities and responsibilities are well understood; and ▶ whether changes are needed to strengthen accountabilities. 		<p>Extensive research and consultation have been conducted.</p> <p>Options to strengthen oversight and accountability are being developed as part of the government's management modernization agenda.</p>

Results Statement*	Plan	Achievements
<p>Review aimed at improving the governance and transparency of Crown corporations will:</p> <ul style="list-style-type: none"> ▶ assess the governance and accountability regimes for Crown corporations; ▶ review and confirm the responsibilities of boards of directors, ministers, the Treasury Board of Canada Secretariat, the Privy Council Office, and Parliament with respect to Crown corporations; and ▶ determine ways to strengthen transparency and oversight of the governance and accountability framework for Crown corporations. 		<p>The Secretariat worked closely with the Privy Council Office to inform key stakeholders of findings of the review and engage them in discussion of the issues and recommendations.</p> <p>Following consultations between PCO and the Secretariat, as well as with most Crown corporations, the President tabled the Review in the House of Commons on February 17, 2005. The Review identified 31 measures intended to strengthen governance, oversight and transparency.</p> <p>Implementation of the 31 measures began immediately. The Crown corporations have instituted many of the measures voluntarily. The Budget implementation Bill (C-43) included amendments to the FAA and the enabling acts of Crown corporations, which name the Auditor General as the external auditor (sole or joint) for their corporation, and which make special examinations public.</p>

* The complete results statements for the Review of Accountability and Governance priority can be found in the 2004–05 Report on Plans and Priorities for the Secretariat, available at http://www.tbs-sct.gc.ca/est-pre/20042005/TBS-SCT/TBS-SCTr45_e.asp.

Transforming Government Service Delivery to Improve Efficiency and Effectiveness

In transforming how services are delivered, the Government of Canada is aiming to improve citizens' satisfaction with government services and to enhance the efficiency and value for money of government service investments. Achieving responsive, seamless, and cost-effective service delivery will require a strong client focus, the rethinking and integration of services, and an enterprise-wide approach to rationalizing service delivery and enabling infrastructure.

Important steps were taken over the past year. By September 2004, the Government of Canada's common secure infrastructure—the Secure Channel—was being widely used by departments: all departments are now using the Secure Channel network and 26 departmental program applications are dependent on the Secure Channel's client-registration service. Comprehensive reviews of the service delivery infrastructure information technology (IT) and corporate administrative services (CAS) were also completed, in order to identify opportunities to move to common services, and the results are being used to develop strategies and implementation plans to improve both external and internal service delivery. These reviews are being posted to make them publicly available.

Context

Key challenges affecting the modernization of service delivery include ensuring departments and agencies have the capacity to transform services; establishing mechanisms to support effective management of clients across service channels; and moving to consolidate or share delivery infrastructures.

Highlights

- ▶ During 2004–05, a notional long-term funding envelope was secured to sustain the Secure Channel infrastructure.
- ▶ The Corporate Administrative Services Review was completed in January 2005, and Strategies for Improving IT and its Management was completed in March 2005.
- ▶ A three-year project was launched to define the Government of Canada Enterprise Architecture to support the streamlining and standardization of business processes across government.
- ▶ A draft external service vision was developed and work is underway on an implementation strategy. Further progress will be reported in 2005–06.
- ▶ Reviews of departmental views on the legislative or policy barriers to integrated external service delivery was completed, and a guide has been developed to inform departments about their options under the existing legal framework. Further work will be necessary to determine if the existing legal framework requires change.

- ▶ The fourth *Citizens First* survey assessed citizens' levels of overall satisfaction with public services in support of the Service Improvement Initiative (SII). This initiative will conclude in December 2005, and the requirements of the SII policy framework may be extended through a new Service Policy. Further progress on the Service Policy will be reported in 2005–06.

Transforming Government Service Delivery to Improve Efficiency and Effectiveness

Results Statement	Plan	Achievements
<p>A longer-term strategy for sustaining the common infrastructure (Secure Channel) will be developed in collaboration with Public Works and Government Services Canada (PWGSC) in the fall of 2004.</p>	<p>The Secretariat will collaborate with PWGSC to develop a strategy for the Secure Channel.</p>	<p>A longer-term strategy and a plan to manage risks and ensure value for money were developed.</p> <p>By September 2004, the Secure Channel was being widely used with all federal departments using the network services and 26 departments employing its client-registration service to run program applications requiring secure two-way information exchange.</p>
<p>Government-wide expenditure and management reviews of Corporate and Administrative Services, Use of Information Technology and its Management, and Service Delivery Infrastructure are currently underway. Findings will help ministers make decisions on how to improve the value for money of government investments.</p>	<p>The Secretariat will complete, by the end of fiscal year 2004–05, reviews of service delivery infrastructures, information technology, and corporate administrative services.</p>	<p>The (External) Service Delivery Infrastructure Review was completed, including an inventory of call centres and service counters across Canada and estimates of service delivery costs by channel. The work identified directions for a whole-of-government program of change.</p> <p>Two Internal Services reviews were completed on the management of information technology (IT) and on financial and human resources, and materiel management practices (Corporate Administrative Services). The resulting vision, strategies, and plans for modernizing internal services will be presented to ministers in fall 2005.</p>
<p>A coherent service vision and strategy for the Government of Canada will also be presented to ministers this fiscal year. The service vision and strategy will be used to align and drive transformation and integration activities across the federal government.</p>	<p>The Secretariat will set out a service strategy by the end of fiscal year 2004–05, seeking to establish service transformation as a government priority.</p>	<p>Presentation of the External Service Vision was delayed to complete the implementation strategy.</p> <p>The Service Vision and findings from the Service Delivery Infrastructure Review have influenced the design of Service Canada.</p>

Results Statement	Plan	Achievements
Federal priorities for interjurisdictional service delivery collaboration will be identified and work launched to explore options partnerships with provinces, territories, and municipalities.	The Secretariat will establish and oversee governance mechanisms for key service transformation projects that cut across departments or jurisdictions.	Interjurisdictional councils made progress on a select number of collaborative projects. While they were unable to agree on a single vision for service delivery, they are working together to develop a multi-year strategic plan for collaboration and common standards.
Strategies to accelerate the shift to self-service will be developed and implemented in key departments by early 2005.	Same as Results Statement.	In partnership with PWGSC, take-up and marketing strategies for Web services were developed, on-line tools were launched, and learning events were held to improve departmental engagement.
A new service policy will be developed to set strategic directions for the continued service improvement and service transformation priorities, as well as a strategic framework, including performance measures. This will be approved and communicated in 2005.	A new service policy and strategic framework will be approved and communicated in 2005.	An analysis of linkages to other Secretariat policies was completed. A preliminary draft of the Service Policy was developed for consultation with departments and agencies.
Legislative or policy barriers to integrated service delivery will be identified and options for addressing issues will be determined in 2005.	Legislative or policy barriers to integrated service delivery will be identified and options for addressing issues will be determined in 2005.	Departmental views on potential legislative changes were explored. A guide was prepared to help departments assess their options within the existing legal framework.
Departmental participation in the Service Improvement Initiative (SII), which was launched in 2000, will increase and, by the end of 2005, there will have been a 10 per cent increase in the overall client satisfaction with federal services.	Departmental participation in the SII, and the 10 per cent increase in the overall client satisfaction with federal services will be measured in 2005.	SII resulted in material increases in overall client satisfaction scores for federal services; improved reporting to citizens on service performance; and partnerships with other jurisdictions to conduct research and develop tools to improve services. Recent reporting indicates a continued increase in client satisfaction. Furthermore, 80 per cent of core departments and agencies are now complying with the client satisfaction survey requirement.

Results Statement	Plan	Achievements
<p>The Secretariat will lead the development of a longer-term strategy to refresh and embed enterprise architecture for technology, information, and business processes for the Government of Canada.</p>	<p>The enterprise architecture strategy will include a coherent collection of standards, guidelines, frameworks, reference models, and support services across the architectural domains of IM, IT, application, business, security, privacy, and accessibility.</p>	<p>A three-year project plan has been launched for the development and implementation of the Enterprise Architecture Program spanning technology, information, and business.</p> <p>The <i>Business Transformation Enablement Program Methodology</i> (Version 2) was published in October 2004.</p> <p>The <i>Government of Canada Strategic Reference Model</i> (GSRM), a common language for enabling service transformation in the public sector, was published. Use of the GSRM was recommended by the interjurisdictional Public Sector CIO Council.</p>

Priority 2: Expenditure Management

The Secretariat is committed to enhancing expenditure management across government in support of efforts to ensure programs and services deliver value for money to Canadians. As part of its ongoing activities in this area, it is working to strengthen expenditure management policy research and analysis, improve results-based management and capacity for program evaluation across government, and enhance the quality of performance information available to government and Parliament.

To enhance expenditure management in the Government of Canada, the Secretariat focussed on four key initiatives in fiscal year 2004–05. They included:

- ▶ reviews of government expenditures;
- ▶ reallocation from lower to higher priorities;
- ▶ improvements in expenditure management and performance information; and
- ▶ reforming of the Estimates and reporting to Parliament.

Reviews of Government Expenditures

In Budget 2004, the government made a clear commitment to review government expenditures through the Expenditure Review Committee (ERC). This included a series of reviews of horizontal policy and program spending, as well as reviews of spending across government operations.

Context

The Secretariat initiated the *horizontal* and *operational* reviews in early 2004. The horizontal reviews looked at key federal priorities, including climate change and public security to determine to what extent their management, service delivery, accountability, and reporting were appropriate and to identify whether expenditures matched program delivery requirements. The operational reviews assessed expenditures on major government systems and activities in such areas as capital asset management, public service employee compensation, and procurement and federal government contracting activities. The objective was to achieve long-term savings by finding opportunities to improve management and governance and to increase effectiveness.

- ▶ The review of Aboriginal programs established a baseline for assessment of future federal Aboriginal programming.
- ▶ The report on Public Security and Anti-terrorism (PSAT) provided a comprehensive base of financial and non-financial information on resources allocated to security initiatives.

- ▶ The reviews of Capital Asset Management, Procurement and Contracting, Corporate Administrative and IT Services, and Service Delivery Infrastructure were all completed and are being released. The reviews were used to support Budget 2005 and ongoing efforts to transform internal and external service delivery to deliver more efficient and effective services to Canadians.
- ▶ Although significant progress was made, work continues in areas such as Public Service Compensation and Comparability, and Legal Services.

Reviews of Government Expenditures

Results Statement	Plan	Achievements
<p>Expenditure reviews will be undertaken with the objective of achieving sustainable, effective, and efficient programs. Reviews will be used to achieve objectives through ongoing reallocation of resources from lower to higher priorities within and across policies, programs, and operations to ensure spending is aligned with the government's priorities.</p>	<p>Horizontal Policy and Program Reviews</p> <p>These reviews will assess adequacy of management, delivery, accountability, and reporting, as well as opportunities for government to realign spending and improve program delivery. Initial reviews will be of:</p> <ul style="list-style-type: none"> ▶ public security and anti-terrorism; ▶ biotechnology; ▶ climate change; ▶ water; ▶ support for Aboriginal peoples; and ▶ international programs. 	<p>Reviews required the development of survey instruments to gather basic financial and non-financial information on resources allocated. Tools and frameworks were also developed to strengthen analysis of each horizontal policy. The information gathered through the reviews provides a baseline for federal programs.</p> <p>The review of support for Aboriginal peoples was particularly timely and supported the federal-Aboriginal roundtable on Accountability for Results, which was held in January 2005.</p>
	<p>Departmental Reviews</p> <p>The Secretariat is the government's primary instrument for providing oversight and ongoing review of departmental spending.</p>	<p>The Secretariat provides oversight and review of departmental spending on an ongoing basis.</p> <p>The information and data derived from departmental reviews was used to support the Expenditure Review Committee's reallocation exercise.</p>
	<p>Government Operations Reviews</p> <p>These reviews will examine government expenditures, operations, and systems in the following nine areas:</p>	
	<p>1. Capital Asset Management</p>	<p>1. Review completed and the policy is being revised. The review identified potential obstacles and identified the information and performance indicators required for improved monitoring of asset planning and management activities.</p>
	<p>2. Public Service Compensation and Comparability</p>	<p>2. Review is ongoing, but much of the substantive work was completed in 2004–05, including:</p> <ul style="list-style-type: none"> ▶ an analysis of compensation in the federal public sector in 2002–03;

Results Statement	Plan	Achievements
		<ul style="list-style-type: none"> ▶ a survey of trends in compensation policies and costs from 1990 to 2003; and ▶ an analysis of how federal public service compensation compares with the broader Canadian labour market. Work has begun on recommendations to improve management of compensation.
	3. Procurement and Contracting	3. Review completed. Findings led to a number of budgetary decisions that will guide procurement activities in the coming months.
	4. Corporate and Administrative Services	4. Review completed. Findings are being used to shape an implementation strategy for the shared services approach to HR and financial administrative services outlined in Budget 2005.
	5. Professional Services	5. Review completed. The review resulted in a series of recommendations that will improve service delivery.
	6. Use of Information Technology and its Management	6. Review completed. This review recommended the transformation of the service delivery model for distributed computing and data centres to a shared services model for the whole of government. Findings are being used to shape the implementation strategy.
	7. Service Delivery Infrastructure	7. Review completed. This review presented a profile of the channels used to deliver services to Canadians and some broad directions for further work. Recommendations will be tabled in 2005–06.
	8. Federal Institutional Governance	8. Review completed. Results of the review will be used to improve governance and management.
	9. Legal Services	9. Review ongoing. Results will be used to optimize service delivery and the management of the federal government's legal processes.

Reallocation from Lower to Higher Priorities

Context

The Secretariat is committed to ongoing fiscal discipline to ensure value for money regarding public investments and reallocation of resources on an ongoing basis to where they make the greatest positive difference to the lives of Canadians.

In budgets 2003 and 2004, the government committed to new measures to improve expenditure management and accountability, including ongoing reviews of program spending and results to support reallocation from lower to higher priorities. A strong expenditure management system helps maintain balanced budgets, aligns resources with government priorities, and increases the efficiency of program operations.

Budget 2003 announced that the government would reallocate \$1 billion from existing spending beginning in 2003–04 to fund higher government priorities. The Secretariat developed a strategy to fulfil that reallocation commitment, which was completed over the course of the 2004–05 Estimates cycles.

In December 2003, the government announced the creation of the Expenditure Review Committee (ERC) to conduct a fundamental review of all programs and expenditures. Budget 2004 announced that the Expenditure Review Committee should identify measures that could generate at least \$3 billion in annual ongoing savings over a four-year period. The ERC has made an important contribution and details of its work are found in the Budget 2005 booklet on Expenditure Review.

Significant work is now required to implement the government-wide service changes and the department-specific initiatives. The Secretariat is currently preparing a report on the reallocation exercise. While the focus is shifting to implementation, the Secretariat will continue to strengthen its oversight of direct program spending and support efforts to identify new opportunities for further savings as required to help maintain fiscal integrity.

Going forward, the Secretariat will introduce a process that will support departments and agencies in managing risk and implementing investment opportunities aimed at improving efficiencies in public programs and services.

Highlights

- ▶ The Secretariat has successfully identified and implemented \$1 billion in ongoing reallocations.
- ▶ In addition, the Secretariat worked closely with departments and agencies to help implement the decisions of the Expenditure Review Committee that identified a further \$11 billion in potential savings. Adjustments to reference levels of departments and agencies will begin with the 2005–06 Supplementary Estimates.

Reallocation from Lower to Higher Priorities

Results Statement	Plan	Achievements
<p>Measures to achieve a one-time reallocation of \$1 billion for 2003–04 were implemented in September 2003. Since then, the Secretariat has reviewed government expenditures and worked with departments and agencies to provide expenditure management direction and advice in order to ensure ongoing adjustments to departmental reference levels of at least \$1 billion annually.</p>	<p>Same as Results Statement.</p>	<p>The government has successfully reallocated \$1 billion in existing spending to higher priorities in 2003–04 and beyond, as evidenced in the 2003–04 Strategic Environmental Assessment (SEA), 2004–05 Main Estimates, and 2004–05 SEA.</p> <p>The Secretariat is currently evaluating the impact of implementation of the Budget 2003 reallocation exercise and the decisions of the ERC.</p> <p>The Secretariat will submit a report that assesses the effectiveness of the \$1 billion reallocation exercise.</p> <p>Going forward, the Secretariat will introduce a process to support departments and agencies in managing risks and identifying and implementing investment opportunities aimed at improving efficiencies in public programs and services.</p>

Improvements in Expenditure Management and Performance Information

The ability to reallocate from lower to higher priorities on a whole-of-government basis depends on having accurate and timely information to assess how the organization is doing, what results are being achieved, and at what cost. To help achieve this goal, the *Management, Resources, and Results Structure Policy* (MRRS) was implemented on April 1, 2005. This Policy supports the development of a common, government-wide approach to the collection, management, and reporting of financial and non-financial performance information. It requires that all departments, as defined under section 2 of the FAA, develop an MRRS that includes clear and measurable Strategic Outcomes, a Program Activity Architecture (PAA) that is consistent with the way the organization manages its programs and allocates resources, and a description of the organization's governance structure. The Policy also applies to Crown corporations, while balancing with their existing requirements under the FAA.

Underpinning the implementation of common MRRSs, the government is developing and implementing the new Expenditure Management Information System (EMIS).

EMIS will serve as the integrator of common databases of government-wide financial and non-financial performance information on programs. This new system will house the information contained in individual departmental and agency MRRSs and will serve as the basis for reporting to Parliament beginning with the 2005–06 Estimates cycle. It will also automate certain elements of the expenditure management process (e.g. the planned spending estimates tabled in Parliament) and will serve as a common and consistent information platform to assess the efficiency and effectiveness of federal programs and spending.

Context

The MRRS Policy represents a major shift in how the federal government collects, manages, and reports information about programs and spending and will require a phased approach to achieve full implementation.

The Secretariat will continue to work in 2005–06 and beyond to further the implementation of the Policy and to ensure that the supporting tools and capacity needed to achieve this are in place.

In 2004–05, the EMIS project office continued to manage the Secretariat's existing Expenditure Management systems (legacy systems), while implementing a new, integrated, on-line approach. While the 2005–06 Main Estimates production was expected to be done on-line in the EMIS environment, a hybrid alternative was developed that allowed departments and agencies to input Main Estimates information on-line, while the actual production (printing and publication) was accomplished on the existing legacy system. It is expected that the fully integrated Main Estimates process will be in place for the 2006–07 production cycle.

Highlights

- ▶ The PAAs for 118 organizations were completed, approved, and displayed in the 2005–06 Estimates. EMIS incorporated PAAs and financial and non-financial information on programs by providing a mechanism to capture data on-line. By the end of March 2005, at least 40 per cent of all PAA activities had expected results and performance indicators.
- ▶ The on-line Annual Reference Level Update (ARLU) application was successfully implemented in October 2004 and will be fully functional for the November 2005 window for publication of the 2006–07 Main Estimates.
- ▶ Work to develop MRRS program information is ongoing. Given the magnitude of the changes brought about by the MRRS Policy, in moving forward, the Secretariat will work with its partners to establish an achievable pace of change and implement the Policy on a step-by-step basis.
- ▶ Efforts continue to streamline expenditure management operations to be able to support pre-budget development, improve information and analytical support, and expand the integrated EMIS data sets to include more expenditure and performance data.

Improvements in Expenditure Management and Performance Information

Results Statement	Plan	Achievements
<p>The new EMIS will integrate government-wide information to provide a common database for all departments, agencies, and the Secretariat for on-line sharing of expenditure management and performance information and production of the ARLU and Main Estimates for 2005–06.</p> <p>The first phase of EMIS will incorporate the PAA against which departments and agencies will array planned resources and results information to be ready for the 2005–06 Estimates cycle.</p>	<p>The development of PAAs will be completed by October 1, 2004.</p>	<p>PAAs for 118 organizations were completed, approved, and displayed in the 2005–06 Estimates.</p> <p>The <i>Management, Resources, and Results Structure Policy</i>, which replaces the 1996 <i>Planning, Reporting, and Accountability Structure</i> policy framework, was approved in December 2004 to come into effect April 1, 2005. The Policy supports the development of a common, government-wide approach to the collection, management, and reporting of financial and non-financial information.</p>
<p>The Secretariat will continue EMIS development throughout 2004–05 and 2005–06 to be ready in 2006–07 for active data flows from internal government-wide financial management and control systems in order to align actual spending to planned budgets.</p>	<p>EMIS will be used to gather financial and program information for the development of the ARLU and the Main Estimates using the PAA by October 31, 2004.</p>	<p>The on-line ARLU application was successfully implemented to allow departments and agencies to enter their ARLU data on-line and allowed the Secretariat to verify and approve the data using the same system. Deadlines were shifted, however, and analytical and reporting tools were not fully developed to allow the information to be used in the fall of 2004.</p>
	<p>MRRS/PAA-arrayed program information will also be available to support Cabinet and Treasury Board decision making beginning in the fall of 2004.</p>	<p>EMIS incorporated PAAs and financial and non-financial information on programs by providing a mechanism to capture data on-line.</p> <p>By April 2005, at least 40 per cent of all PAA activities had expected results and performance indicators. The quality of the information is currently being assessed, but initial assessments are encouraging.</p>
	<p>EMIS will provide automated feeds for production of the Main Estimates for 2005–06.</p>	<p>Automated feeds were not used for the production of the Main Estimates for 2005–06.</p>

Results Statement	Plan	Achievements
	<p>EMIS will streamline the Secretariat expenditure management operations support to pre-budget development and improve information and analytical support to the Secretariat.</p>	<p>Work is ongoing; progress will be reported in 2005–06.</p>
	<p>The EMIS will also be expanded and functionality will mature for 2006–07, as more active actual expenditure and performance data become available.</p>	<p>Work is ongoing; progress will be reported in 2005–06. Given the magnitude of the changes brought about by the MRRS Policy, in moving forward, the Secretariat will work with its partners to establish an achievable pace of change and implement the policy on a step-by-step basis.</p>

Reforming Estimates and Reporting to Parliament

Reporting to Parliament is a central element of accountable government. The government has a responsibility to put its planned spending estimates before Parliament for approval each year; to account for policy, program, and management performance throughout the year; and to provide written reports on plans, priorities, financial and non-financial performance, end-of-year accounts, the performance of Crown entities, and the management of government in any area required by Parliament.

Context

Public commitments to improve parliamentary reporting are set out in both the Action Plan for Democratic Reform and in *Strengthening and Modernizing Public Sector Management*, the government's management agenda as set out in Budget 2005. These commitments situate reporting to Parliament as an important element of improved governance and accountability.

Those parliamentarians who have engaged in roundtables, discussions, and studies over the past several years have consistently said that they want the following:

- ▶ simpler, more integrated information in government documents;
- ▶ more context and analysis (including trends, graphs, and reporting on horizontal issues);
- ▶ high-level overviews with the ability to drill down to more detail;
- ▶ clearer logic between planning and performance reporting documents;
- ▶ more balanced reporting; and
- ▶ more accessible information showing the linkages between programs, resources, and results.

In order to respond to these concerns and fulfill the commitments listed above, the Secretariat has engaged in several key initiatives.

The MRRS Policy: The MRRS Policy supports the development of a common, government-wide approach to the collection, management, and reporting of financial and non-financial performance information. The MRRS Policy is supported by EMIS. As the Policy is implemented, it is expected that the financial and non-financial information generated and housed in EMIS will help improve reports to Parliament.

Estimates Reform: Part I of the 2005–06 Estimates was enhanced by providing multiple views of the same data:

- ▶ whole-of-government budgetary and non-budgetary Main Estimates;
- ▶ budgetary types of payment;
- ▶ explanations of where spending occurs and linkages to the Speech from the Throne, the federal budget, and the fiscal and economic update;

- ▶ budgetary spending by sector, noting major increases or decreases; and
- ▶ non-budgetary expenditures, noting major increases or decreases.

Part II of the 2005–06 Main Estimates was enhanced by providing information based on strategic outcomes and program activities from the PAA. Finally, the 2004–05 Supplementary Estimates (A) and (B) were enhanced by providing the following:

- ▶ a reconciliation of planned spending to total Estimates to date in the introductory section;
- ▶ an overview of the major items being requested in these supplementary estimates;
- ▶ summaries of standard object of expenditures; horizontal initiatives, one-dollar items included in the supplementary estimates, and changes reflected in the supplementary estimates since the tabling of the Main Estimates;
- ▶ a ministry summary table preceding each ministry's detailed section; and
- ▶ explanations of the gross funding requirements and of funds available to offset new spending requirements.

RPPs and DPRs: The Secretariat redesigned and integrated its guidance for the preparation of the 2005–06 RPPs and DPRs to reflect the new PAA provided under the MRRS and to reinforce the complementarities between the two documents and their reporting requirements.

Canada's Performance report: *Canada's Performance 2004* was enhanced with the addition of the following:

- ▶ the Aboriginal Peoples chapter, which represented a positive first step toward fulfilling the government's commitment to develop a robust Aboriginal Progress Report;
- ▶ a chapter on Canada's Place in the World, which recognizes the international dimension of governmental activity;
- ▶ a revamped chapter on Society, Culture, and Democracy; and
- ▶ a focus on Government of Canada outcomes, which are the long-term and enduring benefits to Canadians that federal departments and agencies are working to achieve.

These changes to individual parliamentary reports are not enough. There are systemic problems that need to be addressed in a comprehensive manner. To that end, the Improving Reporting to Parliament task team was created within the Expenditure Management Sector to explore issues associated with the current reporting process and identify potential improvements. This is an iterative process that requires close consultation with parliamentarians, departments, agencies, and key stakeholders.

Highlights

- ▶ The Improving Reporting to Parliament task team was created to address systemic issues associated with the current reporting process, identify potential improvements, and prepare for consultations with parliamentarians.
- ▶ The MRRS Policy was launched in 2004–05 for the preparation of the 2005–06 Annual Reference Level Update (ARLU) and Main Estimates.
- ▶ The form and content of the Main Estimates and Supplementary Estimates were changed to enhance transparency and disclosure in keeping with the new MRRS Policy.
- ▶ Integrated guidelines were developed for the preparation of the RPPs and DPRs.
- ▶ Chapters on Canada's place in the world, Aboriginal peoples, and effective democracy were added to *Canada's Performance*.

Reforming Estimates and Reporting to Parliament

Results Statement	Plan	Achievements
<p>Stronger Secretariat capacity to promote accountability, transparency, and good governance.</p> <p>A more streamlined approach to reporting (less duplication, no over-publishing).</p> <p>Better alignment of departmental efforts to government priorities and a more strategic, integrated, and cross-departmental approach to plans, expenditures, and results.</p> <p>Better information to support Parliament in expenditure approval and oversight.</p>	<p>Use the MRRS as the basis of reporting in Estimates beginning with the 2005–06 ARLU, Main Estimates, and RPPs.</p>	<p>Changes in 2005–06 ARLU reporting, consistent with the MRRS Policy that came into effect April 1, 2005.</p>
	<p>Continue to refine the form and content of the 2005–06 Main Estimates and 2004–05 Supplementary Estimates (A) to enhance transparency and disclosure.</p>	<p>Part I of the 2005–06 Estimates was enhanced by providing multiple views of the same data and by providing a complete story on expenditure from the beginning of the budget to date.</p>
		<p>Part II of the 2005–06 Main Estimates was enhanced by providing information based on strategic outcomes and program activities from the PAA.</p> <p>The 2004–05 Supplementary Estimates (A) and (B) were also enhanced to resemble the structure of the 2005–06 Main Estimates.</p>
	<p>Develop a set of integrated guidelines for the preparation of RPPs and DPRs for issuance to departments in the fall.</p>	<p>New guidelines for 2005–06 RPPs and DPRs to reflect the new PAA under MRRS.</p> <p>These integrated guidelines should help departments and agencies provide information on key programs and services that were affected during the reporting period and linking them to activities and strategic outcomes.</p>
	<p>Offer easier access electronically to reports and special information tables.</p>	<p>Six RPP supplementary information tables were posted on the Secretariat’s Web site—located just before the departmental publications.</p>
<p>Place increased emphasis in the new guidelines for RPPs and DPRs on the reporting of horizontal initiatives.</p>	<p>The number of initiatives reported by organizations in the horizontal database increased from 24 to more than 60.</p>	

Results Statement	Plan	Achievements
	<p>Implement improvements to <i>Canada's Performance 2004</i> by adding three new chapters on:</p> <ul style="list-style-type: none"> ▶ Canada's place in the world; ▶ Aboriginal peoples; and ▶ effective democracy. <p>Place increased emphasis on the use of electronic reporting to provide access to greater detail on program spending over the short term.</p>	<p><i>Canada's Performance 2004</i> was enhanced by the addition of the following:</p> <ul style="list-style-type: none"> ▶ a chapter on Aboriginal Peoples, which was a first step toward fulfilling the government's commitment to develop a robust Aboriginal Progress Report; ▶ a chapter on Canada's place in the world that recognized the international dimension of governmental activity; ▶ a revamped chapter on society, culture, and democracy; and ▶ a focus on Government of Canada outcomes, which are the long-term and enduring benefits to Canadians that federal departments and agencies are working to achieve.
	<p>Commence development of a whole-of-government planning report that would express the government's targets and provide a clearer basis for reporting on Canada's performance over the medium term.</p>	<p>Development of a whole-of-government planning report has commenced—research into best practices in other jurisdictions was undertaken and options for application in Canada proposed.</p>
	<p>Review the processes involved in the production and tabling of the Estimates over the longer term.</p>	<p>The Improving Reporting to Parliament task team was created within the Expenditure Management Sector to address systemic issues associated with the current reporting process and identify potential improvements. This is an iterative process that requires close consultation with parliamentarians, departments, agencies, and key stakeholders.</p> <p>Part of this work includes reviewing the processes involved with the production and tabling of the Estimates over the longer term.</p>

Priority 3: Financial Management and Controls

Budget 2004 indicated that the Office of the Comptroller General of Canada (OCG) would oversee all aspects of government spending. Accordingly, the OCG was re-established in 2004–05 to provide leadership in ensuring that departments and agencies comply with Treasury Board policies for strong expenditure control and stewardship of public funds, including a bolstered internal audit function that ensures comprehensive audit programs. On behalf of the Secretariat, the OCG conducted the activities associated with its policy responsibilities and also began implementing the transformative changes announced in Budget 2004 and elsewhere, beginning with a five-year road map to put in place the government's commitments with respect to comptrollership.

During fiscal year 2004–05, the OCG focussed on the following four key areas:

- ▶ strengthening financial management;
- ▶ strengthening the internal audit function;
- ▶ building public service financial management and audit capacity; and
- ▶ strengthening financial management systems.

Strengthening Financial Management

During 2004–05, the OCG continued to exercise its policy mandate to oversee government spending; set and review financial and accounting policies and standards for the Government of Canada; and provide leadership to ensure and enforce appropriate financial controls and cultivate sound resource stewardship at all levels across the federal Public Service. In addition, it began to implement the transformative changes announced in Budget 2004 and elsewhere with respect to financial management.

Context

Sound comptrollership is required at all levels of the federal Public Service. A key element of this is effective financial management and oversight by the OCG at the government-wide level and by departmental comptrollers at the departmental level. Currently, the senior financial officers (SFOs) of each organization assume the responsibilities of departmental comptrollers; during the next several years, it is expected that professional chief financial officers (CFOs) will begin to assume these responsibilities, where this is not currently the case. Good oversight is dependent on good people, good governance, good processes, and good IM/IT, all of which are being addressed in strengthening financial management.

Highlights

- ▶ Included in the five-year road map developed by the Comptroller General are the key elements that are required to ensure that sound financial management will be in place at all levels of the federal Public Service.
- ▶ Draft roles, responsibilities, and profiles for CFOs (departmental comptrollers) were produced by December 31, 2004.
- ▶ Draft processes and criteria for the review and sign-off of new spending proposals were developed by December 31, 2004. Review of and sign-off on the renewal of terms and conditions for the majority of transfer payment programs (grants and contributions) was provided by March 31, 2005.
- ▶ The *Public Accounts of Canada* was tabled on October 21, 2004, with an unqualified “clean” audit opinion on the government’s financial statements from the Auditor General.
- ▶ The federal government received an award from the Canadian Institute of Chartered Accountants recognizing its leadership in the area of public-sector financial reporting.
- ▶ Work on the review and sign-off process throughout the Government of Canada, and development of a five-year strategy for ongoing annual audit of financial statements of departments and agencies was started in 2004–05 and is ongoing; this work will be reported in 2005–06.
- ▶ Work on the renewal of financial management policies is ongoing and will be reported in 2007–08.
- ▶ Work on enterprise-wide standards and processes for financial analysis and reporting on financial positions and results was not started due to other priorities but is expected to be started in 2005–06 and will be reported at a future date.

Strengthening Financial Management

Results Statement	Plan	Achievements
Sound resource stewardship at all levels across the federal Public Service, reinforced by oversight of all government spending, including review of and sign-off on new spending initiatives, effective professional departmental comptrollers and financial officers, and appropriate financial controls, standards, policies, and reporting that are supported by effective monitoring and enforcement mechanisms.	Produce clearly defined roles, responsibilities, and profiles for departmental comptrollers by December 31, 2004.	Profiles for departmental comptrollers (chief financial officers) were developed in October 2004 and extensive discussions took place on the transformative nature of the changes being proposed.
	Develop a process and criteria for review of and sign-off on new spending proposals by December 31, 2004.	A draft process and the criteria for review and sign-off were produced in September 2004. This draft outlined all of the components and assumptions related to sign-offs.
	Fully implement the review and sign-off process throughout the Government of Canada by December 31, 2005.	The renewed terms and conditions for the majority of transfer payment programs were reviewed and signed off by the OCG by March 31, 2005. Progress on further sign-off processes will be reported in 2005–06.
	Develop a five-year strategy for ongoing annual audit of financial statements of departments and agencies by September 30, 2005.	Results will be reported in 2005–06.
	Renew financial management policies in support of strengthened comptrollership, in concert with the Secretariat's policy renewal initiative completion date of March 31, 2007.	Although the overall project will be reported in 2007–08, some achievements occurred in 2004–05: the OCG Renewal Project Team was established in March 2005; the <i>Policy on Service Standards for External Fees</i> was issued in December; and work and interdepartmental consultations began on the <i>Policy on Transfer Payments</i> for completion in 2005–06.
	Develop and implement enterprise-wide standards and processes for financial analysis and reporting on financial position and results by March 31, 2005.	This was not accomplished. The new target date, as reported in the 2005–06 RPP, is December 2005.
	Table the <i>Public Accounts of Canada</i> , including the government's audited financial statements, before the legislated December 31, 2004, deadline.	The <i>Public Accounts of Canada</i> for 2004 were tabled in the House of Commons on October 21, 2004. An award was received from the Canadian Institute of Chartered Accountants for leadership in public-sector financial reporting.

Strengthening the Internal Audit Function

During 2004–05, the Office of the Comptroller General continued to exercise its policy mandate with respect to internal audit to provide leadership and oversight with respect to current policies and directives. In addition, it began to implement the transformative changes announced in Budget 2004 and elsewhere with respect to internal audit.

Effective internal audit provides information that is essential to good decision making. To strengthen the internal audit function, professional auditors must be supported by appropriate policies and standardized internal audit methodologies and tools.

Context

A strong internal audit function requires certified internal audit professionals. This evolution will require a significant cultural change and ongoing support from senior management.

Consultations with the internal audit community highlighted the need for strengthened liaison and partnership with professional associations and academia. Wide variability exists within internal audit functions and practices across government. There is a need to refocus the business of internal audit across all government departments.

Highlights

- ▶ Included in the five-year road map developed by the Comptroller General are the key elements that are required to ensure that sound internal audit will be in place at all levels of the federal Public Service.
- ▶ Draft roles and responsibilities of chief audit executives were defined.
- ▶ Draft performance expectations, lines of accountability, and governance of the internal audit function within the government were clarified.
- ▶ Research was completed to assess the current state of internal audit, define best practices, and identify existing gaps.
- ▶ Work commenced in 2004–05 on the following activities: a plan of action to address gaps in audit functions; the introduction of standardized internal audit methodologies and tools; the audits of small departments and agencies and the development of a three-year audit plan for these organizations; the internal OCG-led, government-wide horizontal audit and development of a three-year, OCG-led, government-wide horizontal audit plan. Progress will be reported in 2006.
- ▶ Work is ongoing on monitoring the performance of the internal audit function across the Government of Canada.

Strengthening the Internal Audit Function

Results Statement	Plan	Achievements
<p>Effective internal audit across the federal Public Service that provides value-added information for effective decision making at both the departmental and government-wide levels, including small departments and agencies, supported by effective and professional chief audit executives and auditors, a renewed internal audit policy, and standardized internal audit methodologies and tools.</p>	<p>Produce clearly defined roles, responsibilities, and profiles for chief audit executives and clarify performance expectations, lines of accountability, and related governance for the internal audit function by December 31, 2004.</p>	<p>A review of the roles, responsibilities, certification standards, and profiles for chief audit executives was included in the first draft of the new <i>Policy on Internal Audit</i>—completed in early March 2005.</p>
	<p>Conduct a diagnostic of the internal audit function within the Government of Canada by reference to professional standards and current practices in the public and private sectors by March 2005.</p>	<p>In fall 2004, interviews and research were conducted and survey results were analyzed to assess the current state of internal audit, best practices, and existing gaps.</p>
	<p>Formalize a plan of action to address gaps identified by the diagnostic, including revision of the <i>Policy on Internal Audit</i>, as appropriate, by September 30, 2005.</p> <p>Select standardized internal audit methodologies and tools by September 30, 2005, and develop an implementation plan by December 31, 2005.</p> <p>Complete the initial wave of audits for small departments and agencies by the end of the next fiscal year.</p> <p>Develop a three-year audit plan for small departments and agencies for 2006–09 by March 31, 2006.</p> <p>Complete one internal OCG-led, government-wide horizontal audit by December 31, 2005.</p> <p>Develop a three-year OCG-led government-wide horizontal audit plan by March 31, 2006.</p>	<p>In light of the complexity of introducing more rigorous internal audit across the Public Service, some of the dates associated with these activities will need to be changed.</p> <p>Progress will be reported in 2005–06.</p>

Results Statement	Plan	Achievements
	<p>Monitor the performance of the internal audit function across the Government of Canada on an ongoing basis and report on findings to the Secretary.</p>	<p>Reviews of internal audit activity were conducted, and information and recommendations were provided to senior management.</p> <p>In fall 2004, a government-wide survey of departmental internal audit resources and activities was completed by departments (80 per cent response rate). The findings are a baseline against which future progress can be gauged. Internal audit reports continue to be received and reviewed.</p> <p>Using the Management Accountability Framework (MAF), a data-gathering tool has been prepared for distribution to chief audit executives to identify priorities for improving Internal Audit functions.</p> <p>Periodic meetings were held with the audit community.</p>

Building Public Service Financial Management and Audit Capacity

Qualified financial management and internal audit professionals provide valuable services. They must be supported by certification standards, core learning curricula, specialized programs of recruitment and retention, and mechanisms that promote mobility, professional independence, and life cycle career management.

Context

Work on defining the future roles for internal audit and financial management professionals has required extensive consultation with key stakeholders. Because of the transformative nature of the changes that are being proposed, the amount of consultation, discussion, and deliberation has been far-reaching.

Highlights

- ▶ Included in the five-year road map developed by the Comptroller General are the key elements that are required to ensure that qualified professionals will be in place at appropriate levels within federal organizations.
- ▶ Draft certification standards were developed for chief financial officers (departmental comptrollers) and chief audit executives.
- ▶ The draft roles and responsibilities for the chief financial officers (departmental comptrollers) included proposals on how the OCG will be involved in the staffing and evaluation of departmental comptrollers. The draft *Policy on Internal Audit* also addresses this item for chief audit executives.
- ▶ A study of the internal audit and financial management communities proposed changes within the government's internal audit and financial management communities.
- ▶ Work is ongoing on plans to develop recruiting, learning, deploying, outsourcing, and market analysis strategies. Progress will be reported in 2006.
- ▶ Work is ongoing to ensure that departmental comptrollers and chief audit executives meet certification standards. Progress will be reported in 2006 and 2007.
- ▶ Consultation with educational institutions, academics, various professional associations, and unions to seek advice and support and develop partnerships to strengthen comptrollership across the Public Service is ongoing.
- ▶ Work is ongoing on developing a comprehensive learning strategy for core learning and specialized technical training; a protocol to maintain an updated profile of audit professionals; and a strategy for an enhanced level of knowledge of financial management and related issues by non-financial managers and officers. Progress will be reported in 2006.

Building Public Service Financial Management and Audit Capacity

Results Statement	Plan	Achievements
Effective and fully qualified financial management and internal audit professionals who, as individuals and as communities, provide value-added service to their deputy heads and are supported by certification standards, fully developed core learning curricula, specialized programs of recruitment and retention, and mechanisms that promote mobility, professional independence, and life cycle career management.	By December 31, 2004, develop certification standards for departmental comptrollers and a process for OCG involvement in their staffing and evaluation.	Draft certification standards for the position of Chief Financial Officer were developed.
	Develop certification standards for chief audit executives by March 31, 2005.	Draft certification standards were developed for chief audit executives. The <i>Guidelines on Expected Qualifications for Chief Audit Executives</i> was submitted for approval along with the <i>Policy on Internal Audit</i> .
	Develop and conduct a functional and demographic profile for the internal audit and financial management communities, based on an “as is” state and a “to be” state, along with a gap analysis by March 31, 2005.	This draft has undergone iteration based on extensive consultations with key stakeholders. Because of the transformative changes being proposed in the new Policy, the amount of consultation, discussion, and deliberation is far-reaching.
	Develop an implementation plan to address the gap analysis, including recruiting, learning, deploying, outsourcing, and market analysis strategies, by September 30, 2005.	Progress will be reported in 2005–06.
	Ensure that departmental comptrollers in key departments meet certification standards by March 31, 2005, and all other departmental comptrollers by March 31, 2007.	The short-term expectations have not been met because of the complexity of the undertaking. As indicated in the 2005–06 RPP, this objective will be met by March 31, 2007.
	Ensure that chief audit executives in key departments will meet certification standards by June 30, 2005, and all other chief audit executives by March 31, 2007.	Progress will be reported in 2005–06 and 2006–07.

Results Statement	Plan	Achievements
	<p>Conduct active consultation throughout 2004 and 2005 with educational institutions, academics, various professional associations, and unions to seek advice and support and develop partnerships to strengthen comptrollership across the Public Service.</p>	<p>The Comptroller General has held consultations with presidents and officers of other organizations to discuss working together to recruit and train more qualified financial management and internal audit professionals into the federal Public Service. The Comptroller General's External Advisory Panel, consisting of representatives from these and other organizations, was established to provide independent professional advice to the OCG.</p> <p>The OCG has worked with PSHRMAC, CSPS, and with several universities and colleges that may be able to help meet the need for more professionals within the federal government.</p> <p>The OCG is also contributing the Secretariat's Core Learning priority initiative.</p>
	<p>Develop a comprehensive learning strategy for core learning and specialized technical training by December 31, 2005, and begin implementing it by January 31, 2006.</p> <p>Develop a protocol to maintain an updated functional, demographic profile by September 30, 2005.</p> <p>Develop a strategy for an enhanced level of knowledge of financial management by non-financial managers by March 31, 2006.</p>	<p>Progress will be reported in 2005–06.</p>

Strengthening Financial Management Systems

Effective financial management systems reduce administrative costs, while supporting better decision making, improving the deployment of resources, and enhancing accountability and transparency.

Context

A comprehensive report on common business processes in financial and materiel management was completed in fall 2004. This report was used to engage departments and agencies in discussions about how processes might work in a shared-services model and to estimate potential cost savings.

Highlights

- ▶ As a result of the review of Corporate Administrative Systems for the Expenditure Review Subcommittee (ERC), a comprehensive report was prepared on common business processes in financial and materiel management.
- ▶ Work is ongoing on implementing robust practices for managing budgets. Progress will be reported in 2007.
- ▶ Work is ongoing on updating the chart of accounts to enable implementation of the new Management Resources and Results Structure. Progress will be reported in 2006.
- ▶ Work on enhancing financial management systems to improve decision making, accountability, and transparency will continue as planned and be reported in 2007.

Strengthening Financial Management Systems

Results Statement	Plan	Achievements
<p>Effective financial management and control, better decision making, and a much-improved ability to steward and reallocate resources and deliver on accountability, transparency, and oversight, accompanied by a reduced administrative burden and costs.</p>	<p>Working with others in the Secretariat and with PSHRMAC, PWGSC, and other departments and agencies, the OCG will provide leadership, from the business owner perspective, to the Review of Corporate Administrative Systems that is being carried out for the ERC. The report, including a business case and transformation plan, will be presented for consideration in fall 2004.</p> <p>The OCG's contribution will include the shared services model for financial management and work on rationalizing the enabling systems.</p>	<p>A comprehensive report on common business processes in financial and materiel management was completed in fall 2004 as part of the ERC review. This report was used to engage departments and agencies in discussions about how processes might work in a shared-services model and to estimate potential cost savings.</p>
	<p>In the medium term, the OCG will ensure that key objectives for financial management will be met, including the following:</p> <ul style="list-style-type: none"> ▶ implement robust practices for managing budgets by March 31, 2007; and ▶ update the chart of accounts to enable implementation of the new MRRS by March 31, 2006. 	<p>Progress will be reported in 2007.</p> <p>Progress will be reported in 2006.</p>
	<p>In the longer term, the OCG will monitor the implementation of the transformation projects and will continue to work with all stakeholders to ensure continuous improvement of financial management systems for improved decision making, accountability, and transparency.</p>	<p>Progress will be reported in 2007.</p>

Priority 4: Corporate Management

The Secretariat is committed to implementing effective corporate management, including integrated planning, monitoring and reporting, risk management, good internal communications, and the provision of timely advice and support to the President and government.

To this end, the Secretariat focussed on two key initiatives in fiscal year 2004–05. They included:

- ▶ restructuring the Secretariat; and
- ▶ re-engineering internal business processes.

Context

The reorganization of the Secretariat took place over many months in a period of major change and transition. Not only was the Secretariat adjusting to its re-focussed mandate, it was overseeing broader structural changes across government, as well as supporting the government’s response to the November 2003 report of the Auditor General.

Highlights

- ▶ A transition team was established to manage the implementation to the new organization structure, and the reorganization was completed in May 2005.
- ▶ An incremental approach allowed employees to complete previous projects before turning their focus to new areas. However, uncertainty around organizational responsibilities may have caused delays in progress on other initiatives.

Restructuring the Treasury Board of Canada Secretariat

Results Statement	Plan	Achievements
<p>Throughout the summer and into the fall of 2004, the Secretariat will:</p> <ul style="list-style-type: none"> ▶ implement a new organizational structure that meets the needs of the President and is approved by the Treasury Board; ▶ implement a new governance regime to better define accountabilities; and ▶ develop measures to support continuous reallocation and to deliver on the government’s plan to strengthen public-sector management. 	<p>The Secretary will establish a transition team to manage the implementation to the new organizational structure.</p> <p>The transition team will report back to the Secretary on the internal re-allocation of existing resources and any needed new resources by October 2004.</p>	<p>A restructuring team was put in place in summer 2004 and major organizational changes were implemented by May 2005.</p> <p>A new governance system was established and resources were reallocated from time-limited initiatives to new priority areas.</p> <p>Budget 2005 resources are being used to support the government’s commitment to strengthen and modernize public-sector management.</p>

Re-engineering Internal Business Processes

The Secretariat is working to support implementation of the government’s management agenda through the re-engineering of internal business processes. This includes both short and ongoing measures to improve internal governance, planning, learning and knowledge management, and the Treasury Board submission process.

Context

As the government moves forward with its agenda to modernize public-sector management, it is vital for the Secretariat to adjust its business processes to support key changes. The Secretariat’s core business operations impact government as a whole. As changes in management performance, expenditure management, or financial management and controls are introduced, it is important to consider the impact on internal Secretariat operations.

Highlights

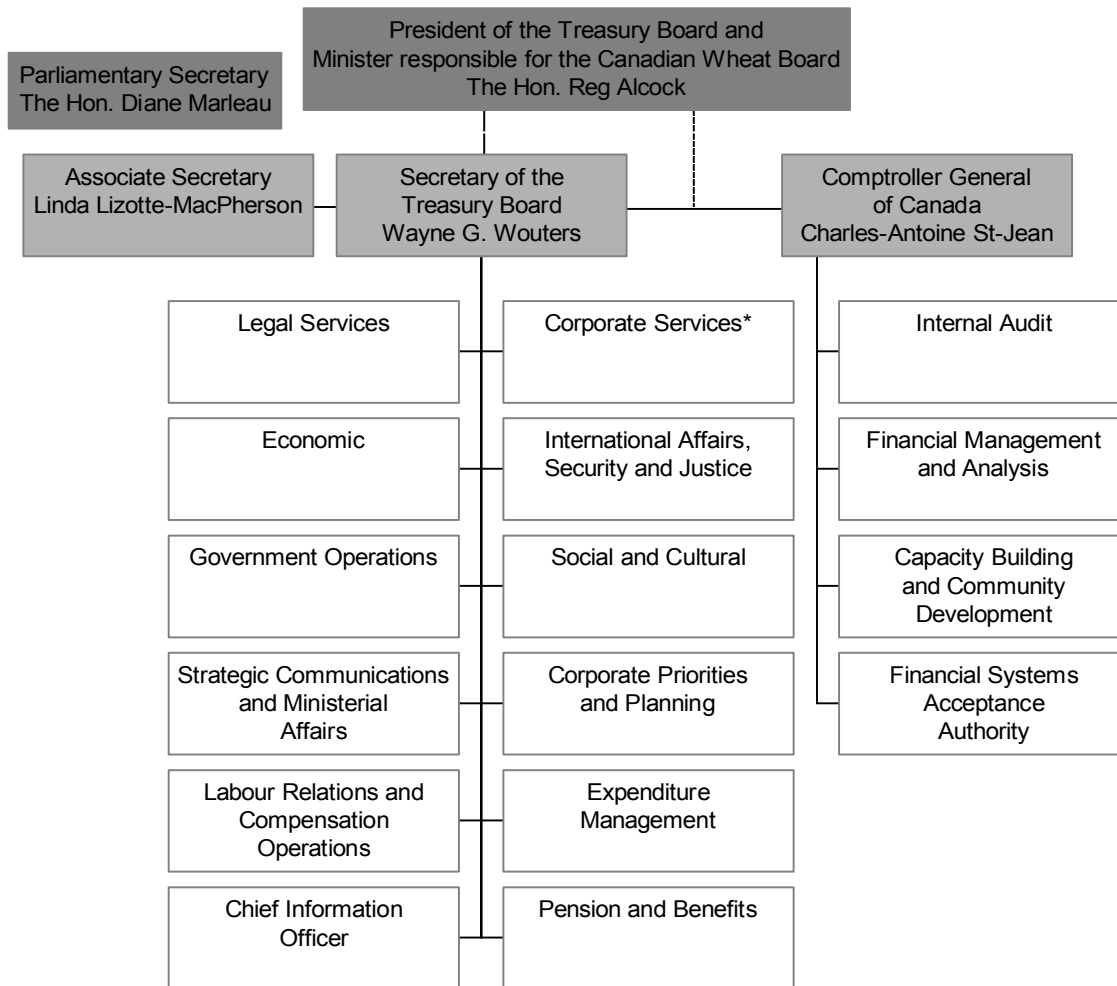
- ▶ The Secretariat introduced a new governance structure to improve corporate management. Work continues to strengthen strategic policy, internal planning and reporting, knowledge management, and management of support to departmental, portfolio, and advisory committees.

Re-engineering Internal Business Processes

Results Statement	Plan	Achievements
<p>The Secretariat will strengthen its capacity for oversight of departments and agencies and improve relations with other central agencies.</p>	<p>Beginning in 2004 and through to 2007, the Secretariat will review, re-engineer, and implement key internal business processes to strengthen its capacity for oversight of departments and agencies and improve relations with other central agencies, the Treasury Board, and Parliament.</p>	<p>As the Treasury Board and the Secretariat move towards focussing less on individual transactions and more on broader strategic management and expenditure issues, several initiatives were launched in 2004–05 to re-engineer the core business processes of the Secretariat.</p> <p>The re-engineering of several business processes was completed in areas such as the Secretariat’s governance system and management and planning system. These will ensure the Secretariat has the capacity and processes to support implementation of the agenda.</p>

3. Supplementary Information

1. Organizational Chart



The above chart represents various organizational changes that were instituted since the publication of the 2004–05 *Report on Plans and Priorities* to meet a number of objectives, including:

- ▶ ensuring the Secretariat is organized to deliver on its mandate, responsibilities, and priorities;
- ▶ strengthening effective oversight;
- ▶ providing more integrated data and information analysis;
- ▶ promoting greater internal and external coherence;

* Corporate Services are shared functions with service provided to the Department of Finance Canada, the Treasury Board of Canada Secretariat, and the Public Service Human Resources Management Agency of Canada.

- ▶ defining clear accountabilities and minimizing overlap and duplication; and
- ▶ rebalancing workload and resources.

The changes to the Secretariat's organizational chart, when compared to the organizational chart found in the 2004–05 *Report on Plans and Priorities*, are as follows:

- ▶ The reporting relationships of both the Comptroller General of Canada and the Associate Secretary to the Secretary have been refined.
- ▶ The Secretariat now has a single associate secretary responsible for providing ongoing advice on the overall management of the Secretariat and for leading on selected priorities and initiatives.
- ▶ The work of the Expenditure Review Teams was completed.
- ▶ To provide greater clarity on the direct reports of the Comptroller General of Canada, the organizational chart and accountability section have been expanded to include Internal Audit, Financial Management and Analysis, Capacity and Community Development, and Financial Systems Acceptance Authority.
- ▶ The Expenditure Operations and Reporting Sector and the Expenditure Policy, Analysis, and Information Sector were merged into the Expenditure Management Sector to facilitate a more coherent and focussed approach to delivering and managing the budget office functions within the Secretariat.
- ▶ The Management Policy and Labour Relations Sector was separated into the Pensions and Benefits Sector and the Labour Relations and Compensation Operations Sector to increase the focus in each of these areas.
- ▶ Strategic Policy and Communications was refocussed on Strategic Communications and Ministerial Affairs, while the strategic policy function was moved to Corporate Priorities and Planning Sector.
- ▶ The Corporate Priorities and Planning Sector was created to strengthen strategic policy and corporate planning across the Secretariat.

The following section outlines the accountabilities and responsibilities of each position identified in the organizational chart.

2. Accountability

The Honourable Reg Alcock is the **President** of the Treasury Board and the Minister responsible for the Canadian Wheat Board. The Honourable Diane Marleau is the **Parliamentary Secretary** to Mr. Alcock.

The **Secretary** of the Treasury Board reports to the President and is responsible for:

- ▶ developing the polices and priorities to support the prudent and effective management of the Government of Canada's human, financial, information, and technology resources in the achievement of the government's objectives;
- ▶ monitoring the proposed spending programs of all government departments and agencies and reviewing the development of approved programs to ensure effective expenditure management; and
- ▶ recommending human resources management policy to the Treasury Board in the areas of compensation, pensions, benefits, and staff relations and negotiating collective bargaining agreements with the various bargaining agents.

The **Associate Secretary** reports to the Secretary and is responsible for:

- ▶ providing ongoing advice and support on the overall management and administration of the Secretariat and its operations; and
- ▶ leading the development, implementation, and oversight of selected priorities and initiatives as requested.

The **Comptroller General of Canada**, supported by three assistant secretaries, reports through the Secretary to the President of the Treasury Board and has responsibility for:

- ▶ overseeing all government spending, including review of and sign-off on new spending initiatives;
- ▶ setting or reviewing financial, accounting, and auditing standards and policies for the Government of Canada; and
- ▶ providing leadership to ensure and enforce appropriate financial controls and cultivating sound resource stewardship at all levels across the federal Public Service.

The **Assistant Comptroller General, Financial Management and Analysis**, reports to the Comptroller General and is responsible for:

- ▶ leading, planning, developing, recommending, implementing, and monitoring the strategic and operational financial management regime of the Government of Canada;
- ▶ developing, implementing, and reviewing the government's financial management and accounting policy, procedural, and legislative frameworks; and

- ▶ ensuring an effective government-wide internal control regime, including standards for timely and comprehensive reporting and analysis of financial performance throughout the government, including the Public Accounts of Canada and the government's audited financial statements.

The **Assistant Comptroller General, Internal Audit**, reports to the Comptroller General and is responsible for:

- ▶ providing leadership and oversight with respect to internal audit within the Public Service;
- ▶ developing, implementing, and reviewing auditing policies, frameworks, and standards; and
- ▶ managing and conducting timely audits, including those for most small departments and agencies.

The **Assistant Comptroller General, Capacity Building and Community Development**, reports to the Comptroller General and is responsible for:

- ▶ developing, implementing, and monitoring government-wide requirements for professional certification and capacity building of the internal audit community;
- ▶ developing, implementing, and monitoring government-wide requirements for professional certification and capacity building of the financial management community; and
- ▶ developing government-wide strategies and co-ordinating associated programs to effectively recruit, retain, and train qualified members of the financial management and internal audit communities.

The **Executive Director, Financial Systems Acceptance Authority**, reports to the Comptroller General and is responsible for:

- ▶ providing leadership and oversight with respect to policy, strategy, and plans for enterprise-wide and departmental financial systems;
- ▶ ensuring financial systems provide a solid foundation for cost-effective business processes and automated systems; and
- ▶ providing systems validation and acceptance with respect to the design and development of enterprise-wide and departmental financial systems.

The **Chief Information Officer** reports to the Secretary and performs the following functions:

- ▶ provides frameworks, policies, and guidance on privacy, security, access to information, proactive disclosure, and accessibility in support of program and service delivery;
- ▶ provides frameworks, policies, and guidance on a broad range of information management (IM) and information technology (IT) matters and related issues in support of program and service delivery;
- ▶ provides strategies, advice, and leadership to optimize IM/IT spending across the government and simplify and reuse common data, business processes, and solutions; and

- ▶ articulates and advances the government-wide service transformation agenda to continuously improve service quality and increase Canadians' satisfaction with government service delivery.

The **Assistant Secretary of Corporate Priorities and Planning** reports to the Secretary and performs the following functions:

- ▶ developing strategic policy and co-ordination of horizontal reviews;
- ▶ strategic planning, including internal and external governance and knowledge management; and
- ▶ development and implementation of the Management Accountability Framework as the basis of a comprehensive regime of management accountability.

The **Assistant Secretary of Strategic Communications and Ministerial Affairs** reports to the Secretary and performs the following functions:

- ▶ briefs the President on Cabinet and parliamentary affairs;
- ▶ co-ordinates and supports Treasury Board operations, submissions, and agendas; and
- ▶ delivers corporate and public service-wide communications, media relations, and Treasury Board communications policy.

The **assistant secretaries** of the **program sectors** all report to the Secretary. They include **International Affairs, Security and Justice Sector, Government Operations Sector, Economic Sector, and Social and Cultural Sector**. They support the Treasury Board in its management board role by advising on:

- ▶ strategic resource allocation and effective program design for departments and agencies;
- ▶ effective use of resources;
- ▶ policy and program design, viability, and responsiveness;
- ▶ funding pressures and mitigation strategies; and
- ▶ broad government policy, operational issues, and management strategies (e.g. integrity of programs).

The **Assistant Secretary of the Government Operations Sector** is also responsible for providing policy and operational support for Crown corporations and for providing corporate oversight for policy on the management of real property in government under the *Real Property Act* and for policies on contracts and procurement, materiel, and common services.

The **Assistant Secretary of Labour Relations and Compensation Operations** reports to the Secretary and is responsible for supporting the Treasury Board's role as employer of the core public administration through labour relations and compensation operations. This sector is responsible, on behalf of the Treasury Board as the employer, for the sound management and

influence of labour-management relations through such venues as the National Joint Council and the Joint Career Transition Committee. It conducts all collective bargaining for the core federal public administration and processes collective bargaining mandates for separate agencies. It is also responsible for exclusions, essential service agreements, bargaining-agent certification, pay administration, excluded groups, RCMP and military compensation and administrative policies, employer representation, adjudication of grievances, health and safety, human rights complaints, and pay equity.

The **Assistant Secretary of Pensions and Benefits** reports to the Secretary and provides strategic direction and policy leadership on public service pension and employee/pensioners' insurance benefits policy and programs. This involves:

- ▶ strategic management of pension and benefits arrangements for the Public Service, retirees, and related populations;
- ▶ the development, negotiation, and implementation of pension and benefit designs and governance arrangements, including legislative and regulatory frameworks that meet the needs of the employer and employees at a cost acceptable to the Canadian public;
- ▶ the development of strategies and processes for effective funding, and financial and asset management for the public service, military, and RCMP pension plans and public service benefit plans; and
- ▶ the development of a risk management framework, including legal risk, and the establishment of appropriate mitigation measures.

The **Assistant Secretary of Expenditure Management** reports to the Secretary and performs the following functions:

- ▶ provides integrated and comprehensive reporting to Parliament, departments, and the public that reflects Treasury Board oversight responsibilities for management performance and expenditure management (i.e. Estimates, reports on plans and priorities, departmental performance reports, and *Canada's Performance*);
- ▶ leads the improvement and development of reporting instruments;
- ▶ provides primary parliamentary liaison with regards to the expenditure reporting cycle;
- ▶ provides integrated and comprehensive guidelines to departments and agencies in preparation of their Main Estimates and Supplementary Estimates, departmental reports on plans and priorities, departmental performance reports, and *Canada's Performance* documents;
- ▶ prepares for tabling in Parliament:
 - Main Estimates and associated supply bills;
 - Supplementary Estimates and associated supply bills;
 - *Canada's Performance*;

- reports on plans and priorities; and
- departmental performance reports;
- ▶ leads Management Resources and Results Structure implementation and co-ordination;
- ▶ strengthens results-based management, including horizontal management, and evaluation policy, monitors evaluations, and supports related capacity development across government;
- ▶ plays the lead role in the budget process and conducts primary liaison with the Privy Council Office and the Department of Finance Canada on related matters (e.g. fiscal framework, the management of emerging expenditure pressures, and allocations from other reserves);
- ▶ manages recommendations for access to central reserves under Treasury Board control (e.g. operating, contingency, and compensation reserves);
- ▶ plays an internal challenge role, recommends allocations, and implements initiatives to achieve the Treasury Board’s expenditure management objectives;
- ▶ undertakes activities in the areas of expenditure policy, research, and analysis; and
- ▶ leads development of the expenditure management information system (EMIS).

The **Senior General Counsel** and **Legal Services** provide a full range of legal and litigation services to the President, the Treasury Board, and the Secretariat, specifically regarding commercial law, labour and employment law, and government law. They further advise and support in the areas of powers and duties generally and by:

- ▶ ensuring that the government conducts its affairs in accordance with the law;
- ▶ ensuring government compliance with applicable statutes and regulations;
- ▶ conducting litigation on behalf of public service employers; and
- ▶ assisting in the enactment and amendment of legislation, regulations, strategic policy development, and initiatives, where the responsibility for these changes and initiatives falls under the President and the Treasury Board.

The **Assistant Deputy Minister of Corporate Services** and the **Corporate Services Branch** provide shared support and services to the Secretariat, the Department of Finance Canada, and the Public Service Human Resources Management Agency of Canada in the areas of human resources, financial management, corporate systems, facilities, informatics, information and materiel management, internal audit and evaluation, security, and employee orientation.

Table 1: Financial Crosswalk Between Business Lines and Priorities

\$ thousands	Management Performance		Expenditure Management		Financial Management and Control		Corporate Management		Total	
	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹
Priority Areas / Business Lines										
Expenditure Management and Planning²										
Main Estimates			32,178.0	750,000.0					32,178.0	750,000.0
<i>Planned Spending</i>			<i>50,109.0</i>	<i>750,844.2</i>					<i>50,109.0</i>	<i>750,844.2</i>
Total Authorities ³			41,133.9	641,326.2					41,133.9	641,326.2
Actual Spending			38,008.7						38,008.7	
Comptrollership										
Main Estimates					16,621.0	876.0			16,621.0	876.0
<i>Planned Spending</i>					<i>8,496.0</i>	<i>31.8</i>			<i>8,496.0</i>	<i>31.8</i>
Total Authorities ³					17,292.6				17,292.6	
Actual Spending					18,958.4				18,958.4	
Information Management / Information Technology										
Main Estimates	19,260.0								19,260.0	
<i>Planned Spending</i>	<i>31,660.0</i>								<i>31,660.0</i>	
Total Authorities ³	29,771.0								29,771.0	
Actual Spending	28,163.6								28,163.6	
Public Service Compensation and Benefits⁴										
Main Estimates	18,814.0	1,609,520.0							18,814.0	1,609,520.0
<i>Planned Spending</i>	<i>20,069.0</i>	<i>1,609,520.0</i>							<i>20,069.0</i>	<i>1,609,520.0</i>
Total Authorities ³	18,300.6	1,692,884.9							18,300.6	1,692,884.9
Actual Spending	19,881.7	1,433,386.3							19,881.7	1,433,386.3

Table 1: Financial Crosswalk Between Business Lines and Priorities (Cont'd)

\$ thousands	Management Performance		Expenditure Management		Financial Management and Control		Corporate Management		Total	
	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹	Secretariat Operations	Centrally Administered Funds ¹
	Priority Areas / Business Lines									
Corporate Administration										
Main Estimates							40,213.0	10,000.0	40,213.0	10,000.0
<i>Planned Spending</i>							<i>38,205.0</i>	<i>10,000.0</i>	<i>38,205.0</i>	<i>10,000.0</i>
Main Estimates	38,074.0	1,609,520.0	32,178.0	750,000.0	16,621.0	876.0	40,213.0	10,000.0	127,086.0	2,370,396.0
<i>Planned Spending</i>	<i>51,729.0</i>	<i>1,609,520.0</i>	<i>50,109.0</i>	<i>750,844.2</i>	<i>8,496.0</i>	<i>31.8</i>	<i>38,205.0</i>	<i>10,000.0</i>	<i>148,539.0</i>	<i>2,370,396.0</i>
Total Authorities ³	48,071.6	1,692,884.9	41,133.9	641,326.2	17,292.6		38,204.7	10,000.0	144,702.8	2,344,211.1
Actual Spending	48,045.3	1,433,386.3	38,008.7		18,958.4		36,674.1		141,686.5	1,433,386.3

CONTEXT: The government restructuring of December 12, 2003, changed the role of the Secretariat. In particular, the Secretariat was mandated to provide more rigorous oversight of government expenditures. The 2004–05 Main Estimates were developed on the existing business line structure, whereas the Planned Spending figures in the *Report on Plans and Priorities* projected the initial plans for restructuring in accordance with the new mandate. In June 2004, the Secretariat initiated an in-depth reorganization process, which included the re-alignment of resources. As this reorganization was not completed until early 2005–06, the Total Authorities and Actual figures reported above are based of the original structure (Main Estimates). In some cases, Actual Spending by business line exceeds Total Authorities, due to internal reallocation.

1. Total Authorities for Centrally Administered Funds include Treasury Board Centrally Financed Votes 5, 10, and 20. These funds include permanent transfers to other departments and agencies from Vote 5 and Vote 10, which reduces the Secretariat's Authorities. The departmental performance reports of recipient departments and agencies show an increase in Authorities, as well as in Actual expenditures.
2. Expenditures totalling \$315.4 thousand, primarily for freight and tenant services, were incorrectly reflected under the Expenditure Management and Planning business line in the 2004–05 Public Accounts. They are appropriately shown here under the Secretariat Corporate Administration business line.
3. Total Authorities for Secretariat Operations include the 2004–05 Main Estimates plus Supplementary Estimates, transfers in from Vote 10, Government-wide Initiatives, transfers in from Vote 15, Collective Agreements, and other authorities.
4. Total Authorities and Actual expenditures in 2004–05 include \$83.4 million in statutory payments that are not included in the Main Estimates and Planned Spending. These payments are reported when amounts are known at the end of the fiscal year.

Table 2: Comparison of Planned Spending and Full-time Equivalents by Business Line

Business Lines (\$ thousands)	2004-05					
	2002-03 Actual	2003-04 Actual	Main Estimates	Planned Spending	Total Authorities ¹	Actual
Expenditure Management and Planning²						
Secretariat Operations	20,830.0	29,684.8	32,178.0	50,109.0	41,133.9	38,008.7
Centrally Administered Funds ³	-	-	750,000.0	750,844.2	641,326.2	-
Comptrollership						
Secretariat Operations	26,661.0	18,956.5	16,621.0	8,496.0	17,292.6	18,958.4
Centrally Administered Funds ³	-	-	876.0	31.8	-	-
Information Management and Information Technology						
Secretariat Operations	31,037.0	22,701.1	19,260.0	31,660.0	29,771.0	28,163.6
Public Service Compensation and Benefits						
Secretariat Operations	83,361.0	19,008.4	18,814.0	20,069.0	18,300.6	19,881.7
Centrally Administered Funds ^{3&4}	1,266,459.0	1,362,865.8	1,609,520.0	1,609,520.0	1,692,884.9	1,433,386.3
Secretariat Corporate Administration						
Secretariat Operations	42,170.0	127,336.9	40,213.0	38,205.0	38,204.7	36,674.1
Centrally Administered Funds ³	-	-	10,000.0	10,000.0	10,000.0	-
Total	1,470,518.0	1,580,553.5	2,497,482.0	2,518,935.0	2,488,914.0	1,575,072.9
Less: Non-respendable Revenue	(9,577.0)	(10,216.0)	-	(9,500.0)	(10,512.6)	(10,512.6)
Plus: Cost of Services Received Without Charge	13,799.0	13,474.6	-	13,029.7	12,394.6	12,394.6
Net Cost of the Secretariat	1,474,740.0	1,583,812.1	2,497,482.0	2,522,464.7	2,490,796.0	1,576,954.9
Full-time Equivalents⁵	1,354	1,051	980	955	969	996

CONTEXT: The government restructuring of December 12, 2003, changed the role of the Secretariat. In particular, the Secretariat was mandated to provide more rigorous oversight of government expenditures. The 2004–05 Main Estimates were developed on the existing business line structure, whereas the Planned Spending figures in the *Report on Plans and Priorities* projected the initial plans for restructuring in accordance with the new mandate. In June 2004, the Secretariat initiated an in-depth reorganization process, which included the re-alignment of resources. As this reorganization was not completed until early 2005–06, the Total Authorities and Actual figures reported above are based on the original structure (Main Estimates). In some cases, Actual Spending by business line exceeds Total Authorities, due to internal reallocation.

1. Total Authorities for Secretariat Operations include the 2004–05 Main Estimates plus Supplementary Estimates, transfers in from Vote 10, Government-wide Initiatives, transfers in from Vote 15, Collective Agreements, and other authorities.
2. Expenditures totalling \$315.4 thousand, primarily for freight and tenant services, were incorrectly reflected under the Expenditure Management and Planning business line in the 2004–05 Public Accounts. They are appropriately shown here under the Secretariat Corporate Administration business line.
3. Total Authorities for Centrally Administered Funds include Treasury Board Centrally Financed Votes 5, 10, and 20. These funds include permanent transfers to other departments and agencies from Vote 5 and Vote 10, which reduces the Secretariat's Authorities. The departmental performance reports of recipient departments and agencies show an increase in Authorities, as well as in Actual expenditures.
4. Total Authorities and Actual expenditures in 2004–05 include \$83.4 million in statutory payments that are not included in the Main Estimates and Planned Spending. These payments are reported when amounts are known at the end of the fiscal year.
5. In accordance with the December 12, 2003, restructuring, 2003–04 and future years reflect the transfer of the Shared Travel Service Initiative (STSI) and Government On-Line (GOL) to Public Works and Government Services Canada (PWGSC) and portions of the Human Resources Management Office to the Public Service Human Resources Management Agency of Canada (PSHRMAC).

Table 3: Use of Resources by Business Lines

Business Lines (\$ thousands)	2004–05				
	Operating ¹	Grants and Contributions	Total: Gross Budgetary Expenditures	Less Responsible Revenues	Total: Net Budgetary Expenditures
Expenditure Management and Planning					
Secretariat Operations					
Main Estimates	32,178.0	-	32,178.0	-	32,178.0
<i>Planned Spending</i>	<i>50,109.0</i>	-	<i>50,109.0</i>	-	<i>50,109.0</i>
Total Authorities	41,133.9	-	41,133.9	-	41,133.9
<i>Actual Spending</i>²	<i>38,008.7</i>	-	<i>38,008.7</i>	-	<i>38,008.7</i>
Centrally Administered Funds³					
Main Estimates	750,000.0	-	750,000.0	-	750,000.0
<i>Planned Spending</i>	<i>750,844.2</i>	-	<i>750,844.2</i>	-	<i>750,844.2</i>
Total Authorities	641,326.2	-	641,326.2	-	641,326.2
<i>Actual Spending</i>	-	-	-	-	-
Comptrollership					
Secretariat Operations					
Main Estimates	16,621.0	-	16,621.0	-	16,621.0
<i>Planned Spending</i>	<i>8,496.0</i>	-	<i>8,496.0</i>	-	<i>8,496.0</i>
Total Authorities	17,292.6	-	17,292.6	-	17,292.6
<i>Actual Spending</i>	<i>18,958.4</i>	-	<i>18,958.4</i>	-	<i>18,958.4</i>
Centrally Administered Funds³					
Main Estimates	876.0	-	876.0	-	876.0
<i>Planned Spending</i>	<i>31.8</i>	-	<i>31.8</i>	-	<i>31.8</i>
Total Authorities	-	-	-	-	-
<i>Actual Spending</i>	-	-	-	-	-

Business Lines (\$ thousands)	2004–05				
	Operating ¹	Grants and Contributions	Budgetary		
			Total: Gross Budgetary Expenditures	Less Responsible Revenues	Total: Net Budgetary Expenditures
Information Management and Information Technology					
Secretariat Operations					
Main Estimates	19,260.0	-	19,260.0	-	19,260.0
<i>Planned Spending</i>	<i>31,460.0</i>	<i>200.0</i>	<i>31,660.0</i>	-	<i>31,660.0</i>
Total Authorities	29,571.0	200.0	29,771.0	-	29,771.0
<i>Actual Spending⁴</i>	<i>27,963.6</i>	<i>200.0</i>	<i>28,163.6</i>	-	<i>28,163.6</i>
Public Service Compensation and Benefits					
Secretariat Operations					
Main Estimates	18,814.0	-	18,814.0	-	18,814.0
<i>Planned Spending</i>	<i>20,069.0</i>	-	<i>20,069.0</i>	-	<i>20,069.0</i>
Total Authorities	18,300.6	-	18,300.6	-	18,300.6
<i>Actual Spending</i>	<i>19,881.7</i>	-	<i>19,881.7</i>	-	<i>19,881.7</i>
Centrally Administered Funds³					
Main Estimates	1,726,000.0	520.0	1,726,520.0	117,000.0	1,609,520.0
<i>Planned Spending</i>	<i>1,728,989.0</i>	<i>520.0</i>	<i>1,729,509.0</i>	<i>119,989.0</i>	<i>1,609,520.0</i>
Total Authorities ⁵	1,841,599.6	524.3	1,842,123.9	149,239.0	1,692,884.9
<i>Actual Spending⁵</i>	<i>1,609,458.1</i>	<i>355.4</i>	<i>1,609,813.5</i>	<i>176,427.2</i>	<i>1,433,386.3</i>
Secretariat Corporate Administration					
Secretariat Operations					
Main Estimates	40,213.0	-	40,213.0	-	40,213.0
<i>Planned Spending</i>	<i>38,205.0</i>	-	<i>38,205.0</i>	-	<i>38,205.0</i>
Total Authorities	38,204.7	-	38,204.7	-	38,204.7
<i>Actual Spending²</i>	<i>36,674.1</i>	-	<i>36,674.1</i>	-	<i>36,674.1</i>

Business Lines (\$ thousands)	2004–05				
	Operating ¹	Grants and Contributions	Budgetary		
			Total: Gross Budgetary Expenditures	Less Responsible Revenues	Total: Net Budgetary Expenditures
Centrally Administered Funds³					
Main Estimates	10,000.0	-	10,000.0	-	10,000.0
<i>Planned Spending</i>	<i>10,000.0</i>	-	<i>10,000.0</i>	-	<i>10,000.0</i>
Total Authorities	10,000.0	-	10,000.0	-	10,000.0
Actual Spending	-	-	-	-	-
Total					
Main Estimates	2,613,962.0	520.0	2,614,482.0	117,000.0	2,497,482.0
<i>Planned Spending</i>	<i>2,638,204.0</i>	<i>720.0</i>	<i>2,638,924.0</i>	<i>119,989.0</i>	<i>2,518,935.0</i>
Total Authorities	2,637,428.6	724.3	2,638,153.0	149,239.0	2,488,914.0
Actual Spending	1,750,944.7	555.4	1,751,500.1	176,427.2	1,575,072.9

CONTEXT: The government restructuring of December 12, 2003, changed the role of the Secretariat. In particular, the Secretariat was mandated to provide more rigorous oversight of government expenditures. The 2004–05 Main Estimates were developed on the existing business line structure, whereas the Planned Spending figures in the *Report on Plans and Priorities* projected the initial plans for restructuring in accordance with the new mandate. In June 2004, the Secretariat initiated an in-depth reorganization process, which included the re-alignment of resources. As this reorganization was not completed until early 2005–06, the Total Authorities and Actual figures reported above are based on the original structure (Main Estimates). In some cases, Actual Spending by business line exceeds Total Authorities, due to internal reallocation.

1. Includes capital expenditures.
2. Expenditures totalling \$315.4 thousand, primarily for freight and tenant services, were incorrectly reflected under the Expenditure Management and Planning business line in the 2004–05 Public Accounts. They are appropriately shown here under the Secretariat Corporate Administration business line.
3. Total Authorities for Centrally Administered Funds include Treasury Board Centrally Financed Votes 5, 10, and 20. These funds include permanent transfers to other departments and agencies from Vote 5 and Vote 10, which reduces the Secretariat's Authorities. The departmental performance reports of recipient departments and agencies show an increase in Authorities, as well as in Actual expenditures.
4. Expenditures totalling \$58.9 thousand were incorrectly reflected under "Grants and Contributions" in the 2004–05 Public Accounts. They are appropriately shown here under "Operating."
5. Total Authorities and Actual expenditures in 2004–05 include \$83.4 million in statutory payments that are not included in the Main Estimates and Planned Spending. These payments are reported when amounts are known at the end of the fiscal year.

Table 4: Voted and Statutory Items

(\$ thousands)		2004–05			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Actual
1	Program Expenditures	111,451.0	132,752.0	131,139.5	128,129.8
(S)	President of the Treasury Board— Salary and motor car allowance	70.0	70.0	69.7	69.7
(S)	Contributions to Employee Benefits Plans	15,565.0	15,717.0	13,487.2	13,487.2
(S)	Court Awards	-	-	-	-
(S)	Spending proceeds from the disposal of surplus Crown Assets	-	-	6.5	-
5	Government Contingencies ^{1&2}	750,000.0	750,000.0	640,575.9	-
10	Government-wide Initiatives ^{1&3}	10,876.0	10,876.0	10,750.3	-
15	Compensation Adjustment ¹	-	-	-	-
20	Public Service Insurance ⁴	1,609,500.0	1,609,500.0	1,609,500.0	1,350,001.4
(S)	<i>Public Service Pension Adjustment Act</i>	20.0	20.0	24.3	24.3
(S)	Unallocated employer contributions made under the <i>Public Service Superannuation Act</i> and other retirement acts, and the <i>Employment Insurance Act</i>	-	-	82,982.0	82,982.0
(S)	Payments for the pay equity settlement pursuant to section 30 of the <i>Crown Liability and Proceedings Act</i>	-	-	378.6	378.6
Total Treasury Board of Canada Secretariat		2,497,482.0	2,518,935.0	2,488,914.0	1,575,072.9

1. Total Authorities for Centrally Administered Funds include Treasury Board Votes 5, 10, and 20. These funds include permanent transfers to other departments and agencies from Vote 5 and Vote 10, which reduces the Secretariat's Authorities. The departmental performance reports of recipient departments and agencies show an increase in Authorities, as well as in Actual expenditures.
2. Vote 5, Government Contingencies, supplements other appropriations to provide the government with the flexibility to meet unforeseen expenditures until parliamentary approval can be obtained and to meet additional pay list costs, such as severance pay and parental benefits, which are not provided for in departmental estimates.
3. Vote 10, Government-wide Initiatives, supplements other appropriations in support of the implementation of strategic management initiatives in the Public Service of Canada.
4. Vote 20, Public Service Insurance, covers the payment of the employer's share of health, income maintenance, and life insurance premiums; payments to or in respect of provincial health insurance plans; provincial payroll taxes; pension, benefits, and insurance plans for employees engaged locally outside Canada; and to return to certain employees their share of the unemployment insurance premium reduction.

Table 5: Net Cost of Department

(\$ thousands)	2004–05
Total Actual Spending	1,575,073
<i>Plus: Services Received Without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	9,530
Workers' compensation coverage provided by Social Development Canada (SDC)	-
Salary and associated expenditures of legal services provided by the Department of Justice Canada	2,865
	1,587,468
<i>Less: Non-responsible Revenue</i>	(10,513)
2004–05 Net Cost of Secretariat	1,576,955

Table 6: Contingent Liabilities

Contingent Liabilities	(\$ thousands)	
	March 31, 2004	March 31, 2005
Claims, and Pending and Threatened Litigation	33,707,763.0	33,767,400.0

Table 7: Sources of Respendable and Non-respendable Revenue

Respendable Revenue

(\$ thousands)	Actual 2002–03	Actual 2003–04	Main Estimates	2004–05		Actual
				Planned Revenue	Total Authorities	
Public Service Compensation and Benefits						
Revenue related to the administration of the PSSA	2,029.0	2,248.4	-	2,989.0	2,989.0	2,192.3
Revenue related to Public Service Insurance ¹	135,559.0	148,340.8	117,000.0	117,000.0	146,250.0	174,234.9
Total Respendable Revenue	137,588.0	150,589.2	117,000.0	119,989.0	149,239.0	176,427.2

Non-respendable Revenue

(\$ thousands)	Actual 2002–03	Actual 2003–04	Main Estimates	2004–05		Actual
				Planned Revenue	Total Authorities	
Revenue from Parking Fees	9,577.0	10,216.0	-	9,500.0	10,511.6	10,511.6
External Revenue from Access to Information requests	1.5	1.0	-	-	1.0	1.0
Total Non-respendable Revenue	9,578.5	10,217.1	-	9,500.0	10,512.6	10,512.6

¹ Authorities are forecast based on historical data. Actual revenues exceed Total Authorities due to higher than forecast payroll costs.

Table 8: Resource Requirements by Branch/Sector level

Organization (\$ thousands)	2004–05					Total
	Expenditure Management and Planning	Comptroller- ship	Information Management and Information Technology	Public Service Compensation and Benefits	Secretariat Corporate Administration	
Expenditure Operations and Reporting Sector						
Main Estimates	756,278.0					756,278.0
<i>Planned Spending</i>	764,299.2					764,299.2
Total Authorities ¹	647,527.8					647,527.8
<i>Actual Spending</i>	6,505.3					6,505.3
Expenditure Management Information System						
Main Estimates	1,524.0					1,524.0
<i>Planned Spending</i>	12,894.9					12,894.9
Total Authorities ¹	12,816.5					12,816.5
<i>Actual Spending</i>	13,309.3					13,309.3
Expenditure Management Review Teams						
Main Estimates	9,394.0					9,394.0
<i>Planned Spending</i>	9,394.0					9,394.0
Total Authorities ¹	8,619.7					8,619.7
<i>Actual Spending</i>	4,154.2					4,154.2

Table 8: Resource Requirements by Branch/Sector level (cont'd)

Organization (\$ thousands)	2004–05					Total
	Expenditure Management and Planning	Comptroller- ship	Information Management and Information Technology	Public Service Compensation and Benefits	Secretariat Corporate Administration	
Social and Cultural Sector						
Main Estimates	4,176.0					4,176.0
<i>Planned Spending</i>	4,176.0					4,176.0
Total Authorities ¹	4,430.1					4,430.1
Actual Spending	4,623.2					4,623.2
Economic Sector						
Main Estimates	4,996.0					4,996.0
<i>Planned Spending</i>	4,996.0					4,996.0
Total Authorities ¹	4,830.5					4,830.5
Actual Spending	4,286.5					4,286.5
Government Operations Sector						
Main Estimates	5,810.0					5,810.0
<i>Planned Spending</i>	5,192.7					5,192.7
Total Authorities ¹	4,235.4					4,235.4
Actual Spending	5,130.2					5,130.2

Table 8: Resource Requirements by Branch/Sector level (*cont'd*)

Organization (\$ thousands)	2004–05					Total
	Expenditure Management and Planning	Comptroller- ship	Information Management and Information Technology	Public Service Compensation and Benefits	Secretariat Corporate Administration	
Office of the Comptroller General						
Main Estimates		17,497.0				17,497.0
<i>Planned Spending</i>		8,527.8				8,527.8
Total Authorities ¹		17,292.6				17,292.6
<i>Actual Spending</i>		18,958.4				18,958.4
Chief Information Officer Branch						
Main Estimates			19,260.0			19,260.0
<i>Planned Spending</i>			31,660.0			31,660.0
Total Authorities ¹			29,771.0			29,771.0
<i>Actual Spending</i>			28,163.6			28,163.6
Human Resources Branch						
Main Estimates				1,628,334.0		1,628,334.0
<i>Planned Spending</i>				1,629,589.0		1,629,589.0
Total Authorities ¹				1,711,185.5		1,711,185.5
<i>Actual Spending</i>				1,453,268.0		1,453,268.0

Table 8: Resource Requirements by Branch/Sector level (cont'd)

Organization (\$ thousands)	Expenditure Management and Planning	Comptroller- ship	2004–05			Total
			Information Management and Information Technology	Public Service Compensation and Benefits	Secretariat Corporate Administration	
Branches under the Secretariat's Corporate Administration^{2& 3}						
Main Estimates					50,213.0	50,213.0
<i>Planned Spending</i>					48,205.0	48,205.0
Total Authorities ¹					48,204.7	48,204.7
Actual Spending					36,674.1	36,674.1

CONTEXT: The government restructuring of December 12, 2003, changed the role of the Secretariat. In particular, the Secretariat was mandated to provide more rigorous oversight of government expenditures. The 2004–05 Main Estimates were developed on the existing business line structure, whereas the Planned Spending figures in the *Report on Plans and Priorities* projected the initial plans for restructuring in accordance with the new mandate. In June 2004, the Secretariat initiated an in-depth reorganization process, which included the re-alignment of resources. As this reorganization was not completed until early 2005–06, the Total Authorities and Actual figures reported above are based on the original structure (Main Estimates). In some cases, Actual Spending by business line exceeds Total Authorities, due to internal reallocation.

1. Total Authorities for Centrally Administered Funds include Treasury Board Centrally Financed Votes 5, 10, and 20. These funds include permanent transfers to other departments and agencies from Vote 5 and Vote 10, which reduces the Secretariat's Authorities. The departmental performance reports of recipient departments and agencies show an increase in Authorities, as well as in Actual expenditures.
2. Includes information related to the following: President's Office, Secretary's Office, Associate Secretary's Office, Legal Services, Strategic Policy and Communications, Corporate Services, and other central costs.
3. Expenditures totalling \$315.4 thousand, primarily for freight and tenant services, were incorrectly reflected under the Expenditure Management and Planning business line in the 2004–05 Public Accounts. They are appropriately shown here under the Secretariat's Corporate Administration business line.

Table 9-A: 2004–05 User Fee Reporting Template—User Fees Act

(\$ thousands)	Fee Type	Fee-setting Authority	Date Last Modified	2004–05			Planning Years				
				Forecast Revenue	Actual Revenue	Full Cost	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue	Estimated Full Cost
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	0	<i>Access to Information Act</i>	1992	1.5	0.8	316.5	Framework under development by the Secretariat For more information, visit http://lois.justice.gc.ca/en/a-1/8.html .	Statutory deadlines met 86% of the time	2005–06 2006–07 2007–08	1.0 1.2 1.4	320.0 340.0 360.0
				Subtotal (R)	Subtotal (R)	Subtotal (R)			Subtotal: 2005–06		2005–06
				Subtotal (O)	Subtotal (O)	Subtotal (O)			Subtotal: 2006–07		2006–07
				Total	Total	Total			Subtotal: 2007–08		2007–08
									Total		Total
									3.6		1020.0

B. Date Last Modified

N/A

C. Other Information

It is the department’s practice to waive fees where the total owing per request amounts to less than \$25.00, when the request has not been answered within the legislated time frames and additional costs would normally have been incurred, or there is a public interest in disclosure. There was a significant increase in the number of times fees were waived in 2004–05, due to the informal processing of monthly requests for the reports generated by the Co-ordination of Access to Information Requests System (CAIRS). It was also due to a new electronic disclosure service that the Secretariat is now able to offer. In order to reduce costs and increase efficiency, documents released are provided on CD-ROM, which means that no reproduction fees are charged to the applicant.

Table 9-B: 2004–05 User Fee Reporting Template—*Policy on Service Standards for External Fees*

A. External Fee	Service Standard ¹	Performance Result ¹	Stakeholder Consultation
<p>Fees charged for the processing of access requests filed under the <i>Access to Information Act</i></p>	<p>Framework under development by the Secretariat</p> <p>For more information, visit http://lois.justice.gc.ca/en/a-1/8.html.</p>	<p>Statutory deadlines met 86% of the time</p>	<p>The service standard is established by the <i>Access to Information Act</i> and the <i>Access to Information Regulations</i>. Consultations with stakeholders were undertaken for amendments made in 1986 and 1992.</p>
<p>B. Other Information</p> <p>Two delay complaints were filed with the Office of the Information Commissioner. One was not substantiated and one was resolved to the satisfaction of the Information Commissioner.</p> <p>It is the department’s practice to waive fees where the total owing per request amounts to less than \$25.00, when the request has not been answered within the legislated time frames and additional costs would normally have been incurred, or there is a public interest in disclosure. There was a significant increase in the number of times fees were waived in 2004–05, due to the informal processing of monthly requests for the reports generated by the Co-ordination of Access to Information Requests System (CAIRS). It was also due to a new electronic disclosure service that the Secretariat is now able to offer. In order to reduce costs and increase efficiency, documents released are provided on CD-ROM, which means that no reproduction fees are charged to the applicant.</p>			

Table 10: Details on Project Spending by Business Line / Priority

(\$)	Current Estimated Total Cost	2002-03 Actual	2003-04 Actual	2004-05			Actual
				Main Estimates	Planned Spending	Total Authorities	
Business Line: Expenditure Management and Planning							
Priority: Expenditure Management							
Expenditure Management Information System— Phase I	36,314,000	-	5,021,681	2,269,299	15,608,299	15,608,299	15,906,564

EMIS project actual expenditures exceeded annual project authorities for 2004-05, due to exceptional one-time costs incurred in that year, including additional priority tasks for ERC delivery.

Table 11: Response to Parliamentary Committees, Audits and Evaluations for Fiscal Year 2004–05

Response to Parliamentary Committees

Government Response to the First Report of The Standing Committee on Public Accounts

Tabled March 23, 2005

The House of Commons Standing Committee on Public Accounts made recommendations relevant to the Secretariat on the monitoring and enforcement of compliance with Treasury Board policies, Secretariat intervention in cases of non-compliance, and action plans for compliance for smaller departments and agencies. The recommendations also included elements related to the Secretariat's responsibilities in contracting and supporting small departments and agencies in both internal audit and monitoring of contracting activities.

In response, the Secretariat is "implementing broad measures to strengthen accountability and compliance," including activities described throughout this document. Treasury Board oversight policies were amended and strengthened through Budget 2004 measures. Work on the *Policy on Internal Audit* across the Secretariat also addresses specific needs of small departments and agencies. Finally, the Secretariat committed to preparing a Guide for Managers and Internal Audit: Monitoring Procurement and Contracting, Contracts Disclosure and developing the Professional Development and Certification Program by fall 2005.

See http://www.tbs-sct.gc.ca/report/gr-rg/2005/0323_e.asp.

Response to the Auditor General

Report 1, Chapter 3 ("Modernization of Human Resources"), 4 ("Accountability"), and 8 ("Managing Government") of the February 2005 Report of the Auditor General to the House of Commons

Tabled February 15, 2005

The Office of the Auditor General (OAG) conducted performance audits that examined whether the government was managing its programs with due regard to economy, efficiency, and environmental impact and had measures in place to determine their effectiveness.

The Treasury Board was mentioned in three chapters of this report. For Chapter 3, "Modernization of Human Resources Management: Managing the Reforms," the OAG stated that, while the government is making satisfactory progress in the early stages of its new human resources management in the federal Public Service, the Treasury Board needed to ensure that the three agencies that now carry out the various aspects of its role as employer (the Treasury Board of Canada Secretariat, the Public Service Human Resources Management Agency of Canada, and the Canada School of Public Service) integrate their activities more formally and fully. The Secretariat generally agreed with OAG recommendations.

Chapter 4, "Accountability of Foundations," found that, despite a number of improvements to the framework for the accountability of foundations to Parliament, overall progress was unsatisfactory. The Secretariat disagreed with the OAG's conclusions.

Chapter 8, "Managing Government: Financial Information," found that progress on the use of improved financial information in departments and agencies, and improvements in its financial information systems supporting that information, was unsatisfactory. The Secretariat agreed with OAG recommendations and planned actions to address the recommendations.

See http://www.oag-bvg.gc.ca/domino/media.nsf/html/20050200pr_e.html.

Report 1, Chapter 7 ("Managing Government") of the March 2004 Report of the Auditor General to the House of Commons

Tabled March 30, 2004

This OAG report preformed an audit focussed on the overall management of the initiative to enhance national security and the co-ordination of intelligence among departments and agencies, undertaken after the terrorist attacks on the United States on September 11, 2001.

Chapter 7 of this report, "Managing Government: A Study of the Role of the Treasury Board and its Secretariat," characterized a study undertaken by the OAG on the key challenges the government faces in carrying out its agenda to strengthen management across the federal public sector. This study provides Parliament with information on the key challenges that the Treasury Board and its Secretariat face in developing, refining, and implementing the federal government's management agenda. The study is a first step in the development of a longer-term audit plan for the OAG, covering key elements of the federal government's management agenda and the Treasury Board's role in them.

See http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20040300c_e.html.

External Audits or Evaluations

No external audits or evaluations were conducted.

Internal Audits or Evaluations

Review of Policy Monitoring

See http://www.tbs-sct.gc.ca/report/orp/2004/rpm-esp_e.asp.

Strategic Plan Development Process

See http://www.tbs-sct.gc.ca/report/orp/2004/spdp-peps_e.asp.

Table 12: Sustainable Development Strategies (SDS)

Points to address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	The SDS contains 28 commitments, many with specific targets. The three key goals are 1. Support departments in setting, achieving, and reporting on sustainable development goals; 2. Make progress on federal priorities related to Sustainable Development (SD); and 3. Make the Secretariat's operations more environmentally friendly.
2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes?	All three of the Secretariat's SDS goals relate to its outcome, namely rigorous stewardship of public resources to achieve results for Canadians. As Management Board for the Government of Canada, the Treasury Board is uniquely positioned to ensure that the values, principles, and practices of SD are integrated into departmental management systems, including planning and reporting.
3. What were your targets for the reporting period?	A summary is provided below.
4. What is your progress (this includes outcomes achieved in relation to objectives and progress on targets) to date?	A summary is provided below.
5. What adjustments have you made, if any? (To better set the context for this information, discuss how lessons learned have influenced your adjustments.)	If a lesson has been learned, it is that clear accountability for results is required if SD is going to be advanced. The transition to sustainable management practices is a significant change, not easily achieved. In those areas where some progress and success were achieved (contaminated sites, building of horizontal frameworks), leads have been identified and there has been clear accountability.

In 2004–05, the Secretariat began implementation of its new 2004–06 Sustainable Development Strategy (SDS). The Strategy has three goals: Supporting departments in setting, achieving, and reporting on sustainable development goals; making progress on federal priorities related to sustainable development; and making the Secretariat's operations more environmentally friendly. The Strategy made 28 commitments across the three goals. Approximately half of the commitments have been fulfilled in the first year alone, although many are ongoing activities and responsibilities for the Secretariat.

The highlight of the first year of activities under the new SDS is the dramatic progress made in improving management practices on files relating to sustainable development (Goal 1: Support departments in setting, achieving, and reporting on sustainable development goals). The Climate Change Project Office spearheaded the creation of the Performance Management Framework (PMF) for all government activities under the file. The PMF provides a common, government-wide approach to the collection, management, and public reporting of financial and non-financial information. This type of framework helps departments to better manage and report on their SD-related programs and in turn helps the Secretariat provide quality information and recommendations to executives and ministers. The success of the Climate Change

framework is being replicated for Water, Greening Government Operations, and Aboriginal files. Very recently, the Secretariat has undertaken the development of a prototype Web tool for tracking and reporting of PMF data on horizontal files. The tool may simplify and improve departmental reporting.

Good progress was also made under Goal 2 (Make progress on federal priorities related to SD) in the SDS, where the Secretariat committed to making progress on Contaminated Sites and Greening of the Federal Fleet. The *Motor Vehicle Policy* and the *Executive Vehicle Policy* have been re-written (although not consolidated) and are now in draft format as two chapters of the *Fleet Management Directive*. Consultation has taken place with departments and agencies, and comments from these organizations have been addressed.

Progress was also seen in making the Secretariat's operations more environmentally friendly (Goal 3: Make the Secretariat's operations more environmentally friendly). A volunteer network of employees dedicated to reducing resource consumption and raising awareness, the Green Citizenship Network, was successfully established. The Network includes employees from the Public Service Commission of Canada, PSHRMAC, and the Department of Finance Canada that share facilities with us. This innovative and collaborative effort has already resulted in a detailed action plan for reducing solid waste, and energy and paper consumption. Thirteen activities will roll out and be monitored over the next year. The Network plans to continue developing more aggressive plans to green the Secretariat's operations.

True to the Secretariat's SDS commitment on contaminated sites, in 2004–05, the Secretariat worked closely with Environment Canada to jointly manage the implementation of the Federal Contaminated Sites Accelerated Action Plan (FCSAAP) Program. Funds were expended to conduct 242 site assessments (\$4.48 million) and care and maintenance/remediation work on 55 Class 1 contaminated sites (\$85.112 million). In addition, following the commitment in the 2004 budget, the Secretariat and Environment Canada designed and prepared, for Cabinet approval, an enhanced contaminated sites program, including strengthened governance, accountability, and reporting mechanisms. The Secretariat continued maintenance of the Federal Contaminated Sites Inventory and commenced work on the re-design and enhancement of the system. The completeness and accuracy of the data reported by departments is greatly improved.

Some commitments in the SDS remain to be fulfilled. Notably, the Secretariat has not yet closely integrated SD considerations into the work of Secretariat analysts (under Goal 1). Training for analysts on the linkages between their work and SD is planned for the coming year. Second, the departmental guidelines for SD reporting in RPPs and DPRs have not yet been improved (Goal 1). Much opportunity remains to improve the Secretariat's management practices to better support departments in achieving government-wide objectives on SD.

Table 13: Procurement and Contracting

Points to address	Organization's Input
1. Role played by procurement and contracting in delivering programs	Procurement and contracting play a vital role in ensuring that the goods and services needs of the Secretariat are met in a timely manner, while ensuring that the laws, policies, and guidelines governing government procurement are respected.
2. Overview of how the department manages its contracting function	Contracting and procurement activity in the Secretariat is centralized. While managers have delegated authority to enter into contracts, contract documents and financial commitments are created by the centralized Contracting Section. The Contracting Section also provides advice and guidance on all aspects of the contracting process. The Secretariat has a Contract Review Committee that reviews all contracts with an estimated value of greater than \$10,000. Procurement of goods is also carried out centrally with the exception of purchases made using acquisition cards.
3. Progress and new initiatives enabling effective and efficient procurement practices	The Secretariat has developed a manager's desktop guide to contracting that will be accessible through the Secretariat's intranet. The process for service contracts with an estimated value of less than \$10,000 has been streamlined in order to expedite the process and encourage compliance with contracting policies and procedures. Under procurement reform, the Secretariat is making broader use of standing offers and supply arrangements. Managers are also encouraged to make use of the acquisition card program to meet low dollar value needs.

Table 14: Travel Policies

The Secretariat adheres to travel policies and parameters as established by the *Special Travel Authorities* and the *Travel Directive, Rates and Allowances*.