

Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government

Table of Contents

I Introduction

II Governor in Council Appointments

III Public Sector Organizations

IV Portfolio Management

V Responsibility and Accountability

VI General Management Responsibilities

VII Business Planning and Expenditure Management

VIII Performance Measurement and Reporting to Parliament

IX Public Service Values and Conflict of Interest

X Networks

Annexes: Key Federal Structures

A The Prime Minister's Office and the Privy Council Office

B The Treasury Board Secretariat

C The Public Service Commission

D The Canadian Centre for Management Development

E The Office of the Auditor General

I Introduction

This guide is intended to assist heads of federal agencies, including heads of boards and commissions, and particularly those newly appointed by the Governor in Council (it is not directed specifically toward heads of Crown corporations). It is structured to explain the role heads of agencies are called to play in carrying out their functions as holders of public office.

Federal agencies are generally established in statute by Parliament to assist the government in carrying out its responsibilities to the Canadian public. The precise manner in which this is done varies considerably depending on the nature of the agency and its statutory mandate. The powers necessary to carry out the agency's functions are vested in the individual who heads the agency (or the board that directs or oversees it) rather than in the Minister. However, Parliament normally requires that each agency report to it through a Minister, and where an agency draws from the Consolidated Revenue Fund, the "appropriate Minister" must sponsor the necessary request for funds through Estimates and the Crown must approve those requests by means of the Appropriation Bill.

Federal agencies have functions which may be administrative, quasi-judicial, regulatory or advisory. Like the mandates of the agencies themselves, the tasks and legal obligations of the various agency head positions vary considerably. There is therefore a great diversity of federal organizations currently in existence. The nature of these entities spans a wide range of activities and there is a corresponding range in the federal statutes to which they are subject. These agencies include entities as different as, for example, the Canadian Radio-Television and Telecommunications Commission, the Canadian Food Inspection Agency, the Immigration and Refugee Board and the Canadian International Trade Tribunal.

The powers necessary for an agency to carry out its functions are normally vested in the individual that heads the agency. The head of a federal agency is generally appointed by the Governor in Council, pursuant to an enabling statute. The duties and statutory obligations of agency heads vary considerably, as do the mandates of their associated agencies. What is common to all agency heads is their role as the agency's chief executive officer and their responsibility for the conduct of the work of the agency and the effective functioning of the organization.

The Guide is designed to outline general points relating to the organization and operations of the federal public administration. Thus, it describes agencies within the broader framework of the roles of Parliament, the Governor in Council, the Prime Minister, Ministers and Secretaries of State, and the Cabinet decision-making process. In more specific terms, it outlines the Governor in Council appointment process and looks at related issues such as compensation mechanisms. The Guide also examines the accountability of agency heads to their Minister and to Parliament, their responsibilities for human resources, financial and program management and public affairs. The Guide deals with the place of agencies within the portfolio under a Minister's responsibility. Public service values and conflicts of interest are also discussed since both have an impact on the conduct of heads of agencies as part of the general probity framework in the public sector. Information on agency networks, that serve as an informal source of information and contacts across government is provided in the last section of the booklet. Descriptions of the functions of central agencies and other organizations of particular importance to agency heads are provided in the annexes.

This Guide was prepared by the Machinery of Government Secretariat of the Privy Council Office, in collaboration with the Management Priorities and Senior Personnel Secretariat,

and with the assistance of the Treasury Board Secretariat and the Office of the Ethics Counsellor. It is designed to provide a brief overview of a range of topics with which heads of agencies should be familiar. Individual sections also include lists of contacts to whom agency heads can turn for more detailed information on specific subjects.

II Governor in council appointments

Heads of agencies play an important role in the appointment of Governor in Council appointees to their organization. This section describes the roles of heads of agencies and the other organizations involved in these appointments.

1. Overview

Governor in Council appointments are those made by the Governor General on the advice of the Queen's Privy Council of Canada represented by Cabinet.

The Governor in Council population consists of more than 3,500 appointees. There are approximately 1,000 federally appointed judges, some 100 heads of mission, including Ambassadors and High Commissioners, as well as some 500 full-time and 1,900 part-time appointees in a wide array of agencies, boards, commissions, Crown corporations and government departments. These appointees include Deputy Ministers, heads of agencies and members, CEOs of Crown corporations and directors, and returning officers. Their responsibilities are diverse, ranging from making quasi-judicial decisions and socio-economic development recommendations to the management of large, diversified corporations.

Recommendations for appointments originate from many sources, including the political, commercial and academic communities, senior public servants, and interest groups. In addition, for most full-time fixed term appointments, qualified candidates are actively sought through publicized notices of vacancy that appear in the Canada Gazette.

The agency head, the Minister, the portfolio department, the Office of the Director of Appointments in the Prime Minister's Office, the Management Priorities and Senior Personnel Secretariat in the Privy Council Office, the Office of the Ethics Counsellor, and the Assistant Clerk of the Privy Council (Orders in Council), have a role in Governor in Council appointments.

2. The Agency Head

The agency head (or the Chair of the Board of Directors in Crown corporations) will consult with the responsible Minister on the appointment needs of the organization and will provide advice to the Minister with respect to the skill sets desired in new members and make recommendations for reappointment of members whose terms are coming to an end, as well as on the need to fill existing or upcoming vacancies.

Since the agency head is responsible for the conduct of the work and the effective functioning of the organization, the agency head will keep the responsible Minister informed of changes in the membership as a result of resignations, etc. In addition, the agency head will advise the responsible Minister of any situation involving Governor in Council appointees in the organization that requires the Minister's attention. The agency head is also responsible for reviewing the performance of appointees within the organization.

3. The Minister

Governor in Council appointments are normally made on the recommendation of the responsible Minister, in accordance with the provisions of the relevant statute. The Minister works with the Office of the Director of Appointments in the Prime Minister's

Office, in developing recommendations for Governor in Council appointments. The Minister will consult with the Director of Appointments as to the positions to be filled and the requirements for these positions.

In making recommendations for appointment, Ministers take into consideration the need to ensure that representational requirements are met in terms of regional, linguistic, ethnic, gender and other objectives.

4. The Portfolio Department

The portfolio department supplies advice to the responsible Minister's office to ensure that the legal requirements of a recommended appointment are met. Designated departmental officials support the Minister in making appointment recommendations by preparing the necessary documentation to be submitted to the Governor in Council. This documentation is composed of a submission which includes a recommendation signed by the responsible Minister, a draft Order in Council for the appointment, as well as a short biographical note on the appointee. The department may also be asked to provide assistance in finalizing notices of vacancy, job descriptions and selection criteria when a position is to be advertised in the Canada Gazette.

The portfolio department will work closely with the Management Priorities and Senior Personnel Secretariat in the Privy Council Office on a number of appointment related issues, including the drafting of submissions for the Minister's signature.

5. The Director of Appointments, Prime Minister's Office

The Director provides political advice to the Prime Minister on appointments. Ministers consult with the Office of the Director when developing their recommendations on Governor in Council appointments.

The Office of the Director of Appointments, in the Prime Minister's Office works closely with Ministers and heads of agencies, among others, to ensure that appointments take into account Canada's diversity and meet the needs of the organization to which they are being made.

6. The Management Priorities and Senior Personnel Secretariat

The Management Priorities and Senior Personnel Secretariat in the Privy Council Office provides operational advice to the Prime Minister, through the Clerk of the Privy Council, on Governor in Council appointments.

The Secretariat is responsible for meeting the legal and administrative imperatives of the appointment process. Under the direction of the Assistant Secretary to the Cabinet, the Secretariat provides advice and support on the selection, appointment, career planning, compensation, performance review and termination of Governor in Council appointees. Negotiation of salaries and other terms and conditions of employment is conducted by the Secretariat.

The Secretariat also provides advice to heads of agencies and departmental officials with respect to the qualifications required for a specific position, salary and other terms and conditions of employment, conflict of interest issues of a general nature, and political activities of Governor in Council appointees.

The Minister's office and the Management Priorities and Senior Personnel Secretariat should be advised of any situation or issue involving Governor in Council appointees requiring discussion.

7. The Office of the Ethics Counsellor

Governor in Council appointees are required to perform their duties in the public interest. Their impartiality must be beyond reproach. Consequently, the Government has established for public office holders the Conflict of Interest and Post-Employment Code which explains the steps to be taken to avoid real or apparent conflicts between their private interests and public responsibilities.

The Code sets standards to maintain and enhance public confidence in the integrity of public office holders. It contains measures for compliance while in office and afterward. Specific requirements include the types of assets that public office holders may have and the outside activities in which they may engage.

The Office of the Ethics Counsellor is responsible for administering this program. All full-time appointees are contacted by the Office of the Ethics Counsellor upon appointment to ensure they are in compliance with the Code. In addition, although the provisions of the Code do not apply to part-time appointees, the spirit and principles of the Code do. The Office of the Ethics Counsellor advises part-time appointees of their obligations with respect to conflict of interest. Heads of agencies and other appointees are encouraged to discuss their circumstances in confidence with the Office of the Ethics Counsellor. (More information on these issues is provided in Chapter IX.)

8. The Assistant Clerk of the Privy Council (Orders in Council)

The Assistant Clerk of the Privy Council (Orders in Council) provides secretariat services to the Special Committee of Council and is responsible for the approval of Orders in Council, regulations and other statutory instruments, and for providing advice on the use of Orders in Council and/or Instruments of Advice. With regard to Governor in Council appointments, the Order in Council Division prepares all appointment Orders which are submitted for Cabinet review and approval; transmits appointments to the Governor in Council for final approval; and, finally, prepares and distributes approved Orders (including certificates of appointment) to Ministers, Management Priorities and Senior Personnel Secretariat, the Ethics Counsellor and other appropriate parties. The Order in Council Division also administers the Statutory Instruments Act regarding the registration and publication of regulations and Orders in Council in Part II of the Canada Gazette.

9. Advertisement of Vacancies in the Canada Gazette

It is government practice to advertise most full-time, fixed term positions in the Canada Gazette. The Director of Appointments in the Prime Minister's Office and the responsible Minister consult as to whether there is a need to advertise in the Canada Gazette to fill a vacancy. Advertisements in newspapers and specialized magazines may also be used, depending on the nature of the job.

When a decision is made to advertise a position or positions, the Management Priorities and Senior Personnel Secretariat prepares and places the notice of vacancy in the Canada Gazette. The preparation of the notice of vacancy, the job description, and the selection criteria are prepared in coordination with the agency, the Director of Appointments, and the responsible Minister.

The notice of vacancy indicates that applications are to be sent to the Office of the Director of Appointments, the Minister's office, the Management Priorities and Senior Personnel Secretariat, the portfolio department, or the agency, depending on the situation. Applicants' qualifications and experience are evaluated against the requirements of the position.

10. Parliamentary Review of Governor in Council Appointments

The Standing Orders of the House of Commons provide that Standing Committees of the House of Commons, which have members from all political parties in the House, have the authority to review all non-judicial appointments made by the Government of Canada.

Shortly after an appointment is made, a copy of the appointing Order in Council is tabled in the House of Commons for consideration by one of the Standing Committees of the House. The members of the Standing Committee can then choose whether they will request an appointee to meet with the Committee. Committee review of an appointment gives the Committee an opportunity to become acquainted with the appointee and to ask questions about the appointee's qualifications related to the duties of the position to which the Government has appointed the person. The Order in Council comes into effect when it is signed. Appointees need not wait until the Order is tabled and reviewed before assuming their duties within the organization to which they have been appointed. Standing Committees do not have the power to veto appointments.

Contact for further information

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Management Priorities and Senior Personnel
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III Public sector organizations

There is a great diversity of organizations in the public sector; each exists for a specific purpose and has its own role to play. Organizations differ from one another according to the accountability framework for Ministers and officials, the organizational structure, and the management and administrative regimes. This section provides a brief overview of organizational models in the public sector.

1. Departments

A department supports its Minister and the government by providing advice on policies and legislation, and by implementing ministerial decisions and programs. Headed by a Deputy Minister, a department carries out activities that require regular ministerial oversight and direction.

The Minister's general authority for the management and direction of the department flows from statutes. In addition, statutes designate the Deputy Minister as the deputy head of the department, responsible for the management of its financial and human resources. The Deputy Minister is answerable to the Minister and, ultimately, to the Prime Minister for the quality of management and advice provided by the department and for any actions taken by departmental officials.

2. Agencies, Boards and Commissions

This broad grouping encompasses entities whose structures and functions are varied. Federal agencies, boards and commissions have been established to carry out administrative, quasi-judicial, regulatory and advisory functions within an established policy and legislative framework. These functions are by no means mutually exclusive, and many agencies carry out multiple roles. The institutions pursue a range of activities such as protecting human rights, regulating particular economic sectors, providing grants, undertaking research, and giving advice.

In general, such organizations are created by legislation, which sets out the organization's mandate, authorities and organizational structures. The legislation normally also contains considerable details on the composition of the organization and the roles and responsibilities of key actors (e.g., chair, the board of directors, chief executive officer). In contrast to departments which are under the control and direction of a Minister, agencies are frequently structured on a corporate model in which decision-making powers are vested in a board or commission. That board or commission is accountable to Parliament and the public for the exercise of these powers.

Each organization falls within the portfolio of a Minister, who answers for it in Parliament. In accordance with the enabling legislation, Ministers exercise varying degrees of control and responsibility for the agencies which are part of their portfolio. The degree of independence from government varies with the type of organization in question, and it is important that Ministers and the officers of each organization understand and respect the relationship defined by the relevant legislation. Maintaining an arm's length relationship to Ministers is particularly important for those organizations whose mandate is to make decisions that determine or regulate the privileges, rights or benefits of Canadians. Governments delegate decision-making powers to these bodies, in part, to preserve public confidence in the fairness of the decision-making process. In turn, the exercise of these powers requires careful attention to ensure that the appropriate degree of independence is maintained.

The nature of the relationship between a Minister and an agency is a particularly sensitive issue for administrative tribunals or other independent decision-making organizations carrying out quasi-judicial functions. These are statutory bodies responsible for administering, determining, establishing, controlling or regulating an economic or business activity, or adjudicating cases that affect individual rights and benefits.

Such organizations must exercise their statutory authority in accordance with government policies and in the public interest. However, because they are called upon to arbitrate among conflicting interests or to settle claims for various benefits, their independence is key to their effectiveness.

Normally, Ministers are responsible for the policies governing such organizations, but cannot intervene in specific decisions. Thus, the Minister is answerable in general to Parliament for the activities of the organization, but maintains an arm's length relationship with it. The Minister's role is frequently limited to making recommendations to the Governor in Council on the appointment of members, and tabling annual reports. Provision may in some cases be made for policy direction or appeals of certain decisions to Ministers. Consistent with their quasi-judicial role, the organizations themselves are responsible for developing specific rules and procedures and for following them in their decision-making. The purpose of such structures is to balance Ministers' accountability for overall policy development and utilization of public resources with the independence needed for these bodies to make specific decisions in a transparent, fair and non-partisan manner.

3. Crown Corporations

Crown corporations are wholly owned by the government but operate at arm's length in a commercial environment. They are not subject to the government's human resource and administrative policies that apply to departments. In most cases, they have their own statutes that outline their policy and operational framework, including the responsibilities of the appropriate Minister, the board of directors, and the chief executive officer (CEO). In addition, the majority of Crown corporations are subject to Part X of the Financial Administration Act which provides a control and accountability framework respecting, for example, the approval of each corporation's corporate plan and budgets, and the appointment of its directors, chairperson, chief executive officer and auditor.

The role of the appropriate Minister is to oversee the Crown corporation by recommending to the Governor in Council the names of prospective members of the board of directors, recommending the approval of the corporation's corporate plans and budgets, and tabling their annual reports and the summaries of their approved plans and budgets in Parliament.

The board of directors is responsible for the overall management of the businesses, activities and other affairs of the corporation. The CEO is responsible for the day-to-day management of the corporation on behalf of the board of directors. Each Crown corporation is ultimately accountable, through its appropriate Minister, to Parliament for the conduct of its affairs.

For further information on the responsibilities of Crown corporation directors, consult *Directors of Crown Corporations: An Introductory Guide to their Roles and Responsibilities and Corporate Governance in Crown Corporations and Other Public Enterprises – Guidelines*. Information on these publications may be obtained from the Treasury Board Secretariat, Service and Innovation Sector, (613) 957-0138.

Contact for further information

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Service and Innovation Sector Treasury Board Secretariat

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IV Portfolio management

This section describes the objectives and mechanisms for portfolio management to ensure that all organizations under a Minister's authority work together in the most effective fashion within the context of maintaining appropriate agency independence.

1. Portfolio

In the organization of the federal government, each Minister is responsible for a portfolio, which consists of the organizations reporting to the Minister, and those for which the Minister has been designated responsible. They can include:

- a department that has a role in shaping future policies and laws, and, in some cases, delivers services to Canadians; and
- agencies, boards and commissions that take many forms and are established to undertake a wide variety of functions, including providing advice, undertaking research, providing grants, regulating particular economic sectors of industries, and carrying out specialized adjudicative functions affecting individual rights; and/or
- Crown corporations that provide specific services on a commercial basis.

Each of the organizations is different. They have different mandates, a variety of organizational structures, and a different relationship to the Minister. However, they all provide services to Canadians and report to Ministers, and through Ministers, to Parliament.

2. What is Portfolio Management?

Building on existing statutory roles under a Minister's authority, portfolio management is about encouraging all organizations to work together in the most appropriate and effective fashion, consistent with statute. It is a tool to secure coherence in developing and implementing the Government's policy and programs to accomplish its objectives and effectively deliver services to Canadians. It is a means of:

- achieving better governance;
- ensuring better policy, legislation and program coordination; and
- supporting Ministers in their oversight of their portfolios by giving them the best public service advice.

It is important to note that portfolio management does not mean a change in accountability. The arm's length relationship and the independent status of agencies, boards and commissions will continue to be respected. Similarly, with respect to Crown corporations, their original purpose as an instrument of public policy, and in some cases, their ability to participate competitively in the market place, will not change.

To be an effective means to augment the contribution towards achieving the Government's objectives and priorities, portfolio management requires the concerted and cooperative efforts of all concerned -- Ministers, Deputy Ministers, and heads of agencies and other organizations in the portfolio. With the necessary flexibility, portfolio management can serve as a valuable tool for the government to strengthen its capacity to effectively develop policy, as well as to deliver programs and services to Canadians. A brief description of the respective roles of Deputy Ministers and heads of other portfolio organizations follows.

3. Role of Deputy Ministers

The Deputy Minister is responsible for advising the Minister on the coherent policy development and management of the Minister's portfolio. On behalf of the Minister, the Deputy Minister has specific responsibility to ensure appropriate coordination of the portfolio, tailored to the Minister's responsibility for each organization in the portfolio. This could be achieved, for example, by holding regular meetings with all heads of agencies in the portfolio to exchange information, to coordinate portfolio-wide issues, and to ensure joint participation in the decision-making process. All activities in enhancing portfolio management are carried out while respecting the statutory-based relationship between a Minister and the agencies in the Minister's or her portfolio.

4. Role of Heads of Organizations

Some heads of organizations are vested with powers and authorities directly by Parliament. The roles and responsibilities of Ministers and Deputy Ministers with respect to these organizations vary and are set out in their respective enabling legislation. It is, therefore, essential that the right balance be struck between maintaining the necessary arm's length relationship established for the bodies and the Minister's responsibility for these organizations from the overall portfolio perspective. Good working relationships between the agency head and the Deputy Minister, as well as the Minister, enable effective cooperation and communication and contributes to successful portfolio management.

There are at least three areas where the involvement of heads of organizations is beneficial in improving policy development and communication across the portfolio:

- sharing of expertise in ensuring relevance on any proposed legislative changes;
- appropriate cooperation on policy development with Deputy Ministers so that they may be effective in giving sound policy advice to their Ministers; and
- sharing management practices to benefit from each other's perspective and experience.

Contact for further information

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V Responsibility and accountability

This section provides a brief overview of the exercise of the responsibility and accountability of heads of agencies, as defined by statute and by convention.

Introduction

Parliament exercises the general power of the federal government through its authority to legislate. The two Houses of Parliament, the government of the day and the Crown decide how the power of the federal government is to be used and by whom. This assignment of powers in legislation is the first and most important building block of responsibility and accountability, because responsibility flows from authority.

Parliament assigns the powers of the federal government in three ways that are relevant here: to Ministers individually; to the Governor in Council and its statutory committees; and to the heads and boards of arm's length agencies. These assignments of power define the responsibilities and accountabilities of all elected and non-elected officials for the exercise of the powers conferred by statutes. Even where powers are assigned to collective bodies, such as the Governor in Council or the board of an arm's length agency, Parliament has insisted that a particular individual be accountable. The personal accountability of office holders is an essential part of responsible government.

Responsibility, Accountability and Answerability of Heads of Agencies

Parliament has deemed it appropriate to assign certain categories of powers to persons operating at arm's length from the government of the day. Usually these are powers of a regulatory, commercial, research, advisory or professional grant-giving nature, and the substantive and management powers conferred on them for carrying out the objects of their statutes. In such cases, the powers are usually vested directly in a board or a chief executive officer.

Ministers are almost always assigned one or more specific statutory duties in respect of agencies. With few exceptions, they are required to receive and table in Parliament an annual report. They are also required to recommend to the Governor in Council appointments to the governing boards of agencies. The majority of these appointments are not made by the Ministers directly. For all bodies that depend on public funding, Ministers are required to approve estimates submissions.

Ministers may also be assigned specific powers. They may, for example, have the authority to refer a matter for inquiry or study by an agency. They may have certain defined powers of direction; these are sometimes exercised directly by the Minister, and sometimes through the Governor in Council.

The heads of arm's length agencies are responsible for the exercise of powers conferred by Parliament for the fulfilment of specific statutory objects. They account both to Parliament (principally through its committees) and to Ministers for the way in which they have discharged their responsibilities.

The head of an arm's length agency will render account to Parliament in a variety of ways. The head of the agency will produce an annual report for the Minister to provide to Parliament, which will be referred to a parliamentary committee. The head will appear before a parliamentary committee to defend the agency's estimates. The head of the agency will explain and defend the actions taken by the agency pursuant to its statutory

mandate. The head will also appear to provide evidence to committees carrying out special studies and investigations.

The head of an arm's length agency will also account to the Minister through whom the agency reports to Parliament. Accountability to the Minister has two dimensions: specific, in the sense of actually reporting to the Minister in support of any relevant statutory provisions, such as reporting the results of a study or investigation commissioned by the Minister; and general, in the sense of providing information necessary for the Minister to fulfil the Minister's constitutional responsibility to provide information to the House of Commons.

When errors occur, the head of an arm's length agency will demonstrate his or her accountability by informing the Minister, testifying if necessary to the appropriate parliamentary committee and by taking appropriate remedial action.

Contact for further information

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VI General Management responsibilities

This section lays out the general management responsibilities of heads of agencies for human resources management and comptrollership in their organizations.

1. Human Resources Management

a. The Agency Head and Board Members

Generally, enabling statutes stipulate that the agency head is the chief executive officer of the organization and has overall responsibility for the work of the agency. Most of the agency head's authority to direct and manage the organization flows from these concise and general words. The relations between heads and members of agencies are complex, particularly in organizations with collegial structures where the heads must exercise their leadership while remaining sensitive to the organizational structure. Depending on the particular provisions of their enabling statutes, and usually with the members' participation, heads of agencies have used various means to direct the work of members. The issuance of guidelines relating to the execution of duties by the members, the institution of Codes of Conduct for members or the utilization of Memoranda of Understanding between the agency heads and the members have been used in the past.

Heads of agencies have the authority to set work objectives and evaluate the performance of members of their agency. The performance appraisals can be used to help identify staff training and skills development needs, and to identify board members ripe to undertake new tasks or learn new expertise. However, the appraisals should be restricted, in the case of administrative tribunals, to factors such as productivity, analytical skills, proficiency and presiding skills, as opposed to the merit of the actual decisions made by members.

Terms and conditions of employment apply to members, whether appointed during good behaviour or during pleasure. Agency heads are responsible for the proper management of the terms and conditions of employment, which encompass annual leave, sick leave, travel expenses, etc. The responsibility rests with the agency heads to approve or reject members travel claims, and to ensure that only reasonable expenses are authorized. (Please refer to section 4 of this chapter for further details on travel and hospitality.)

For those organizations whose members are appointed during "good behaviour", the powers of heads of agencies to suspend or impose administrative sanctions against a member who does not meet the standard of conduct expected of a public office holder are limited. The Governor in Council is the only authority with the power to remove a good behaviour appointee subject to the rules of procedural fairness.

The power to discipline or remove a person appointed during pleasure rests with the Governor in Council.

b. The Agency Head and Employees

All human resources management authorities exercised by employers, other than staffing, are defined in the Financial Administration Act. These authorities may be delegated to heads of agencies, including separate employers, as defined in the Public Service Staff Relations Act (PSSRA). In any such delegation, the entire scope of authorities is delegated, not simply parts. These authorities permit tailoring of human resources management to the specific operational requirements of agencies, rather than

to those designed for the larger public service. For example, the agency head has the option of redesigning bargaining units to more accurately reflect business requirements. The head can bargain directly with its unions, although it remains within the federal jurisdiction.

The PSSRA defines the Treasury Board as the employer for departments and agencies listed in Schedule I, Part I of that act. Agencies listed in Part II of the Schedule are deemed to be separate employers. The PSSRA applies equally to organizations in Part I and separate employers in Part II. Separate employers establish their own terms and conditions of employment pursuant to the PSSRA, and are subject to government review.

While separate employers are not subject to, they may still choose to follow Treasury Board policies on job classification, training, development, performance review and compensation (note that compensation strategies are subject to government review); National Joint Council (NJC) directives; and the Public Service Employment Act.

Organizations for which the Treasury Board is the employer are subject to the Public Service Superannuation Act (PSSA). Organizations in Schedule I, Part II of the PSSRA are also subject to the PSSA unless specifically excluded.

Heads of organizations listed in Part I are delegated broad employment equity authorities under the Employment Equity Program of the Treasury Board. Separate employers in Part II of Schedule I with 100 or more employees are subject to the Employment Equity Act, those with less than 100 employees are exempt.

2. Official Languages

All agencies in Part I and II of the PSSRA are subject to the Official Languages Act. They therefore have obligations with respect to communications with and services to the public, language of work and participation of English-speaking and French-speaking Canadians in federal institutions. In this general context, these organizations are subject to the Treasury Board policies which deal with the three parts of the Act and must report annually to the Treasury Board on progress.

With respect to service to the public, all agencies have an obligation to provide members of the public with services in the official language of their choice from head or central offices, from offices in the National Capital Region and from other offices required to provide their services and communications in both official languages pursuant to the official languages regulations on service to the public. With respect to language of work, all agencies must ensure that their employees have the right, in designated regions, such as the National Capital Region, to be able to work in either official language. In these regions, an agency must also provide its employees with English and French versions of work instruments and computer software that are regularly and widely used within the agency. Agencies must also ensure that employees in bilingual positions are supervised in the language of their choice. In terms of equitable participation, all agencies must ensure that members of both linguistic groups have equal opportunities for employment and advancement within their organizations.

Agencies are also subject to section 11 of the Act regarding notices and advertisements required by an act of Parliament to inform the public. They are also subject to section 91 of the Act which requires that, in staffing actions, the official languages requirements attached to positions must be set objectively.

In addition to being subject to all the language obligations that apply to federal institutions, administrative or quasi-judicial tribunals are also subject to Part III of the Act. Part III, and particularly section 16, of the Act, requires that any federal court, meaning any court, tribunal or other body that carries out adjudicative functions, ensure that the judge or official hearing a case is able to understand it in English or in French, or both languages, without the assistance of interpretation.

It further requires that the pre-printed portion of any form that is used in proceedings must be bilingual and that final decisions must be issued in both official languages.

3. Comptrollership

Modern comptrollership implies vigorous stewardship of public resources, a high standard of ethics, and provision for appropriate parliamentary oversight. To deliver affordable and high quality services to Canadians, managers need flexibility, incentives, and information. The focus of modern comptrollership, therefore, is on results, accountability and risk management. Comptrollership must evolve from the perception that it is a narrow and specialized function in order to become a well-understood responsibility of every public service manager. In particular, there is a pressing need to integrate financial and non-financial information to foster a better understanding of past performance and, more importantly, to support decision-making and planning.

The comptrollership responsibilities listed below encompass every management responsibility. The following are comptrollership responsibilities particular to agency heads, as noted in the Report of the Independent Review Panel on the Modernization of Comptrollership in the Government of Canada.

Agency heads should:

- accept their prime responsibility for comptrollership within their organizations and create a culture and environment within which comptrollership can make its contribution to strategic and business planning, risk management, control, and performance reporting;
- establish, and be held accountable for, the comptrollership regime that best suits their assessment of their organization's circumstances and needs while meeting government-wide standards;
- develop short and longer-term plans for comptrollership suitable for their departments;
- produce annually, for their Ministers and the Treasury Board Secretariat, a consolidated and integrated report, capable of standing the test of audit (which should be applied at least once every several years), on their organization's financial and non-financial performance;
- work with the Treasury Board Secretariat to determine a reporting cycle for the performance of different aspects of the organization's businesses;
- report annually to their Ministers and the Treasury Board Secretariat on the extent to which they meet the government-wide standards for comptrollership;
- ensure appropriate rotation of financial staff through operational posts and provide managers with the opportunity to become familiar with the tools of comptrollership specialists;
- have the final say in the selection and appointment of the key players who will have particular comptrollership-related responsibilities; and
- strive to maintain a high standard of ethics within their organization.

4. Travel and Hospitality

While some organizations have the legislative authority to introduce travel and hospitality policies that differ from those of the Treasury Board, few organizations choose to do so. Managers authorizing travel and hospitality functions should be aware of the high standards expected of them. In particular, care should be taken to avoid any impression of using public funds and facilities for anything other than official purposes. Deputy Ministers and heads of agencies are accountable and must be prepared to justify their expenses in keeping with the responsibility of public office holders to conduct themselves in a manner that can bear the closest public scrutiny.

a. Travel

The basic norm for hotel accommodations should be comfortable and convenient, but not excessive. The Travel Directive is therefore a useful tool, and is available through www.publiservice.gc.ca or www.tbs-sct.gc.ca. By Order in Council (P.C. 1997-1810), the government directed that organizations with their own travel authorities, and Governor in Council appointees of such organizations, should also be guided by the Treasury Board Special Travel Authorities and Hospitality Policy in the establishment of their own policies. Such organizations are accountable for their policies and their heads are accountable for their personal expenses. Agencies with their own travel policies which deviate from the rates set by the Treasury Board, are required to report the additional cost above the rates in their fall Performance Report to Parliament.

The Treasury Board Travel Directive applies to public service employees in departments and agencies listed in Schedules I, I.1 and II of the Financial Administration Act, and to other persons travelling on government business — including exempt staff — unless their travel is governed by another authority (see the "Special Travel Authorities" chapter of the Travel Directive). Travel rules for members of the Executive Group, Governor in Council appointees, consultants, students and other persons travelling on government business are also specified in the "Special Travel Authorities" chapter. Persons who are outside the public service and travelling on behalf of the government are not entitled to the full Travel Directive rates, but rather to the rates and allowances contained in the appendices and subsections of the Travel Directive referring to "travellers" rather than "employees".

b. Hospitality

The Treasury Board Hospitality Policy applies to the staff of all departments and agencies listed in Schedules I, I.1 and II of the Financial Administration Act, the Royal Canadian Mounted Police and the Canadian Armed Forces. Hospitality must be economical and further facilitate the business of the department or agency; hospitality is also offered when it is considered essential as a matter of courtesy. The policy specifies the provision of hospitality services available to government employees. The policy provides general guidance on per capita average costs and establishes minimum authority levels for various forms of hospitality. It also provides a means to ensure consistency of application throughout the public service.

Costs associated with guests and employees or staff of the departments and agencies are governed by the Treasury Board Hospitality Policy and therefore should be reported as such.

5. Financial, Contract and Asset Management

In the area of financial management, heads of agencies are encouraged to read the pamphlet Financial Management Accountability in Departments and Agencies published by the Treasury Board Secretariat, which summarizes the responsibilities of deputy heads. With respect to financial reporting, as part of the Government of Canada, agencies must adhere to the requirements established by the Receiver General so that the consolidated financial statements of the government can be prepared accurately and within established deadlines. Agency financial results may also be subject to audit by the Auditor General.

In the materiel management area, activities should be carried out within the Government's Green Procurement Framework and Treasury Board policies on materiel management, which cover the effective life cycle management of materiel, acquisition and use of executive and other vehicles and furniture. It is expected that agency heads will ensure that these policies are followed, including the planning, acquisition and use of materiel, vehicles and furniture for their own use on the job.

With respect to the conduct of capital projects, the Treasury Board policy on project management applies, emphasizing that projects are to have well defined objectives within an accountability framework, employ sound project management principles and be managed in a manner sensitive to risk, complexity and the economy of resources.

The Treasury Board Policies on Risk Management, in addition to indicating the need for managers to practice risk management in all their management activities, outlines specific requirements in the following special areas: indemnification of servants of the Crown, provision of legal assistance to Crown servants, claims and ex gratia payments, indemnification in contracting, volunteers, and fire protection.

6. Internal Audit and Program Evaluation

The internal audit and program evaluation branches of agencies, departments and Crown corporations play a significant role in ensuring that departmental issues are adequately and effectively addressed. These two functions are essential components of modern comptrollership and an important source of critical management information to support decision-making and accountability for performance. They provide assurance that public monies and effort are invested wisely and that proper controls exist within the system.

It is usually more cost-effective in a smaller to medium-sized agency to contract for internal audit and program evaluation services. The cost-effectiveness of contracting should also be a consideration in larger agencies.

a. Internal Audit

It is government policy that agencies, departments and Crown corporations audit their programs and operations to assess whether the management framework is well designed and working as intended. The goal of internal audit is to provide the deputy head and senior management with advice and assurance on the performance of the management framework. Specific focus is placed on the cost-effectiveness of program delivery activities and internal operations, the reliability and integrity of the information provided for decision-making and accountability reporting, prudence and probity in the use of public funds and the safeguarding of assets, and compliance with statutes and policies.

b. Program Evaluation

Program evaluation can be contrasted with internal audit in that audit focuses internally on the operations and processes of an organization, whereas program evaluation focuses externally on the impacts of policies and programs on Canadians. Evaluation provides the deputy head and senior management with objective and useful advice on the relevance of policies and programs, their success in achieving objectives and their cost-effectiveness compared to alternatives. As a result, evaluation facilitates a management culture that is fact-based, results-oriented, open and accountable. Over the years, evaluation has become an important source of management information and advice.

Contact for further information

Chief Human Resources Officer Treasury Board Secretariat
Tel.: (613) 952-3000

Deputy Comptroller General
Treasury Board Secretariat
Tel.: (613) 957-7820

Treasury Board policies, publications and reports are available on the TBS Web site at <http://www.tbs-sct.gc.ca/>

Also refer to: <http://www.publiservice.gc.ca>

VII Business planning and the expenditure management

This section provides a brief overview of the objectives and requirements of business planning and the expenditure management system, and an overview of the Budget and Estimates cycle.

1. Business Planning

Departments and agencies must prepare and submit Business Plans to the Treasury Board for approval. These plans serve as strategic working documents of benefit to Ministers, Deputy Ministers, and the Government as a whole, inform planning and future priorities, and set the framework for measuring results and performance. Business Plans provide insight and information to the Treasury Board Secretariat. In turn, the Treasury Board Secretariat can provide advice to the Treasury Board and inform Cabinet to assist it in its decision-making.

A principal objective of the Business Plans is to create a strategic framework within which financial and non-financial performance information can be considered outside of the public sphere. Such integration will provide a better capacity in departments and agencies to manage resources and planning. It will also strengthen the portfolio cohesion and afford better horizontal issue management and analysis. For the government as a whole, integration of financial and non-financial information

in the Business Plans will support the linkage of results to expenditures and then to policy development.

In general terms, Business Plans should demonstrate the department or agency's progress to date against past plans or commitments, with an assessment of that progress, including information on the major inhibitors or other influences on programs. The Business Plans should discuss the relevant elements of change in the environment including new policy approvals, external circumstances and other factors that influence results commitments. As the principal communication between the responsible Minister and the Treasury Board, the Business Plan should outline the Minister's intended results, the strategy for achieving them and the measurement thereof. The Business Plan provides an important opportunity to discuss what the department/agency needs from the Treasury Board by way of, for example, technical help and expertise, standards, authorities, policy changes, human resource strategies and authorities, and resources.

2. Citizen/Client-Centered Service Delivery

The government has adopted a citizen-centered service improvement strategy that will focus on the needs of citizens rather than bureaucratic needs. This involves developing service improvements plans for each department and agency, horizontal integration of service across federal departments and agencies and clustering services from all levels of government for the benefit of citizens.

Departments and agencies should develop service improvement plans, based on citizen/client priorities that set out specific initiatives and results to be achieved, including consideration of service quality initiatives, alternative means of program delivery, regulatory efficiency measures and other management reforms that can advance the government's agenda.

In reporting documents, the departmental or agency head should report on steps being taken:

- to improve the quality of services delivered and to measure citizen/client expectations and satisfaction with the services delivered;
- to track over time improvements in citizen/client level of satisfaction and the progress made;
- to use information technology to improve service levels, accessibility and efficiency;
- where appropriate, to take advantage of alternative service delivery options and single window approaches to service delivery, including partnerships with other departments and levels of government or between the public private community sectors; and
- to establish and implement service standards, including progress made and objectives for future developments.

The government has issued a compelling challenge to departments and agencies to provide leadership on how services are delivered to Canadians and to innovate in service delivery.

3) The Expenditure Management System of the Government of Canada

The objective of the Expenditure Management System is to help the Government make responsible spending decisions by delivering the programs and services Canadians need in a way that they can afford and by meeting the required fiscal targets.

The Expenditure Management System requires the ongoing review of programs and spending to reduce expenditures and identify opportunities for reallocation to higher priority programs. It provides for parliamentary and public input into the Budget and expenditure planning process. It enhances accountability through a focus on performance and better public information. It also introduces better long-term strategic planning and the adjustment of programs and services to available resources through the implementation of departmental Business Plans.

4) Parliamentary Authority on Government Expenditures

The right of Parliament to control public money is set out in Canada's Constitution and is based on two concepts: first, that all duties and revenues received "shall form one Consolidated Revenue Fund (CRF)", and second, that the balance in the CRF "shall be appropriated by the Parliament of Canada". The effect of these two constitutional measures is to provide the Parliament of Canada with the indisputable right to require the Government to deposit all public moneys into the CRF, and before making a payment out of the Fund, to obtain parliamentary authority.

This authority, which is sought by the Government in the form of an Appropriation Bill, defines the amounts and purposes for which public money can be lawfully spent by the Government, including the right to access public funds through the business of supply.

5) The Budget and the Estimates

The Budget outlines the Government's total spending plans for the year. Under current practice, the Minister of Finance presents the annual Budget just prior to the tabling of the Main Estimates, on or before March 1. The purpose of the Estimates, which are tabled

by the President of the Treasury Board, is to provide detailed information in support of the Government's Appropriation Bill.

The Estimates include:

Part I: the Government Expenditure Plan, which provides an overview of federal spending. It describes the relationship of the Estimates to the Expenditure Plans (as set out in the Budget), summarizes key elements of the Main Estimates, and highlights the major year-over-year changes by department, agency and Crown corporation.

Part II: the Main Estimates, which directly support the Appropriation Act. It lists in detail the resources that individual departments and agencies require for the upcoming fiscal year to deliver the programs for which they are responsible. This document identifies the spending authorities (votes) and the amounts to be included in subsequent appropriation bills that Parliament will be asked to approve to enable the government to proceed with its spending plans.

The Reports on Plans and Priorities*, one for each department and agency of government, provide additional detail on each department and its programs, primarily in terms of more strategically-oriented planning and results information with a focus on outcomes.

The Departmental Performance Reports* provide a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring Report on Plans and Priorities and elsewhere. The reports provide the latest performance evidence on departmental effectiveness to guide future planning.

In the Estimates, the Government seeks Parliament's approval for mature and well developed spending proposals. As circumstances change and new priorities develop however, new spending requirements arise during the fiscal year. Accordingly, funds are provided for such contingencies in the fiscal framework established by the Minister of Finance in his Budget. As these needs arise, they are reviewed and approved by Treasury Board Ministers and advanced to Parliament for approval in the form of a Supplementary Estimate.

Supplementary Estimates are used to present to Parliament details about the changes required to departmental spending plans. These changes range from requests for additional authorities to increased funding for spending items, which were either, unforeseen or insufficiently developed at the time Main Estimates were prepared. The first Regular Supplementary Estimates are tabled in the House in November and referred to standing committees. Final Supplementary Estimates are tabled in the House in March and referred to standing committees.

6. Parliamentary Review of Expenditures

In the fall, several documents dealing with the fiscal year ending the previous March 31 are tabled in the House and referred to various committees of the House.

These documents include:

Public Accounts which are tabled with the Public Accounts Committee;

Accounting for Results which provides an overview of results-based management, performance and accountability issues;
Departmental Performance Reports which are tabled with the various Standing Committees; and
the Auditor General's Report which is also tabled with the Public Accounts Committee.

*_The Reports on Plans and Priorities and the Department Performance Reports are the integral part of the government's framework for performance measuring and reporting to Parliament which is discussed in the next section of this Guide

Contact for further information

Deputy Comptroller General Treasury Board Secretariat
Tel.: (613) 957-7820

Assistant Secretary
Service and Innovation Sector
Treasury Board Secretariat
Tel.: (613) 957-0125

Treasury Board policies, publications, reports and Estimates documents are available on the TBS Web site at <http://www.tbs-sct.gc.ca/>

VIII Performance measurement and reporting to Parliament

One of the key objectives of Modern Comptrollership is to create a strategic framework within which financial and non-financial information and analysis can be considered, and from which results-oriented performance reporting can be developed for the credible communication of the Government's intentions, choices and rationale for programs and services to Canadians. The following paragraphs highlight public performance measurement and reporting mechanisms which are relevant to agency heads.

1. Improved Reporting to Parliament

The Government of Canada is committed not only to measuring and reporting on results, but also to establishing clear standards against which actual performance will be reported. Three parliamentary instruments are crucial in working towards these objectives. The government-wide report on performance, Accounting for Results, tabled each fall as part of the "Fall Reporting Package," summarizes the key results commitments of all federal departments and agencies. Reports on Plans and Priorities, which are tabled in the spring along with the government's Main Estimates, establish the specific goals against which actual performance will be measured. Departmental Performance Reports are Estimates documents which are tabled in the fall. They report on results and achievements against the commitments and targets that were established in the government-wide report and the departmental Reports on Plans on Priorities. The Departmental Performance Reports and the Reports on Plans and Priorities replace the previous Part III of the Estimates as part of the Improved Reporting to Parliament Project.

2. Performance Measurement and Reporting

It is government policy that agencies measure and be able to credibly demonstrate the performance of their programs and activities. Measuring results and other important aspects of performance and reporting to Parliament on performance

are important components of the Government's broader initiative to implement results-based management, enhance policy capacity and promote continuous learning.

The Government direction and policy is to provide members of Parliament and the public with relevant, accurate, consolidated, and timely information on how tax dollars are being spent and what Canadians receive as a result. In particular, as part of the annual Estimates process by which Parliament supplies the Government with resources to carry out its mandate, all departments and agencies now provide annually Departmental Performance Reports to report on results achieved.

These Departmental Performance Reports are based upon departmental key result commitments, tabled in the annual government-wide report, Accounting for Results, and the corresponding performance measurement strategies which focus on the outcomes of government policies and programs. The government-wide and departmental reports are tabled in Parliament each fall by the President of the Treasury Board and may be referred to the relevant Standing Committee of the House of Common for further review.

Contact for further information

Assistant Secretary
Service and Innovation
Treasury Board Secretariat
Tel.: (613) 957-0125

Deputy Comptroller General
Treasury Board Secretariat
Tel.: (613) 957-7820

The TBS Web site <http://www.tbs-sct.gc.ca/> contains Estimates documents as well as information on management practices, including quality service guides on subjects such as service standards and other aspects of citizen-oriented service delivery.

IX Public service values and conflict of interest

This section provides a general discussion of how public service values and probity apply to heads of agencies. Heads of agencies must exemplify and promote ethical values within their organization and provide the necessary leadership in creating an environmental context conducive to integrity and probity on the part of members and employees, and of the decision-making process within the agency.

1. Ethics Framework

Since the exercise of official duties and responsibilities is a public trust, sound and practical ethical values take on a considerable importance and must form part of an organization's ethics framework. This framework will create a sense of awareness and belonging among agency officials to the organization's ethical values and the consequent need and expectation to place the public interest ahead of their own private interests. A comprehensive ethics framework consisting of a statement of values, principles of conduct and specific measures in preventing conflicts of interest from arising must reflect the particular nature of each agency's responsibilities if these are to be easily understood and adhered to by all its members and employees.

2. The Conflict of Interest and Post-Employment Code for Public Office Holders

To reinforce the application of ethical values on an individual basis and to emphasize integrity in public office, the Prime Minister, in June 1994, issued the Conflict of Interest and Post-Employment Code for Public Office Holders. Its purpose is to enhance public confidence in the integrity of public office holders and the decision-making process in government. All persons working in the federal government, including all Governor in Council appointees (GiCs), whether full-time or part-time, are subject to the Principles contained in Part I of the Code.

These Principles stress the high standards Canadians expect of those in public office. The first two principles, which are the most important ones, set the tone for ethical conduct. The first is that public office holders shall act with honesty and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced.

The next principle moves that idea further by stating that public office holders have an obligation not simply to observe the law, but to act both in official and personal capacities in a manner that will bear the closest public scrutiny. This requirement, that compliance with the law is not enough, is crucial to the whole approach guiding one's behaviour and conduct.

GiCs serving on a full-time basis are subject to Part I of the Code, the Principles of general application; Part II, the compliance measures including the requirement to provide a confidential report to the Ethics Counsellor with respect to assets, liabilities, former and current activities, as well as some gifts, hospitality and other benefits received and Part III, the post-employment conditions. The Office of the Ethics Counsellor is responsible for ensuring that their compliance arrangements meet the requirements of the Code. GiCs serving on a part-time basis according to section 4(2) of the Code, are subject to the Principles set out in Part I and to such other compliance measures established by their organization.

All agency employees who are public servants (i.e., for whom the Treasury Board represents the employer), are subject to the Code for the public service and to any other compliance measures determined by the agency head. This Code is similar in coverage to the Code for public office holders but differs in that employees are required to disclose in confidence only those assets, liabilities and outside activities which might place them in a conflict of interest in respect of their duties and responsibilities. Heads of agencies are responsible for their employees' compliance arrangements.

All other agency employees who are not public servants are subject to those compliance measures as may be determined by the agency head for whose application that individual is responsible.

Heads of agencies have an obligation to provide members and staff with information and guidance on the ethical standards and values expected of them and the compliance arrangements required of their organization to meet these standards. Agencies and departments may also have their own internal codes of conduct to which employees as well as heads must adhere. Heads of agencies must also arrange to have in their agency code, procedures for the timely disclosure and resolution of conflicts, whether real, potential or apparent.

Contact for further information

Office of the Ethics Counsellor
Tel.: (613) 995-6852

X Networks

This section provides information on agency networks that have been established to provide agency heads with information and contacts across government.

1. Portfolio Networks

Each ministerial portfolio is different, therefore the extent and appropriateness of networking can vary between portfolios. Agency heads and Deputy Ministers should discuss portfolio networking opportunities. As a general rule, Deputy Ministers should meet regularly with agency heads in the portfolio to exchange information on government policies, legislative changes, and management practices. For their part, agency heads need to understand their role, be assured of their independence and, where appropriate, participate in decision-making.

2. Agency Heads Lunch and Update Program

A small steering committee of agency heads, with support from the Canadian Centre for Management Development (CCMD) arranges regular luncheon meetings for agency heads with guest speakers who address topics of current interest.

There is also a ½ day to 1 day program, run once or twice a year at CCMD's De La Salle Campus, to update heads of agencies on matters of interest to them or developments that may affect the operation of their agency.

The steering committee also meets regularly with representatives of central agencies to discuss topics of interest to agency heads.

The Chair of the steering committee contacts all new appointees to make them aware of these programs, but information can also be obtained from CCMD. (See Annex D)

3. Small Agencies Administrators Network (SAAN)

The members of the SAAN are the senior administrative officers (e.g. Executive Director or Legal Counsel) of 42 small agencies, who meet each month to address issues of special interest to small agencies. They are particularly concerned with central agency procedures and reporting requirements, etc., which need to be adapted to the small agency environment.

4. Training and Development Programs

CCMD has offered a variety of programs over the years responding to needs expressed by agency heads. These have included programs focusing on orientation for new appointees, leadership, and preparing for appearances before parliamentary committees. In addition, a special five day training program for members of administrative tribunals was developed jointly by tribunal staff and CCMD and is offered two to twice a year in English and in French depending on demand. (See Annex D)

5. Council of Canadian Administrative Tribunals

This is a national network organization, dedicated to the improvement of administrative justice, and is open to members and staff of all federal, provincial and territorial

administrative tribunals. CCAT promotes contact between participating tribunals and members, raises public and government awareness, develops policy positions and makes representations to governments, ensures educational opportunities and training programs and supports tribunals and members through provision of services. Its annual conference is often held in Ottawa in May or June.

Contact for further information

The Secretary,
Council of Canadian Administrative Tribunals
Faculty of Law, Common Law Section
Fauteux Hall, University of Ottawa,
57 Louis-Pasteur
Ottawa, Ontario, K1N 6N5
Tel. (819) 953-6698
Fax (819) 953-9269
Website: <http://www.ccat-ctac.org/en/index.php>

6. Canadian Institute for the Administration of Justice

A non-profit corporation with government affiliation, concerned with all aspects of the criminal and civil justice systems. Includes an Administrative Tribunals Committee that designs and sponsors training courses and educational seminars.

Contact for further information

Canadian Institute for the Administration of Justice
Administrative Tribunals Committee
Faculty of Law, University of Montreal
3101, Chemin de la Tour,
PO Box 6128, Station Centre-ville
Montreal, Quebec, H3C 3J7
Tel: (514) 343-6157
Website: <http://www.acjnet.org/nahome/default.aspx>

7. Tribunal Heads Forum, convened by Deputy Minister of Justice

The Deputy Minister of Justice hosts informal discussions in Ottawa three or four times a year with heads of several federal tribunals and senior officials from the Privy Council Office and Treasury Board Secretariat, on matters of common interest. Participating tribunals (currently fourteen) are those required to reach binding decisions through processes subject to the rules of fairness or natural justice.

Contact for further information

General Counsel, Constitutional and Administrative Law Section
Department of Justice, East Memorial Building, Room 3215
284 Wellington Street
Ottawa, Ontario
K1A 0H8
Tel.: (613) 957-4910
Website: <http://www.justice.gc.ca> (the Department of Justice general website)

Annex A : The Prime Minister's Office and the Privy Council Office

In fulfilling his various responsibilities, the Prime Minister is supported by two distinct organizational units: the Prime Minister's Office (PMO) and the Privy Council Office (PCO). The PMO is a staff unit that supports the Prime Minister in his activities as leader of the political party forming the Government. Staff of the PMO are appointed on a partisan basis, and operate in a "politically oriented, yet operationally sensitive fashion". In contrast, PCO is staffed with non-partisan, career public servants, and functions in an "operationally oriented, yet politically sensitive fashion".

1. The Role of the Prime Minister's Office

The PMO is headed by the Chief of Staff to the Prime Minister, and is primarily concerned with advising him or her on political strategy, priorities and liaison, as well as on the political dimensions of policy initiatives, and other issues under consideration by Ministers.

Other principal functions of the PMO include:

- coordinating the Prime Minister's agenda;
- scheduling and arranging the Prime Minister's travel plans;
- providing communications services, including preparing speeches and other public statements, and keeping abreast of the Government's communications activities;
- briefing the Prime Minister in advance of House Question Period, press interviews, meetings and conferences; and
- providing advice on Governor in Council appointments (senior public servants, heads of agencies, Crown corporations, etc.).

2. The Role of the Privy Council Office

As the Prime Minister's department, PCO provides advice and support to the Prime Minister in meeting his objectives and fulfilling his responsibilities as Head of Government. In supporting the Prime Minister, PCO is headed by the Clerk of the Privy Council and Secretary to the Cabinet, who has three primary responsibilities:

a) As the Prime Minister's Deputy Minister, provides advice and support to the Prime Minister on a full range of responsibilities as head of government, including the following:

- intergovernmental affairs;
- ministerial mandates and government organization;
- senior appointments;
- priority-setting;
- overall policy coordination; and
- national security.

b) As Secretary to the Cabinet provides support and advice to the Ministry as a whole and oversees the provision of policy and secretariat support to Cabinet and its committees (except Treasury Board). The specific functions include:

- keeping track of departmental initiatives;
- ensuring proper interdepartmental consultation;

preparing agendas for Cabinet and Cabinet committee meetings;
briefing Cabinet/committee chairpersons on agenda items;
taking minutes; and
recording committee decisions and distributing information within the system.

c) As Head of the Public Service, is responsible for the quality of expert, professional and non-partisan advice and service provided by the Public Service of Canada to the Prime Minister, the Ministry and to all Canadians, and for providing advice to the Prime Minister on maintaining the public service as a modern, vibrant organization.

Annex B : The Treasury Board Secretariat

1. Mandate and Role

The Treasury Board is a committee of the Queen's Privy Council for Canada. The Board consists of the President of the Treasury Board, the Minister of Finance, and five other Ministers appointed by the Governor in Council. The Treasury Board of Canada Secretariat (TBS, or the Secretariat) is the administrative arm of the Treasury Board. It is headed by a Secretary–Comptroller General, who reports to the President of the Treasury Board.

The Secretariat has a mandate to support the Treasury Board as a committee of Ministers, to support the President and his office, and to fulfil the statutory responsibilities of a central agency within government. It does this by providing programs that carry out the legislated responsibilities of the Treasury Board. These responsibilities come from the broad authority of the Financial Administration Act, as well as from several other Acts: the Public Service Staff Relations Act; the Public Service Superannuation Act; the Official Languages Act; the Employment Equity Act; the Canadian Human Rights Act, the Federal Real Property Act; and the Public Service Employment Act. The responsibilities under the Access to Information Act and the Privacy Act rest with the President of the Treasury Board as Minister.

The role of TBS is to ensure continuous improvement in how the federal Government manages its resources to achieve its objectives. Its role includes providing advice, guidance and support to departments to help them meet their accountabilities. It also gives advice and support to Treasury Board Ministers in the development of a whole-government view, sets strategic directions and intervenes as necessary to achieve government objectives. The Secretariat is responsible for three separate programs: the Central Administration of the Public Service Program; Government Contingencies and Centrally Financed Programs; and the Employer Contributions to Insurance Plans Program. The Secretariat's business lines and priorities are published in the TBS Report on Plans and Priorities.

2) Resources Planning and Expenditure Management

The government uses the Expenditure Management System (EMS) to establish spending priorities. The Secretariat supports the Treasury Board by making recommendations on the allocation of approximately \$50 billion in direct program expenditures encompassing three areas: operating and capital budgets of government departments and agencies; payments to dependent Crown corporations; and transfer payments to organizations, individuals and corporations.

For example, the Secretariat:

- makes recommendations to the Treasury Board on allocating the Government's financial resources in light of government priorities, fiscal targets and results achieved;
- develops and maintains accountability frameworks within which Parliament approves resources and in light of which departments and agencies report on their use;
- prepares Estimates (Main and Supplementary) and Appropriation Bills, thereby coordinating the process whereby the government obtains funds from Parliament;
- monitors the implementation of approved policies and programs, and advises the Treasury Board on success in achieving intended results;

advises the Treasury Board President, in his role as a member of Cabinet, on the resource implications of new government policy and project initiatives while promoting innovative management and increased efficiency and effectiveness in delivering programs;
provides analysis and recommendations to the Treasury Board on departmental business plans and Crown corporation corporate plans and budgets; and promotes regulatory reform across the Government.

Existing legislation provides ongoing spending authority for the remaining government expenditures, which include major transfer programs such as Employment Insurance, elderly benefits, provincial equalization payments, and the Canada Health and Social Transfer, as well as public debt charges.

b) Service and Innovation

The new Sector of the Treasury Board Secretariat (TBS), Service & Innovation, came into being in May 1998 with the mandate to focus on government-wide approaches to improving services to Canadians. It provides leadership for government-wide initiatives, and, as it evolves, will become a major policy centre of TBS: a centre of expertise, a leader, and a catalyst for public sector innovation in the delivery of programs and services.

The new structure includes all the key strategic elements needed to work out a government-wide strategy centered on citizens' needs for improved service delivery, including:

- Leadership for the Sector's mandate provided through the Assistant Secretary's Office (including Visiting ADM/Special Advisor, Advisor/Working Groups, Research Program, and Visiting Professor);
- Innovation and Quality Services Division provides leadership for continuous improvement of service and organizational effectiveness;
- Alternative Service Delivery Division provides leadership of alternative service delivery options, including single-window service delivery;
- Crown Corporation Policy & Information Division manages the accountability framework for Crown Corporations and the policy issues that effect them;
- International Programs Unit leads the TBS's international activities and relationship;
- Federal Regional Councils' Secretariat liaises among the ten Councils and between the Councils and Central Agencies; and
- Planning & Integration Group provides support to the Assistant Secretary, manages horizontal files and develops strategic tools related to the good functioning of the Sector.

The Sector's challenge will be to develop innovative and integrated approaches to service delivery, improve access to government services, reduce red tape, and strengthen accountability for performance in these areas. These priorities reflect the service priorities of Canadian citizens. An immediate challenge will be to assist the federal government to provide more convenient and integrated front-end services to Canadians, (a proposal for a "Service Canada" initiative), a priority strongly endorsed by Treasury Board Ministers in May 1998.

c) Comptrollership

The Treasury Board Secretariat has responsibility for traditional comptrollership functions such as financial, contract, material and property management, accounting, review, internal audit and program evaluation. The Secretariat is also responsible for implementing modern comptrollership across the Government.

The Secretariat:

- ensures and facilitates the implementation of the recommendations of the Independent Review Panel on the Modernization of Comptrollership through a Comptrollership Modernization Office that helps departments and agencies with their modernization effort;
- provides leadership in financial management, contract management, risk management, materiel management and real property management, and encourages innovative and responsive approaches to enable all interested stakeholders to best achieve their objectives; and
- provides leadership in embedding results-oriented performance management principles and values in departments and agencies to: identify key expected results, improve measurement of performance and related costs, and improve reporting of results-based financial and non-financial performance information.

d) Information Technology and Information Management

TBS provides leadership, co-ordination and broad direction in the use of information technology across government. Working in collaboration with departments, TBS facilitates enterprise-wide solutions to horizontal information technology and information management issues. It is from this vantage point that the TBS serves as technology strategist and expert advisor to Treasury Board Ministers and senior officials across government.

The Secretariat focuses in three areas: infrastructure, service to the information technology community, and innovation. The increasing reliance on information technology in government, as well as the greater interdependence between government departments, and even different levels of governments, requires cooperation and partnerships to work across the system, clearing away obstacles to effective collaboration. With the Year 2000 looming large, the top infrastructure priority at this time is solving the Year 2000 date problem.

For more information, you can contact:

General Enquiries
Treasury Board of Canada Secretariat
Tel.: (613) 957-2400
Fax: (613) 952-3658
TBS Website:
<http://www.tbs-sct.gc.ca>

Alternative Service Delivery, Crown Corporations, International Programs, Quality Services
Assistant Secretary
Service and Innovation Sector
Tel.: (613) 957-0125

Human Resources Management, Official Languages, Employment Equity, Labor Relations, Classification and Excluded Groups, Pensions
Chief Human Resources Officer
Tel.: (613) 952-3000

Economic Programs
Assistant Secretary
Economic Sector
Tel.: (613) 957-0510

Comptrollership, Financial Management Policy, Expenditure Management, Performance Reporting, Risk, Procurement and Asset Management
Deputy Comptroller General
Tel.: (613) 957-7820

Social and Cultural Programs
Assistant Secretary
Social and Cultural Sector
Tel.: (613) 957-2609

Information Technology and Information Management
Chief Information Officer
Tel.: (613) 957-7070

Government Operations and Canada Infrastructure Works
Assistant Secretary
Government Operations and Infrastructure Works
Tel.: (613) 957-9531

Further information on the Treasury Board and its Secretariat, as well as Treasury Board policies, publications and reports can be found on the TBS Web site at <http://www.tbs-sct.gc.ca>.

Annex C: The Public Service Commission of Canada

1. Mandate and Responsibilities

The Public Service Commission of Canada is an independent agency which oversees the application, in the federal public service, of the principles of competence and representativeness in appointments and of political non-partisanship. It is a key partner in helping make human resource management more effective and efficient so that government can better serve Canadians. This is a public interest mandate and thus forms part of Canada's governance system.

The Public Service Employment Act (PSEA) establishes the Commission, sets out its mandate and assigns the following key responsibilities to it:

- the operation of a merit-based staffing system and the appointment of qualified and meritorious persons to and from within the public service;
- investigation, review and recourse with respect to matters under the PSEA;
- the delivery of training and development programs; the enhancement of the knowledge and skills of public servants and the promotion of shared values through continuous learning;
- responsibility for matters relating to the non-partisanship of the public service such as granting leave to public servants who seek nomination as and wish to stand as candidates for election;
- the implementation of employment equity programs requested by the Treasury Board or deputy heads; and
- carrying out other related responsibilities provided for in the PSEA and the Employment Equity Act.

In order to carry out these responsibilities, the Commission, inter alia:

- develops and administers processes and establishes standards for the selection and assessment of persons seeking appointment;
- recruits and promotes public servants in the Executive group;
- recruits public servants at other levels;
- delegates its power to deputy heads to recruit (in certain cases) and to promote employees;
- audits, investigates and monitors staffing activities;
- makes exclusions from the operation of the PSEA or parts of the Act, with the approval of the Governor in Council;
- makes regulations governing matters under the PSEA; and
- provides a general report to Parliament annually on its transactions and affairs.

In addition, the Commission carries out a number of functions under delegation from the Treasury Board. These include:

- developmental programs such as the Career Assignment and Management Trainee Programs;
- exchange programs such as the Interchange Canada and the Foreign Government Exchange Programs; and
- the auditing of certain personnel management functions in government departments.

Lastly, usually with the Canadian International Development Agency as sponsor, the Commission manages or coordinates projects relating to human resources management and training in countries abroad; and in concert with the Department of Foreign Affairs

and International Trade, the Commission is responsible for maintaining a high level of Canadian representation in the secretariat of international organizations.

2. Structure and Organization

The powers, duties and functions of the Public Service Commission rest with the three Commissioners who compose the Commission - one of whom is both its President and Chief Executive Officer. They hold office during good behavior for a 10-year term, are removable on a joint address by the Senate and the House of Commons, and have the status of deputy head.

To discharge its responsibilities, the Commission maintains an important headquarters establishment in the National Capital Region, and regional and district offices in St. John's, Halifax, Moncton, Charlottetown, Quebec, Montreal, Toronto, Winnipeg, Regina, Edmonton, Vancouver, Victoria, Whitehorse and Yellowknife.

Contact for further information:

The Public Service Commission of Canada
300 Laurier Avenue West
Ottawa, Ontario
K1A 0M7
Telephone: (613) 992-9562
Fax: (613) 992-9352
Website: <http://www.psc-cfp.gc.ca>

Annex D: The Canadian Centre for Management Development (CCMD)

The CCMD is a departmental corporation established by legislation which came into force on December 1, 1991. It gave the centre a strong mandate as the Government's executive development institution, which focuses on enhancing public sector management capabilities and promoting a strong corporate culture in the federal public service.

CCMD's enabling legislation articulated seven objectives for the Centre:

1. to encourage pride and excellence in the management of the public service and to foster among public service managers a sense of the purpose, values and traditions of the public service;
2. to help ensure that managers in the public service have the analytical, creative, advisory, administrative and other managerial skills and knowledge necessary to develop and implement policy, respond to change, including changes in social, cultural, racial and linguistic character of Canadian society, and manage government programs, services and personnel efficiently, effectively and equitably;
3. to help managers in the public service develop a successful cooperative relationship with staff members at all levels through leadership, motivation, effective internal communications and the encouragement of innovation, high-quality service to the public and skills development;
4. to develop within the public service and to attract to the public service, through the Center's programs and studies, persons who are of high caliber and who reflect the diversity of Canadian society, and to support their growth and development as public sector managers committed to the service of Canada;
5. to formulate and provide training, orientation and development programs for managers in the public sector and particularly for senior managers in the public service;
6. to study and conduct research into the theory and practice of public sector management; and
7. to encourage a greater awareness in Canada of issues related to public sector management and the role and functions of government and to involve a broad range of individuals and institutions in the Center's pursuit of excellence in public administration.

The Centre is managed by a Board made up of members from the public and private sectors which is chaired by the Clerk of the Privy Council.

1. Programs for Agencies

Because the agency head community is a relatively small one, programs designed specifically for agency heads or agency staff have provided on the basis of needs defined in consultation with agency heads. The Centre will continue to respond in this way. The following are examples of programs that have been offered:

a. Agency Heads Lunch and Update Program

This program is an initiative of the agency heads with support provided by CCMD.

b. Agency Heads' Orientation Program

A one to two-day course designed to introduce newly appointed heads to the workings of government. The course focused on the special concepts and knowledge required to manage agencies effectively, in particular the relationships between the head and the Minister, the Minister's Deputy and working arrangements with the DM's department, the agency's governing council or board, central agencies (e.g. PCO, TBS) and the agency staff.

c. Leadership at the Top for Agency Heads

This two-day residential course assessed participants leadership skills against characteristics of successful leaders and provided a framework for discussing how this knowledge could be used to help participants increase their effectiveness in their dealings with their colleagues and staff. It also provided a unique opportunity for participants to examine actual leadership issues facing agency heads, through group discussions and exercises.

d. Appearing before Parliamentary Committees

A one and a half day course designed to help heads communicate more effectively when appearing before parliamentary committees. Simulations were a major part of the program. Custom courses were also provided for heads and their staff prior to actual appearances.

e. Training Program for Tribunal Members

A one week program, built around a series of simulations, designed to provide members of administrative tribunals very practical training in conducting hearings. It is ideal for new members and an excellent refresher for more seasoned members. The number of programs provided per year depends on the demands.

2. Core Executive Programs

CCMD provides a range of programs for government executives and future executives. Many of these programs are open to heads or their staff. In some cases enrollment is controlled by CCMD and in others, where the programs support a corporate development initiative, it may be controlled centrally.

Contact for further information

Canadian Centre for Management Development
Telephone: (613) 997-4163
Fax: (613) 997-6999
website: <http://www.ccmd-ccg.gc.ca>

Annex E: The Office of the Auditor General of Canada

The Canadian system of parliamentary democracy requires that the government of the day, before it collects or spends public monies, must have the express approval of Parliament and must account to Parliament for its handling of the funds entrusted to it. The Office of the Auditor General of Canada (OAG) seeks to make a difference for the Canadian people by promoting, in all its work for Parliament, answerable, honest and productive government. Its independent audits and examinations provide objective information, advice and assurance to Parliament, and promote accountability and best practices in government operations. In helping to hold the government to account, the Auditor General is mandated to examine the accounts of federal government departments, agencies and many of its Crown corporations.

The OAG is a part of the legislative branch and is independent of the government of the day. The Office has the freedom to recruit its own staff and set the terms and conditions of employment for staff. The Auditor General is appointed for a 10-year period and has the right to ask the government for any information required to do these duties. Moreover, his reports are submitted directly to the House of Commons, through the Speaker. This independence is vital if the Office is to perform its work effectively and to make unbiased reports.

The main work of the OAG is carried out by the Audit Operations Branch, which audits federal government departments, agencies and other organizations such as Crown corporations for which the Auditor General has been appointed auditor. The Executive Office provides overall policy direction, legal support, a professional practice and review function, liaison with Parliament and international activities. The Corporate Services Branch directly supports these activities through functions such as strategic planning, finance, administration, contracting, human resources management, official languages and professional development. The Office of the Commissioner of the Environment and Sustainable Development assists the Auditor General in performing his duties that relate to the environment and sustainable development.

The *Auditor General Act*, *Financial Administration Act* and other legislation set out the duties of the Auditor General and the Commissioner of the Environment and Sustainable Development. Fulfilling the mandate of the *Auditor General Act* involves three components - financial attest, compliance and value-for-money - that are often referred to as comprehensive auditing. The *Auditor General Act* requires auditing the accounts of Canada, including those relating to the Consolidated Revenue Fund, and to express an audit opinion on them (financial attest) that is included with the publication of the Public Accounts of Canada every autumn.

The Act also mandates that the Auditor General report on anything he or she considers to be of significance and of such a nature as to warrant the attention of the House. These reportable matters include instances of misuse or mismanagement of public funds, fraud, overexpenditure of appropriations, expenditures not authorized by Parliament and other irregularities (compliance).

The Auditor General is also required to report cases where he or she has observed that public funds have not been spent with due regard to economy and efficiency and where there are no satisfactory procedures in place to enable those who administer programs to measure and report on the effectiveness of these activities (value for money). In addition to an annual Report, periodic Reports are produced up to three times a year, and contain comprehensive audits of federal departments and agencies, and of issues that cross departmental lines; government-wide audits; follow-up reports which review the actions

taken by departments in response to previous audits; and audit observations, which are significant matters that are not included in any of the above-noted audit reports.

An important element in value-for-money auditing is the use of audit criteria: reasonable standards against which management practices, controls and reporting systems can be assessed. These criteria are used to judge the degree to which an audited organization conforms to expectations that have been explicitly described and authorized.

Under the *Financial Administration Act*, Crown corporations are also subject to a form of comprehensive audit. While the Auditor General may not be the auditor of all Crown corporations, the audit provisions for those organizations are the same. They include an annual audit opinion on the fairness of the presentation of the financial statements and on compliance with authorities; a provision to raise other matters as the Auditor considers appropriate; and, a periodic special examination, including an audit opinion on the fulfilment of management responsibilities.

The Commissioner of the Environment and Sustainable Development, on behalf of the Auditor General, reports annually to the House of Commons on all matters related to the environment and sustainable development that he or she considers should be brought to its attention. In addition, government departments must publish annual sustainable development strategies and action plans that are audited by the Commissioner. The Commissioner's annual report also includes his or her observations on the number, nature and status of environmental petitions sent to the Auditor General.

Although the Auditor General's Reports attract considerable attention upon release, their long-term impact is felt when they are examined by parliamentary committees. The Public Accounts Committee (PAC) of the House of Commons bases much of its work on the Auditor General's Reports.

Throughout the year, the PAC holds hearings attended by the Auditor General, the audit team, and senior public servants of the audited departments to review audit findings. After the hearings, the PAC may report and make recommendations to the House of Commons. The audited departments are generally expected to report back to the PAC on what they have done in response to these recommendations. The PAC thus ensures completion of the accountability loop. OAG reports are also reviewed and discussed in hearings before other parliamentary committees.

The Auditor General is held to account annually by an external auditor, appointed by the Treasury Board. The Auditor's report is submitted to the Treasury Board and tabled in the House of Commons. The Auditor General, like government departments, also submits annual spending estimates to Parliament, and the Public Accounts Committee calls on the Auditor General to explain the spending estimates and management practices of the Office.

A more detailed outline of how the OAG works, Auditing for Parliament, is at:
<http://www.oag-bvg.gc.ca>