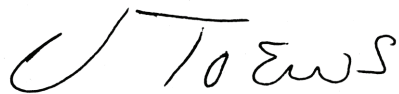


# Treasury Board of Canada Secretariat

2008-09

A Report on Plans and Priorities

A handwritten signature in black ink, reading "Vic Toews". The signature is written in a cursive style with a horizontal line underneath the name.

The Honourable Vic Toews  
President of the Treasury Board



---

## Table of Contents

|  |    |
|--|----|
| President’s Message .....                        | 1  |
| Management Representation Statement .....        | 3  |
| Section I: Departmental Overview.....            | 4  |
| Raison d’être and responsibilities.....          | 4  |
| Strategic Outcome and Program Activities .....   | 7  |
| Program Activity Architecture Crosswalk.....     | 8  |
| Departmental Priorities .....                    | 9  |
| Risks and Challenges .....                       | 12 |
| Expenditure Profile .....                        | 13 |
| Departmental Planned Spending and FTEs .....     | 14 |
| Section II: Analysis of Program Activities ..... | 17 |
| Program Activity Architecture.....               | 17 |
| Supplementary Information.....                   | 24 |



## President's Message

As President of the Treasury Board, I am pleased to present the Treasury Board of Canada Secretariat (the Secretariat) Report on Plans and Priorities for 2008–09. This report sets out the Secretariat's key priorities over the next three years.

The Secretariat provides advice and support to Treasury Board ministers in their role of ensuring value-for-money and providing oversight of the financial management functions of departments and agencies. As a central agency of the federal government, the Secretariat promotes improved management performance, examines the proposed spending plans of other departments, and acts as the principal employer for the core public administration.

In the year ahead, the Secretariat will focus its efforts in two key streams of activity:

- ▶ enhancing governance, accountability, and management practices; and
- ▶ strengthening results-oriented expenditure management.

In the first stream, we will work to ensure the efficient, transparent, and accountable delivery of federal programs by:

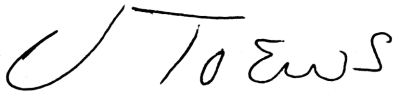
- ▶ clearly defining roles and responsibilities;
- ▶ continuing to renew and simplify the Treasury Board's suite of policies;
- ▶ finalizing the implementation of the *Federal Accountability Act*;
- ▶ better managing money and people, information and technology, and all our other assets; and
- ▶ improving the delivery of administrative services within government.

The Secretariat will also ensure that the right controls are in place and will monitor performance using tools such as internal audits and broader management assessments.

In the second stream, our goal is to improve the stewardship of public funds—a key element of transparency and accountability in government. To do this, we have put in place a new expenditure management system, which will dramatically improve the way the government manages taxpayers' dollars.

By reducing spending on ineffective or inefficient programs and stopping those that do not deliver results, we will continue to ensure that the government is spending Canadians' hard-earned money where it performs best.

In keeping with our efforts to improve reporting to Parliament, this document contains a number of enhancements as part of a pilot project to provide better departmental reports on plans and priorities. I encourage all Canadians, parliamentarians, and federal public service employees to read this report. It provides a clear view of our efforts to achieve a high level of management excellence in the federal government for the people of Canada.

A handwritten signature in black ink, reading "Vic Toews". The signature is written in a cursive style with a large initial "V" and "T".

The Honourable Vic Toews, P.C., M.P.  
President of the Treasury Board

## Management Representation Statement

I submit for tabling in Parliament, the 2008–09 Report on Plans and Priorities (RPP) for the Treasury Board of Canada Secretariat (the Secretariat).

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2008–09 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

It adheres to the specific reporting requirements outlined in the guidance provided by the Secretariat:

- ▶ it is based on the department's approved 2008–09 Program Activity Architecture (PAA) structure as reflected in its Management, Resources, and Results Structure;
- ▶ it presents consistent, comprehensive, balanced, and accurate information;
- ▶ it provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- ▶ it reports finances based on approved planned spending numbers from the Secretariat in the RPP.



Wayne Wouters  
Secretary of the Treasury Board

## Section I: Departmental Overview

This report is the Secretariat's key planning and priority-setting document for 2008–09. The report provides an overview of the role of the Treasury Board and its Secretariat and outlines the issues, risks, and challenges facing the portfolio in delivering on its mandate to strengthen accountability and management performance across government.

### Raison d'être and responsibilities

The raison d'être of the Secretariat is to ensure that government is well managed and accountable and that resources are allocated to achieve results. The functions performed by the Secretariat have a direct impact on the governance, accountability, and quality of public sector management, as well as an impact on the efficiency and effectiveness with which government programs and services are delivered.

### The Treasury Board

The Treasury Board is a Cabinet committee of the Queen's Privy Council for Canada. It was established in 1867 and given statutory powers in 1869.

As the general manager of the public service, the Treasury Board has three main roles:

- ▶ It acts as the government's **management office** by promoting improved management performance and developing policies and priorities to support the prudent and effective management of the government.
- ▶ It acts as the government's **budget office** by managing and overseeing government expenditures and approving the spending plans of government departments.
- ▶ It acts as the **employer** of the core public administration and is responsible for human resources management in the federal public administration, including the determination of terms and conditions of employment and the management of compensation.

The Treasury Board's powers and responsibilities are set out in various pieces of legislation, regulations, Orders in Council, policies, guidelines, and practices. While the primary statute setting out the legislative authorities of the Treasury Board is the *Financial Administration Act*, there are over 20 other contributing statutes.

The Treasury Board has a number of instruments at its disposal to fulfill its responsibilities. It oversees a suite of management policies that set the performance expectations of the government. The Treasury Board also sets standards for a range of reports to Parliament; determines the Compensation Policy Framework for the core public administration, separate agencies, the Canadian Forces, and the Royal Canadian Mounted Police; approves terms and conditions of employment; and manages various pension and benefit plans. In addition, the



Treasury Board serves as the Committee of the Queen's Privy Council for scrutinizing and approving Governor in Council submissions for regulations and most Orders in Council.

### **The Treasury Board portfolio**

A portfolio of organizations supports the Treasury Board in fulfilling its mandate:

- ▶ The **Secretariat** supports the Treasury Board by providing advice to Treasury Board ministers on the management and administration of government. This is achieved by recommending policies through oversight of government management performance and expenditure and financial management, as well as through the management of compensation, terms and conditions of employment, pensions, benefits, and labour relations. The Secretariat also supports the Treasury Board by providing advice on Governor in Council submissions and on federal regulatory policy.
- ▶ The **Canada Public Service Agency** (formerly the Public Service Human Resources Management Agency of Canada) supports the Treasury Board by bringing together many of the people management functions of government, including human resources management, official languages, employment equity, and values and ethics.
- ▶ The **Canada School of Public Service** supports the Treasury Board by ensuring that public service employees have access to the common learning tools they need to serve Canadians effectively.

For more information on the Canada Public Service Agency and the Canada School of the Public Service, please consult their 2008–09 [reports on plans and priorities](#).

### **The Secretariat**

The mission of the Secretariat is to ensure that government is well managed and accountable and that resources are allocated to achieve results. Key responsibilities of the Secretariat include supporting the Treasury Board with respect to its three main roles as management office, budget office, and employer. In fulfilling its mission, the Secretariat plays three key central agency roles in relation to the various government departments, agencies, and Crown corporations:

- ▶ an oversight role, which includes recommending policies and standards, challenging, monitoring, and reporting on overall management and financial performance within government;
- ▶ an enabling role, which includes acting as an agent of change to help departments and agencies improve management performance across government; and
- ▶ a leadership role, leading by example in advancing an integrated management agenda.

Within the Secretariat, the Office of the Comptroller General helps to ensure that departments and agencies employ sound financial management and control practices and plays a lead role in supporting the government's commitment to strengthen financial management and internal audit.

## **Operating environment**

As a central agency and as a general manager of the federal public service, the Secretariat delivers on its mandate and responsibilities in a very complex operating environment.

The federal public service is a large and diverse national institution that:

- ▶ is composed of more than 175 different departments, agencies, and organizations;
- ▶ includes approximately 460,000 Canadians—public service employees, members of the federal court system, scientists, correctional services officers, members of the RCMP, and members of the Canadian Forces; and
- ▶ maintains a presence throughout Canada and across the world, with offices in every province and territory, diplomatic and consular offices in approximately 180 countries, and members of the Canadian Forces currently active on 17 missions abroad.

Like other large public and private sector organizations, the federal public service is also facing significant challenges as it adapts to key trends shaping Canadian society, the economy, the labour market, and service delivery. The rapid pace of technological change is fuelling fundamental changes in the way we live, the way we work, and the way organizations collaborate to deliver goods and services. Demographic changes are also creating pressures to improve recruitment to the public service and enable mobility between the public and private sectors.

In supporting the government, it is vital for the Secretariat to understand these trends and adapt policies, programs, and services in a manner that is responsive to government priorities and public expectations.

Canadians are demanding better value-for-money from the federal public sector. They want a more open, accountable government that manages their tax dollars well and gives careful consideration to finding the most cost-effective ways to address public policy issues while providing more integrated government services for the same tax dollar. They also expect spending to be aligned with the federal government's priorities, roles, and responsibilities.

An effective, high-performing public service is essential to meeting these expectations. The Secretariat, and the Treasury Board portfolio as a whole, must work to ensure that the public service strives for excellence, remains connected to the needs and expectations of Canadians, and has a positive effect on their lives. In moving forward on these priorities, it is important for the

Secretariat to demonstrate leadership with respect to improved management practices. Put simply, the Secretariat has a responsibility to lead by example in the implementation of the government’s management agenda.

Section II of this report highlights how the Secretariat is responding to these challenges and outlines the Secretariat’s effort to:

- ▶ enhance governance, accountability, and management practices;
- ▶ strengthen results-based expenditure management; and
- ▶ improve internal management.

## Strategic Outcome and Program Activities

Government of Canada outcomes form part of the [Whole-of-Government Framework](#) that provides a structural logic model mapping the contributions of appropriated departments, agencies, and Crown corporations to a set of 4 high-level spending areas and 13 government outcome areas. Alignment of departmental strategic outcomes and their corresponding program activities to these governmental outcome areas makes it possible to calculate and assess government spending by outcome area.

Strategic outcome: *Government is well managed and accountable, and resources are allocated to achieve results.*

The Secretariat’s strategic outcome is aligned to the Government Affairs spending area and thus supports all 13 outcome areas by providing support to all other government departments, agencies, and Crown corporations in meeting their responsibilities, delivering on their core mandates, and, ultimately, serving Canadians better.

As shown in the table below, the Secretariat has four program activities in support of its strategic outcome.

| Strategic Outcome                           | Government is well managed and accountable, and resources are allocated to achieve results   |
|---|--|
| Program Activity                            | Expected Results   |
| Management Policy Development and Oversight | <p>Expectations are established to improve public service management.</p> <p>Functional communities are provided with the appropriate knowledge and tools to comply with Treasury Board policies.</p> <p>Treasury Board policies and Secretariat advice to departments are clear, relevant, and well communicated from the standpoint of departments and agencies.</p> |

|  |  |
|--|--|
| <b>Strategic Outcome</b>                                   | <b>Government is well managed and accountable, and resources are allocated to achieve results</b>  |
| <b>Program Activity</b>                                    | <b>Expected Results</b>  |
| Expenditure Management and Financial Oversight             | Resources are allocated to achieve results.<br>Results-based information increasingly informs expenditure management decisions.<br>Reporting to Parliament on government spending financial performance, and stewardship is accurate and complete. |
| Government-wide Funds and Public Service Employer Payments | Payments and receipts, held centrally by the Secretariat, are made on behalf of other federal government departments and agencies in an administratively sound and efficient manner.   |
| Internal Services  | As stated in the <i>Management, Resources and Results Structure Policy (MRRS Policy)</i> , expected results are not required for Internal Services program activities across government.   |

### Program Activity Architecture Crosswalk

| 2008–09                  |  |   |  |  |                                 |                    |
|--------------------------|--|---|--|--|---------------------------------|--------------------|
| New Program Activity     |  |   |  |  |                                 |                    |
|                          | (\$ thousands)                                 | Management Policy Development and Oversight | Expenditure Management and Financial Oversight | Government-wide Funds and Public Service Employer Payments | Internal Services               | Total              |
| 2007–08 Program Activity | Management Policy Development and Oversight    | 136,136.9                                   | —  | 1,861,020.0  | —                               | <b>1,997,156.9</b> |
|                          | Expenditure Management and Financial Oversight | —   | 53,622.1                                       | —  | —                               | <b>53,622.1</b>    |
|                          | Corporate Strategy and Services                | —   | —  | —  | Allocated to Program Activities |                    |
|                          | Revitalization of the Toronto Waterfront       | —   | —  | —  | —                               |                    |
|                          | <b>Total</b>                                   | <b>136,136.9</b>                            | <b>53,622.1</b>                                | <b>1,861,020.0</b>   |                                 | <b>2,050,779.0</b> |

A new Program Activity Architecture (PAA) was approved for the Secretariat for 2008–09 with the following changes:

- ▶ The Program Activity “Revitalization of the Toronto Waterfront Initiative” was removed with the transfer associated authorities to Environment Canada in accordance with machinery of government changes announced on January 4, 2007.
- ▶ A new Program Activity titled “Government-wide Funds and Public Service Employer Payments” was added to create a clear distinction between costs associated with managing the funds and the funds themselves.

The Program Activity “Corporate Strategy and Services” has been renamed “Internal Services” to reflect the standard program activity titles used by all departments and agencies.

## Departmental Priorities

Departmental priorities as presented in RPPs reflect those critical undertakings that a department must accomplish in achieving its strategic outcome. Operational priorities focus on obtaining improvements in the value-for-money associated with a department’s programs and activities while management priorities focus on ensuring continuous improvements to management practices, controls, and governance.

The table below presents the Secretariat’s operational and management priorities for 2008–09.

| Operational Priorities  | Description and Key Activities  |
|---|---|
| Strengthening governance, accountability, and management practices  |   |
| <ul style="list-style-type: none"> <li>• Aligned with the <a href="#">Management Policy Development and Oversight</a> program activity</li> </ul> |   |
| Responsibilities and accountabilities are clarified in relation to departmental management practices and expectations<br><br><i>Ongoing</i>       | Canadians have demanded increased transparency and accountability from their government in recent years, and the Secretariat has responded with initiatives to improve management performance through the introduction of the <i>Federal Accountability Act</i> and through a renewal of the Treasury Board policy suite. These initiatives are being undertaken to strengthen the government’s capacity to deliver value to Canadians while protecting against key risks and preserving accountability.<br><br>Over the course of the planning period, the Secretariat will undertake the following actions to deliver on this priority: <ul style="list-style-type: none"> <li>• the continued implementation of the <i>Federal Accountability Act</i>;</li> <li>• the refinement and implementation of the Treasury Board compliance framework; and</li> <li>• with a focus on risk management, the development and implementation of an action plan to simplify rules, reporting requirements, and business processes, which will include continued streamlining of the Treasury Board policy suite.</li> </ul> |

| Operational Priorities   | Description and Key Activities   |
|--|--|
| <p>Management performance is strengthened across government</p> <p><i>Ongoing</i></p>  | <p>An effective and high-performing public service is essential to achieving accountability and improved expenditure management across government. The Secretariat has an important role to play in challenging, enabling, and leading government departments and agencies to pursue excellence in delivering results to Canadians through improved management practices.</p> <p>Over the course of the planning period, the Secretariat will undertake the following actions to deliver on this priority:</p> <ul style="list-style-type: none"> <li>• providing continued support and leadership to departments and agencies with respect to financial management and to internal audit;</li> <li>• eliminating barriers and leading horizontal initiatives to improve management and oversight of information, technology, and service transformation initiatives;</li> <li>• providing support to regulatory departments to implement a modern approach to regulatory reform;</li> <li>• providing the continued support with respect to labour relations, compensation, and the development of functional communities, including active negotiations with 26 of 27 collective bargaining tables; and</li> <li>• continuing to evolve and use the Secretariat’s Management Accountability Framework (MAF) as a tool in the assessment of departmental performance and as a tool to support Treasury Board and departmental decision making.</li> </ul> |
| <p>Strengthening results-based expenditure management and financial oversight</p> <ul style="list-style-type: none"> <li>• Aligned with the <a href="#">Expenditure Management and Financial Oversight</a> program activity</li> </ul> |  |
| <p>Results-based management is strengthened, and information on programs and spending is improved to support decision making on resource allocation</p> <p><i>Ongoing</i></p>  | <p>Canadians are also concerned with obtaining value for their tax dollars, and the government has responded with an emphasis on effective expenditure management decisions clearly based on value-for-money and demonstrable results from programs. The Secretariat has put in place a new expenditure management system to ensure that programs and services are designed and evaluated with efficiency and effectiveness in achieving results as key considerations.</p> <p>Over the course of the planning period, the Secretariat will undertake the following actions to further deliver on this priority:</p> <ul style="list-style-type: none"> <li>• strategic reviews of government program spending are conducted and refined as an expenditure management instrument;</li> <li>• the quality of program performance information is improved through continued implementation of the <a href="#">MRRS Policy</a>; and</li> <li>• the <i>Evaluation Policy</i> is renewed and an implementation plan is developed, which includes tools to support evaluation competencies and capacity across government.</li> </ul>  |

| Operational Priorities  | Description and Key Activities   |
|---|--|
| <p>The government's expenditure management system and reporting on financial performance is improved<br/><i>Ongoing</i></p>   | <p>To ensure that decisions are sound, the government requires reliable, detailed, and timely information on the state of government finances. The Secretariat is working to ensure that the best possible information on government spending and resource allocation is made available to parliamentarians and Canadians by ensuring that the appropriate frameworks, policies, guidance, and standards are in place for the timely reporting of actual spending data and results.</p> <p>Over the course of the planning period, the Secretariat will undertake the following actions to deliver on this priority:</p> <ul style="list-style-type: none"> <li>• improve the monitoring and analysis of government financial and performance information, as well as the timeliness of the reporting to Parliament; and</li> <li>• continue the implementation of an enhanced expenditure management system, which includes improvements to the Estimates process.</li> </ul> |
| <p>Strengthening the internal management of the Secretariat</p> <ul style="list-style-type: none"> <li>• Aligned with <a href="#">Internal Services</a> program activity</li> </ul> |  |
| <p>Corporate-enabling strategies are developed and implemented consistent with a more strategic and focussed Secretariat role<br/><i>Ongoing</i></p>                                | <p>Delivering on the Secretariat's commitments to strengthen the Treasury Board's management board and budget office roles will help ensure that government is able to deliver on its priorities for the coming years. To do this effectively the Secretariat must adapt its internal practices to provide stronger support to the Treasury Board.</p> <p>Over the course of the planning period the Secretariat will undertake the following actions to deliver on this priority:</p> <ul style="list-style-type: none"> <li>• change-enabling strategies and supporting initiatives are developed and implemented to better support the government's management agenda and Treasury Board operations; and</li> <li>• human resources management is improved both operationally and through the implementation of a strategic human resources plan.</li> </ul>  |
| <p>Internal management practices continue to be improved in response to the MAF assessment of the Secretariat<br/><i>Ongoing</i></p>  | <p>While the Secretariat, as part of its central agency oversight role, assesses departments on their management performance in accordance with the MAF, it must also assess itself as a department and apply this same management accountability tool to its own operations to ensure the continuous improvement of management practices and demonstrate leadership across government.</p> <p>Over the course of the planning period, the Secretariat will undertake the following actions to deliver on this priority:</p> <ul style="list-style-type: none"> <li>• make continued progress to strengthen the Secretariat's governance and corporate management performance in line with MAF expectations, with specific emphasis on strengthening the Secretariat's internal evaluation function and the Secretariat's internal information management and information technology (IM and IT) management.</li> </ul>  |

## Risks and Challenges

In keeping with MAF expectations for departmental planning and governance, the Secretariat has integrated risk management within its overall governance and planning regime.

Throughout 2007, the Secretariat identified risks to the achievement of its strategic outcome and the expected results of each program activity. The Secretariat has made considerable progress over the past year in establishing a risk profile based on its PAA and in implementing mitigation strategies to address key risks.

Moving forward in 2008–09, the Secretariat will continue to mitigate corporate risks, identify emerging risks, and further integrate risk management with the annual corporate planning cycle.

The following table provides a brief description of key risks and highlights elements of the strategies being used to address each risk. Many of these strategies are directly linked to the continued implementation of the plans and priorities presented in this report.

| Key Risks and Challenges  | Strategies to Address Risk  |
|---|---|
| <p><b>Stakeholder acceptance:</b> The Secretariat is concerned that, in the context of increased parliamentary expectations and decreased public risk tolerance, the ability of departments and agencies to meet management expectations may be compromised, particularly in light of government-wide skill shortages in key functional communities.</p> <p><b>Compliance:</b> The Secretariat is concerned that consequences for policy non-compliance may not be proportional to the public policy implications and, further, that innovation and risk taking within the public service may consequently be undermined.</p> | <p>The Secretariat is working to address these risks by clarifying deputy ministerial accountabilities and departmental management performance expectations, refining the Treasury Board compliance framework, and implementing the government action plan to reform the administration of grants and contributions.</p> <p>The Secretariat is also examining ways to improve its risk-based oversight and monitoring system and the possibility of offering greater flexibility under Treasury Board policies based on demonstrated performance and policy compliance.</p> |
| <p><b>Human resources:</b> The Secretariat is concerned that, given recent demographic changes, competition for talent, and skill shortages in key areas, it is increasingly difficult to maintain sufficient human resource capacity to meet operational requirements and achieve the Secretariat's strategic outcome. This risk is compounded by public service branding issues, rapid employee turnover at the Secretariat, new human resource expectations under the <i>Public Service Modernization Act</i>, and the high cost of training and re-training employees.</p>  | <p>The Secretariat is working to address this risk through the development of an integrated human resources plan, in keeping with the government's public service renewal initiative. Additionally, the Secretariat is implementing internal employee development, leadership, recruitment and retention programs and strategies, while developing the tools and infrastructure to support human resources management within the Secretariat.</p>   |

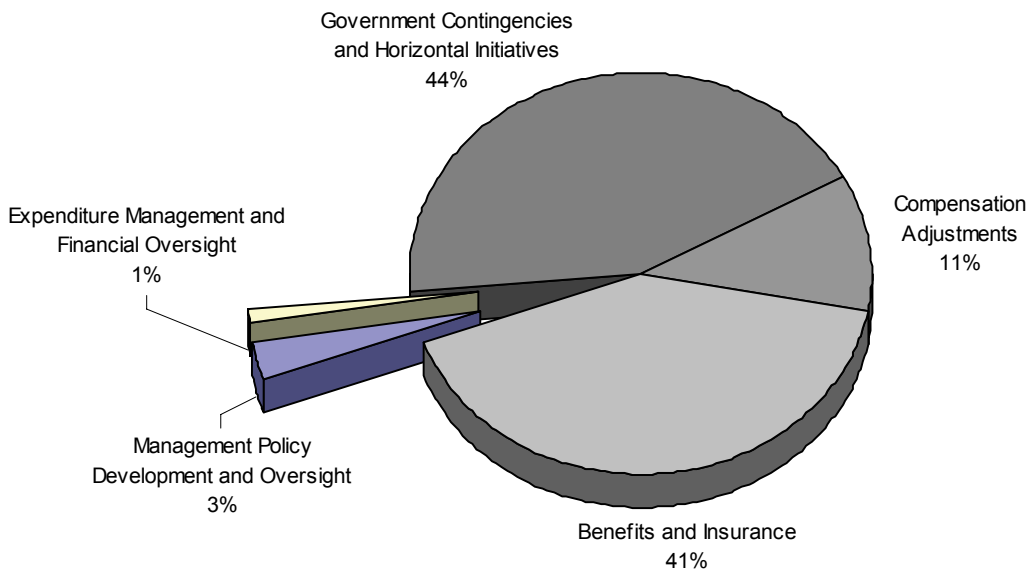


## Expenditure Profile

For the fiscal year 2008–09, the Secretariat plans to utilize \$4,804 million to meet the expected results of its program activities and further the achievement of its strategic outcome.

As the pie chart below indicates, the bulk of these expenditures (\$4,615 million) is related to the central funds that the Secretariat administers on a whole-of-government basis to supplement the appropriations of departments, agencies, and appropriation-dependent Crown corporations to meet the costs of horizontal initiatives; government contingencies, including payroll costs such as severance pay and parental benefits; in-year compensation adjustments; and public service pensions, benefits, and insurance premiums.

The remaining \$189 million is directly related to the operations of the Secretariat and its two main program activities: Management Policy Development and Oversight and Expenditure Management and Financial Oversight.<sup>1</sup> Details on the expected results associated with these expenditures are provided in Section II: Analysis of Program Activities.



1. In accordance with Treasury Board reporting guidelines, expenditures associated with the Internal Services program activity are included within the total expenditures for the other program activities.

## Departmental Planned Spending and FTEs

| (\$ thousands)   | Forecast Spending 2007–08 <sup>1</sup> | Planned Spending 2008–09 | Planned Spending 2009–10 | Planned Spending 2010–11 |
|--|--|--------------------------|--------------------------|--------------------------|
| Management Policy Development and Oversight <sup>2</sup>                         | 119,078                                | <b>140,049</b>           | 137,488                  | 131,329                  |
| Expenditure Management and Financial Oversight <sup>3</sup>                      | 65,179                                 | <b>49,648</b>            | 49,777                   | 48,431                   |
| Government-wide Funds and Public Service Employer Payments                       | 2,722,986                              | <b>4,615,161</b>         | 4,860,461                | 5,046,461                |
| Revitalization of the Toronto Waterfront <sup>4,5</sup>                          | 235,104                                |                          |                          |                          |
| Budgetary Main Estimates (gross)   | 3,142,347                              | <b>4,804,858</b>         | 5,047,726                | 5,226,221                |
| Less: Respendable Revenue <sup>6</sup>   | (142,200)                              | <b>(300,912)</b>         | (306,090)                | (307,100)                |
| <b>Total Main Estimates</b>  | 3,000,147                              | <b>4,503,946</b>         | 4,741,636                | 4,919,121                |
| Adjustments  |  |                          |                          |                          |
| Supplementary Estimates A  |  |                          |                          |                          |
| For Secretariat's Operations <sup>7</sup>  | 12,047                                 |                          |                          |                          |
| For the Government-wide Funds and Public Service Employer Payments <sup>8</sup>  | 1,797,933                              |                          |                          |                          |
| Budget Office Systems Renewal Reprofiting <sup>9</sup>                           | (3,974)                                | 3,974                    |                          |                          |
| Supplementary Estimates B  |  |                          |                          |                          |
| For Secretariat's Operations <sup>10</sup>                                       | 168                                    |                          |                          |                          |
| For the Government-wide Funds and Public Service Employer Payments <sup>11</sup> | 42,516                                 |                          |                          |                          |
| Adjustments to Respendable Revenue <sup>12</sup>                                 | (128,942)                              |                          |                          |                          |
| Treasury Board Vote 10 transfers to departments and agencies <sup>13</sup>       | (22,491)                               | (7,141)                  | (7,141)                  | (7,141)                  |
| Treasury Board Vote 15 transfers to departments and agencies <sup>14</sup>       | (227,788)                              |                          |                          |                          |
| Treasury Board Vote 15 for the Secretariat's Operations                          | 1,491                                  |                          |                          |                          |
| Treasury Board Vote 25 transfers to departments and agencies <sup>15</sup>       | (981,676)                              | (1,200,000)              | (1,200,000)              | (1,200,000)              |
| Treasury Board Vote 22 for the Secretariat's Operations                          | 7,998                                  |                          |                          |                          |
| Treasury Board Vote 30 transfers to departments and agencies <sup>16</sup>       | (500,000)                              | (500,000)                | (500,000)                | (500,000)                |

| (\$ thousands)  | Forecast Spending 2007–08 <sup>1</sup> | Planned Spending 2008–09 | Planned Spending 2009–10 | Planned Spending 2010–11 |
|---|--|--------------------------|--------------------------|--------------------------|
| Government-wide funds available at year-end <sup>17</sup>                 | (368,050)                              |                          |                          |                          |
| Treasury Board Vote 5 transfers to departments and agencies <sup>18</sup> | (750,000)                              | (750,000)                | (750,000)                | (750,000)                |
| <b>Total Adjustments</b>  | <b>(1,120,768)</b>                     | <b>(2,453,167)</b>       | <b>(2,457,141)</b>       | <b>(2,457,141)</b>       |
| <b>Total Planned Spending<sup>19</sup></b>                                | <b>1,879,379</b>                       | <b>2,050,779</b>         | <b>2,284,495</b>         | <b>2,461,980</b>         |
| Less: Non-Respendable Revenue   | (12,369)                               | <b>(12,391)</b>          | (12,399)                 | (11,500)                 |
| Plus: Cost of Services Received Without Charge                            | 15,189                                 | <b>17,057</b>            | 15,741                   | 15,896                   |
| <b>Total Departmental Spending</b>  | <b>1,882,199</b>                       | <b>2,055,444</b>         | <b>2,287,837</b>         | <b>2,466,376</b>         |
| <b>Full-Time Equivalents</b>  | <b>1,451</b>                           | <b>1,455</b>             | <b>1,446</b>             | <b>1,404</b>             |

- Effective in 2008–09, a new Program Activity Architecture (PAA) was approved for the Secretariat. Forecast spending reflects resource allocation under the new PAA.
- Includes a portion of Internal Services resources: \$34.5 million in 2007–08, \$38.9 million in 2008–09, \$38.9 million in 2009–10, and \$38.9 million in 2010–11.
- Includes a portion of Internal Services resources: \$18.9 million in 2007–08, \$14.4 million in 2008–09, \$14.4 million in 2009–10, and \$14.4 million in 2010–11.
- Includes a portion of Internal Services resources: \$0.6 million in 2007–08.
- Forecast spending includes funding for the Toronto Waterfront Revitalization Initiative. In response to Government Machinery changes announced January 4, 2007, this authority has been transferred from the Secretariat to Environment Canada through 2007–08 Supplementary Estimates.
- Respendable Revenue is used to cover the costs incurred by the Secretariat on behalf of other government departments for shared initiatives such as the Public Service Superannuation Account Pension Fund and Public Service Insurance.
- Supplementary Estimates A adjustments for the Secretariat's Operations include funding for: Vote 1 – Implementation of the new requirements of the Policy on Internal Audit (\$3.0 million), funding to implement the *Federal Accountability Act* (\$4.7 million), funding for the Centre of Regulatory Expertise (\$2.4 million), funding to implement the *Public Service Modernization Act* (\$2.8 million), funding for the activities of an Independent Expert Panel on Grants and Contributions (\$0.9 million), a transfer to Foreign Affairs (\$0.3 million) to provide support to departmental staff located at missions abroad, Transfer to Environment (\$1.5 million) for the Toronto Waterfront Revitalization Initiative.
- Supplementary Estimates A adjustments for the Government-wide Funds and Public Service Employer Payments include the following initiatives: Vote 2 – Transfer to Environment for the Toronto Waterfront Revitalization Initiative (\$232.8 million); Vote 10 – Government-wide funding to implement the Policy on Internal Audit (\$20.7 million); Vote 15 – Compensation adjustments for transfers to departments and agencies for salary adjustments (\$185.5 million); Vote 20 – Funding for the Public Service Insurance Plan (\$125 million) and a transfer to Public Service Human Resource Management Agency of Canada (\$0.4 million) for the Joint Learning Program; Vote 22 – Operating Budget Carry Forward (\$1.200 million); Vote 23 – Paylist shortfall (\$500 million).
- Funds for the Budget Office Systems Renewal initiative that were not used in 2007–08 have been reprofiled for 2008–09.
- Supplementary Estimates B adjustments for the Secretariat's Operations include the following initiatives: Vote 1 – Transfer from the Royal Canadian Mounted Police (\$0.2 million) for funding related to the management of life and disability insurance plans, Transfer from Public Works and Government of Canada for the Organizational Readiness Office (\$0.2 million), and Internal reallocation of resources to support the Research and Policy Initiatives Assistance Program (–\$0.2 million).

11. Supplementary Estimates B adjustments for the Government-wide Funds and Public Service Employer Payments include the following initiatives: Vote 2 – Internal reallocation of resources to support Research and Policy Initiative Assistance Program (\$0.2 million); Vote 15 – Compensation adjustments for transfers to departments and agencies for salary adjustments (\$42.3 million).
12. Respendable Revenue is used to cover salaries and operating costs (\$3.9 million) from Public Works and Government Services Canada in respect of chargeable costs associated with administering the *Public Service Superannuation Act* (PSSA). An increase (\$125 million) of the respendable revenue is used to cover health care insurance plan costs from revolving funds and from departments and agencies that pay for employee benefit plans from a non-statutory appropriation.
13. Transfer to departments and agencies for the implementation of government-wide initiatives.
14. Transfers to departments and agencies as a result of adjustments made to terms and conditions of service or employment of the federal administration.
15. Transfers to departments and agencies for the Operating Budget Carry Forward.
16. Transfers to departments and agencies to cover payroll shortfalls related to parental benefits, severance, and other allowances.
17. The estimated surplus is in the Government-wide Funds and Public Service Employer Payments Votes: Vote 10 – Government-wide Initiatives (\$0.7 million); Vote 20 – Public Service Insurance (\$149 million), net of respendable revenue; Vote 22 – Operating Budget Carry Forward (\$218 million).
18. Planned transfers to departments and agencies, subject to the approval of the Treasury Board, to supplement other appropriations and to provide for miscellaneous, urgent or unforeseen expenditures not otherwise provided for. Unused funds will be surplus.
19. Planned spending by Vote is provided in Table 10, Main Estimates and Planned Spending by Vote, of the Supplementary Information.

## Section II: Analysis of Program Activities

### Program Activity Architecture

The table below illustrates the alignment of the Secretariat's program sub-activities and activities with its strategic outcome. The Secretariat is currently developing a performance measurement framework in accordance with the MRRS Policy. The Performance Measurement Framework (PMF) is intended to assist the Secretariat in measuring its progress toward the expected results of its program activities and, ultimately, the achievement of its strategic outcome.

| Strategic Outcome      | Government is well managed and accountable, and resources are allocated to achieve results |   |  |   |
|------------------------|--|---|--|---|
| Program Activities     | Management Policy Development and Oversight  | Expenditure Management and Financial Oversight            | Government-wide Funds and Public Service Employer Payments                         | Internal Services                         |
| Program Sub-Activities | Policy coordination, management assessment, and Government of Canada oversight             | Financial oversight and reporting                         | Government-wide contingencies and management initiatives                           | Corporate Priorities and Planning         |
|                        | Human resources and compensation management  | Government of Canada expenditure management and oversight | Compensation adjustments, operating budget carry-forward, and payroll requirements | Public Affairs and Communication Services |
|                        | Service, technology and information management   | Departmental expenditure oversight                        | Public service employer payments   | Corporate Services                        |
|                        | Assets and acquired services   |   |  | Legal Services                            |
|                        | Financial management and internal audit  |   |  |   |

Through the implementation of its MRRS, which includes the PAA displayed above, the Secretariat is developing a PMF that will facilitate better measurement and reporting of the Secretariat's program activity results.

## Management Policy Development and Oversight

Through this program activity, the Secretariat provides support to the Treasury Board in its role as the management board. This includes promoting improved management performance and developing policies to support the prudent and effective management of the government’s assets and its human, financial, information, and technology resources.

Key objectives under the Management Policy Development and Oversight program activity include the following:

- ▶ setting management performance expectations through the MAF;
- ▶ articulating management rules, standards, and reporting requirements through the Treasury Board policy suite;
- ▶ defining the professional competencies required of key functional communities, including financial, information management, information technology, internal audit, procurement, materiel management, real property, and human resources specialists;
- ▶ assessing the performance of departments, agencies, and Crown corporations against management standards taking action to promote good practices, and ensuring that weaknesses are addressed; and
- ▶ negotiating collective agreements, setting terms and conditions of employment, and promoting good labour-management practices, which will be particularly important in 2008–09 as the Treasury Board will be actively negotiating with 26 of the 27 collective bargaining tables.

|                        |  |
|------------------------|--|
| Program Sub-Activities | Policy coordination, management assessment, and Government of Canada oversight |
|                        | Human resources and compensation management                                    |
|                        | Service, technology, and information management                                |
|                        | Assets and acquired services   |
|                        | Financial management and internal audit  |

| Expected Results   | Key Performance Indicators  |
|--|---|
| Expectations are established to improve public service management.   | Evolution of MAF ratings and assessments of government departments over time.<br>Benchmarking for public service compensation.  |
| Functional communities are provided with the appropriate knowledge and tools to comply with Treasury Board policies. | Recruitment levels are measured against targets.<br>The level of capacity in key management areas and functional communities are assessed.<br>Appropriate tools are developed and used, and appropriate training is provided. |

| Expected Results   | Key Performance Indicators  |
|--|---|
| Treasury Board policies and Secretariat advice are clear, relevant, and well communicated from the standpoint of departments and agencies. | <p>The quality of advice provided to departments and agencies.</p> <p>Policy implementation that is sequenced and phased in, in relation to departmental capacity.</p> <p>The extent to which Treasury Board policies achieve expected results.</p> |

These expected results and key performance indicators represent an organizing framework that contributes to the development of the Secretariat’s plans and priorities. It should be noted that, because the Secretariat is participating in a pilot project to streamline RPPs, only the most pertinent key indicators are reflected here.

| Management Policy Development and Oversight   |  |                |         |                |         |                |
|---|--|----------------|---------|----------------|---------|----------------|
| Planning Highlights   | Full-Time Equivalents (FTE) and Planned Spending |                |         |                |         |                |
|   | 2008–09  |                | 2009–10 |                | 2010–11 |                |
|   | FTEs   | (\$ thousands) | FTEs    | (\$ thousands) | FTEs    | (\$ thousands) |
|   | 1,062  | 136,137        | 1,056   | 133,598        | 1,025   | 131,329        |
| <p>Over the three-year planning period, the Secretariat will work to ensure that responsibilities and accountabilities across government are clarified in relation to departmental management practices and expectations, specifically with respect to the following:</p> <ul style="list-style-type: none"> <li>• continued implementation of the Secretariat components of the <i>Federal Accountability Act</i> and the action plan;</li> <li>• refining and implementation of the Treasury Board compliance framework; and</li> <li>• with a focus on risk management, the development and implementation of an action plan to simplify rules, reporting requirements, and business processes, which will include the continued streamlining of the Treasury Board policy suite in order to strengthen the government’s capacity to deliver value to Canadians while protecting against key risks and preserving accountability.</li> </ul> <p>While this work will make an important contribution to clarifying and refining the frameworks within which the government operates, measures its performance, and manages its resources, the Secretariat must also work to ensure that departments and agencies have the necessary tools and support to continuously strengthen management performance across government. To this end, the Secretariat will work to:</p> <ul style="list-style-type: none"> <li>• provide continued support and leadership to departments and agencies with respect to financial management and internal audit;</li> <li>• eliminate barriers and lead horizontal initiatives to improve the management and oversight of information, technology, and service transformation initiatives, including the implementation of a revised policy on transfer payments;</li> <li>• provide support to regulatory departments to implement a modern approach to regulatory reform;</li> <li>• provide continued support to departments and agencies with respect to labour relations, compensation, and the development of functional communities; and</li> <li>• continue the evolution and use of the MAF as a tool in the assessment of departmental performance and as a tool to support Treasury Board and departmental decision making.</li> </ul> |  |                |         |                |         |                |

## Expenditure Management and Financial Oversight

The Treasury Board is often referred to as “the budget office” because of the important role it plays in managing and overseeing expenditures of the government, along with the minister of Finance and the prime minister.

|                           |   |
|---------------------------|---|
| Program<br>Sub-Activities | Financial oversight and reporting                         |
|                           | Government of Canada expenditure management and oversight |
|                           | Departmental expenditure oversight                        |

The Secretariat’s role is to provide advice and recommendations to Treasury Board on the allocation and re-allocation of resources to ensure that they are aligned with the government’s priorities and responsibilities and that federal programs are effective, efficient, and provide value-for-money.

Key objectives for this program activity include ensuring that:

- ▶ recommendations to ministers on the allocation and re-allocation of resources are based on high-quality financial and performance information;
- ▶ departments and the Secretariat have the tools and information required to assess program spending and performance against government priorities on an ongoing, systematic basis;
- ▶ parliamentarians and Canadians are provided with timely, accurate, and complete financial and performance information on program plans and results including the Public Accounts of Canada; and
- ▶ the government’s Main and Supplementary Estimates are tabled in Parliament to enable voted appropriations to departments and agencies.

| Expected Results   | Key Performance Indicators   |
|--|--|
| Resources are allocated to achieve results   | One hundred per cent of direct program spending is reviewed over four years and a proportion of funds is re-allocated from low priorities to high-performing priorities.   |
| Results-based information increasingly informs expenditure management decisions.   | The extent to which departmental management resources and results structures are implemented. There is improvement in the overall quality and use of evaluation findings.  |
| Reporting to Parliament on government spending is accurate, financial performance and stewardship is complete and timely | The assessment of the quality of financial and non-financial information as measured by MAF expectations with respect to the quality of reporting to Parliament and the effectiveness of financial management and control.<br><br>The extent to which the methodology, form, and content for preparing financial and non-financial information are consistent.<br><br>Estimates information is used to inform parliamentary committees and parliamentary approval of appropriation bills is supported by relevant information. |



These expected results and key performance indicators represent an organizing framework that contributes to the development of the Secretariat’s plans and priorities. It should be noted that, because the Secretariat is participating in a pilot project to streamline RPPs, only the most pertinent key indicators are reflected here.

| Expenditure Management and Financial Oversight |  |                |         |                |         |                |
|--|--|----------------|---------|----------------|---------|----------------|
| Planning Highlights                            | Full-Time Equivalents (FTE) and Planned Spending |                |         |                |         |                |
|  | 2008–09  |                | 2009–10 |                | 2010–11 |                |
|  | FTEs   | (\$ thousands) | FTEs    | (\$ thousands) | FTEs    | (\$ thousands) |
|  | 393  | 53,622         | 390     | 49,777         | 379     | 48,431         |

Over the three-year planning period, the Secretariat will work to ensure that results-based management is strengthened and that information on programs and spending is improved to support decision making on resource allocation specifically with respect to the following:

- strategic reviews of government program spending are conducted and refined as an expenditure management instrument;
- the quality of program performance information is improved through continued implementation of the [MRRS Policy](#);
- the *Evaluation Policy* is renewed and an implementation plan, which includes tools to support evaluation competencies and capacity across government, is developed;
- the Secretariat’s capacity to provide more detailed and reliable information to parliamentarians and Canadians on the state of government-wide financial results is improved;
- the Secretariat’s capacity for financial oversight, analysis, and forecasting of expenditures is improved through the timely provision and consolidation of in-year spending data; and
- the Secretariat’s capacity to provide timely and accurate financial information available to Parliament and management is strengthened.

Together, these initiatives will help ensure that expenditure management is based on results with improved processes, frameworks, and policies for evaluating program performance.

## Government-wide Funds and Public Service Employer Payments

The Secretariat has responsibility for managing access to the central funds, and the expected result is that these funds are administered in accordance with applicable legislation, Treasury Board policies, and Treasury Board standards. The human resources associated with this program activity are captured within other program sub-activities, predominantly [human resources and compensation management](#) and [Government of Canada expenditure management and oversight](#).

|                        |  |
|------------------------|--|
| Program Sub-Activities | Government-wide contingencies and management initiatives                           |
|                        | Compensation adjustments, operating budget carry-forward, and payroll requirements |
|                        | Public service employer payments   |

| Government-wide Funds and Public Service Employer Payments   |                           |                           |                           |
|--|---------------------------|---------------------------|---------------------------|
| Description of Funds   | Planned Spending          |                           |                           |
|  | 2008–09<br>(\$ thousands) | 2009–10<br>(\$ thousands) | 2010–11<br>(\$ thousands) |
|  |                           | 1,861,020                 | 2,101,120                 |
| <p>Government-wide contingencies consist of funds used to supplement other appropriations to provide the government with the flexibility to meet unforeseen expenditures until parliamentary approval can be obtained and to meet additional payroll costs, such as severance pay and parental benefits, that are not provided for in the Estimates of other government departments.</p> <p>Government-wide initiatives consist of funds used to supplement budgets in other departments and agencies in support of the implementation of strategic management initiatives across the public service.</p> <p>Public service compensation funds are used to compensate departments, agencies, and appropriation-dependent Crown corporations for the effect of collective bargaining agreements and other related adjustments to terms and conditions of service or employment.</p> <p>Operating budget carry-forward funds are used to supplement other appropriations for the operating budget carry-forward from the previous fiscal year.</p> <p>Paylist requirement funds are used to supplement other appropriations for requirements related to parental and maternity allowances, entitlements on cessation of service or employment, and adjustments made to terms and conditions of service or employment of the public service, including members of the Royal Canadian Mounted Police and the Canadian Forces.</p> <p>Public service employer payments funds are used in support of the Treasury Board’s role as employer for public service pensions, benefits, and insurance, including the payment of the employer’s share of health, income maintenance, and life insurance premiums; the payments to or in respect of provincial health insurance plans; the payment of provincial payroll taxes and Quebec sales tax on insurance premiums; costs associated with the pension, benefit, and insurance plans for employees engaged locally outside Canada; and the return to certain employees of their share of the employment insurance premium reduction.</p> |                           |                           |                           |

### Internal Services

The Internal Services program activity includes key functions and costs related to supporting the Treasury Board and the internal management of the Secretariat. Human and financial resources associated with this program activity are allocated across the Secretariat’s other program activities in accordance with Treasury Board MRRS reporting guidelines.

|                        |   |
|------------------------|---|
| Program Sub-Activities | Corporate Priorities and Planning         |
|                        | Public Affairs and Communication Services |
|                        | Corporate Services                        |
|                        | Legal Services                            |

The key objectives of this program activity are as follows:

- ▶ to provide integrated support to the Treasury Board;
- ▶ to ensure the effective corporate governance and accountability of the Secretariat as a department;

- ▶ to reinforce and support relationships with key stakeholders; and
- ▶ to ensure effective and efficient internal management.

|   |
|---|
| <b>Internal Services</b>  |
| <b>Planning Highlights</b>  |
| <p>Over the three-year planning period, the Secretariat will work to ensure that its internal management practices are adapted and strengthened to provide stronger support to the Treasury Board and to respond to its own MAF assessment of management performance.</p> <p>Change-enabling strategies and supporting initiatives are developed and implemented to support the government's management agenda and Treasury Board operations.</p> <p>Human resources management is improved both operationally and through the implementation of a strategic human resources plan.</p> <p>Continued progress is made to strengthen the Secretariat's governance and corporate management performance in line with MAF expectations, with specific emphasis on strengthening the Secretariat's internal evaluation function and the Secretariat's internal IM and IT management.</p> |

## Supplementary Information

Supplementary information is available on the Secretariat's website at <http://www.tbs-sct.gc.ca/rpp/20082009/info/info-eng.asp>.

### Treasury Board Secretariat Program Sub-Activities

#### Management Policy Development and Oversight

- Policy coordination, management assessment, and Government of Canada oversight

- Human resources and compensation management

- Service, technology, and information management

- Assets and acquired services

- Financial management and internal audit

#### Expenditure Management and Financial Oversight

- Financial oversight and reporting

- Government of Canada expenditure management and oversight

- Departmental expenditure oversight

#### Internal Services

- Corporate Priorities and Planning

- Public Affairs and Communications Services

- Corporate Services

- Legal Services

Table 1: Sustainable Development Strategy

Table 2: Green Procurement

Table 3: Evaluations

Table 4: Internal Audits

Table 5: Progress Toward the Department's Regulatory Plan

Table 6: Summary of Capital Spending by Program Activity

Table 7: User Fees

Table 8: Services Received Without Charge

Table 9: Sources of Respendable and Non-Respendable Revenue

Table 10: Main Estimates and Planned Spending by Vote

Table 11: Voted and Statutory Items Listed in Main Estimates