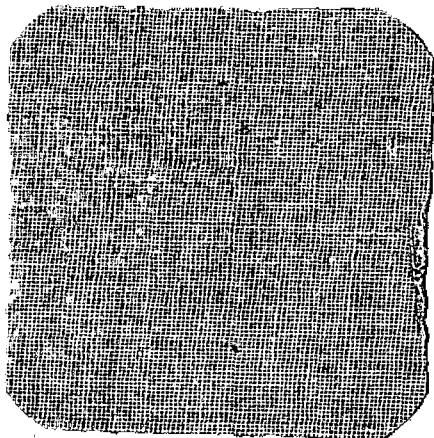


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Government of Canada
Gouvernement du Canada

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DATED FROM
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TO
JUSQU'AU

1980-12-31

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1-1-4

VOLUME

7540-21-857-8809



External Affairs
Canada

Affaires extérieures
Canada

29/229

Classification (with attach/avec p.1.)

ACTION REQUEST/FICHE DE SERVICE

From the Office of the Under-Secretary/Du Cabinet du Sous-secrétaire

Date:

Dec 31/80

TO/A

DMO

Reply required by/Réponse demandée
pour le:

URGENT

☐

Jan 19/81

ACTION REQUIRED/SUITE À DONNER

- ☐ Memorandum to the Minister/Mémoire au ministre
- ☒ Reply for signature of Under-Secretary/Réponse réservée à la signature du Sous-secrétaire
- ☐ Reply on behalf of the Under-Secretary/Réponse au nom du Sous-secrétaire
- ☐ Reply for signature of/Réponse réservée à la signature de
- ☐ Report or comments to Under-Secretary/Rapport ou commentaires au Sous-secrétaire
- ☐ For information and file/Pour information et classement
- ☐ See remarks below/Voir observations ci-dessous

1-1-4

Signature of Under-Secretary

INFORMATION COPIES REFERRED TO/COPIES ENVOYÉES À TITRE D'INFORMATION À:

- ☒ Under-Secretary/Sous-secrétaire *Theresa Delmont*
- ☒ Associate Under Secretary/Sous-secrétaire associé
- ☐ Deputy Under-Secretary/Sous-secrétaire suppléant
- ☐ Assistant Under-Secretary/Sous-secrétaire adjoint
- ☒ As indicated/Autre (précisez) *APP APO/APOP SPN*

REMARKS/OBSERVATIONS

[Signature]
SIGNATURE

Return white copy of this Action Request, with attachments, to the Under-Secretary's Office as a record of action taken.

Retournez la copie blanche, avec les pièces jointes, au Cabinet du Sous-secrétaire pour confirmer que suite a été donnée à la demande.

☐ Interim acknowledgement sent.
Accusé de réception envoyé

For Use of Action Addressee/A l'usage du destinataire

Date received/Date de réception

2/1/81

Action Officer/Agent responsable

DM Miller / APP

Disposition & Date/Disposition et date

replied 2/1/81

000338

APP:D.M.MILLER:6-5595:mp

~~file~~
diary
bdiary

Please return to App
after signature and release

DMM o/r
DMO
SPM
APO/Beauchemin

CONFIDENTIAL
PERSONNEL MANAGEMENT

OTTAWA, January 2, 1981.

file: 1-1-4

Dear Mr. Johnstone,

I can well appreciate your worry about the lack of progress towards Consolidation as mentioned in your letter of December 24 for I, too, have been concerned for some time now about the way our officials have become enmeshed in technicalities. Commenting briefly on the specific points listed in your letter, I would describe the problem of the person-year "overhang" as being largely technical in nature, though a very real stumbling block to progress on other more substantive issues. Accordingly, I have discussed it recently with both Gordon Smith and Jack Manion, and I understand that Mr. Manion will soon be proposing a solution to you and Doug Love on behalf of the Central Agencies which, I trust, you will both find equitable.

To assist in getting Consolidation moving forward again, I am prepared to accept your proposal that official travel and hospitality funds for the Trade Commissioner Service operational group abroad continue to be raised as part of your Department's main estimates and be allocated by you to Heads of Post who would in turn sub-allocate them to the programme managers charged with the implementation of the Trade and Industrial Development programme at missions abroad. In a similar vein, I could well envisage your Department continuing to raise and manage those Foreign Service Directive-related financial requirements that form a direct part of the Industry, Trade and Commerce programme resources at the

...2

Mr. R. Johnstone,
Deputy Minister,
Department of Industry, Trade and Commerce,
235 Queen Street,
OTTAWA

- 2 -

operational level. But I must candidly state that I am determined that in doing so we should seek to make the standards of application of these and other Foreign Service Directives uniform throughout the Foreign Service and to eliminate practices by any one department differing from such uniformity. Our officials might, therefore, look into this particular aspect further.

Your concern about the proposed planning and resources allocation system undoubtedly reflects our recent attempt to introduce more simple and effective procedures. These, as you know, have been approved by departmental Senior Management for discussion with the other departments concerned and are designed to avoid, as far as possible, the weakness experienced with the ICER Country Programming in its attempt to manage resources by interdepartmental committee. The procedures we are proposing seek to respect the programme responsibility of Deputy Heads concerned by focussing on the Assistant Deputy Minister's Committee on Foreign Operations (which is, of course, directly responsible to the Committee of Deputies) as the locus for the resolution of interdepartmental divergencies on programme matters. It is not intended to derogate from any of the authority or responsibility which you have for Trade Commissioner Service deployments and redeployments abroad at the operational level. Under our procedures, you will be no more dependent than now, however, on this Department's ability to provide the support resources required for any such proposed deployments or redeployments. I hope that the further discussion of these procedures which will be held among foreign operations co-ordinators will dispell your reservations since it is in our mutual interest, I would suggest, for us to have a resource allocation system which is realistic, practical and as simple as possible.

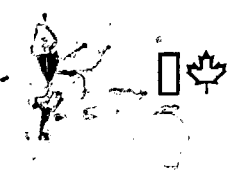
Yours sincerely,

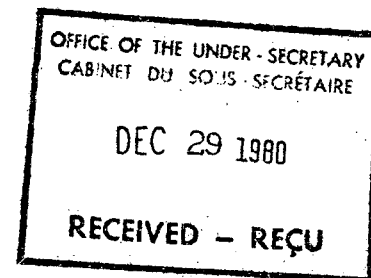
ORIGINAL SIGNED BY

A. E. GOTLIEB

A SIGNÉ L'ORIGINAL

Under-Secretary.

 Government of Canada Gouvernement du Canada
Industry, Trade and Commerce Industrie et Commerce
Deputy Minister Sous-ministre



December 24, 1980

Mr. A. Gotlieb
Under Secretary of State for
External Affairs
Department of External Affairs
Block A 8-140, L.B. Pearson Bldg.
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

Dear Mr. Gotlieb:

I am becoming a bit worried about the lack of progress towards meeting the April 1, 1981 deadline for implementing foreign service consolidation. As you know, I believe strongly that foreign service consolidation will improve the efficiency and effectiveness of Canada's foreign service in support of this department's trade, industrial and tourism programs and am anxious to see the new framework put into place. I have noted that efforts to implement a consolidation framework in accordance with the Prime Minister's instructions have been delayed largely because officials in the four foreign service departments have differing interpretations of various aspects of consolidation.

Certain key principles are clear and undisputed. Foreign service consolidation is intended to strengthen the authority of the Head of Post for the delivery of all post programs. On the other hand, the Deputy Minister of Industry, Trade and Commerce retains full responsibility for the trade and tourism programs at home and abroad, and the Head of Post is ultimately responsible to the Deputy Minister of this department for the effective management of the trade and tourism programs at his post. Furthermore, the Deputy Minister of this department remains responsible for an "operational level" Trade Commissioner Service, an important element of the consolidated foreign service.

.../2

Ottawa, Canada
K1A 0H5

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29.12.29/25)

- 2 -

These responsibilities must be adequately reflected in the mechanisms and in the procedures for consultation and decision that we establish for the management of the consolidated foreign service. The contentious issues which are inhibiting the progress of consolidation are under consideration in the various interdepartmental fora. As I understand the situation, the issues requiring resolution are as follows:

1. the person-year "overhang" problem, and whether all officers transferred to External Affairs should or can be fully covered by person-years, SPA's and SMC's, as appropriate;
2. the management of ITC program resources (such as travel, hospitality and FSD-related financial requirements) which are raised in the ITC Main Estimates in support of the delivery of the trade, industrial and tourism programs abroad;
3. the planning and resource allocation system, which must adequately reflect program responsibilities of deputy heads within the framework of the new expenditure management system.

The continuing disagreement in these areas may indicate confusion about the basic principles elaborated in the Prime Minister's decision. I think that we should resolve these as soon as possible.

Yours sincerely,

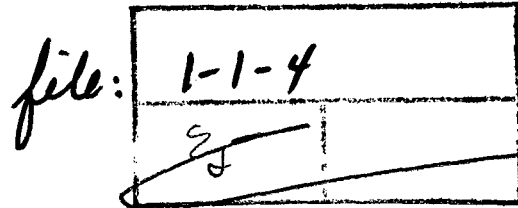


Robert Johnstone

File
diary
bdiary

DMM o/r
DMO
SPM
APO/Beauchemin

Please return to App
after signature and release



OTTAWA, January 2, 1981.

PERSONAL AND
CONFIDENTIAL

Dear Jack,

I am grateful to you and your officials for having produced the note enclosed with your draft letter of the arrangement we agreed to on December 22, which is acceptable to me as an accurate reflection of our discussion on the person-year "overhang" problem.

You will recall that you also agreed that the Treasury Board would examine the background to this problem as it is now manifest in Industry, Trade and Commerce and Employment and Immigration Canada to determine how it had been permitted to occur over the past several years and to make some remedial suggestions. I shall be interested to learn of your findings in due course.

In this regard, I note your proposal that FS promotions should be suspended pending completion of Consolidation and conversion exercises unless special circumstances occur satisfactory to my Department and the Treasury Board Secretariat. However, I must say quite frankly and on a personal basis that I am worried about your proposal since I am not sure that it would be helpful to include it in your letter to me.

...2

Mr. J. L. Manion,
Secretary of the Treasury Board,
Place Bell Canada,
160 Elgin Street,
Ottawa.

As you know, Industry, Trade and Commerce and Employment and Immigration Canada have had FS promotions fairly recently whereas my Department has maintained a strict policy of no overfill and, as a consequence, has had no promotions from FS 2 to 3 for some time and none at FS3 to 4 and 4 to 5 for a very long time. Since our already announced intention to have some promotions effective the end of last year to the FS 2 and 3 levels is designed to fill only existing vacancies, they will cause no problem vis-a-vis Consolidation. As for promotions to the FS 4 and 5 levels, we certainly do not plan to have any until our senior establishment has been determined by the senior management conversion exercise and presumably approved by the Treasury Board. Therefore, what we are intending to do about FS promotions over the next few months is, I believe, consistent with your own preoccupations regarding both Consolidation and Conversion. Nevertheless, on balance, it would be more helpful if this aspect were not included in your proposed letter to me and if our officials got together instead to discuss these matters.

I fully support your wish to see those Foreign Service Officers who are in fact no longer rotational encouraged to take up employment in non-FS positions. Obviously, if such encouragement is given by the Trade Commissioner Service and Employment and Immigration Canada to officers designated for transfer to my Department, it may serve to reduce the size of their respective overhang.

I also share, as you well know, the commitment to maintain, post-Consolidation, an active secondment policy under which qualified individuals would move in and out of the Foreign Service on a balanced basis.

Since I am in agreement with the note you enclosed on the overhang issue, I would be pleased if, as you suggest, you would write a letter about it to our colleagues in Industry, Trade and Commerce and Employment and Immigration Canada, copied for information to the President of the Canadian International Development Agency, seeking their agreement to our arrangement. Depending on their response, we might well be able to dispense with a meeting at the Deputy Minister level, but perhaps we could have a word about that when I return late this month.

Yours sincerely,

ORIGINAL SIGNED BY
A. E. GOTLIEB
A. SIGNÉ L'ORIGINAL
Under-Secretary.

 Treasury Board Canada Conseil du Trésor Canada

Dear Allan

As we discussed
on Wednesday,
I enclose my
draft letter to
you on FS issues.

You may wish
to call me at
Chateau Montebello
I just leave a
message for me at
my office, or you



Treasury Board
Canada

Conseil du Trésor
Canada

see fit

Jahs

31-12

DRAFT LETTER

TO: A. A.E. Gotlieb

cc: Dr. G. Smith, PCO

Dear Allan,

Further to our discussion on December 22 I enclose for your review a note reflecting my understanding of our tentative agreement regarding the handling of resources in IT&C and CEIC now used for functions unrelated to overseas operations. I hope you will find this acceptable.

We also discussed a number of your concerns which relate more to the quality and ongoing management of the foreign service rather than to this resource transfer question. I promised to make some inquiries and to advise you of remedial measures which might be taken by central agencies or the foreign service departments.

May I say at once that I share your concern about new FS appointments occurring at this time not only because of their potential impact on foreign service consolidation but also because of their implications for the management conversion exercise currently under way. Consequently we have asked the Public Service Commission, and they have agreed, to suspend FS appointments until such time as the consolidation and conversion exercises are completed or, in special circumstances, where the employing department, your department and the Treasury Board Secretariat agree that the appointment will not cause difficulties.

I believe as well that we should ask all foreign service departments to identify those foreign service officers who are no longer rotational (or unlikely to be rotational in the near future) within the Department of External Affairs 1976 Guidelines (see attached). Officers who are deemed not to be rotational should whenever feasible be removed from FS positions in the employing departments. They should not be transferred to External Affairs in

... /2

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- 2 -

the consolidation exercise without your approval.

The Public Service Commission and the Treasury Board Secretariat are prepared to assist departments in seeking other opportunities for non-rotational foreign service officers who cannot be accommodated in foreign service departments.

I would appreciate your comments on the foregoing.

May I add that although I strongly support your view that all foreign service officers should be on the establishment of your department, and that External Affairs should be responsible for the recruitment, training and career development of career foreign service officers, I am concerned that consolidation and the arrangements we are now discussing could result in a 'closed' foreign service unless we are careful. I know that you and Gordon Smith are quite opposed to such an eventuality but it would be reassuring to see a formal commitment to a continued and substantial secondment policy under which qualified staff would move into and out of the foreign service on a balanced basis. I do not think we achieve that balance if foreign service officers are seconded to non-foreign service jobs with new foreign service officers recruited to fill in behind them; such a process swells the nominal foreign service beyond legitimate foreign service needs while failing to offer opportunities to qualified public servants and others to experience foreign service. Should you conclude that other special arrangements would be needed in order to achieve a satisfactory level of secondments into and out of the consolidated foreign service, I can assure you of the strong support and co-operation of the Treasury Board Secretariat.

... 3

- 3 -

If there is general agreement on the foregoing I would suggest that I write a letter along these lines to our colleagues in CIDA, IT&C and CEIC and that we organize a DM's level meeting as soon as possible to secure agreement.

I look forward to hearing from you.

Yours sincerely,

J.L. Manion

RESOURCE ALLOCATION
AND
FOREIGN SERVICE CONSOLIDATION

This note is intended to confirm the understanding reached in the discussion of December 22nd involving Messrs. Manion, Smith and Gotlieb and concerned with Foreign Service consolidation.

The problem for discussion was the treatment for consolidation purposes of the person years associated with those positions on the domestic establishments of ITC and CEIC now staffed on a de facto basis by Foreign Service officers where the positions were not an integral part of foreign service work.

The solution proposed by the Department of External Affairs was to transfer the Foreign Service officers now serving in these "overhang" positions to the strength of DEA and to transfer to the budget of DEA the full resources attached to the positions against which these officers are now serving. DEA would then loan these officers back to the departments affected.

The principal objection to this approach is that it has the effect of reducing the resources allocated in Estimates to programs of ITC and CEIC not concerned with foreign operations and increasing the resources apparently supporting foreign operations in DEA Estimates, thus impairing disclosure and accountability to Parliament.

The solution proposed in the discussion and the arrangement adopted at its conclusion was to transfer the officers serving against "overhang" positions to DEA but to leave the resources attached to the positions against which these officers are now serving with ITC and CEIC on the understanding that these resources would be utilised by FS officers of DEA only. DEA would then enter into contractual agreements with these departments to provide officers to serve in

- 2 -

these departments on a secondment basis. The size and rank structure of the group of FS officers seconded under these agreements, (the "Secondment Group"), would be at least equivalent to the size and rank structure of the overhang group at the time the officers in it were transferred to DEA.

It was further agreed that:

- (i) DEA would be given a journal voucher representing a financial encumbrance by each receiving department at the beginning of each year for the full cost of the Secondment Group. The receiving department would reserve in its establishment sufficient personnel authorities, Person Year's and person year related costs to cover the secondment group.
- (ii) The question of who was to be seconded would be discussed between the sending and receiving department with DEA making the final selection of officers for the secondment group, in recognition of its responsibility for the personnel management of its FS group. The receiving department would, in consultation with DEA, determine the assignments to be given to members of the secondment group.
- (iii) The arrangement and contractual agreements would not be subject to modification unilaterally and Treasury Board Canada would be committed to their integrity and would investigate complaints concerning their application.

Finally, it was agreed that TBC would consult with DEA, ITC and CEIC concerning the possibility of reducing the number of secondments required by reducing the size of the overhang. The means seen for achieving this reduction was to give FS officers opportunity to transfer out of the FS group, particularly where such officers did not accept rotationality.

Department of External Affairs



Ministère des Affaires extérieures

Canada

CIRCULAR DOCUMENT

June 17 , 1976

Admin. No. 38/76 (APC)

File: 3-1-2

ROTATIONALITY

Introduction

The Department's responsibilities require a foreign service whose members are and remain willing and able to serve in Headquarters and at missions abroad. Unfortunately, the Department is faced with an increasing number of members of the foreign service who either cannot or refuse to be assigned abroad, despite the fact that they are nominally still rotational and may be performing the duties of positions at Headquarters designated as rotational. The effect of this situation is serious both for the Department and for the majority of its members who remain rotational.

A reduction in the number of functionally rotational employees makes it more difficult for the Department to staff positions abroad, while the corresponding increase in personnel at Headquarters who in practice are non-rotational results in blocking positions which would otherwise be available to permit employees to return from abroad. This places a disproportionately heavy burden on members of the foreign service who remain fully rotational, and has important implications for their advancement in the foreign service if members of the Department, who are for all practical purposes no longer rotational, continue to compete for promotions in the rotational stream. While ad hoc measures have been taken in recent years to alleviate these problems, the situation has now developed to the point where it can no longer be tolerated either in the interests of the Department or of the majority of its employees. In order to clarify matters and to provide guidance to all concerned, this circular defines rotationality, outlines the requirements which must be met to qualify as a rotational employee, and describes the procedures which will apply to ensure that rotational employees remain so in fact as well as in name.

Definition

Rotationality means the ability and willingness of an employee and his dependants to serve in positions at Ottawa (or elsewhere in

TO: HEADS OF POST
DIRECTORS GENERAL
DIRECTORS

.../2

- 2 -

Canada) and at Canadian missions abroad as the Department may require. The assignment and posting process through which employees are transferred between positions in Headquarters, between positions in Headquarters and abroad, or between positions both of which are abroad depends upon rotationality.

Requirements

In order to qualify as rotational an employee and his dependants must be willing to accept transfers and meet certain other requirements. These are as follows:

- (a) an employee and his or her dependants must have the personal qualities the Department requires for service abroad in the employ of the Canadian government. These personal qualities cannot be exhaustively enumerated but would include the elements assessed in appraisals under potential for effectiveness. An employee and his or her dependants must also conduct themselves in a way which will not reflect adversely on the Canadian government nor impair the effectiveness of its operations abroad.
- (b) an employee and his or her dependants must be medically fit for service abroad. This determination is made by the Department of National Health and Welfare. The administrative procedures are laid down in F.S.D. 9 which provides that an employee may obtain his personal physician's opinion whenever a medical matter is at issue. In this connection, the Department accepts that medical considerations may reduce the extent of an employee's rotationality by precluding his or her assignment to certain missions.
- (c) an employee must receive and sustain an appropriate level of security clearance for assignment abroad.

Rotationality as a Condition of Employment

... All rotational positions in the Department are staffed through competitions or selection processes which stipulate that the successful candidates must be prepared to serve in Ottawa and abroad. On joining the Department all rotational employees sign an undertaking to this effect (see specimen copy attached). It therefore follows that employees appointed to rotational positions must meet this condition of employment if they are to continue to occupy these positions. Employees who are nominally still on the rotational establishment but no longer wish to accept postings abroad or who have been declared non-rotational for failure to meet rotational requirements should, therefore, give thought to their position. Employees who are unwilling to accept the principle of rotationality or are unable to satisfy the requirements stated above

.../3

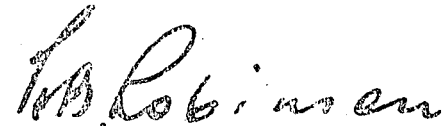
- 3 -

should seriously consider seeking a non-rotational position within the Department or employment outside the Department. Employees who wish to pursue either of these alternatives should consult the Staffing Section of Personnel Operations Division (APOS). If functionally non-rotational employees do not themselves take the initiative to remove themselves from the rotational stream, the Department will be obliged to take action by transfers either to non-rotational positions for which the employee is qualified or to another government department. Ultimately, it may prove necessary to release employees who no longer meet this condition of employment.

In conclusion, it should be emphasized that the Department is determined to follow policies which will restore and preserve the full rotational nature of the foreign service. At the same time, reasonable efforts will be made to avoid undue hardship to individuals concerned and to consider particular problems in as sympathetic a manner as possible.

... Attached to this Circular Document are more detailed guidelines which will govern the application of this policy.

This Circular Document remains in effect until amended or cancelled.



Under-Secretary of State
for External Affairs

ROTATIONALITY POLICY: APPLICATION

- a) These guidelines will apply to all rotational employees immediately.
- b) The length of postings abroad are set down and known to all employees, but operational requirements make it impossible to establish any hard and fast rules for the length of a tour of duty at Headquarters. A normal Ottawa tour will not exceed three years while employees may be approached for reassignment at any time. If a rotational employee declines a written offer of posting, he or she will be asked to explain the reasons for such a refusal in writing. If the reasons are accepted, an employee's rotational status will be unaffected. If the reasons are judged invalid, an employee will be declared provisionally non-rotational.
- c) An employee who accepts or is willing to accept an assignment abroad, but cannot be assigned abroad because of failure to meet one or more of the personal, medical or security requirements may be declared provisionally non-rotational if it is probable that the employee (or his dependants) will be unable to meet these criteria within a year.
- d) An employee who has refused a posting and been declared provisionally non-rotational may remain in provisional non-rotational status for up to six months. If after that period he or she refuses another written offer of posting, he or she will be asked to explain the reasons for the refusal in writing and if the Department judges these invalid, he or she will be declared as confirmed non-rotational effective the date of the offer of posting.
- e) Employees who accept or are willing to accept assignments abroad, but who are unable to meet the personal, medical or security requirements for rotationality after a period of one year of provisional non-rotationality will normally be declared as confirmed non-rotational. If the failure to meet the medical requirement results from an illness or injury attributable to conditions at a post at which the employee and his dependants have served and which is of a type the incidence of which is greater than in Canada, the period of provisional non-rotational status may be extended normally to a maximum of one additional year, if an employee or his/her dependants will probably satisfy the medical requirement by the end of that period. If at the end of two years of medically justified provisional non-rotationality an employee or his or her dependants are unable to satisfy the medical requirement, he or she will be declared as confirmed non-rotational.

- f) An employee who has been declared as confirmed non-rotational may remain in this status while occupying a rotational position for an initial period of one year. At the end of this initial period, a review will be made of the employee's efforts to find alternative employment. If the prospects of his or her finding alternative employment appear promising, confirmed non-rotational status may be extended for a period necessary to accommodate transfer to non-rotational employment. Where, in the Department's opinion, exceptional circumstances obtain, the period may be extended to a maximum of twelve months. An employee confirmed as non-rotational may normally therefore have a year to seek alternative employment and in exceptional circumstances up to two years.
- g) Should a rotational employee wish to seek non-rotational status on a temporary basis, he or she must do so in writing outlining the reasons for the requested change in status and the length of time it is expected to last. Normally, temporary non-rotational status may be granted for up to 18 months and in exceptional circumstances up to two years.
- h) Rotational employees who are declared as confirmed non-rotational under paragraph (d) or (e) or who are granted temporary non-rotational status under paragraph (g) will not be considered for promotion by rotational promotion boards.
- i) If an employee declared as confirmed non-rotational has at the end of the periods specified in paragraph (e) not found alternative employment, the Department may take steps to release the employee under the terms of section 31 of the Public Service Employment Act (which provides for appeal).

Department of External Affairs



Canada

Ministère des Affaires extérieures

I,

understand that service in the Department of External Affairs is
based on the principle of rotational duty and that I may expect to
spend periods of duty both with the Department in Ottawa and at
Canadian Missions abroad. I am prepared to serve in Ottawa and
at any post abroad as the Department may require.

Signed

Witness

Date



External Affairs
Canada

Affaires extérieures
Canada

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180613

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ACTION REQUEST/FICHE DE SERVICE

Classification (with attach)/(avec p.l.)

From the Office of the Under-Secretary/Du Cabinet du Sous-secrétaire

Date:

June 18, 1980

TO/A

WAB

Reply required by/Réponse demandée
pour le:

URGENT

☐

ACTION REQUIRED/SUITE À DONNER

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- ☒ For information and file/Pour information et classement
- ☒ See remarks below/Voir observations ci-dessous
- You may want to browse through this - low priority but helps give the flavor of TB*

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- ☒ Under-Secretary/Sous-secrétaire *Mia Blevins*
- ☐ Deputy Under-Secretary/Sous-secrétaire suppléant
- ☐ Assistant Under-Secretary/Sous-secrétaire adjoint
- ☒ As indicated/Autre (précisez) *AFP APP ARP ACP*

REMARKS/OBSERVATIONS

Carl Gendron

SIGNATURE

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Retournez la copie blanche, avec les pièces jointes, au Cabinet du Sous-secrétaire pour confirmer que suite a été donnée à la demande.

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External Affairs
Canada

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- ☒ See remarks below/Voir observations ci-dessous
- Mr. Molgat*
You may want to browse through this - low priority help give the flavour of TB

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- ☒ Under-Secretary/Sous-secrétaire *via Bureau*
- ☐ Deputy Under-Secretary/Sous-secrétaire suppléant
- ☐ Assistant Under-Secretary/Sous-secrétaire adjoint
- ☒ As indicated/Autre (précisez) *AFP APP ARP ACP*

REMARKS/OBSERVATIONS

Carl Gendron

SIGNATURE

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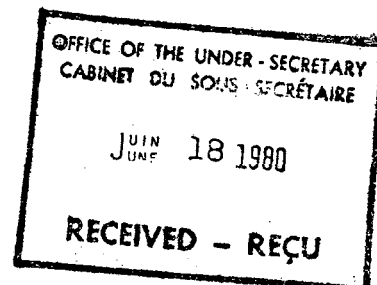
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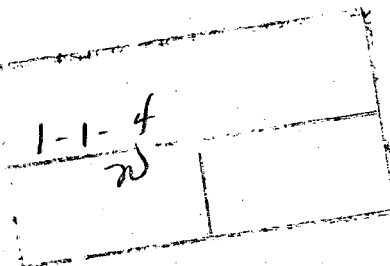
Secretary of the
Treasury Board of Canada

Secrétaire du
Conseil du Trésor du Canada

June 16, 1980



Mr. Allan E. Gotlieb,
Under-Secretary of State for
External Affairs,
Ottawa, Ontario.
K1A OG2



Dear Mr. Gotlieb:

I am pleased to enclose for your information the 1979 Annual Report of the Administrative Policy Branch, Treasury Board Secretariat. This report contains a brief description of the activities of the Administrative Policy Branch during the past year as well as an indication of some of the policy areas being addressed in 1980.

One of the more significant activities during the year was the development of a number of policies relating to materiel management. These policies stress the importance of materiel management in the total management function, with particular emphasis on control aspects related to the quality of materiel, the sharing of equipment and the reduction of losses due to improper storage or theft.

With respect to real property, stricter adherence to space allocation guidelines and improved use of Crown-owned space has resulted in a 14 per cent reduction of requests for office space for an estimated annual saving of over \$4,000,000.

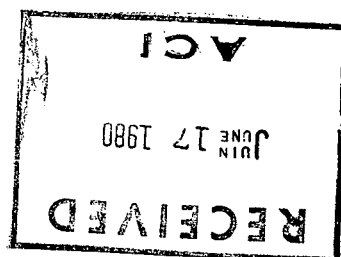
Action taken in contracting for services included the institution of a reporting system designed to provide a measure of the extent of contracting for the services of individuals in the government. Preliminary statistics indicate an 18 per cent decrease in person-days utilized between March and September 1979. An evaluation of the temporary help services policy was also carried out and resulted in the extension of that policy to all regions of Canada and to all categories of temporary help.

During 1979, a senior advisory committee on procurement policy developed objectives and guidelines for reviewing large procurement projects in terms of their socio-economic benefit to Canada. By the end of the year, seventeen projects with an estimated value of \$579 million had been considered. Other areas of significance in administrative

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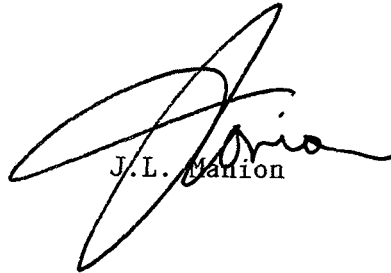


- 2 -

management are also discussed in the report; all of them address the general objective of the Administrative Policy Branch to ensure probity and prudence in the acquisition and consumption of administrative inputs throughout the Public Service.

Should you have any questions or comments on items in the report, I or Peter Meyboom, Deputy Secretary of the Administrative Policy Branch, would be pleased to discuss them. A copy of the report has been sent to your Minister.

Yours sincerely,



J.L. Manion

Encl.



Secretary of the
Treasury Board of Canada

Secrétaire du
Conseil du Trésor du Canada

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Il me fait plaisir de vous envoyer sous ce pli, à titre documentaire, un exemplaire du rapport annuel de la Direction de la politique administrative du Secrétariat du Conseil du Trésor. Ce rapport comprend une brève description des activités de la Direction au cours de l'année dernière et mentionne certains secteurs des politiques dont elle s'occupera en 1980.

Parmi les activités les plus importantes auxquelles la Direction s'est adonnée au cours de l'année, figure la mise au point d'un certain nombre de politiques concernant la gestion du matériel. Celles-ci mettent en lumière l'importance de cet aspect dans l'ensemble des fonctions de gestion et insistent particulièrement sur les mesures de contrôle liées à la qualité du matériel, à l'utilisation partagée du matériel et à la réduction des pertes dues à des lacunes dans les pratiques d'emmagasinement ou à des vols.

En ce qui concerne les biens immobiliers, un respect plus strict des lignes directrices portant sur l'attribution de l'espace et un meilleur usage des espaces appartenant à la Couronne se sont traduits par une réduction de 14 pourcent des demandes d'espace à bureaux, ce qui représente une économie annuelle évaluée à plus de \$4,000,000.

Les mesures prises en ce qui concerne les marchés de services comprennent l'instauration d'un système de rapports faisant voir dans quelle mesure on recourt aux marchés de services personnels dans l'administration fédérale. Selon des statistiques provisoires, le nombre d'années-personnes utilisées de mars à septembre 1979 a diminué de 18 pourcent. La Direction a également fait une évaluation de la politique concernant les services de travail temporaire qui a donné lieu à l'application de cette politique à toutes les régions du Canada et à toutes les catégories de services de travail temporaire.

- 2 -

Au cours de 1979, un comité consultatif supérieur de la politique des acquisitions a établi des politiques et des lignes directrices pour l'examen des avantages socio-économiques que le Canada pourrait retirer des grands projets d'acquisition. A la fin de l'année, ce comité avait étudié 17 projets dont le coût approximatif total se chiffrait à \$579 millions. Le présent rapport traite également d'autres aspects importants de la gestion administrative; tous ces aspects se rattachent à l'objectif général de la Direction de la politique administrative visant à assurer qu'on agit avec honnêteté et prudence dans l'acquisition et l'utilisation des biens dans toute l'administration fédérale.

Je serai heureux de recevoir vos commentaires et de répondre à vos questions au sujet des activités mentionnées dans le rapport ci-joint dont un exemplaire a été adressé à tous les sous-ministres et à tous les chefs d'organismes.

Je vous prie d'agréer, j, mes salutations distinguées.

J.L. Manion

Pièces jointes

**ANNUAL REPORT
1979
ADMINISTRATIVE POLICY BRANCH
TREASURY BOARD SECRETARIAT**

MARCH 1980

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A. INTRODUCTION

Branch Functions and Organization

The Administrative Policy Branch is responsible for the development and monitoring of policies, regulations and guidelines in administrative areas. These policies pertain to activities of the Government of Canada in the fields of property, materiel, services and information management. Their purpose is to ensure probity and prudence in the acquisition and consumption of administrative inputs throughout the Public Service, and to guide departmental managers in the efficient and effective use of money and materiel in support of departmental programs.

The Branch is organized into three divisions which have the following responsibilities:

- Policy Development and Revision: development and revision of administrative policies.
- Policy Implementation and Review: review of Treasury Board submissions in all administrative policy areas; monitoring of selected policies; and maintenance of the Branch's submission information system.
- Planning and Evaluation: communication of administrative policies to departments; development of control mechanisms required in the implementation of policies; and advising departments on socio-economic impact studies of new major government regulations on health, safety and fairness.

The Branch also manages the Incentive Award Program of the Public Service.

Policy Communication

Administrative policies of the federal government are collectively issued by means of the Treasury Board's Administrative Policy Manual. This manual comprises four subject oriented volumes (Real Property, Materiel, Services, and Information Management) as well as an Executive Summary. The manual was issued to approximately 150 departments and agencies in February 1979. To date, 2,500 manual sets have been provided free of charge to departments and agencies and an additional 30,000 individual chapters have been issued to government departments and sold to non-governmental organizations and individuals.

Over the past year the demand for the Administrative Policy Manual and for individual chapters has been higher than the supply available. Consequently, an additional 500 sets of the manual will be printed in 1980-81 and the method of distributing individual chapters has been altered to ensure that departments and agencies receive copies sufficient to meet their needs.

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Policy Monitoring

Departments and agencies are responsible for the implementation of administrative policies. Effective methods for monitoring these policies are essential in order to achieve the objectives of effectiveness, efficiency and compliance. Within the Administrative Policy Branch, mechanisms exist or are being developed to monitor current policies, to evaluate their effectiveness and to judge whether a particular policy needs revision or replacement. As part of this monitoring process, some 1600 departmental submissions were approved during the twelve months ending January 31, 1980. Table 1 provides a summary of this activity.

Table I

Treasury Board Submissions Approved
For the 12 months ending January 31, 1980
\$ millions

General Subject Area	Value of Submissions		Approved % of Total	Submissions	
	Requested	Approved		No.	% of Total
Contracting for goods	\$ 440	\$ 424	28	160	10
Contracting for services - general	351	349	23	362	22
Construction	139	138	9	142	8
Office accommodation	141	121	8	79	5
	<u>\$1,071</u>	<u>\$1,032</u>	<u>68</u>	<u>743</u>	<u>45</u>
Others	493	493	32	934	55
	<u>\$1,564</u>	<u>\$1,525</u>	<u>100</u>	<u>1,677</u>	<u>100</u>

Source: APB records

The Branch has identified several areas for policy revision and evaluation in a continuing effort to implement the government's policy of restraint. Some of the areas that have been identified over the past year for revision include cost control on projects, advertising and temporary help services. These reviews have resulted in new policies.

Structure of the Report

This report provides a summary of recent activities in the Administrative Policy Branch during 1979 within each of the four major areas of activity (Real Property, Materiel, Services and Information Management). The final section of the report provides an indication of longer term projects in the Branch.

B. REAL PROPERTY

Real Property Management

In the wake of the September 1978 report of the Standing Senate Committee on National Finance concerning the Accommodation Program of the Department of Public Works, a number of significant initiatives have been taken to improve upon the existing management practices and procedures. Some of the major initiatives were:

- issuance of a new policy on easement to better protect the lands from being encumbered by unnecessarily restrictive easements and rights of way;
- preparation of a comprehensive proposal that departments be charged at market rates for the accommodation they occupy with a view to making the DPW office accommodation program revenue-dependent; and
- development of a "womb-to-tomb" real property management policy embracing the full range of real property activities such as acquisition, use and disposal.

These policy proposals are being vetted and streamlined under the guidance of an Interdepartmental Steering Committee chaired by the Administrative Policy Branch.

Office Accommodation

During the year 1979 a total of 116 submissions were received seeking 369,000 square metres of office space. In order to reduce rental costs, the Treasury Board emphasized strict adherence to space allocation guidelines and use of Crown-owned space to the maximum extent possible. As a result the total request for space was reduced by 14 per cent or 50,033 square metres for an estimated annual saving of \$4,600,000. Figure 1 indicates that there has been a marked reduction in space rented by the Crown to accommodate federal agencies.

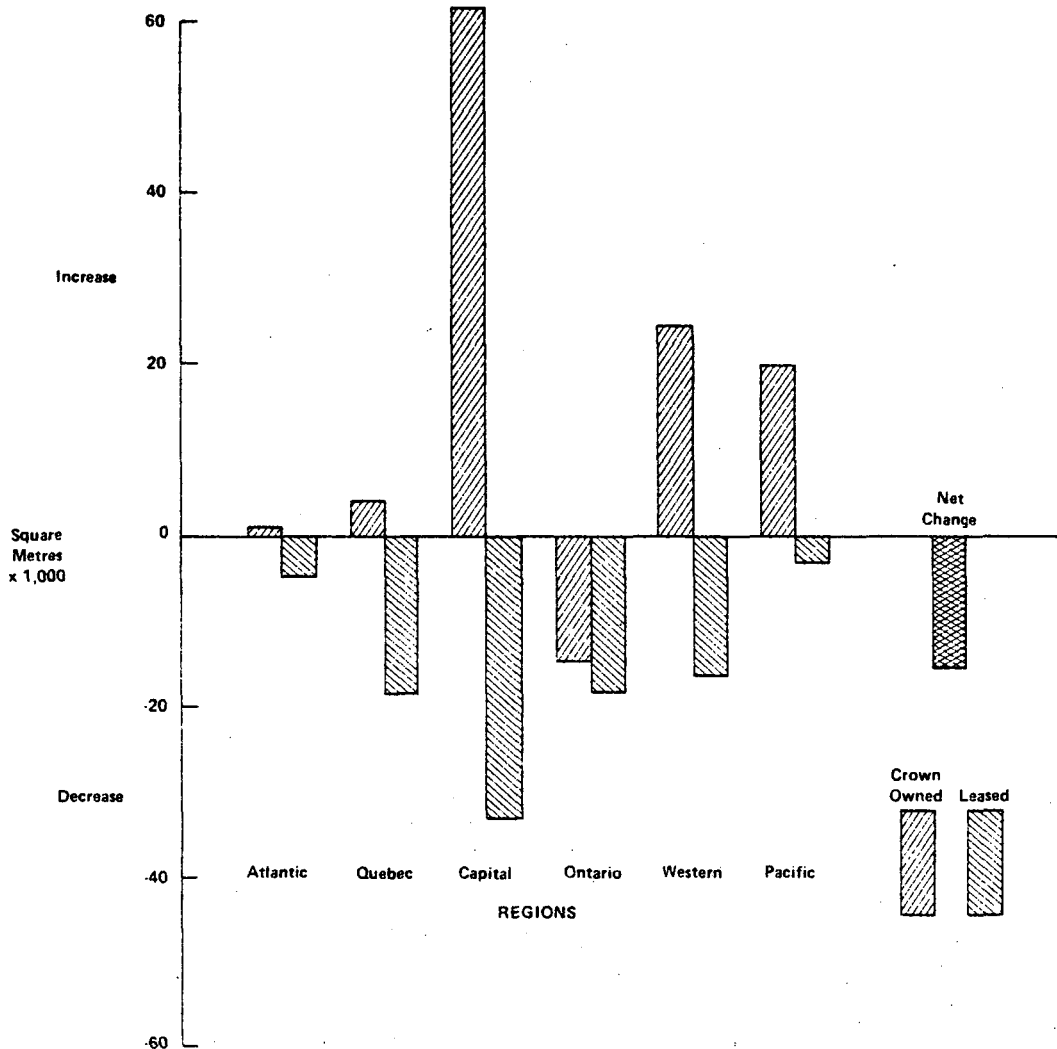
The Branch initiated a survey in 1979 on the utilization of office accommodation by federal departments. The survey indicates occupation of 18 square metres per person as against the prescribed average of 14 square metres. Deputy heads were accordingly advised to initiate planned reductions of space to ensure compliance with the prescribed standards.

Complementary to the usual provision of office accommodation is the need to fit-up the space. Three years ago these cost ceilings were established at \$82.88 and \$47.36 per square metre for new and re-use space respectively. Despite rising construction costs, we have maintained fit-up cost ceilings at the same level. Departments are requested wherever possible to occupy on an "as is" basis to reduce costs.

- 4 -

Figure 1

General Office Space*
1979 Change in Rentable Square Metres



*Covers general office space, under the administration and control of DPW, not all "general purpose space".

Source: Public Works

The September 1978 report of the Standing Senate Committee on National Finance concerning the Accommodation Program of DPW and the 1976 report of the Auditor General recommended that office space requirements be function-rather than salary-oriented. The Branch instituted a working group to suggest ways to implement the recommendations. The group has developed a functional office-space planning method which will be presented to the Treasury Board in 1980 for approval and implementation.

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Living Accommodation

The Government of Canada received some \$63 million as annual rental income from approximately 31,000 self-contained and 20,000 dormitory units that it owns and operates for occupancy by government employees. Two issues have been prominent in 1979 concerning the operation of these facilities:

- (a) maintenance of the 1975 Living Accommodation Charges Directive, and
- (b) resolution of problems arising out of an abnormally high market escalation in certain areas - e.g. Gander and Calgary.

In order to avoid inflicting hardships, a phased-in program of rental increases was adopted. The National Joint Council Committee on the Rental of Government Housing in Canada is collecting relevant data on required changes in preparation for next year's triennial review of the Charges Directive. As well, the Treasury Board Advisory Committee on Northern Housing Requirements has been asked to review problems associated with all aspects of living accommodation policies and to recommend short and long term solutions. The committee's recommendations for short term solutions are expected in the spring of 1980.

New construction standards that take into consideration northern life style requiring additional living and storage space because of long and severe winters were approved in February 1980.

Parking

The present parking policy seeks to relate provision of parking at government installations to the availability of public transit. This policy requires that departments reduce their parking inventory to one space per twenty employees in the National Capital Region by 1983 and by 1980 in other urban centres. This policy takes into consideration the need to:

- (a) decrease traffic congestion and pollution in 21 major urban centres in Canada;
- (b) encourage use of public transit systems to save energy; and
- (c) provide a minimum amount of parking consistent with each department's efficient operation.

Those entitled to parking in the core areas pay 70 per cent of the weighted average of local commercial rates, while employees at departmental installations not adequately serviced by public transit receive parking as required without charge.

- 6 -

Statistics are being gathered on parking ratios across the country through a national survey expected to be completed by the summer of 1980. This Accommodation Utilization Report should indicate the extent to which the present policy is being adhered to by the departments. Parking revenue is expected to stay at around \$1.7 million (the same as in 1978-79) because of increases in parking rates.

Energy Conservation

The use of materiel, property and services by government departments represents a high level of energy consumption and, therefore, with energy conservation as an objective, various steps have been taken to alter acquisition and use patterns. Departments are expected to respond to energy conservation programs administered by the Department of Energy, Mines and Resources in conjunction with its overall conservation activities across Canada. Currently, there are two programs: the on-going Internal Energy Conservation Program introduced in 1976 and the more recent Accelerated Energy Conservation Program introduced in 1979.

The internal program requires all federal government institutions to hold consumption until 1985-86 to a level at least 10 per cent below that of 1975-76. This year the objective has been achieved despite increases in the number of government-owned buildings and expanded departmental programs. In terms of dollars, the cost avoidance is estimated at \$36.5 million bringing the total figure for the three years of the program to \$100 million. Conservation measures adopted by participating departments in the area of property management include reduced lighting and heating levels during working hours and improved heating plant efficiency. In addition, heating, ventilating, and air conditioning systems are systematically checked and shut off when buildings are not in use. In government transportation, conservation measures include gradual conversion to smaller vehicles, mileage rates for the use of personal vehicles based on intermediate-size rather than full-size vehicles, and a speed limit of 80 km/h for government vehicles.

Of the 60 participating departments, agencies and Crown corporations, those saving the most energy were National Defence, Public Works, Transport, and Fisheries and Oceans. During 1978-79 these four departments alone saved the energy equivalent to more than one and a half million barrels of oil. Table 2 shows current consumption compared to the base year 1975-76.

The accelerated energy conservation program introduced in 1979 is directed towards the International Energy Agency's target for Canada of reducing its importation of liquid fuels by five per cent and is consistent with the Tokyo Summit Conference agreements. Its impact to date is not known.

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Table 2
Summary of Direct Energy Consumption
(billions of megajoules)

	<u>Base Year</u> <u>1975-76</u>	<u>Current Year</u> <u>1978-79</u>	<u>Decrease</u>	<u>%</u> <u>Decrease</u>
DND	48.9*	43.9	5.0	10.2
DPW	15.5	13.5	2.0	12.9
DOT	12.1	10.1	2.0	16.5
RCMP, Correction Services, DIAND (1)	7.7	7.2	.5	6.5
DOE**, AECL, Agric (2)	7.4	6.1	1.3	17.6
	<u>91.6</u>	<u>80.8</u>	<u>10.8</u>	<u>11.8</u>
All others	3.4	3.4	-	-
	<u>95.0</u>	<u>84.2</u>	<u>10.8</u>	<u>11.3</u>

* Base year is 1973-74.

** Includes Fisheries and Oceans.

(1) Each organization consumed over 2 billion megajoules in 1978-79.

(2) Each organization consumed between 1 and 2 billion megajoules in 1978-79.

Source: Energy Mines and Resources

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C. MATERIEL

Materiel Management

Important new chapters on various key aspects of materiel management were added to the Administrative Policy Manual in 1979. This is the first major expression of Treasury Board policy on materiel management since the sixties, when policy reflecting Glassco Commission recommendations were issued.

This new generation of materiel management policies requires departments to give more importance to materiel management in the total management function, and to pay particular attention to the control aspects. Given well-developed acquisition and contracting policies, the need was perceived for policies concerning the proper use of materiel once acquired.

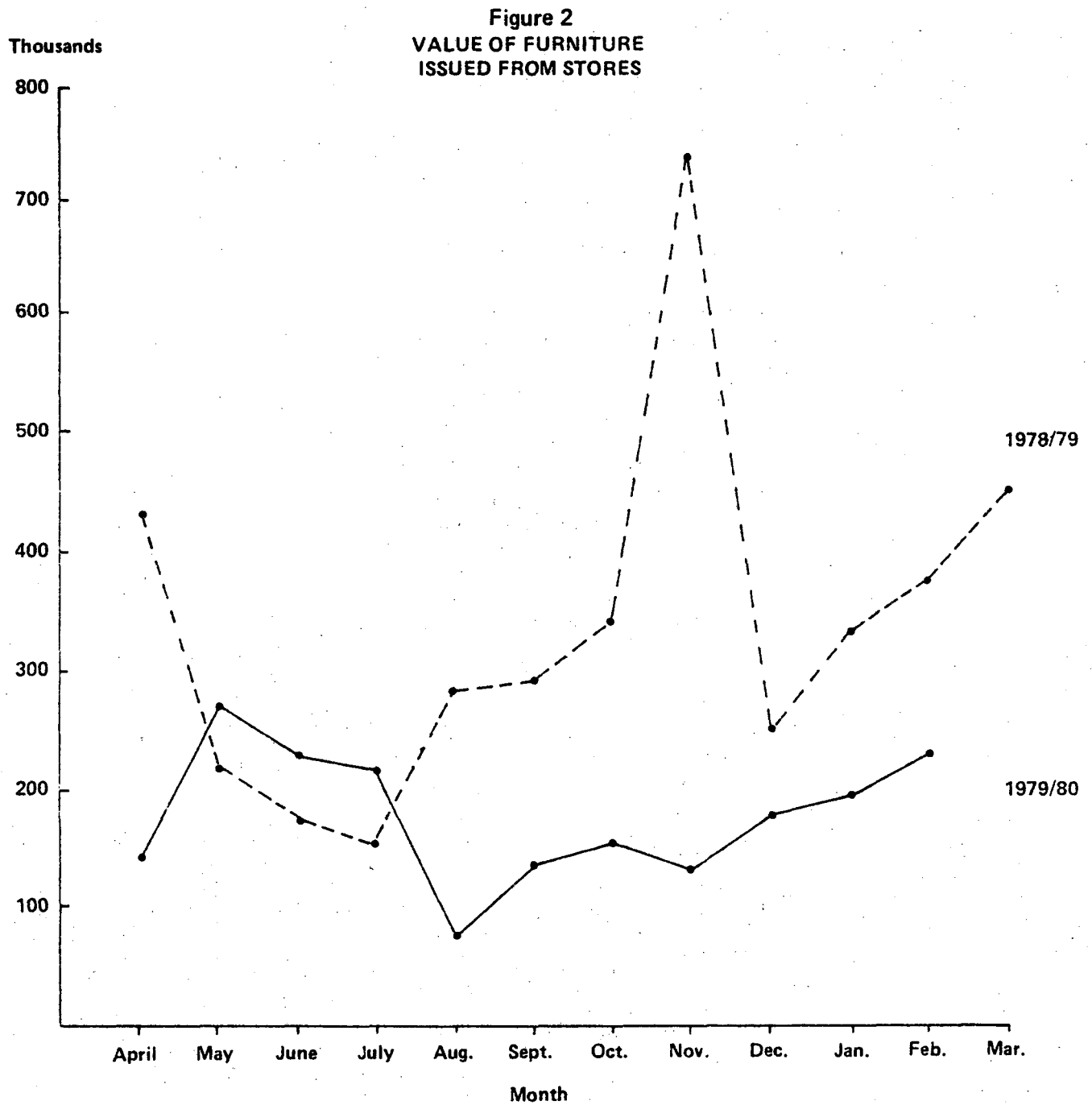
These policies include directives and guidelines on the effectiveness, utilization, security and custody, and storage of materiel. The new measures are designed to counteract tendencies such as the demand for more expensive lines (often leading to costly custom made materiel), exclusive ownership of materiel (especially equipment), vacant storage space and abnormal use patterns and loss through premature disposal and pilferage. The introduction of these policies should generate savings from a more effective control on quality, the sharing of equipment, reductions in losses due to improper storage or theft, and improved use of storage space itself.

Office Furniture and Furnishings

The overall management of office furniture in departments has been simplified. The earlier 1976 requirement obliging departments to seek Treasury Board approval prior to acquiring office furniture (except for cases of approved staff growth) was replaced in March 1979 with a new policy designed to give departments authority to purchase furniture in accordance with specified scales of entitlement. This new provision sets upper limits on the type and quantity of furniture that may be acquired for office work stations and related areas such as reception areas and meeting rooms. Figure 2 compares the furniture issued from stores in 1978-79 and 1979-80, the year the new policy was introduced. It is apparent that the new policy has had a substantial effect on departmental furniture purchasing practices.

The amount set aside in 1980 and 1981 is \$17 per office employee and \$6 per non-office employee - a potential reprocurment program of \$5 million per annum. Such an amount allows departments to refurbish their furniture to a level consistent with the general policy of restraint.

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Source: DSS

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Office Equipment and Supplies

Typewriters

The estimated number of typewriters purchased decreased from 5,500 units in 1976-77 to a level of 3,300 units in both 1977-78 and 1978-79. This very significant reduction can be traced to the government's overall restraint program, and to the requirement that departments restrict acquisition to makes and models specified on standing offers. There has also been a 10 per cent reduction in average unit costs from \$770 in 1976-77 to \$691 in 1978-79.

Calculators

A similar reduction in costs was achieved in 1979/80 with respect to calculators. As shown in Table 3, the average unit cost of calculators has dropped significantly since 1973, reflecting the current technological advances and competition in the industry.

Table 3

DSS Procurement of Electronic Calculators Valued at more than \$100

<u>Year</u>	<u>Quantity</u>	<u>Value</u>	<u>Average Price</u>
1973	5213	\$1,319,598	\$253.14
1974	5059	1,262,406	249.54
1975	7287	1,421,610	195.08
1976	4451	816,082	183.35
1977	6222	996,723	160.19
1978	6108	992,953	162.57
1979	5773	736,586	127.59

Source: DSS

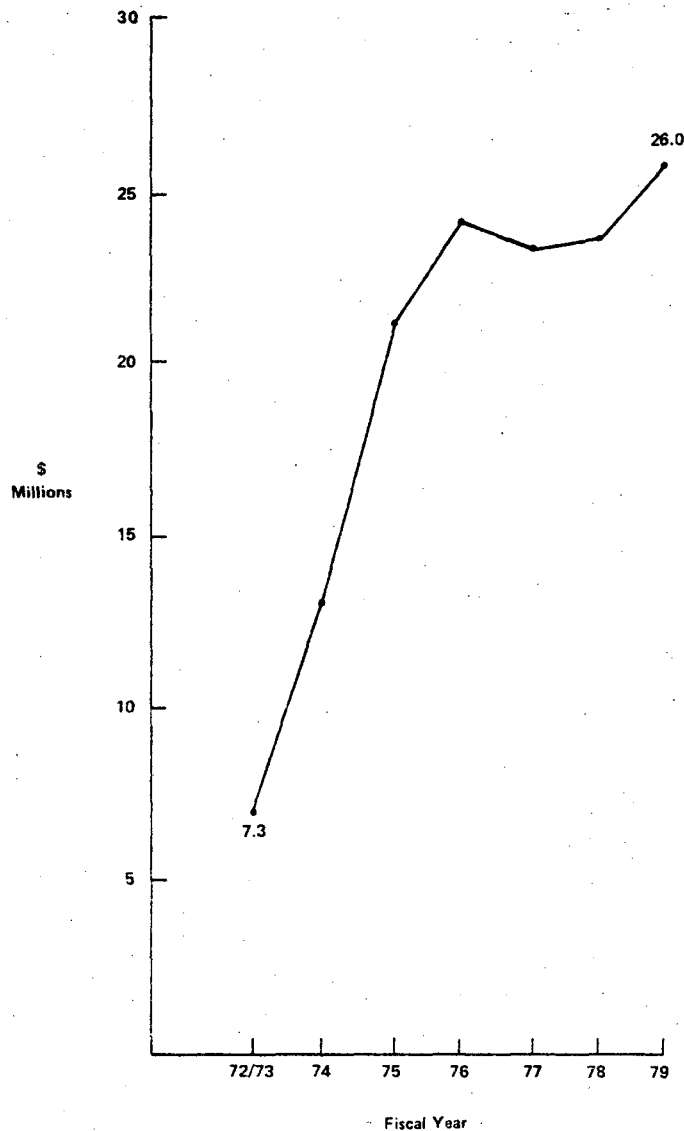
Other Equipment

For the more sophisticated type of equipment a more stringent control exists: the pre-procurement review process. The rate of growth on the rental of photocopiers has been maintained (see Figure 3) at an approximate annual average of 7 per cent since 1976 versus 70 per cent for each of the previous three years.

Although the pre-procurement review process is now being applied to word processing equipment, the impact has yet to be determined. There was an increase of over 30 per cent from 1977-78 to 1978-79 in systems purchased or rented. This can be taken as an indication that this technology is taking hold. Experience in some departments indicates that personnel costs are usually reduced significantly when this equipment is installed.

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Figure 3
PHOTOCOPIERS
LEASE AND RENTAL



Source: DSS

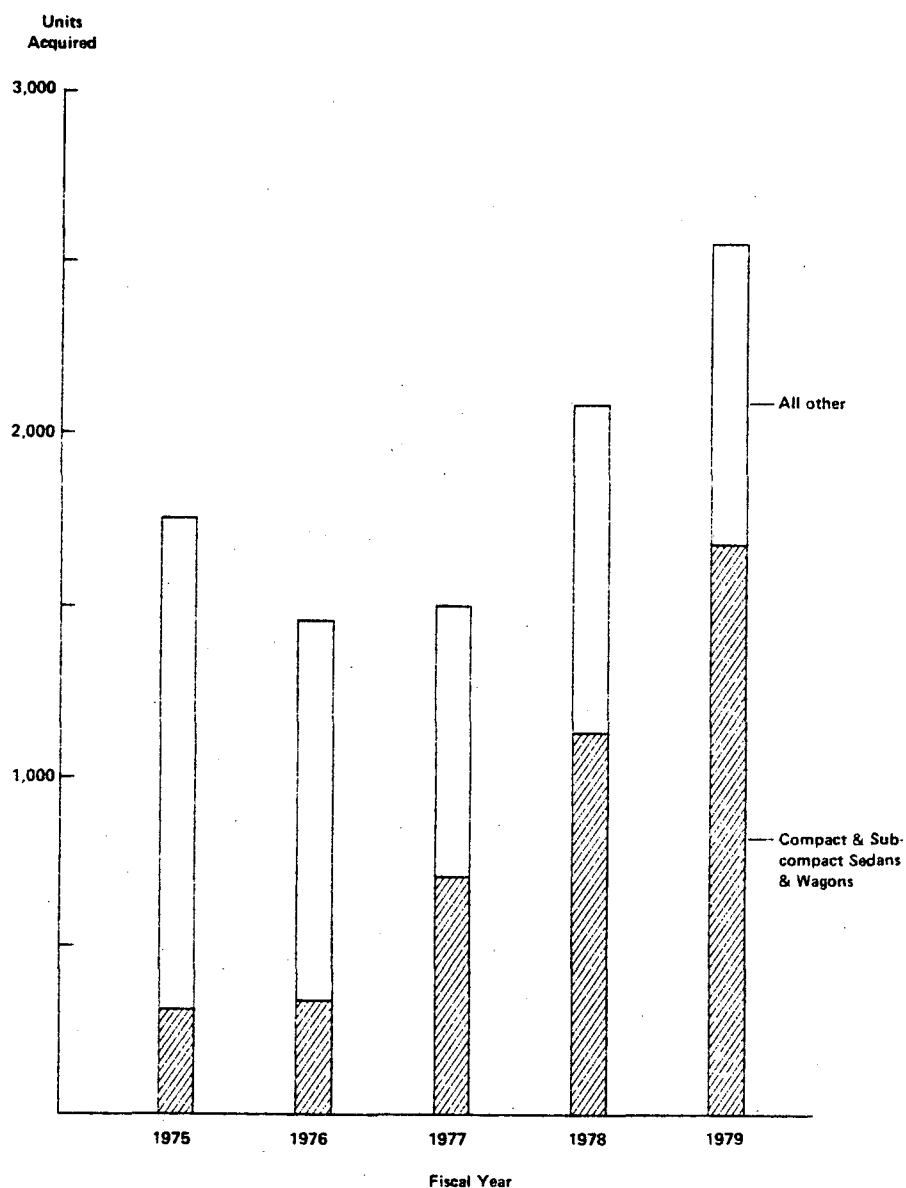
Motor Vehicles

Progress towards the conversion of the government passenger vehicle fleet to compacts and subcompacts continued in 1979-80 with the acquisition of smaller vehicles reaching 63 per cent of total acquisitions. Figure 4 shows the advances in this area since the policy was introduced in late 1976. Figure 4 also indicates an increase in the acquisition of passenger carrying vehicles during the past four years. The reason has not been determined but may be due to a higher rate of vehicle replacement or an overall fleet increase resulting from the reduced carrying capacity of the newer design passenger sedans and station wagons. A comparable increase in light truck acquisitions may also be attributable to the reduced carrying capacity factor.

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As regards vehicle disposals higher returns to the government are expected in the coming years. This should occur as a result of the extension of Crown Assets Disposal Corporations mandate to include surplus disposal of all motor vehicles. Previously motor vehicles had generally been traded in upon acquisition of replacement vehicles.

Figure 4
Passenger Vehicles Acquired
excluding police vehicles



Source: DSS Transportation and Energy Products Centre

D. SERVICES

Contracting

- Contracting for services - general

In recent years, contracting for the services of individuals has been the subject of widespread controversy and criticism focusing on the following areas:

- . use of temporary help employees,
- . employment of retired public servants,
- . apparently excessive per diem rates,
- . use of consultants,
- . employer-employee relationships,
- . use of agents,
- . circumvention of Public Service Commission staffing policies and procedures,
- . circumvention of person-year constraints.

Over the past two years, policies have been issued in the first four areas. These policies have included control mechanisms to prevent abuse and requirements for additional data collection. In addition, the temporary help policy was extensively revised and expanded.

In November 1978, a special survey was instituted under "Project Headcount" to determine the extent of contracting for the services of individuals and the associated cost. The survey covered the person-days utilized and the associated contract cost for the months of September 1978, March 1979 and September 1979. Based on the two reports for 1978-79, annual usage was in the order of 4,000 person-years. This "shadow public service", as defined for the purposes of this survey, is in the order of 1 per cent of authorized person-years. There are very positive indications of a downward trend in the number of person-days utilized in most of the departments, for example, comparable person-days utilized for March and September 1979 decreased from 87,200 to 61,700 (29 per cent). Even when adjusted for the lower number of available working days in September, utilization per working day decreased 18 per cent - an indication perhaps of increased departmental control over this contract area.

- Temporary help services

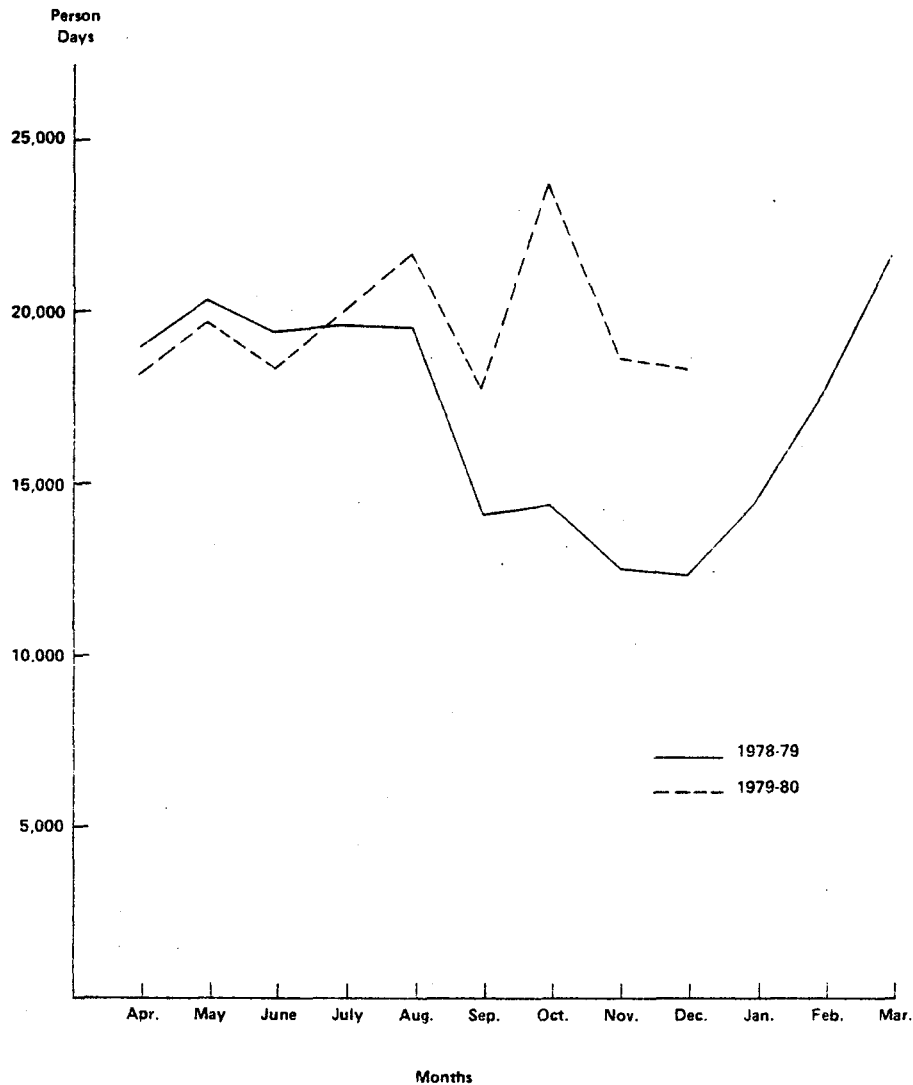
This policy reaffirms the government's intent to make better use of existing resources before considering the use of outside help.

Following the introduction of the policy in 1978-79, departments reported decreasing expenditure figures for temporary help services. However, the downward trend appears to have levelled-off and from the usage reports to December 1979 (see Figure 5), it

appears that expenditures for 1979-80 will be in the area of \$12.2 million, or 24 per cent above 1978-79 figures. This increase is composed of an increase in person-days usage of 15 per cent and an inflationary component of 9 per cent.

Figure 5

Temporary Help Utilization
National Capital Region
Administrative Support Categories



Source: DSS

Following an evaluation of the first year of the new temporary help provisions, an amendment was prepared, effective June 2, 1980, to provide greater control over the policy. The latest revisions extend the policy to all regions of Canada and to

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all categories of temporary help services. The amendment will require that the relevant assignments not exceed eight weeks and, commencing April 1, 1981, that all usage be charged to authorized person-years. Associated administrative procedures will be improved as well.

- Per diem and other time-rate fees

Government policy was issued in January 1979 covering per diem and other time-rate fees. This policy was developed to provide more adequate control and consistency of practice in the establishment of fees for services. Per diem and other time-rate fees are not to exceed a ceiling of \$350 per day (or the equivalent expressed in terms of other time rate-fees).

As part of the overall strategy to control the size of the Public Service, the Treasury Board Secretariat is developing new monitoring and control measures for contracts for individuals and for labour-intensive contracts generally. This policy will provide direction to departments on the appropriate use of service contracts, will require more stringent departmental management of contracting activities and will provide improved data on the size and nature of "equivalent public sector employment."

- Contracting for construction

On January 25, 1980, the Treasury Board approved the use of a completely revised standard construction contract to replace the form which had been in use since 1963. Each year, the government undertakes about half a billion dollars worth of construction projects and some 80 to 90 per cent of this activity is covered by the standard construction contract. (The balance, comprising contracts under \$50,000, use a shorter version.)

Although no significant problems arose from the use of the former contract, over the years a number of minor problems and ambiguities of wording have been identified. Consequently the standard contract was extensively rewritten to update, tighten and clarify its language. In addition, the following substantive changes have been made:

- modification of the terms of payment to bring them more in line with standard business practices and to speed payment to the contractor;

- addition of a contract security schedule which will ensure uniform security requirements across the government;

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- . clarification and tightening of required procedures where the contractor is claiming extra payment for any difference between actual and expected soil conditions or for any delay caused by the government;
- . contractor to be liable for costs of inspection, as well as of remedying defects, if work proves to be improperly performed.

To allow both government departments and the industry time to fully familiarize themselves with the terms of the new contract, formal introduction will probably be delayed until July 1, 1980.

Procurement Review

The Administrative Policy Branch carried out a February 1979 ministerial decision to form the Procurement Policy Advisory Committee (PPAC) made up of senior membership from eleven departments and chaired by the Deputy Secretary of the Administrative Policy Branch. This committee developed objectives, criteria and guidelines that were approved by the Treasury Board in January 1980. All projects valued in excess of \$2 million (\$10 million for construction) or having a significant potential for socio-economic benefit (regardless of value) will now be considered for review by interdepartmental Procurement Review Committees (PRCs).

On the basis of the February decision and even though guidelines were not issued in 1979, several committees were formed to consider cases and to recommend ways of carrying out the procurement to achieve the greatest benefit. By the end of 1979, seventeen cases with a total estimated value of \$579 million had been considered. Of these seventeen, only one was found to have no potential socio-economic benefit; twelve others appeared to have certain possibilities for Canadian industrial benefit, while four cases may be cancelled due to lack of program support. Recommendations of the committee are submitted by the user department to the Treasury Board if an exception to the general contracting policy is required. Where it can be demonstrated that significant economic or social benefits can be realized by allowing a particular procurement approach to be used, the necessary exemption from policy will be approved.

The present criteria and guidelines are applicable to services and goods procurement, but the policy will not be applied to construction projects until guidelines more appropriate to that activity are developed. The Procurement Policy Advisory Committee will begin immediately with this development.

Travel and Relocation

The provisions of the Treasury Board Travel policy cover approximately 500,000 trips per year by public servants and other persons travelling on official government business in Canada, the U.S.A. and abroad. Because of changing travel conditions and travel costs, the policy is continually reviewed. It had been agreed within the National Joint Council and approved by the Treasury Board that the policy would be subject to a fundamental review every three years, and also that

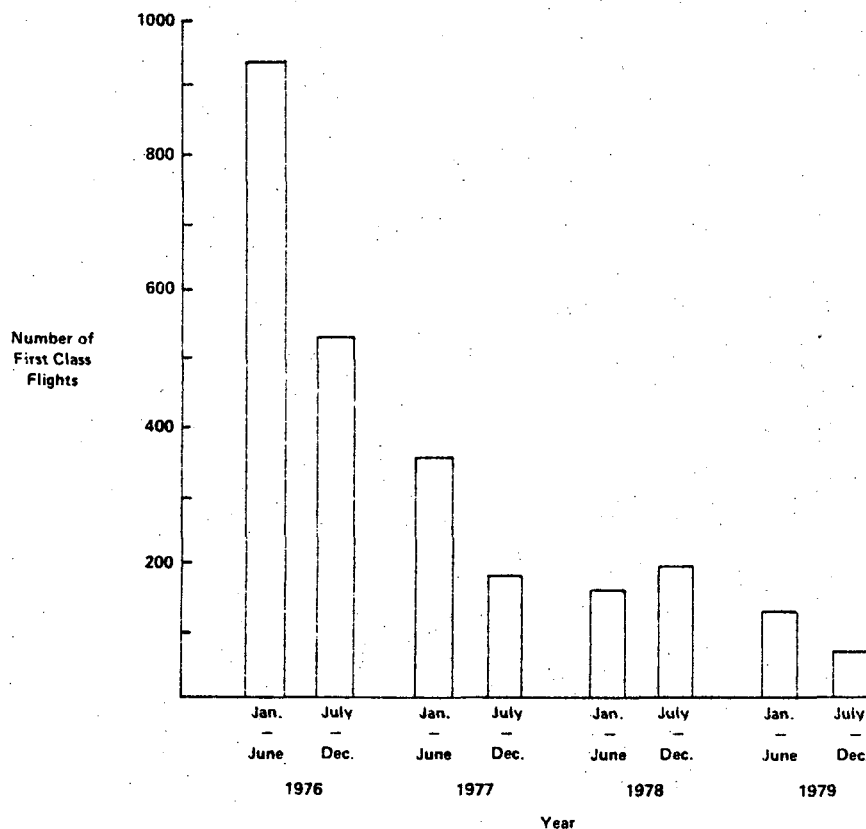
meal, incidental expense, and mileage rates would be reviewed and adjusted twice yearly. The semi-annual revision took place as scheduled on April 1, 1979, but the October revision was delayed until late November.

Over 8,000 Public Service relocations per year involve the sale of a home at the old location. In some instances difficulties are experienced by employees in disposing of the home and this often creates a reluctance to move. Accordingly, the government has been negotiating with the real estate industry to provide some home sale assistance to transferring employees. The industry response has been encouraging and it is hoped that a trial project covering a small segment of the Public Service can be implemented next fiscal year in order to determine the effectiveness of the proposals and to confirm cost estimates.

Policy on the use of taxis was previously found in a number of sections of the Travel policy. The various provisions concerning the use of taxis have been consolidated and published as a separate chapter of the Manual.

In the area of first class air travel, departmental figures indicate continued adherence to the government's restraint policy that was introduced in 1976. First class flights reported decreased dramatically from 1,256 in 1976 to 196 in 1979. Figure 6 illustrates this decrease.

FIGURE 6
NUMBER OF
FIRST CLASS FLIGHTS



Source: APB Records

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The triennial review of the travel policy, which is scheduled for completion and implementation April 1, 1980, is well under way. The input from departments and from staff associations has been analyzed and a number of potential improvements to the policy have been identified. A complete review of meal allowances and mileage rates is also on schedule.

Membership and Hospitality

Government policy in these two areas is generally restrictive. Specifically, payment of membership fees in the name of an individual may only be made where there is a requirement for membership for an individual to carry out his responsibilities. Hospitality is generally restricted to non-public servants and then only when it will facilitate the business of the government or is essential for reasons of protocol or international relations.

Based on information available in the central accounts of Canada, projected membership expenditures for the year ended March 31, 1980 will total \$1,500,000, a decrease from the \$1,600,000 expended in the previous year. Hospitality expenditures, however, are expected to be above the 1978-79 total of \$10,000,000. The departments of External Affairs and Industry, Trade and Commerce account for over 70 per cent of the expenditures in this area.

Incentive Award Plan

The Incentive Award Plan consists of programs designed to provide recognition to employees for exceptional job performance, for long and faithful service, and for worthwhile suggestions which benefit the Public Service. Specifically, these include the Suggestion Award, the Outstanding Achievement Award, the Merit Award and the Long Service Award Programs.

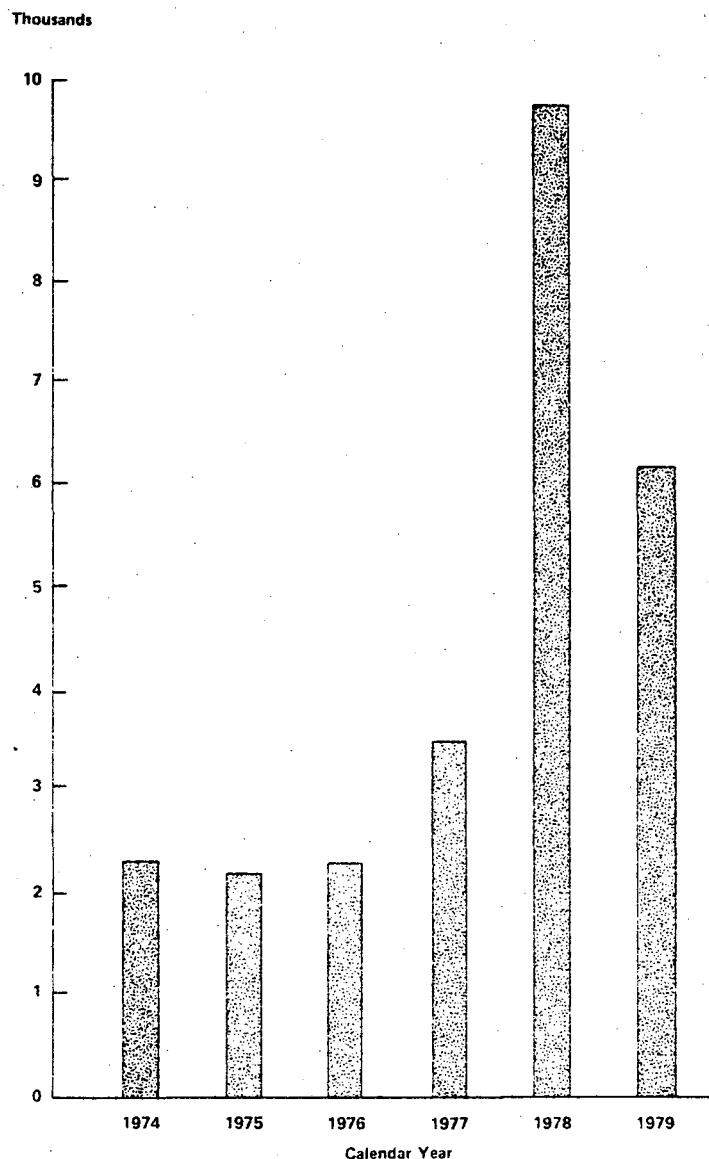
The introduction of the Long Service Award Plaque in 1978 generated a high level of acceptance throughout the Public Service. Employee enthusiasm resulted in a number of departmental submissions to the Incentive Award Board to extend the award to those employees who had completed the required service prior to the introduction of the plaque. Extension of the program was approved on a cost-recovery basis.

Included in the Long Service Award Program is the presentation of medallions to retiring employees who have served for a minimum of 35 years. In 1979, authority was granted to participating departments for direct purchase of the medallions from the suppliers. The Branch maintains control over medallion issuance by providing the supplier with a list of authorized purchasers.

Although many worthwhile suggestions were held in abeyance in the past year due to a freeze on discretionary expenditures, the Suggestion Award Program continued to produce substantial economies and other benefits. As shown in Table 4 and Figure 7, almost \$6 million in savings were realised in 1979. When included with active suggestions of the preceding four years, the economies from employee suggestions exceeded \$24 million in unadjusted dollars.

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Figure 7
Suggestion Award Program
Savings (In Dollars)



Source: APB records

To further encourage employees to make suggestions to improve operations, the Incentive Award Board has initiated a series of seminars for supervisors to inform them of the program. The theme "suggestions come from well-managed organizations" is used extensively.

A notable event during the year was the presentation of merit awards to the captain and crew of the Coast Guard vessel "St. Laurent". This award was in recognition of their outstanding performance of duties in freeing an ice bound vessel in the Arctic.

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Table 4

Savings Resulting From Suggestions

	<u>Awards Approved</u>	<u>Amount Awarded</u>	<u>Savings</u>	<u>Cost/Benefit (direct)</u>
1974	907	\$139,890	\$2,246,503	1:16
1975	742	115,135	2,133,350	1:18
1976	955	152,515	2,281,374	1:15
1977	879	179,325	3,352,120	1:19
1978	931	278,790	9,711,091	1:35
1979	863	237,534	5,968,322	1:25

Source: APB records.

Federal Identity Program

In support of the Federal Identity Program (FIP) policy, which was issued at the end of 1978, the Branch produced the FIP Design guide which provides guidance on the design standards for the various applications. A total of 1,200 copies of the design guide were distributed free of charge to departments and agencies. Resulting from specific requests, a number of guides were also issued to provincial and territorial governments and private sector organizations.

To obtain information on the public's recognition of the federal symbol, a survey was conducted in the form of an add-on question to the April 1979 Gallup Poll. Table 5 shows the percentages of correct recognition of the three government symbols tested.

Table 5

Recognition Percentages
of Government Symbols Tested

	<u>Canada (federal symbol)</u>	<u>Quebec (fleur-de-lis)</u>	<u>Ontario (trillium)</u>
National	63.1	55.0	24.2
Atlantic provinces	50.4	25.8	9.8
Quebec	85.7	85.9	6.6
Ontario	50.3	50.2	53.0
Prairie provinces	62.1	42.9	7.9
British Columbia	64.1	39.7	4.6

Source: Gallup Poll - 1979

Publishing

The government's publishing program came under increased scrutiny during the past year. Following a study conducted in 1978 of the cost and usefulness of annual reports required by statute, the Publishing policy was amended to contain guidelines which state that annual reports should give a concise and factual account of a department's activities during the subject year and that no promotional material should be included therein. Standards dealing with typeset, bindings, paper stock, size, illustrations and color were also incorporated into the policy.

A second area which has attracted attention is that of "vanity publishing", i.e. the publishing of extremely expensive and often esoteric publications for which there is a limited audience. A subcommittee of the Council of Federal Information Directors attempted to study the problem of vanity publishing within the government and concluded that it was difficult, if not impossible, for any single person or authority to declare specific publications to be too ostentatious. Moreover, it is not just excessive design, use of colour, fine paper stocks, etc. which may result in waste but, it is alleged by the subcommittee, also the thousands of copies of government publications that are never distributed.

The Secretariat conducted a preliminary evaluation of a number of departments regarding their compliance with the policy requirement that mailing lists, used for the distribution of free publications, be annually reviewed to confirm the addressees' interest in continuing to receive material. Because it was found that, generally, this directive was not being adhered to, various approaches are being considered to rectify the situation.

A major study of all aspects of government publishing was requested by the Cabinet Committee on Communications. This study will be carried out in co-operation with the Privy Council Office, and will consist of a thorough review of the government's current publishing policies and practises, and recommendations as to what changes should be made. Greater economies in the area of publishing would be the prime objective of such a study.

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E. INFORMATION MANAGEMENT

Personal Information and Privacy Legislation

Over the past 12 months, there has been a significant number of closely-related but independent initiatives related to policies and legislation in the field of government information. These include:

- legislation introduced in Parliament on Freedom of Information;
- draft legislation to amend Part IV of the Canadian Human Rights Act;
- development of a course of action on the use and collection of Social Insurance Numbers;
- tentative steps to develop a new security classification system;
- the start of a review of the Official Secrets Act;
- a joint undertaking by Treasury Board and Public Archives to revise the "Public Records Order" which governs much of the work of the Public Archives;
- an internal Treasury Board study on the Management of Recorded Information with significant policy implications with respect to text processing (i.e. the "electronic office" technology), telecommunications and library services;
- establishment of a Task Force on Service to the Public which deals, in part, with the proper conduct of the government's information transactions with the public.

While these initiatives are closely-related, there has been no overall leadership and existing mechanisms of coordination were fragmentary in places. Consequently, as the only agency that currently is most closely involved in all of these initiatives, Treasury Board established a task force on Freedom of Information and Privacy to develop policies and procedures in response to these initiatives in a coordinated manner.

During the summer and fall of 1979, the Administrative Policy Branch provided support to the Minister of State (Treasury Board) in proposing a course of action on the Social Insurance Number (SIN) to Cabinet, and in recommending amendments to Part IV of the Canadian Human Rights Act.

The course of action on SIN included legislation to be incorporated in the amendments to Part IV of the Canadian Human Rights Act to remove the ambiguous relationships between federal government institutions requesting SINs and the individuals.

Further action proposed to deal with the use of the SIN outside the federal government included a study by the Privacy Commissioner and a communication program to inform other levels of government and the private sector of the federal government's course of action.

All information banks were reviewed in 1979 and the third updated Index of Federal Information Banks was published and issued in 1980 for use by the general public. These indexes are available in most major post offices and libraries in Canada.

The first report on the operation of Part IV of the Canadian Human Rights Act was published in 1979. The highlights of this report are that for the year ended March 1979, 13,081 requests were made to access information in federal information banks and approximately 10,000 of these requests were granted either partially or in their entirety. The cost of co-ordinating the implementation and processing of these requests was \$3.2 million, of which \$800,000 was for the co-ordination of implementation, with the balance representing departmental costs for compliance. The average cost to process an access request was \$205.65.

The Administrative Policy Branch also participated in the drafting of the new privacy legislation to replace Part IV of the Canadian Human Rights Act.

Telecommunications

Telecommunications expenditures reported by 54 departments for the fiscal year 1978-79 were \$343 million.

The comparative information in Table 6 reveals a major variance in costs in the past two years for telecommunications personnel, however, the large increase is attributed to improved reporting rather than real growth. The overall increase of \$68 million or 24.7 per cent over the previous year includes tariff increases in 1978-79 which averaged 22.7 per cent and were applicable to the major operating component.

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Table 6

Telecommunications Expenditures By Category

<u>Costs</u>	<u>Object of expenditure</u>	<u>1977-78</u> <u>(\$000)</u>	<u>1978-79</u> <u>(\$000)</u>
OPERATING	Telephone	\$ 93,006	\$111,583
	Telegraph, cable & wireless	43,743	47,045
	Other telecommunications services	9,042	16,193
	Repair - telegraph & telephone lines	45	32
	Repair - communication & related equipment	3,449	4,264
	Rentals - telecommunications equipment	7,780	12,163
	TOTAL	\$157,065	\$191,280
CAPITAL	Parts - communication & related equipment	\$ 15,458	\$ 17,109
	Acquisition - communication & related equipment	32,129	39,960
	TOTAL	\$ 47,587	\$ 57,069
TELECOMMUNICATIONS PERSONNEL	Professional & special services - telecommunications	\$ 854	\$ 646
	Salaries and contracted personnel	69,541	94,022
	TOTAL	\$ 70,395	\$ 94,668
TOTAL GOVERNMENT TELECOMMUNICATIONS EXPENDITURES		\$275,047	\$343,017
INCREASE			24.7%

Source: Annual Telecommunication Reports

In September 1979 decisions were made regarding the recommendations of the Telecommunications Advisory Committee (TAC) pertaining to personnel employed on telecommunications duties. The Personnel Policy Branch announced the development of terms of reference for an Interdepartmental Committee on Telecommunications Personnel and the intention to conduct a study on the needs of departments for training and development.

A TAC working group on telecommunications definition and expenditure coding was formed in December 1979. The TAC is considering a document which outlines the general policies and principles of the Government Telecommunications Agency cost allocation system and its relation to a recent policy document on Revolving funds. Improved visibility and understanding are expected from these efforts.

The Department of Communications presented a paper to TAC for endorsement concerning the development of telecommunications plans for the Government of Canada. This subject is important since there is an absence of overall planning and coordination at the present time.

The form and instructions for the Annual Telecommunications Report - 1980 have been developed to improve the reporting of expenditures associated with actual and planned use of telecommunications services, equipment and personnel. More emphasis is being placed on providing information to enhance departmental planning processes. Reporting departments will be required to submit their returns before the end of June. This will enable the Department of Communications (DOC) to present an Annual Review of Telecommunications in time for it to be distributed to departments by the end of 1980.

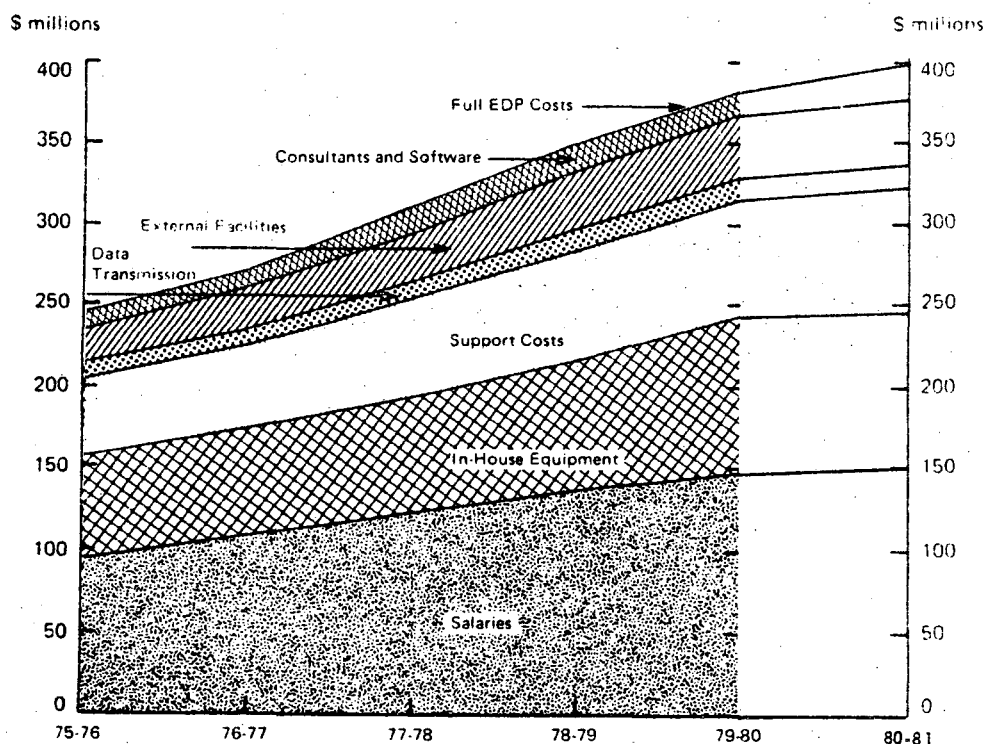
Initiatives have been taken to identify strategies required to facilitate government use of current technological developments respecting telecommunications, office equipment and computers and an interdepartmental task force is currently working in this area.

Electronic Data Processing

Each fall departments submit their annual EDP plan to Treasury Board. In 1979 the annual EDP plans submissions were delayed to early 1980 to allow departments to adjust the plans to reflect more closely changes in government priorities. On the basis of the 45 plans received in 1978, full EDP costs (i.e. including salaries, fringe benefits, overheads) for 1979-80 will reach \$380 million (figures 8 and 9) and are expected to increase by 4 per cent to \$397 million in 1980-81.

Figure 8

DISTRIBUTION OF FULL EDP COSTS 1975-76 TO 1980-81



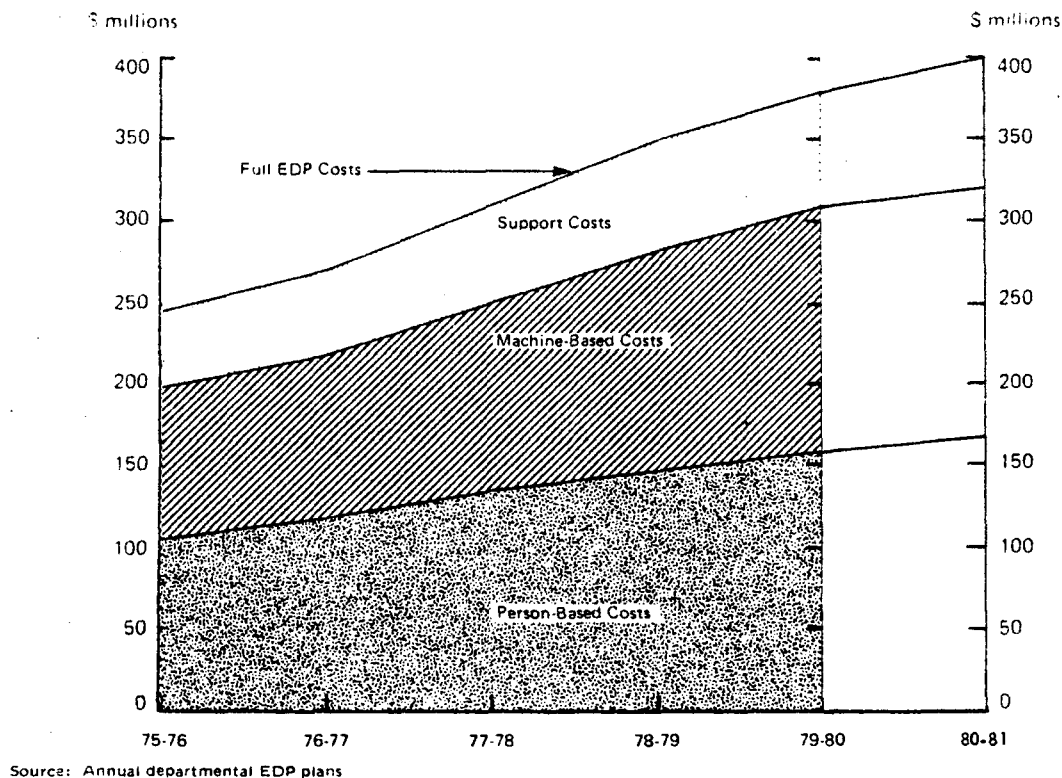
Source: Annual departmental EDP plans

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Early in 1979, a study of EDP make vs. buy policy was undertaken in cooperation with DSS (Supply) to examine various ways to maximize use of the private sector in EDP. As part of the study the team visited the U.S. government to study their approach to make vs. buy. Our conclusion was that Canada is well ahead of the U.S. government in implementing an EDP make-vs.-buy policy.

The study resulted in a number of recommendations which will be presented to Treasury Board as soon as possible. In the meantime, work is in progress on the development, with cooperation from two computer sector trade associations, of a Computer Services Cost Comparison Handbook to be used by departments as an EDP standard explaining the methods to be used in conducting make-vs.-buy studies. The Treasury Board will also be developing policy statements directing departments to perform these studies in specific situations, specifying the cost factors to be used, and reinforcing the existing EDP make-vs.-buy policy.

Figure 9
FEDERAL GOVERNMENT FULL EDP COSTS
1975-76 TO 1980-81



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Use of the private sector (i.e. consultants and computer services) should grow slightly from \$57.1 million in 1978-79 to \$57.8 million in 1979-80, whilst declining marginally as a percentage of full EDP costs from 15.9 per cent to 15.2 per cent.

Implementation of Treasury Board directives on EDP make-vs.-buy supporting the Computer Services Cost Comparison Handbook, along with other measures, will be an important factor in fostering increased use of the private sector. However, the net effect of financial costs in this area is not yet known.

The RCMP has produced its second annual report on EDP security, the first to be based on comprehensive feedback from departments on the implementation of security inspection recommendations. The report notes general improvement in this area, and identifies specific points to be addressed in the next year. In those cases where the RCMP has rated the departmental EDP security as unsatisfactory, the Treasury Board Secretariat reminded Deputy Ministers of the importance of EDP security. The response so far has been very positive. The first portion of an EDP security standard has also been produced and is now being presented to Treasury Board.

More resources, as available, will be devoted to implementation of RCMP recommendations in the EDP security area, the implementation of more security standards, and to follow-up in departments.

Advertising and Opinion Research

Significant initiatives were undertaken in the management of federal government advertising and opinion research in 1979-80. Foremost was the formation of an Executive Committee of Ministers on Advertising and the introduction of the Agency of Management. The former was created to ensure both maximum coordination of advertising and of opinion research and to ensure that overall government priorities and policies are fully reflected. The prime function of the Agency of Management was to advise government on all matters relating to advertising and opinion research. It was introduced to ensure increased use of private sector expertise by the government. The Agency of Management (AOM) was staffed by a Canadian advertising firm under contract with the government.

The policy on advertising and opinion research that was issued in September required departments and agencies to obtain both program and project concurrence from the Executive Committee of Ministers on Advertising (ECMA). By January 31, 1980, ECMA had reviewed 117 separate project proposals from 28 different departments and agencies. These proposals, some of which were reduced, deferred or cancelled by ECMA, had a total original value of over \$28.5 million. There were 70 advertising proposals worth approximately \$25 million and 47 for opinion research worth about \$3 million. Aside from providing staff assistance to ECMA, the AOM also reviewed and assisted departments and agencies with their 1979-80 programs, projects and budgets.

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In March 1980, the government decided to re-examine this system of managing government advertising and, pending the outcome of the review, interim measures were introduced.

Socio-Economic Impact Analysis

The Administrative Policy Branch has a coordination role in the implementation by departments of the Socio-Economic Impact Analysis (SEIA) policy for major new regulations on health, safety and fairness (HSF). This policy, which became effective August 1, 1978, is aimed at ensuring a more thorough and systematic evaluation of the potential impact of new regulations. The issue is not only with the impact of HSF regulations on the allocation of resources, but also with their impact on the distribution of income, technological progress, market structure, balance of payments, and inflation. As well, an objective of the policy is to provide an opportunity for increased public participation through publication in advance of the likely impact of a new regulation in the Canada Gazette, and by allowing for a period of examination prior to promulgation during which representations can be made by non-government groups.

In 1979, guidelines on the policy's analytical and consultative process requirements were submitted and approved by the Treasury Board. These guidelines were incorporated in the Administrative Policy Manual in December, 1979.

On March 24, 1979, the first SEIA was made available to the public at the same time as proposed regulations respecting chlorofluoromethanes (pursuant to the Environmental Contaminants Act) were published in advance in Part I of the Canada Gazette. Proposed national arsenic emission standard regulations for gold roasting operations (pursuant to the Clean Air Act) were published in advance on October 13, 1979, and the SEIA was made publicly available. During the year, the Administrative Policy Branch continued to supervise the necessary steps for inclusion of the remaining papers in a Series of Studies on Government Regulatory Activity sponsored by the Department of Consumer and Corporate Affairs and Treasury Board.

The first annual evaluation of the effectiveness of the SEIA policy will be made in 1980, based on information to be provided by departments and agencies administering statutes conferring the authority to make regulations in the HSF area as well as by non-government groups.

The Administrative Policy Branch will in all probability be involved in discussions and consideration of the recommendations of the Economic Council of Canada in its Interim Report on Responsible Regulation, including the possibility of improving and enlarging the SEIA policy.

F. MANAGEMENT SYSTEMS

Management of Government Projects

After the issue of the policy on the management of major Crown projects, a report was prepared for Treasury Board on the provision and remuneration of qualified project leaders of those projects. This report led to the policy dealing with the position profile, qualifications, categorization, compensation and development of project leaders for major Crown projects.

A guide was also developed on the management of projects under \$100 million. Using the basic concepts and principles found in the policy on major Crown projects, the aide-mémoire provides general principles and day-to-day guidance on the management of projects regardless of their scope. It impacts on about \$20 billion worth of projects.

A policy on project cost control issued in July 1979 emphasizes the need for cost consciousness and accountability and states that project leaders must be appointed for each project requiring Treasury Board approval. The policy directives amplify concerns about the occurrence of cost overruns and set out the responsibilities of client departments and contracting authorities.

Terms of reference, briefing notes on existing directives and guidelines on the management of government projects, and fact sheets on current and past projects of various sizes were developed for the Select Parliamentary Committee on Major Ongoing Government Projects, a committee created to enquire fully into the measures necessary to prevent recurring cost overruns on major projects (those in excess of \$1 million).

Based on a requirement of the policy on major Crown projects, a system was designed to keep the Treasury Board informed of the progress being made by each major Crown project against approved objectives. This is to be submitted for TB approval shortly. The system will apply to about \$10 billion worth of facility and equipment projects.

Implementation of the major Crown projects policy proceeded very actively and effectively within the Secretariat and a number of departments. Essentially, this effort consisted of: numerous presentations and meetings with senior officials of DND, CPO, CPS, CIDA, DPW, and DOT with regard to policy implementation and compliance generally; and assistance to departments and Program Branch in the preparation and review respectively of Option Papers (DND - Medium Logistics Vehicle; CPS - Inmate Accommodation; DOT - Nuclear Icebreaker); Project Briefs (DND - New Fighter Aircraft, Canadian Patrol Frigate, NATO Airborne Early Warning and Control System, Regional Operations Control Centers, Destroyer Life Extension, Search and Rescue Satellite; DOT - 3rd "R" Class Icebreaker; CIDA - Kenya Electrical Interconnector); and Post-Project Evaluation Reports (DND - Leopard Tank).

Self-Insurance

Self-insurance in the government is not governed by a comprehensive administrative policy and set of related guidelines, but rather through a number of discrete documents, including Orders in Council, individual acts, regulations and directives.

In an attempt to develop an appropriate policy framework for self-insurance, the discrete documents referred to above have been aggregated in the context of risk management in a specific chapter of the Administrative Policy Manual. This chapter reflects the conceptual approach to risk management developed by APB.

With regard to the ongoing implementation of the self-insurance policy, over 25 different and complex enquiries were addressed. They covered such aspects as: the liability of the Crown, and insurance of government and non-government property in respect of tourist attractions, museums, voluntary organizations involved in marine search and rescue, penitentiaries and federal parks; and, the division of responsibilities and liabilities, and insurance of proprietary interests emanating from joint federal-provincial-private sector undertakings in communications development.

Proclamation of the Quebec Automobile Insurance Act necessitated the issuance of a TB circular on the significance of the Quebec act vis-à-vis the federal government's administrative policies. This was done in consultation with the Quebec government, the Insurance Bureau of Canada, the Justice, Defence and Finance departments, and the Personnel Policy Branch.

Affirmative Action

A background review of federal legislation, regulations, decisions and affirmative action relating to the person (human rights, women, natives, handicapped), official languages, and small businesses has been conducted and used in the preparation of a report on the subject matter, including their impact on administrative policies and the development of a proposed Branch affirmative action policy and strategy. The final report has been submitted to senior management for consideration. It is intended to coordinate the procedures and schedule relating to the revision and development of administrative policies so as to ensure compliance with the Branch's affirmative action strategy.

Common Services

An additional area of concern relates to the need for the development of a common services policy. In response to recommendations made by the Lambert Commission, intentions are to articulate the principles of a common services policy which will include the roles and objectives of common service agencies, their funding and their relation to customer departments and central agencies.

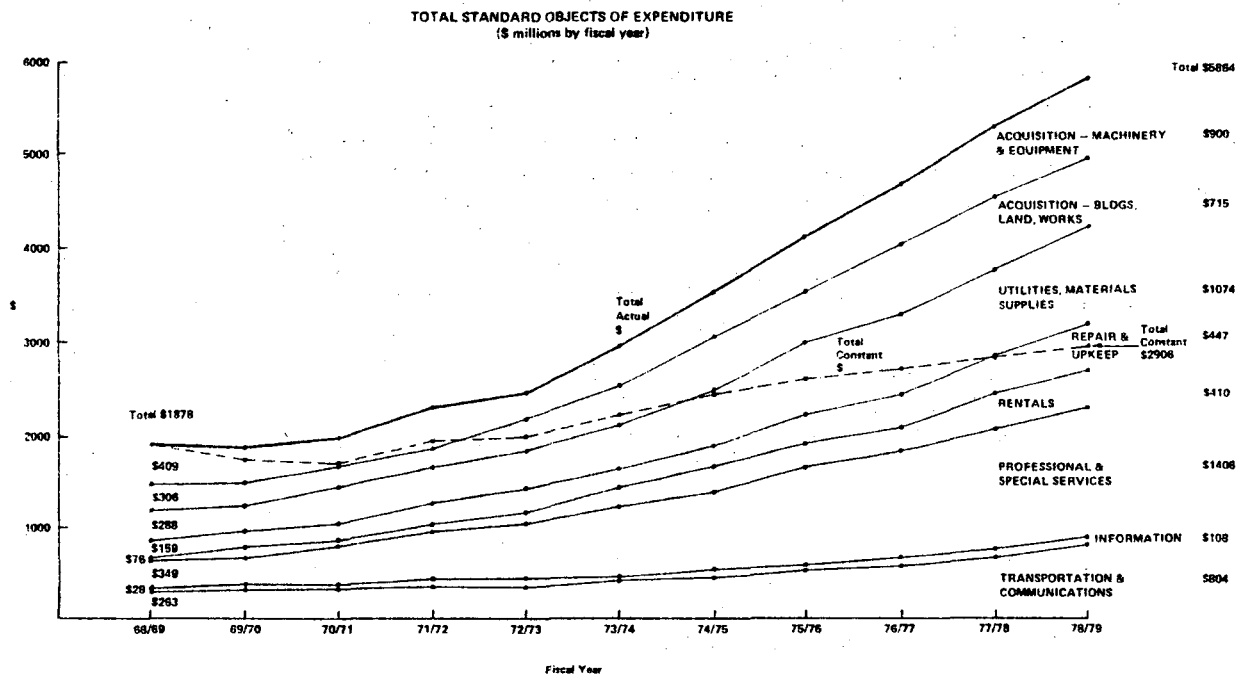
G. OTHER ACTIVITIES

Expenditure Trend Analyses

In the fall of 1979 the Administrative Policy Branch carried out an intensive analysis of administrative expenditures in the Government of Canada in order to identify possible new areas to improve control over government expenditures. The analysis was carried out on administrative expenditures that are encompassed in the Accounts of Canada under Standard Objects 02-09. While many of these expenditures are direct program costs, a substantial portion represents the administrative support required to enable the delivery of programs.

Total expenditures in this area are running at approximately \$6 billion a year and have tripled over the past decade. As indicated in Figure 10, even after discounting the reported figures to express them in constant dollars, the magnitude (\$3 billion) and increase (50 per cent) are sufficiently large to warrant close examination of the nature and growth of individual components that make up this aggregate amount.

Figure 10



Source: Accounts of Canada

The analysis indicated a number of problems associated with determining precisely which expenditures require closer review. One of these is a lack of financial accounting system appropriate to the needs of central management of administrative expenditures. Another is the lack of standard definitions and classifications of various departmental expenditures.

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Current activities of the Comptroller General in this area will, in time, result in expenditure information more closely related to the needs of administrative management.

Using the data that are now available, several priority areas were identified for review and included in the Branch work plan for 1980-81. The priority areas that require attention are those that are characterized by high historic growth rates, or that are associated with rapidly expanding technology, pervasive usage, clear potential for productivity gains or high value of the accumulated assets. Another reason for priority attention would be persistent (public) criticism.

Revenue Development

Several of these priority areas have been dealt with earlier in the text. They relate to Telecommunications, Information and Real Property. The fourth area for priority consideration is Revenue Development or an improved user-pay policy. An effective policy in this area would make a significant contribution not only to government revenues but also to government expenditure management goals as they relate to expenditure restraint, and management efficiency.

The Administrative Policy Branch has a policy on leasing and licencing, including concessions, in respect of real property. The policy requires the charging of market rates in commercial situations and incremental cost recovery for uses in the community interest. Annual revenue in this area is in the order of \$155 million. The Branch (in co-operation with Program Branch) is also defining a project to identify actions that might be taken to bring the revenue from existing leases and licences up to market level and the revenue from existing uses in the community interest up to incremental cost levels or above. Beyond these, the review should also address such items as the entrance fees for camp grounds and entrance to parks to increase the recovery of operating and maintenance costs; increasing the interest rate on government accounts receivable; and repayment of part of the tuition costs by individuals who have taken government-sponsored adult education training programs and are now fully employed.

H. LONG TERM PLANS

A number of activities scheduled for initiation in 1980 will extend into 1981 because of the relative complexity of the work and the level of resource requirements of the projects. While some information on these longer term activities has been given, more detailed information is provided below on the activities scheduled for completion after 1980.

Differentiation of Departmental Authorities

A need has been identified to differentiate between departments as to their responsiveness and compliance with contracting policy. In cooperation with the Office of the Comptroller General and Program Branch, the Administrative Policy Branch will be reviewing the Government Contracts Regulations to identify possible criteria for use as a measurement of departmental responsiveness and compliance.

Paperburden Reduction

All central controls and associated reporting requirements impose some burden on departments. The Comptroller General recently wrote to deputy heads concerning the co-ordination of audit activities, as well as outlining steps to minimize duplication and undue interference with departmental operations. In an attempt to balance the requirements of central agencies for information on policy implementation with departmental needs for operational flexibility, the Administrative Policy Branch will, with the Comptroller General's cooperation, be examining the feasibility of utilizing information obtained from comprehensive departmental internal audits. In addition, efforts are under way to ensure administrative policy information requirements are taken into account in the current efforts to improve the financial coding system.

Standard Consulting Contract

To promote consistent contracting practices throughout the government, a standard consulting contract form will be developed. Following a review of existing practices, an interdepartmental task force will develop standard terms and conditions for all consultant contracts and appropriate appendices will be designed for the various professional disciplines.

Materiel Quantity Management

Complementing the existing policy on materiel quality management, central agency control requirements over departmental consumption will be articulated. This should make it possible to detect abnormal use patterns and losses arising from premature disposal or pilferage. This policy will concentrate on the identification of essential or mandatory requirements and leave departments the task of devising whatever methods and operating systems are required.

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Index of Federal Information Sources

The first federal Register of Information Sources will be developed and distributed. In addition, the methodology for subsequent editions (in compliance with Freedom of Information legislation) will be established.

Other Initiatives

Several other projects will also be given special attention such as the development of a comprehensive policy on printed matter, the investigation of a lump sum payment (or grant) method of reimbursing employees for relocation expenses, and the development of a guide to assist departments in transferring activities to the private sector.

**RAPPORT ANNUEL
1979
DIRECTION DE LA POLITIQUE ADMINISTRATIVE
SECRÉTARIAT DU CONSEIL DU TRÉSOR**

MARS 1980

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A. INTRODUCTION

Fonctions et structures de la Direction

La Direction de la politique administrative est chargée de l'élaboration et de la surveillance des politiques, règlements et lignes directrices dans les domaines administratifs. Ces politiques ont trait aux activités du gouvernement du Canada concernant la gestion des biens immobiliers, du matériel, des services et de l'information. Elles ont pour but de s'assurer la probité et la prudence dans l'acquisition et la consommation des intrants administratifs dans l'ensemble de la Fonction publique et de guider les gestionnaires des ministères pour qu'ils utilisent avec efficience et efficacité les fonds et le matériel affectés à l'exécution de leurs programmes.

La Direction compte trois divisions ayant les attributions suivantes:

- élaboration et révision des politiques administratives;
- mise en oeuvre et examen des politiques: examen des présentations au Conseil du Trésor dans tous les domaines de la politique administrative; surveillance de politiques particulières, et exploitation du système d'information de la Direction concernant les présentations;
- planification et évaluation: communication des politiques administratives aux ministères; élaboration des mécanismes de contrôle nécessaires à la mise en oeuvre des politiques, et prestation de conseils aux ministères à l'égard de l'analyse de l'impact socio-économique des nouveaux règlements importants du gouvernement concernant la santé, la sécurité et l'équité.

La Direction gère aussi le Régime des primes d'encouragement au sein de la Fonction publique.

Communication des politiques

Les politiques administratives du gouvernement fédéral sont diffusées à l'ensemble des organisations au moyen du Manuel de la politique administrative du Conseil du Trésor. Ce manuel comprend quatre volumes portant sur des domaines spécifiques (la gestion des biens immobiliers, du matériel, des services et de l'information) et un cinquième volume intitulé, "Sommaire pour la direction". Le manuel a été remis à environ 150 ministères et organismes en février 1979. Jusqu'à ce jour, on a fourni gratuitement 2,500 jeux du manuel aux ministères et organismes et on a remis aux ministères gouvernementaux et vendu à des organisations non gouvernementales et à des particuliers 30,000 exemplaires de chapitres individuels.

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Au cours de la dernière année, des stocks insuffisants n'ont pas permis de répondre à la demande concernant le Manuel de la politique administrative et les chapitres individuels. Conséquemment, on publiera au cours de 1980-81 500 jeux additionnels du manuel tandis qu'on a modifié la méthode de diffusion des chapitres individuels afin de s'assurer que les ministères et les organismes reçoivent suffisamment d'exemplaires pour répondre à leurs besoins.

Surveillance des politiques

Les ministères et les organismes sont chargés de la mise en oeuvre des politiques administratives. Des méthodes efficaces de surveillance sont indispensables à la réalisation des objectifs d'efficacité, d'efficience et de respect de ces politiques. Au sein de la Direction de la politique administrative, des mécanismes permettant de surveiller les politiques en vigueur, d'évaluer leur efficacité et de juger du besoin de réviser ou de remplacer une politique particulière existent déjà ou sont en voie d'élaboration. Dans le cadre de ce processus de surveillance, on a approuvé environ 1,600 présentations des ministères au cours de la période du douze mois se terminant le 1^{er} janvier 1980. Le tableau 1 présente un résumé de cette activité.

Tableau 1

Présentations approuvées par le Conseil du Trésor
au cours des 12 mois se terminant le 31 janvier 1980
(en milliers de dollars)

<u>Domaine général</u>	<u>Valeur des présentations</u>		<u>% du montant total approuvé</u>	<u>Présentations</u>	
	<u>Sommes demandées</u>	<u>Sommes approuvées</u>		<u>No.</u>	<u>% du total</u>
Marchés de biens	\$ 440	\$ 424	28	160	10
Marchés de services généraux	351	349	23	362	22
Marchés de construction	139	138	9	142	8
Locaux à bureaux	141	121	8	79	5
	<u>\$1,071</u>	<u>\$1,032</u>	<u>68</u>	<u>743</u>	<u>45</u>
Autres	493	493	32	934	55
	<u>\$1,564</u>	<u>\$1,525</u>	<u>100</u>	<u>1,677</u>	<u>100</u>

Sources: Dossiers de la DPA

En s'efforçant constamment de mettre en oeuvre la politique de restriction du gouvernement, la Direction a relevé au cours de la dernière année plusieurs domaines qui pouvaient faire l'objet d'une révision et d'une évaluation de politique, notamment le contrôle des coûts des projets, la publicité et les services de travail temporaire. Ces examens ont entraîné l'adoption de nouvelles politiques.

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Structure du rapport

Le présent rapport fournit un résumé des activités de la Direction de la politique administrative au cours de 1979 dans chacun des quatre principaux domaines (la gestion des biens immobiliers, du matériel, des services et de l'information). La dernière section du rapport donne un aperçu des projets à Direction.

B. BIENS IMMOBILIERS

Gestion des biens immobiliers

A la suite du rapport, présenté en septembre 1978, du Comité sénatorial permanent des finances nationales concernant le Programme du logement du ministère des Travaux publics, un nombre important de mesures ont été adoptées en vue d'améliorer les méthodes et procédures courantes de gestion. Voici quelques-unes des principales mesures adoptées:

- publication d'une nouvelle politique concernant les droits d'usage afin de mieux protéger les terrains contre l'octroi abusif de droits d'usage et de passage;
- préparation d'une proposition globale portant que les ministères versent le taux courant du marché pour les locaux qu'ils occupent afin de rendre financièrement autonome le programme des locaux à bureaux du MTP;
- élaboration d'une politique intégrale de gestion des biens immobiliers couvrant toute la gamme des activités dans ce domaine, notamment l'acquisition, l'utilisation et l'aliénation.

Ces propositions de politique font l'objet d'un examen minutieux et d'une rationalisation sous l'égide du Comité directeur interministériel présidé par la Direction de la politique administrative.

Locaux à bureaux

Au cours de l'année 1979, on a présenté un nombre total de 116 demandes pour obtenir 369,000 mètres carrés d'espace à bureaux. Afin de réduire les coûts de location, le Conseil du Trésor a insisté sur l'observation stricte des lignes directrices concernant l'attribution de l'espace à bureaux et l'occupation, dans la plus grande mesure possible, des locaux appartenant à la Couronne. Aussi la demande totale d'espace a-t-elle baissé de 14 pour cent (soit 50,033 mètres carrés) et on estime à \$4,600,000 les économies annuelles ainsi réalisées. Le graphique 1 indique qu'il y a eu une baisse remarquable de l'espace loué par la Couronne pour loger les organismes fédéraux.

En 1979, la Direction a entrepris une enquête sur l'utilisation des locaux à bureaux par les ministères fédéraux. Selon les résultats obtenus, le taux d'occupation était de 18 mètres carrés par personne, soit plus que la moyenne prescrite de 14 mètres carrés. Aussi les sous-chefs ont-ils été priés de planifier et de réduire leur taux d'occupation de l'espace à bureaux afin de se conformer aux normes établies.

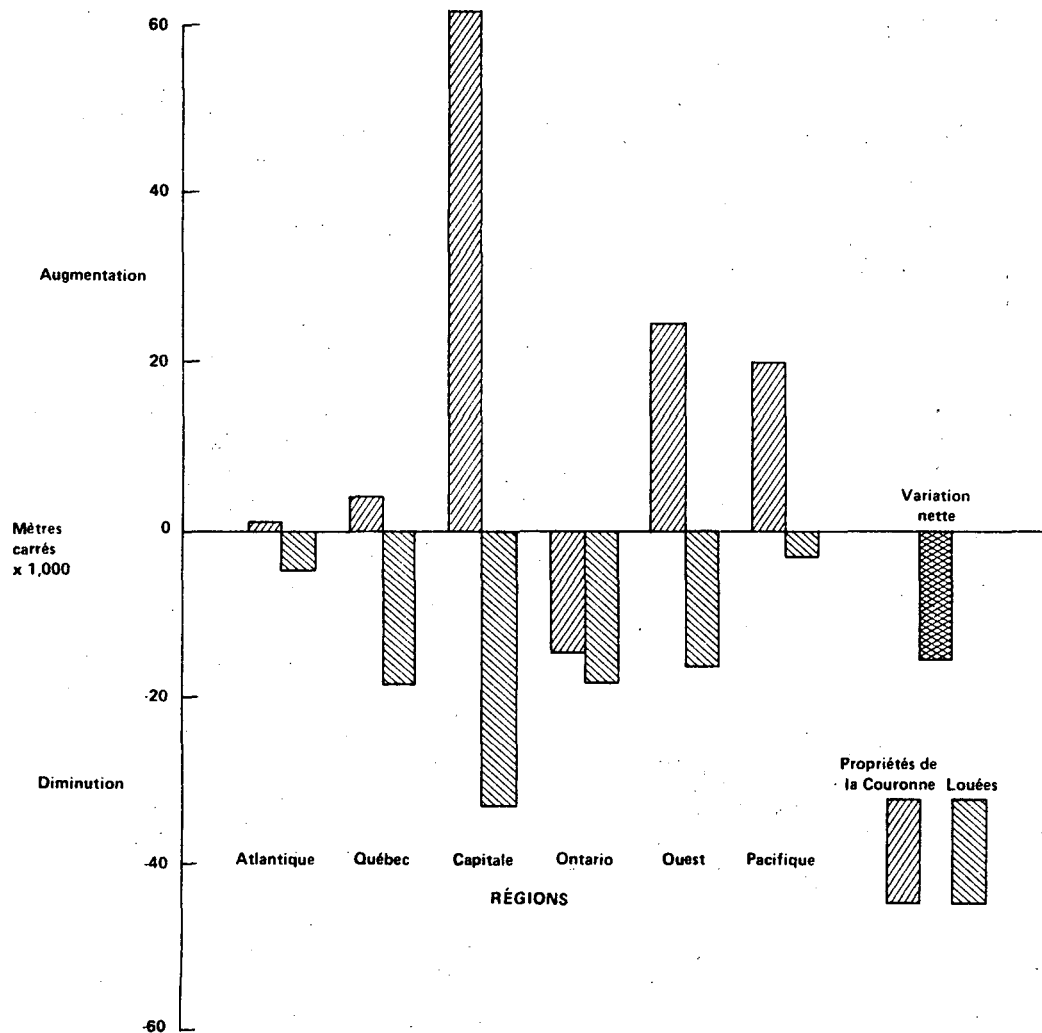
La fourniture habituelle de locaux à bureaux ne va pas sans le besoin d'aménager ces derniers. Il y a trois ans, les plafonds des coûts d'aménagement ont été fixés respectivement à \$82.88 et \$47.36 par

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mètre carré pour les locaux neufs ou réaménagés. Malgré l'accroissement des coûts de construction, nous avons maintenu les mêmes plafonds des coûts d'aménagement. Afin d'économiser, les ministères sont priés d'occuper les locaux tels qu'ils sont déjà aménagés, dans la mesure du possible.

Graphique 1

Espace à bureaux d'usage général*
Variation au cours de 1979 de l'espace louable en mètres carrés



*A trait à l'espace à bureaux d'usage général géré et contrôlé par le MTP, et non à tout "l'espace d'usage général".

Source: Travaux publics

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Le rapport de septembre 1978 du Comité sénatorial permanent des finances nationales concernant le Programme du logement du MTP et le rapport de 1976 du Vérificateur général recommandaient de fonder les besoins d'espace à bureaux sur la fonction plutôt que sur la rémunération. La Direction a formé un groupe de travail chargé de proposer des moyens de mettre en oeuvre les recommandations. Le groupe a élaboré une méthode de planification fonctionnelle de l'espace à bureaux qui sera présentée en 1980 au Conseil du Trésor pour approbation et mise en oeuvre.

Logement

Le Gouvernement du Canada a recueilli environ \$63 millions en recettes annuelles provenant de la location d'environ 31,000 logements autonomes et de 20,000 logements dortoirs qu'il possède et exploite afin d'y loger ses employés. Au cours de 1979, deux questions ont ressorti concernant l'exploitation de ces installations:

- a) le maintien de la Directive de 1975 sur les frais pour les logements de possession gouvernementale, et
- b) le règlement des problèmes causés par la hausse exceptionnelle des prix du marché dans certaines régions, notamment à Gander et à Calgary.

Pour éviter des hausses excessives, on a adopté un calendrier d'augmentations progressives des loyers. Le Comité du Conseil national mixte chargé de la location des logements de possession gouvernementale au pays est en train de recueillir des données pertinentes concernant les modifications nécessaires en prévision de l'examen triennal de la Directive sur les frais qui aura lieu l'an prochain. De plus, le Comité consultatif du Conseil du Trésor sur les conditions de logement dans le Nord a été prié d'examiner les problèmes posés par les différentes dispositions des politiques de logement et de recommander des solutions à court et à long terme. Le comité est censé présenter au printemps 1980 ses recommandations à l'égard des solutions à court terme.

En février 1980, on a approuvé de nouvelles normes de construction pour tenir compte du style de vie dans le Nord qui, en raison des hivers longs et rigoureux, exige des espaces de logement et d'entreposage plus vastes.

Stationnement

La politique actuelle de stationnement vise à établir un rapport proportionnel entre la fourniture d'aires de stationnement près des installations gouvernementales et la disponibilité des transports en commun. En vertu de cette politique, les ministères doivent réduire le total de leurs aires de stationnement à une aire par 20 employés, pour 1983 dans la Région de la Capitale nationale et pour 1980 dans les autres centres urbains. Cette politique tient compte du besoin:

- a) de diminuer les problèmes de circulation et de pollution causés par les voitures dans 21 centres urbains importants du Canada,
- b) d'encourager l'utilisation des transports en commun pour économiser l'énergie, et
- c) de fournir un minimum d'aires de stationnement permettant à chaque ministère de fonctionner efficacement.

Les fonctionnaires qui ont droit à une aire de stationnement dans les secteurs centraux payent 70 pour cent de la moyenne pondérée du taux commercial local, tandis que ceux qui travaillent dans des installations de ministères qui ne sont pas suffisamment bien desservis par des services de transport en commun ont accès à un stationnement gratuit selon les besoins.

A l'heure actuelle, un enquête menée à travers le pays, devant se terminer au cours de l'été 1980, recueille des données statistiques sur le stationnement. Ce rapport sur l'utilisation du stationnement devrait permettre d'établir dans quelle mesure les ministères observent la politique actuelle. Etant donné l'augmentation des taux de stationnement, les recettes qu'on en tire devraient demeurer aux environs de \$1.7 million (comme en 1978-1979).

Economie de l'énergie

L'utilisation de matériel, de biens immobiliers et de services dans les ministères gouvernementaux entraîne une haute consommation d'énergie. Aussi, afin de réaliser l'objectif d'économie de l'énergie, différentes mesures ont été prises pour modifier les habitudes d'acquisition et d'utilisation. On s'attend à ce que les ministères participent aux programmes d'économie de l'énergie administrés par Énergie, Mines et Ressources dans le cadre de l'ensemble de ses activités d'économie de l'énergie menées à travers le pays. A l'heure actuelle, deux programmes sont en cours: le Programme interne permanent d'économie de l'énergie lancé en 1976 et un autre plus récent lancé en 1979, le Programme intensif d'économie de l'énergie.

Le programme interne oblige toutes les institutions du gouvernement fédéral à restreindre jusqu'en 1985-1986 leur consommation d'énergie à un niveau d'au moins 10 pour cent inférieur à celui de 1975-1976. Cet objectif a de nouveau été respecté cette année malgré le nombre accru d'édifices appartenant à l'Etat et l'élargissement des programmes des ministères. On estime à \$36.5 millions les économies réalisées cette année et à \$100 millions celles réalisées au cours des trois ans d'existence du programme. Au nombre des mesures d'économie adoptées par les ministères participants dans le domaine de la gestion des biens immobiliers, il faut mentionner la réduction des niveaux d'éclairage et de chauffage pendant les heures de travail et une amélioration des installations de chauffage. De plus, les systèmes de chauffage, de ventilation et clima-

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tisation sont vérifiés périodiquement et fermés lorsque les édifices ne sont pas occupés. Parmi les mesures prises dans le domaine du transport gouvernemental, on note l'adoption graduelle de véhicules plus petits, des taux de millage concernant l'utilisation de véhicules privés fondés sur le rendement des véhicules de taille intermédiaire plutôt que de taille standard, et une limite de vitesse de 80 km/h pour les véhicules du gouvernement.

Des 60 ministères, sociétés de la Couronne et organismes qui participent à ces programmes, ceux qui ont économisé le plus d'énergie sont la Défense nationale, les Travaux publics, les Transports et les Pêches et Océans. Au cours de 1978-1979, ces quatre ministères ont à eux seuls économisé l'équivalent de plus d'un million et demi de barils de pétrole. Le tableau 2 présente la consommation actuelle comparée à l'année de référence 1975-1976.

Le programme intensif d'économie de l'énergie mis en oeuvre en 1979 est aligné sur l'objectif établi par l'Agence internationale de l'énergie pour le Canada, qui consiste à réduire de cinq pour cent les importations de carburant liquide. Cet objectif est conforme aux accords de la conférence de Tokyo, mais ses répercussions ne sont pas encore connues.

Tableau 2

Sommaire de la consommation directe d'énergie
(en milliards de mégajoules)

	Année de référence 1975-1976	Année courante 1978-1979	Diminution	Diminution en pourcentage
MDN	48.9*	43.9	5.0	10.2
DTP	15.5	13.5	2.0	12.9
MT	12.1	10.1	2.0	16.5
GRC, Services correctionnels et MAIN (1)	7.7	7.2	.5	6.5
ME**, EACL et Agr. (2)	7.4	6.1	1.3	17.6
	<u>91.6</u>	<u>80.8</u>	<u>10.8</u>	<u>11.8</u>
Tous les autres	3.4	3.4	-	-
	<u>95.0</u>	<u>84.2</u>	<u>10.8</u>	<u>11.3</u>

* L'année de référence est 1973-1974.

** Comprend Pêcheries et Océans.

(1) Chaque organisation a consommé plus de 2 milliards de mégajoules en 1978-1979.

(2) Chaque organisation a consommé entre 1 et 2 milliards de mégajoules en 1978-1979.

Source: Énergie, Mines et Ressources.

C. MATERIEL

Gestion du matériel

En 1979, de nouveaux chapitres importants concernant divers aspects clés de la gestion du matériel ont été ajoutés au Manuel de la politique administrative. Ces ajouts constituent la première manifestation importante de la politique du Conseil du Trésor relative à la gestion du matériel depuis les années 60, époque à laquelle une politique tenant compte des recommandations de la Commission Glassco a été publiée.

Cette nouvelle série de politiques relatives à la gestion du matériel oblige les ministères à accorder plus d'importance à la gestion du matériel dans le cadre de la fonction de gestion en général et de veiller particulièrement aux éléments de contrôle. Suite à l'établissement de politiques bien élaborées concernant l'acquisition et la passation de marchés, on a compris le besoin de politiques concernant le bon usage du matériel une fois ce dernier acquis.

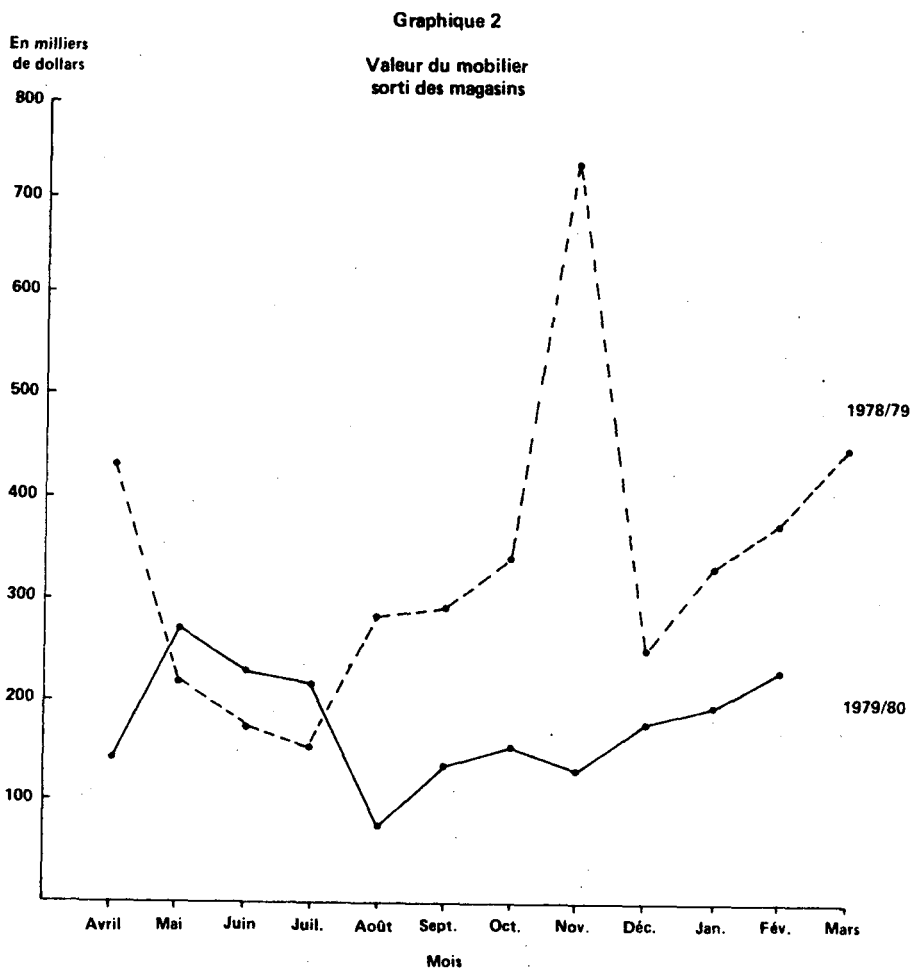
Ces politiques comprennent des directives et des lignes directrices sur l'efficacité, l'utilisation, la sécurité, la garde et l'entreposage du matériel. Ces nouvelles mesures sont destinées à neutraliser certaines tendances consistant notamment à demander des séries de marchandises plus dispendieuses (entraînant souvent l'achat de matériel dispendieux fait sur mesure), à vouloir détenir du matériel en exclusivité (particulièrement de l'équipement), à conserver des espaces d'entreposage vacants et à favoriser des habitudes d'utilisation anormales et des pertes en raison d'aliénation prématurée et de chapardage. La mise en oeuvre de ces politiques devrait entraîner des économies suite à un contrôle plus efficace de la qualité, au partage de l'équipement, à la réduction des pertes causées par un entreposage inadéquat ou par le vol et à une meilleure utilisation de l'espace d'entreposage.

Mobilier et ameublement de bureau

La gestion globale du mobilier de bureau au sein des ministères a été simplifiée. La disposition précédente de 1976 obligeant les ministères à demander l'approbation du Conseil du Trésor avant d'acquérir du mobilier de bureau (sauf dans les cas de croissance approuvée du personnel) a été remplacée en mars 1979 par une nouvelle politique destinée à autoriser les ministères à acheter du mobilier conformément aux échelles de dotation établies. Cette nouvelle disposition fixe des plafonds à l'égard des types et de la quantité de meubles que l'on peut acquérir pour les postes de travail de bureau et les secteurs connexes, notamment les aires d'accueil et les salles de réunion. Le graphique 2 fait la comparaison des sorties de mobilier des magasins en 1978-1979 et en 1979-1980, année au cours de laquelle la nouvelle politique a été mise en oeuvre. Il est évident que cette nouvelle politique a profondément modifié les habitudes des ministères concernant l'achat de mobilier.

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Les sommes réservées à cette fin pour 1980-1981 sont de \$17 par employé de bureau et de \$6 par employé ne travaillant pas dans un bureau, soit un programme de réapprovisionnement pouvant atteindre \$5 millions par année. Cette somme permettra aux ministères de renouveler leur mobilier tout en se conformant à la politique générale de restrictions.



Source: MAS

Matériel et fournitures de bureau

Machines à écrire

On estime que le nombre de machines à écrire achetées a diminué de 5,500 unités en 1976-1977 à 3,300 unités en 1977-1978 et en 1978-1979. Cette diminution très significative peut être imputée à l'ensemble du programme de restrictions du gouvernement et à l'obligation faite aux ministères de limiter leurs achats aux marques et modèles visés par les offres permanentes. Par ailleurs, le prix unitaire moyen a lui aussi baissé de 10 pour cent, passant de \$770 en 1976-1977 à \$691 en 1978-1979.

Calculatrices

Le prix des calculatrices a fait l'objet d'une baisse semblable au cours de 1979-1980. Comme l'indique le tableau 3, le prix unitaire moyen des calculatrices a diminué sensiblement depuis 1973 en raison de l'évolution technologique et de la concurrence au sein de l'industrie.

Tableau 3

Achat par le MAS de calculatrices électroniques
évaluées à plus de \$100

<u>Année</u>	<u>Quantité</u>	<u>Valeur totale</u>	<u>Prix unitaire moyen</u>
1973	5213	\$1,319,598	\$253.14
1974	5059	1,262,406	249.54
1975	7287	1,421,610	195.08
1976	4451	816,082	183.35
1977	6222	996,723	160.19
1978	6108	992,953	162.57
1979	5773	736,586	127.59

Source: MAS

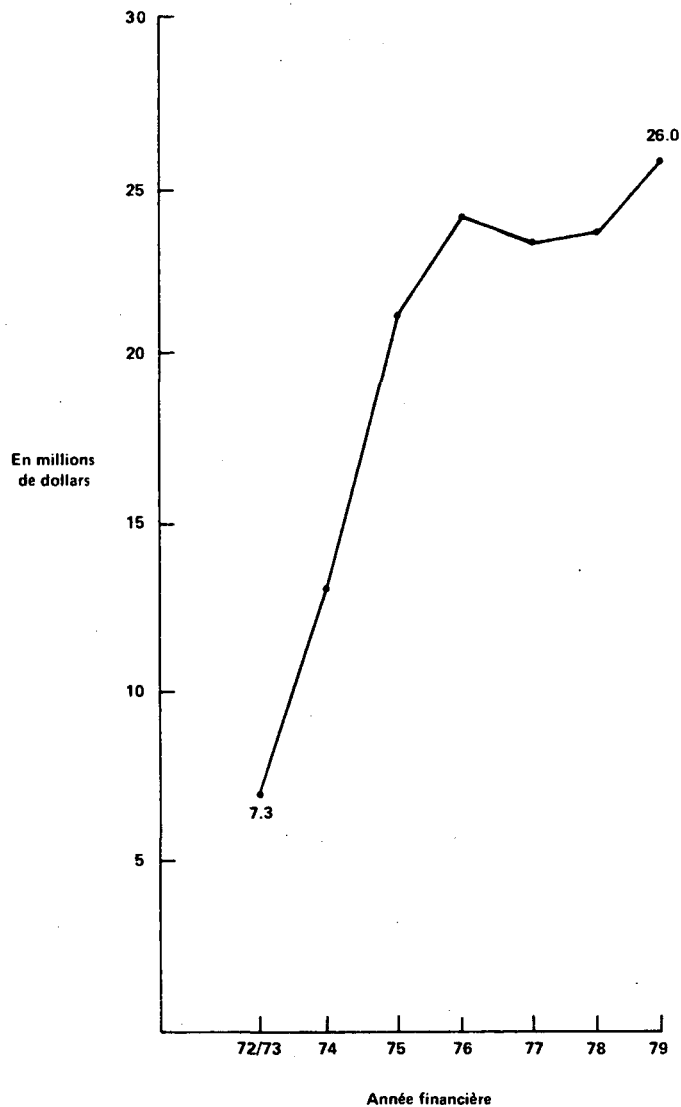
Autre matériel

Un contrôle plus sévère est exercé à l'égard du matériel plus perfectionnée: c'est la procédure d'examen de pré-acquisition. Le taux de croissance du nombre de photocopieurs loués a été maintenu à une moyenne annuelle d'environ 7 pour cent pour chacune des trois années précédentes (voir le graphique 3).

Même si le matériel de traitement des mots est maintenant soumis à la procédure d'examen de pré-acquisition, il reste à en établir l'incidence. L'achat ou la location de tels systèmes a augmenté de plus de 30 pour cent de 1977-1978 à 1978-1979. Ainsi, il semble que cette technologie prend de la vogue. Expérience faite, certains ministères ont constaté que les coûts en personnel ont habituellement sensiblement diminué après l'installation de ce matériel.

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Graphique 3
Location de photocopieurs
avec ou sans bail



Source: MAS

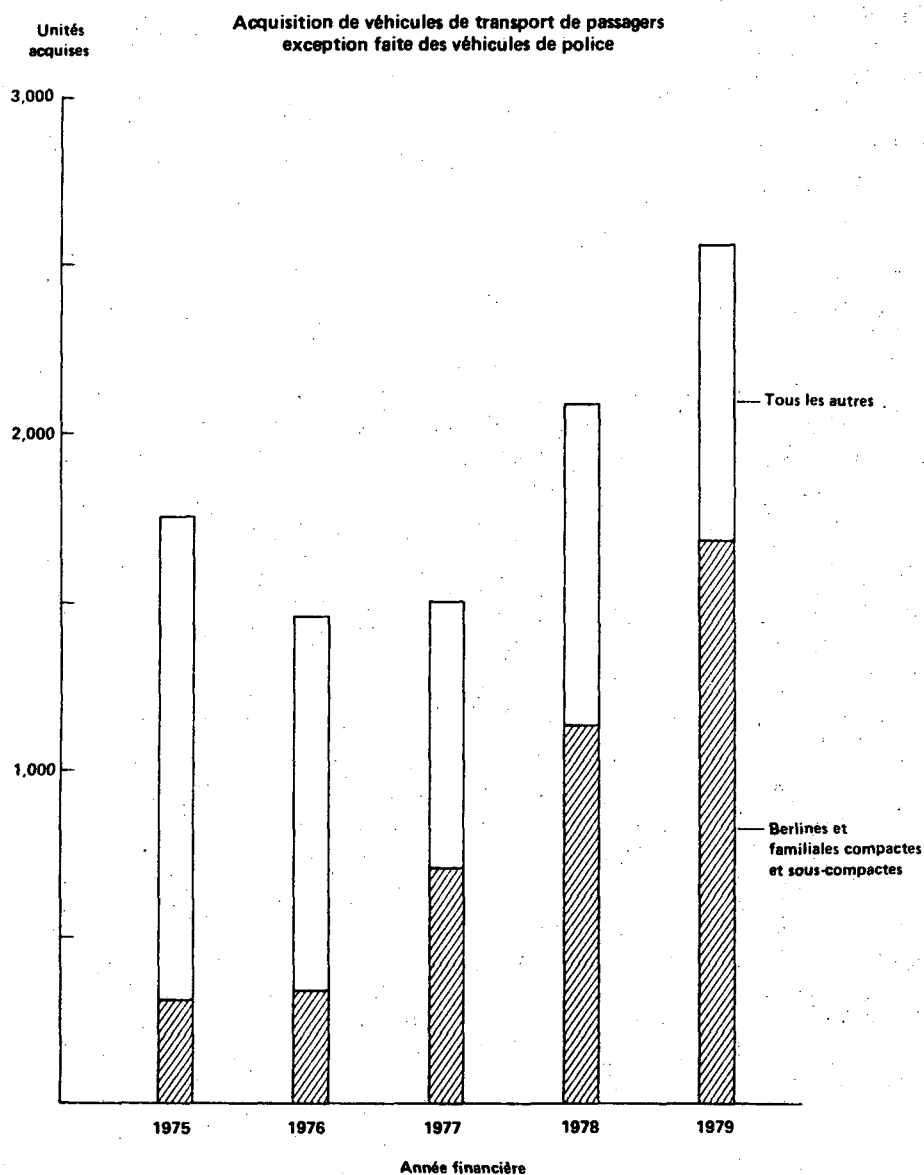
Véhicules automobiles

Le remplacement des voitures de taille standard du parc automobile du gouvernement par des modèles compacts et sous-compacts a continué en 1979-1980 alors que ces derniers ont constitué 63 pour cent de l'ensemble des acquisitions. Le graphique 4 fait foi des progrès réalisés dans ce

domaine depuis la mise en oeuvre de la politique à la fin de 1976. Il témoigne aussi d'une augmentation dans l'acquisition de véhicules pour le transport des passagers au cours des quatre dernières années. On n'en connaît pas encore la raison, mais c'est peut-être en raison d'un taux plus élevé de remplacement des véhicules ou de l'accroissement global du parc automobile occasionné par la réduction du nombre de places des nouveaux modèles de berlines et de familiales destinés au transport des passagers. Une augmentation comparable dans l'achat de camionnettes peut aussi être imputée à la réduction de leur nombre de places.

Au cours des prochaines années, il est prévu que l'aliénation des véhicules pourrait rapporter davantage au gouvernement, étant donnée que le mandat de la Corporation de disposition des biens de la Couronne a été élargi de manière à comprendre l'aliénation de tous les véhicules automobiles excédentaires. Auparavant, les véhicules automobiles étaient habituellement échangés lors de l'acquisition de véhicules de remplacement.

Graphique 4



D. SERVICES

Passation de marchés

- Marchés de services - généralités

Au cours des dernières années, la passation de marchés pour les services de particuliers a fait l'objet de nombreuses controverses et critiques portant sur les domaines suivants:

- . le recours aux employés temporaires,
- . l'emploi de fonctionnaires à la retraite,
- . les taux apparemment excessifs des honoraires à la journée,
- . l'emploi d'experts-conseils,
- . les relations employeur-employés,
- . le recours à des agents,
- . la dérogation aux politiques et procédures de dotation en personnel de la Commission de la Fonction publique,
- . la dérogation aux limites d'années-personnes.

Au cours des deux dernières années, on a publié des politiques à l'égard des quatre premiers domaines. Ces politiques comportent des mécanismes de contrôle pour prévenir les abus et des dispositions relatives à la collecte de données supplémentaires. De plus, la politique relative aux employés temporaires a été révisée en détail et élargie.

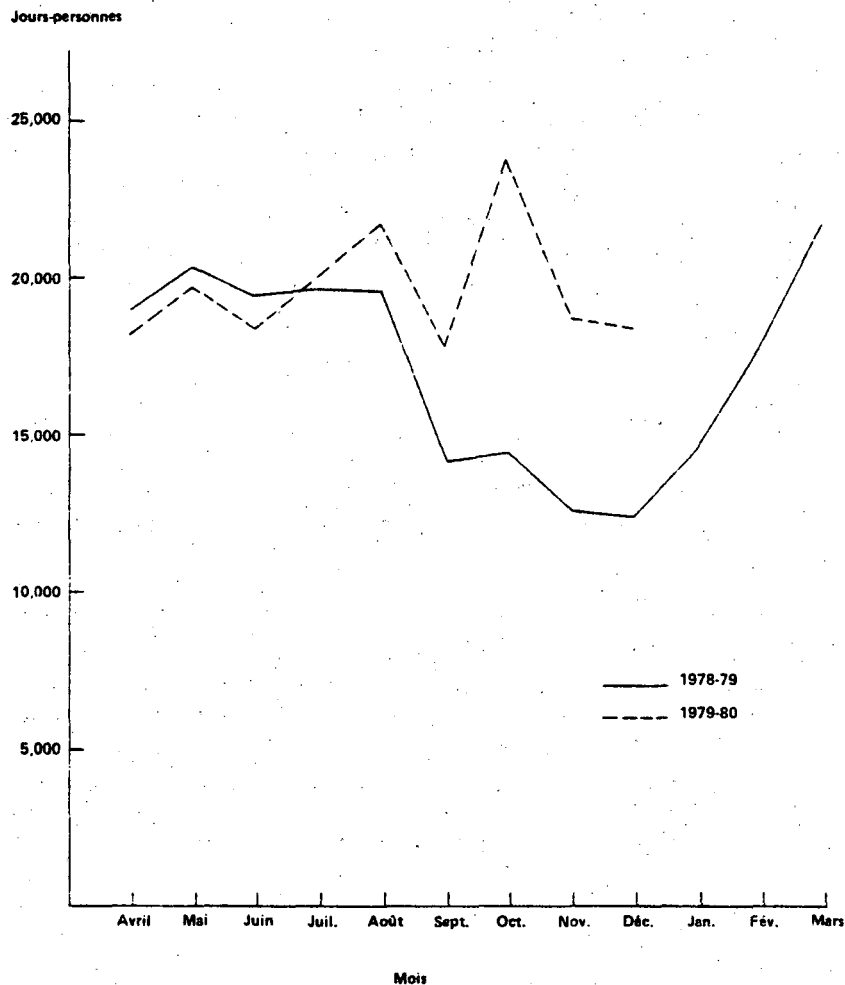
En novembre 1978, une enquête spéciale a été instituée dans le cadre du "Projet de dénombrement" afin d'établir l'importance des marchés de services de particuliers et les coûts connexes. L'enquête a porté sur les années-personnes utilisées et les coûts connexes des marchés pour les mois de septembre 1978, mars 1979 et septembre 1979. Selon les deux rapports de 1978-1979, on a employé quelque 4,000 années-personnes de ce type pendant l'année. Cette "fonction publique dissimulée", telle que définie aux fins de cette enquête, représente environ 1 pour cent des années-personnes autorisées. Des indications très positives laissent entrevoir une baisse du nombre d'années-personnes utilisées dans la plupart des ministères, par exemple les années-personnes comparables utilisées en mars et en septembre 1979 sont passées de 87,200 à 61,700 (soit une diminution de 29 pour cent). Même après avoir effectué les rajustements pour tenir compte du nombre inférieur de jours ouvrables au cours du mois de septembre, le recours à cette aide temporaire par jour ouvrable a diminué de 18 pour cent. Ces résultats sont sans doute le fruit d'un meilleur contrôle exercé dans les ministères sur les marchés de ce genre.

- Services d'aide temporaire

Cette politique réaffirme la volonté du gouvernement de faire un meilleur usage des ressources existantes avant d'envisager le recours à de l'aide de l'extérieur.

Suite à la mise en oeuvre de cette politique en 1978-1979, les ministères ont fait état d'une diminution des dépenses engagées relativement aux services d'aide temporaire. Cependant, cette tendance à la baisse semble avoir diminué: selon le rapport concernant le recours à l'aide temporaire jusqu'en décembre 1979 (voir le graphique 5), il semble que les dépenses à ce chapitre en 1979-1980 atteindront environ \$12.2 millions, soit une hausse de 24 pour cent comparativement à 1978-1979. Cette hausse comprend une augmentation de 15 pour cent de l'utilisation de jours-personnes et un facteur d'inflation de 9 pour cent.

Graphique 5
Recours aux agences d'aide temporaire
Région de la Capitale nationale
Catégorie du soutien administratif



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Suite à une évaluation de la première année d'application des nouvelles dispositions relatives à l'aide temporaire, on a préparé une modification qui entrera en vigueur le 2 juin 1980 afin de pouvoir exercer un plus grand contrôle sur l'observation de la politique. Les dernières révisions étendent le champ d'application de la politique à toutes les régions du Canada et à toutes les catégories de services d'aide temporaire. La modification stipulera que toutes les affectations pertinentes ne dépassent pas huit semaines et qu'à compter du 1^{er} avril 1981, tout recours à l'aide temporaire soit imputé aux années-personnes autorisées. Les procédures administratives connexes seront également modifiées.

- Honoraires à la journée et autres honoraires au temps

Le gouvernement a publié en janvier 1979 sa politique concernant les honoraires à la journée et autres honoraires à base de temps. Cette politique a été élaborée pour assurer un meilleur contrôle et une méthode plus uniforme concernant l'établissement des honoraires versés pour des services. Les honoraires à la journée et les autres honoraires à base de temps ne doivent pas s'élever au \$350 par jour (ou l'équivalent en d'autres types d'honoraires au temps).

Dans le cadre d'une stratégie globale visant à contrôler la taille de la Fonction publique, le Secrétariat du Conseil du Trésor est en train d'élaborer de nouvelles mesures de surveillance et de contrôle concernant les marchés pour les services de particuliers et, de façon générale, pour les marchés à forte concentration de main-d'oeuvre. Cette politique fournira une ligne de conduite aux ministères concernant l'utilisation judicieuse des marchés de services, obligera les ministères à exercer un contrôle plus sévère sur les activités de passation de marchés et permettra d'obtenir des données plus détaillées sur l'importance et la nature de l'emploi d'une "fonction publique dissimulée".

- Marchés de construction

Le 25 janvier 1980, le Conseil du Trésor a approuvé l'utilisation d'une formule normalisée des marchés de construction complètement révisée pour remplacer celle qui avait été en usage depuis 1963. Chaque année, le coût global des projets de construction entrepris par le gouvernement s'élève à près d'un demi milliard de dollars et, dans 80 à 90 pour cent des cas, on se sert de la formule normalisée des marchés de construction. (Quant aux autres cas, soit les marchés de moins de \$50,000, on emploie la formule abrégée.)

L'emploi de l'ancienne formule, même s'il n'a pas posé de problèmes majeurs, a suscité au fil des années un certain

nombre de problèmes mineurs et on a constaté des ambiguïtés dans le libellé de la formule. Aussi la formule normalisée des marchés a-t-elle été révisée en profondeur afin de la mettre à jour et d'en préciser et clarifier le libellé. De plus, on y a apporté les modifications importantes suivantes:

- . modification des modalités de paiement afin de les rendre plus conformes aux méthodes habituellement employées dans le monde des affaires et pour diminuer le délai requis pour indemniser l'entrepreneur;
- . ajout d'une liste de garanties relatives aux marchés permettant d'uniformiser dans l'ensemble du gouvernement les exigences relatives aux cautionnements;
- . éclaircissement et renforcement des procédures à suivre lorsque l'entrepreneur réclame une indemnisation pour toute divergence entre les conditions prévues et réelles du sol ou pour tout retard imputable au gouvernement;
- . l'entrepreneur sera tenu d'assumer les frais d'inspection de même que de remédier aux défauts s'il s'avère que les travaux ont été mal exécutés.

Afin de permettre aux ministères gouvernementaux et à l'industrie de bien prendre connaissance des conditions de la nouvelle formule de marchés, l'utilisation officielle de cette dernière sera vraisemblablement reportée au 1^{er} juillet 1980.

Examen des acquisitions

La Direction de la politique administrative a donné suite à une décision ministérielle de février 1979 portant de constituer le Comité consultatif de la politique des acquisitions (CCPA) formé de cadres supérieurs de 11 ministères et présidé par le sous-secrétaire de la Direction de la politique administrative. Ce comité a élaboré des objectifs, des critères et des lignes directrices qui ont été approuvés par le Conseil du Trésor en janvier 1980. Tous les projets évalués à plus de \$2 millions (\$10 millions pour les projets de construction) ou présentant d'importantes possibilités de procurer des avantages socio-économiques (peu importe leur valeur) feront désormais l'objet d'un examen par les Comités interministériels d'examen des acquisitions (CEA).

Compte tenu de la décision de février, et même si on n'a pas publié de lignes directrices en 1979, un certain nombre de comités ont été formés pour étudier les cas et recommander des façons d'effectuer les acquisitions pour en tirer les plus grands avantages. A la fin de 1979, 17 cas dont la valeur totale est estimée à \$579 millions ont fait l'objet d'une étude. Seulement un de ces 17 cas a été jugé comme ne comportant pas d'avantages socio-économiques éventuels; douze autres

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semblaient présenter certaines possibilités au profit de l'industrie canadienne, tandis que les quatre derniers seront peut-être annulés en raison d'un manque d'appui au programme. Lorsqu'il est question de s'écarter de la politique générale relative à la passation des marchés, le ministère client présente les recommandations du comité au Conseil du Trésor. Chaque fois qu'il sera démontré que d'importants avantages économiques ou sociaux peuvent être réalisés en permettant l'emploi d'une méthode d'acquisition particulière, on approuvera la dérogation nécessaire à la politique.

Les présents critères et lignes directrices sont applicables à l'acquisition de services et de biens, mais on attendra l'élaboration de lignes directrices plus appropriées avant d'appliquer la politique aux projets de construction. Le Comité consultatif de la politique des acquisitions s'attaquera immédiatement à cette tâche.

Voyages et réinstallations

Les dispositions de la Politique du Conseil du Trésor concernant les voyages régissent environ 500,000 voyages par année effectués par les fonctionnaires ou d'autres personnes voyageant en service commandé au Canada, aux Etats-Unis et à l'étranger. Etant donnée la variation des conditions et des frais de voyage, la politique fait l'objet d'un examen continu. Il a été entendu avec le Conseil national mixte et approuvé par le Conseil du Trésor que la politique ferait l'objet d'un examen en profondeur à tous les trois ans et que le taux des indemnités de repas, celui des faux frais et les taux de millage ou de kilométrage feraient l'objet d'examens et de rajustements semestriels. La première révision a eu lieu comme prévu le 1^{er} avril 1979; cependant, la deuxième a dû être reportée à la fin de novembre.

Plus de 8,000 réinstallations de fonctionnaires par année entraînent la vente d'une résidence à l'endroit de départ. Les difficultés éprouvées par certains employés à se défaire de leur résidence entraînent souvent chez eux une réticence à la réaffectation. Aussi le gouvernement a-t-il entrepris des négociations avec les courtiers d'immeubles afin d'offrir une certaine aide aux employés réaffectés pour vendre leur résidence. La réponse des courtiers a été encourageante et on espère pouvoir mettre en oeuvre au cours de la prochaine année financière un projet témoin s'adressant à une petite partie de la Fonction publique afin de juger de l'efficacité des propositions et de la justesse des prévisions de coût.

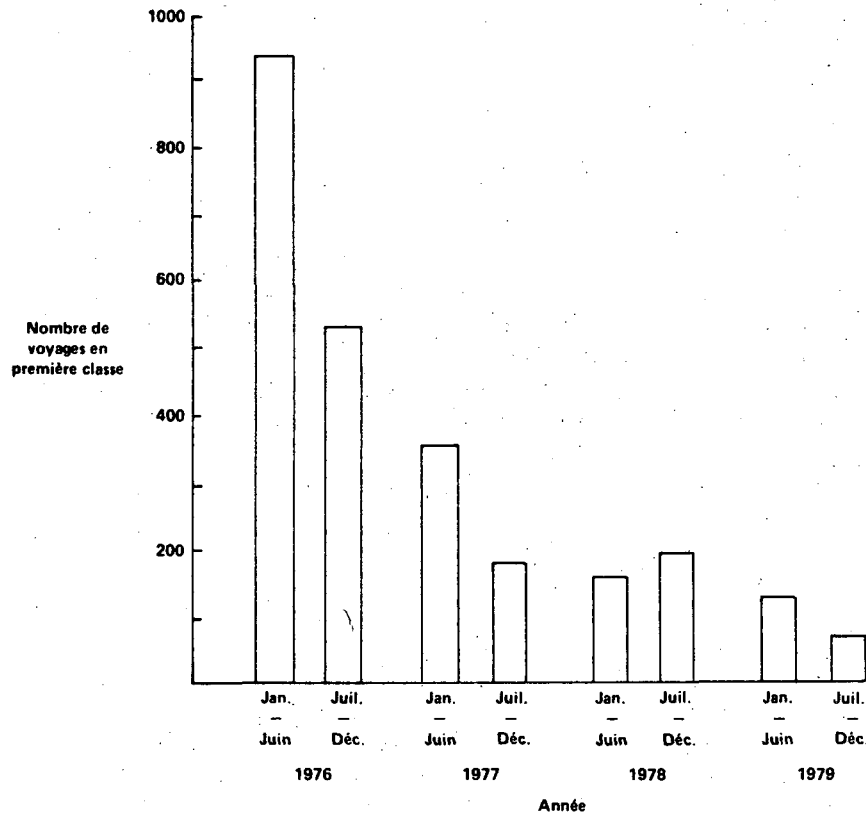
La politique relative à l'utilisation des taxis était auparavant répartie dans un certain nombre de sections de la Politique concernant les voyages. Les diverses dispositions concernant l'emploi des taxis ont été regroupées et publiées dans un chapitre distinct du manuel.

En ce qui concerne les voyages par avion en première classe, les chiffres fournis par les ministères indiquent que ces derniers ont continué d'observer la politique de restrictions du gouvernement qui est

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entrée en vigueur en 1976. Selon les rapports, les voyages en première classe ont diminué radicalement, soit de 1,256 en 1976 à 196 en 1979. Le graphique 6 fait foi de cette diminution.

Graphique 6
Voyages en première classe



Source: Dossiers de la DPA

L'examen triennal de la politique concernant les voyages, qui doit être terminé et mis en œuvre le 1^{er} janvier 1980, va bon train. Les observations des ministères et des associations du personnel ont été analysées et on y a relevé un certain nombre d'améliorations possibles à la politique. On prévoit également un examen complet des indemnités de repas et des taux de millage ou de kilométrage.

Cotisations et accueil

La politique du gouvernement à l'égard de ces deux domaines est en général restrictive. Plus particulièrement, on ne paie les cotisations au nom de l'individu que lorsqu'il est indispensable que cet employé adhère à une organisation pour pouvoir exercer ses fonctions.

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L'accueil est habituellement réservé aux personnes qui ne sont pas fonctionnaires et seulement lorsqu'il facilite les affaires du gouvernement ou qu'il est essentiel pour des raisons de protocole ou de relations internationales.

Selon les données disponibles des comptes centraux du Canada, les dépenses prévues au titre des cotisations pour l'année se terminant le 31 mars 1980 totaliseront \$1,500,000, soit une diminution comparativement aux \$1,600,000 dépensés l'année précédente. Cependant, les dépenses engagées au titre de l'accueil sont censées dépasser celles de 1978-1979 qui totalisaient \$10,000,000. Le ministère des Affaires extérieures et celui de l'Industrie et du Commerce sont responsables de plus de 70 pour cent des dépenses dans ce domaine.

Régime des primes d'encouragement

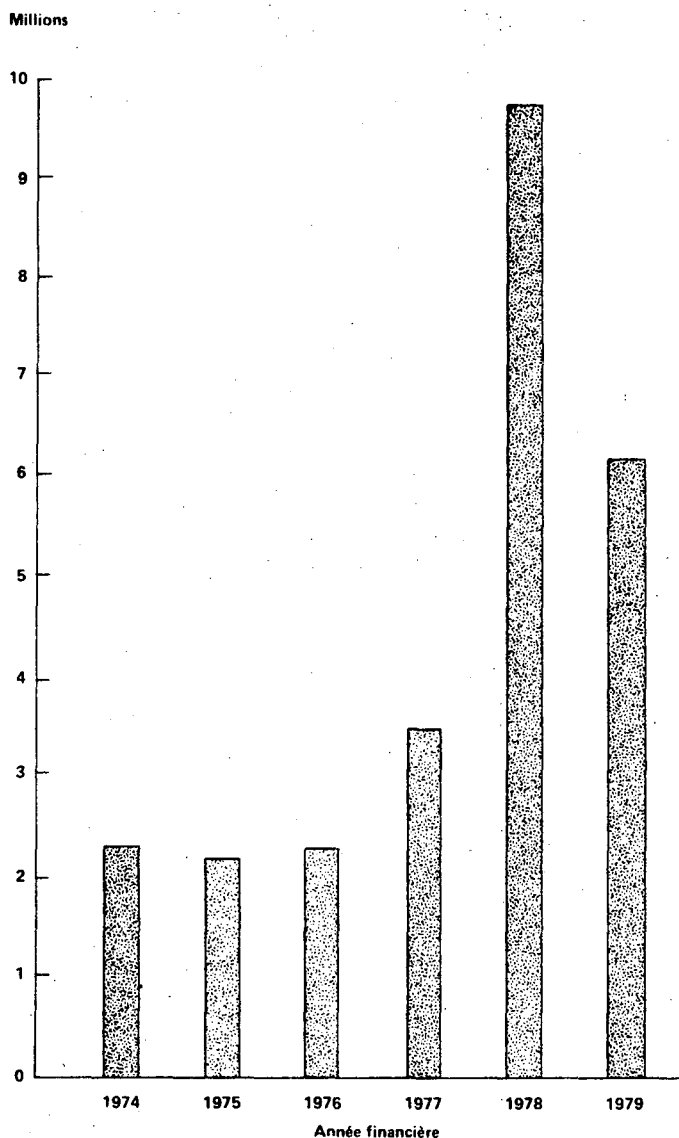
Le Régime des primes d'encouragement comprend des programmes conçus pour rendre hommage aux employés qui ont fait preuve d'un rendement exceptionnel au travail, qui ont rendu de longs et fidèles services ou qui ont présenté des propositions utiles et profitables à la Fonction publique. Plus précisément, ces programmes comprennent les primes à l'initiative, les prix pour services insignes, les primes au mérite et les primes pour longs services.

L'introduction, en 1978, d'une plaque en reconnaissance des longs services a été très bien accueillie dans l'ensemble de la Fonction publique. Devant l'enthousiasme des employés, un certain nombre de ministères ont fait des présentations au Conseil des primes d'encouragement pour que ce dernier accorde aussi la prime aux employés qui avaient déjà terminé les années de services requises avant l'introduction de la plaque. L'élargissement du programme a été approuvé sous réserve du recouvrement des coûts.

Dans le cadre du Programme des primes pour longs services, il y a remise d'une médaille aux employés prenant la retraite qui comptent au moins 35 années de service. En 1979, on a permis aux ministères participants de se procurer des médailles directement auprès des fournisseurs. La Direction continue à contrôler la remise des médailles en remettant aux fournisseurs la liste des acheteurs autorisés.

Même si un bon nombre de propositions valables ont été laissées en suspens au cours de la dernière année en raison du gel des dépenses facultatives, le Programme des primes à l'initiative a continué d'entraîner des économies substantielles et d'autres avantages. Comme en font foi le tableau 4 et le graphique 7, des économies de près de \$6,000,000 ont été réalisées en 1979. Compte tenu des propositions productives des quatre années précédentes, les économies réalisées suite aux propositions des employés dépassent la somme de \$24 millions (en dollars non rajustés).

Graphique 7
Programme des primes à l'initiative
Économies (en dollars)



Source: Dossiers de la DPA

Pour encourager encore plus les employés à présenter des propositions en vue d'améliorer les opérations, le Conseil des primes d'encouragement a organisé une série de séminaires à l'intention des surveillants pour les renseigner au sujet du programme. On y retrouve fréquemment le thème: "Les propositions proviennent des organisations bien gérées".

Tableau 4

Economies réalisées suite à des propositions

	<u>Primes approuvées</u>	<u>Montant accordé</u>	<u>Economies</u>	<u>Rapport direct coût-avantages</u>
1974	907	\$139,890	\$2,246,503	1:16
1975	742	115,135	2,133,350	1:18
1976	955	152,515	2,281,374	1:15
1977	879	179,325	3,352,120	1:19
1978	931	278,790	9,711,091	1:35
1979	863	237,534	5,968,322	1:25

Source: Dossiers de la DPA.

Un élément remarquable qui s'est produit au cours de l'année a été la présentation des primes au mérite au capitaine et à l'équipage du "Saint-Laurent", navire de la Garde côtière, en reconnaissance de l'exécution insigne de leurs fonctions pour libérer un navire pris dans les glaces de l'Arctique.

Programme de symbolisation fédérale

A l'appui de la politique relative au Programme de symbolisation fédérale (PSF), laquelle a été publiée à la fin de 1978, la Direction a publié un Guide de design du PSF qui donne des lignes de conduite concernant les normes de conception régissant les diverses applications. Un nombre total de 1,200 exemplaires du Guide de design ont été remis gratuitement aux ministères et organismes. A la suite de demandes particulières, un certain nombre de guides ont également été remis aux gouvernements provinciaux et territoriaux ainsi qu'à des organisations du secteur privé.

Pour savoir jusqu'à quel point le grand public connaît le symbole fédéral, une enquête a été menée à l'aide d'une question ajoutée au sondage Gallup d'avril 1979. Le tableau 5 présente le pourcentage des bonnes réponses concernant l'identification des trois symboles gouvernementaux visés par la question.

Tableau 5
Taux d'identification
des symboles gouvernementaux soumis à une enquête

	Canada (symbole fédéral)	Québec (fleur de lis)	Ontario (trillium)
Canada	63.1	55.0	24.2
Provinces atlantiques	50.4	25.8	9.8
Québec	85.7	85.9	6.6
Ontario	50.3	50.2	53.0
Provinces de l'Ouest	62.1	42.9	7.9
Colombie-Britannique	64.1	39.7	4.6

Source: Sondage Gallup - 1979.

Edition

Le programme d'édition du gouvernement a fait l'objet d'une surveillance plus étroite au cours de la dernière année. Suite à une étude menée en 1978 sur le coût et l'utilité des rapports annuels exigés en vertu d'une loi ou d'un règlement, la politique concernant l'édition a été modifiée de manière à comprendre des lignes directrices qui stipulent que les rapports annuels devraient donner un court résumé des faits portant sur les activités du ministère au cours de l'année visée et ne pas comprendre de texte publicitaire. On y a aussi ajouté des normes régissant la typographie, la reliure, le genre de papier, la dimension, les illustrations et la couleur.

Un deuxième domaine qui a attiré l'attention est celui des "éditions de prestige", c'est-à-dire l'édition de publications extrêmement dispendieuses et souvent ésotériques destinées à un auditoire restreint. Un sous-comité du Comité des directeurs fédéraux de l'information a tenté d'étudier le problème des éditions de prestige au sein du gouvernement et il a conclu qu'il était difficile, sinon impossible, pour une personne ou une autorité de déclarer qu'une publication était trop luxueuse. De plus, le sous-comité prétend que le gaspillage n'est pas uniquement attribuable à une conception trop recherchée, à l'emploi de couleurs, de papier fin, etc., mais au fait que chaque année des milliers d'exemplaires de publications gouvernementales ne sont jamais distribués.

Le Secrétariat a fait une évaluation préliminaire auprès d'un certain nombre de ministères pour voir s'ils observaient l'exigence de politique portant qu'il faut réviser chaque année les listes de distribution des publications gratuites afin de s'assurer que seuls y figurent les destinataires toujours intéressés à recevoir les documents en question. Comme les résultats démontrent qu'en général cette directive n'est pas observée, on envisage diverses mesures pour corriger la situation.

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Le Comité du Cabinet chargé des communications a ordonné la réalisation d'une étude d'envergure sur tous les aspects de l'édition gouvernementale. Cette étude sera menée en collaboration avec le Bureau du Conseil privé et comportera un examen approfondi des politiques et méthodes d'édition actuelles du gouvernement ainsi que des recommandations concernant les modifications qu'il faudrait apporter. Elle aurait pour principal objectif la réalisation de plus grandes économies dans le domaine de l'édition.

E. GESTION DE L'INFORMATION

Renseignements personnels et mesures législatives sur la protection de la vie privée

Au cours des 12 derniers mois, il s'est fait un nombre important de démarches étroitement reliées, mais indépendantes, concernant les politiques et les mesures législatives dans le domaine de l'information gouvernementale. Ces démarches comprennent:

- un projet de loi présenté au Parlement sur la liberté de l'information;
- une ébauche d'un projet de loi en vue de modifier la Partie IV de la Loi canadienne sur les droits de la personne;
- l'élaboration d'une ligne de conduite relative à l'emploi et la collecte des numéros d'assurance sociale;
- des mesures provisoires en vue d'élaborer un nouveau système de classification de sécurité;
- le début d'un examen de la Loi sur les secrets officiels;
- un projet conjoint du Conseil du Trésor et des Archives publiques pour réviser le "Décret sur les documents publics" qui régit la majeure partie des travaux des Archives publiques;
- une étude interne du Conseil du Trésor sur la Gestion de l'information enregistrée comportant une incidence de politique importante sur le traitement des textes (c.-à-d. la technologie "du bureau électronique"), les télécommunications et les services de bibliothèque;
- la mise sur pied d'un groupe de travail sur le service au public qui traite, en partie, de la bonne conduite des échanges du gouvernement avec le public au sujet de l'information.

Même si ces démarches sont étroitement reliées, il n'y a pas eu de direction globale et les mécanismes de coordination existants étaient souvent fragmentaires. Par conséquent, le Conseil du Trésor à titre d'organisme le plus activement mêlé à toutes ces démarches a mis sur pied un groupe d'étude sur la liberté d'information et la protection de la vie privée, chargé d'élaborer de manière coordonnée des politiques et des procédures en réponse à ces démarches.

Au cours de l'été et de l'automne 1979, la Direction de la politique administrative a afforté son concours au ministre d'Etat (Conseil du Trésor) pour proposer au Cabinet une ligne de conduite concernant le numéro d'assurance sociale (NAS) et à recommander des modifications à la Partie IV de la Loi canadienne sur les droits de la personne.

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La ligne de conduite adoptée à l'égard du NAS comprenait des mesures législatives à incorporer dans les modifications à la Partie IV de la Loi canadienne sur les droits de la personne en vue d'éliminer les rapports ambigus entre les institutions du gouvernement fédéral qui demandent le NAS et les particuliers.

Une autre mesure proposée en vue de régler l'utilisation du NAS à l'extérieur du gouvernement fédéral comprenait une étude par le Commissaire à la protection de la vie privée et un programme de publicité afin d'informer les autres paliers de gouvernement et le secteur privé de la ligne de conduite adoptée par le gouvernement fédéral.

En 1979, toutes les banques de données ont fait l'objet d'un examen et, en 1980, le troisième texte révisé du Catalogue des banques fédérales de données a été publié et mis à la disposition du grand public dans la plupart des bureaux de poste et bibliothèques d'importance au Canada.

Le premier rapport sur l'application de la Partie IV de la Loi canadienne sur les droits de la personne a été publié en 1979. On y souligne qu'au cours de l'année qui s'est terminée en mars 1979, on a reçu 13,081 demandes de consultation des renseignements contenus dans les banques fédérales de données et environ 10,000 de ces demandes ont été intégralement ou partiellement acceptées. La coordination de la mise en oeuvre et du traitement de ces demandes a coûté \$3.2 millions, soit \$800,000 pour la coordination de la mise en oeuvre et le reste pour le traitement des demandes par les ministères. Le traitement de chaque demande a donc coûté en moyenne \$205.65.

La Direction de la politique administrative a aussi participé à la rédaction du nouveau projet de loi en vue de remplacer la Partie IV de la Loi canadienne sur les droits de la personne.

Télécommunications

Au cours de l'année financière 1978-1979, 54 ministères ont déclaré avoir dépensé \$343 millions au chapitre des télécommunications.

La comparaison des données établie au tableau 6 indique un écart important des coûts au cours des deux dernières années en ce qui concerne le personnel des télécommunications. Cependant, cette importante hausse est attribuée à l'amélioration du système de rapport plutôt qu'à une croissance réelle. La hausse globale de \$68 millions ou de 24.7 pour cent sur l'année précédente comprend une augmentation moyenne des tarifs de 22.7 pour cent au cours de 1978-1979 qui s'appliquaient aux principaux services d'exploitation.

Tableau 6

Dépenses en télécommunications par catégorie

<u>Coûts</u>	<u>Objet des dépenses</u>	<u>1977-1978</u> <u>(\$000)</u>	<u>1978-1979</u> <u>(\$000)</u>
EXPLOITATION	Téléphone	\$ 93,006	\$111,583
	Télégrammes, câblogrammes et T.S.F.	43,743	47,045
	Autres services de télé- communications	9,042	16,193
	Réparations - lignes télégra- phiques et téléphoniques	45	32
	Réparations - Matériel de communication et matériel connexe	3,449	4,264
	Locations - Matériel de télécommunications	7,780	12,163
	TOTAL	<u>\$157,065</u>	<u>\$191,280</u>
IMMOBILISATIONS	Pièces - Matériel de communi- cation et matériel connexe	\$ 15,458	\$ 17,109
	Acquisitions - Matériel de communication et matériel connexe	32,129	39,960
	TOTAL	<u>\$ 47,587</u>	<u>\$ 57,069</u>
PERSONNEL DES TELECOMMUNI- CATIONS	Services profession- nels et spéciaux - Télécommunications	\$ 854	\$ 646
	Traitements et personnel contractuel	69,541	94,022
	TOTAL	<u>\$ 70,395</u>	<u>\$ 94,668</u>
DEPENSES TOTALES DU GOUVERNEMENT EN TELECOMMUNICATIONS		<u>\$275,047</u>	<u>\$343,017</u>
AUGMENTATION			24.7%

Source: Rapports annuels sur les télécommunications

En septembre 1979, on a pris des décisions à l'égard des recommandations du Comité consultatif des télécommunications (CCT) relatives au personnel affecté aux télécommunications. La Direction de la politique du personnel a annoncé la rédaction du mandat d'un Comité interministériel chargé du personnel des télécommunications et son intention de mener une étude sur les besoins des ministères en matière de formation et de perfectionnement.

En décembre 1979, un groupe de travail du CCT a été formé et chargé de définir les télécommunications et d'élaborer un code des dépenses pertinent. Le CCT étudie à l'heure actuelle un document qui décrit les politiques et les principes généraux du système de répartition des dépenses de l'Agence des télécommunications gouvernementales et le compare à un récent document de politique sur les fonds renouvelables. Ces travaux visent à rendre la question plus claire et plus compréhensible.

Le ministère des Communications a présenté au CCT, pour approbation une étude concernant l'élaboration de plans des télécommunications pour le gouvernement du Canada. Cette question revêt de l'importance du fait qu'il n'existe présentement aucune planification ou coordination globale.

La présentation du Rapport annuel de 1980 sur les télécommunications et les directives concernant sa rédaction ont été améliorées de manière à favoriser la communication des dépenses reliées à l'utilisation prévue et réelle des services, du matériel et du personnel de télécommunications. On y insiste davantage sur la prestation de données facilitant le processus de planification des ministères. Les ministères intéressés devront présenter leurs rapports avant la fin de juin. Le ministère des Communications (MDC) pourra ainsi présenter assez tôt un Rapport annuel sur les télécommunications pour que les ministères le reçoivent avant la fin de 1980.

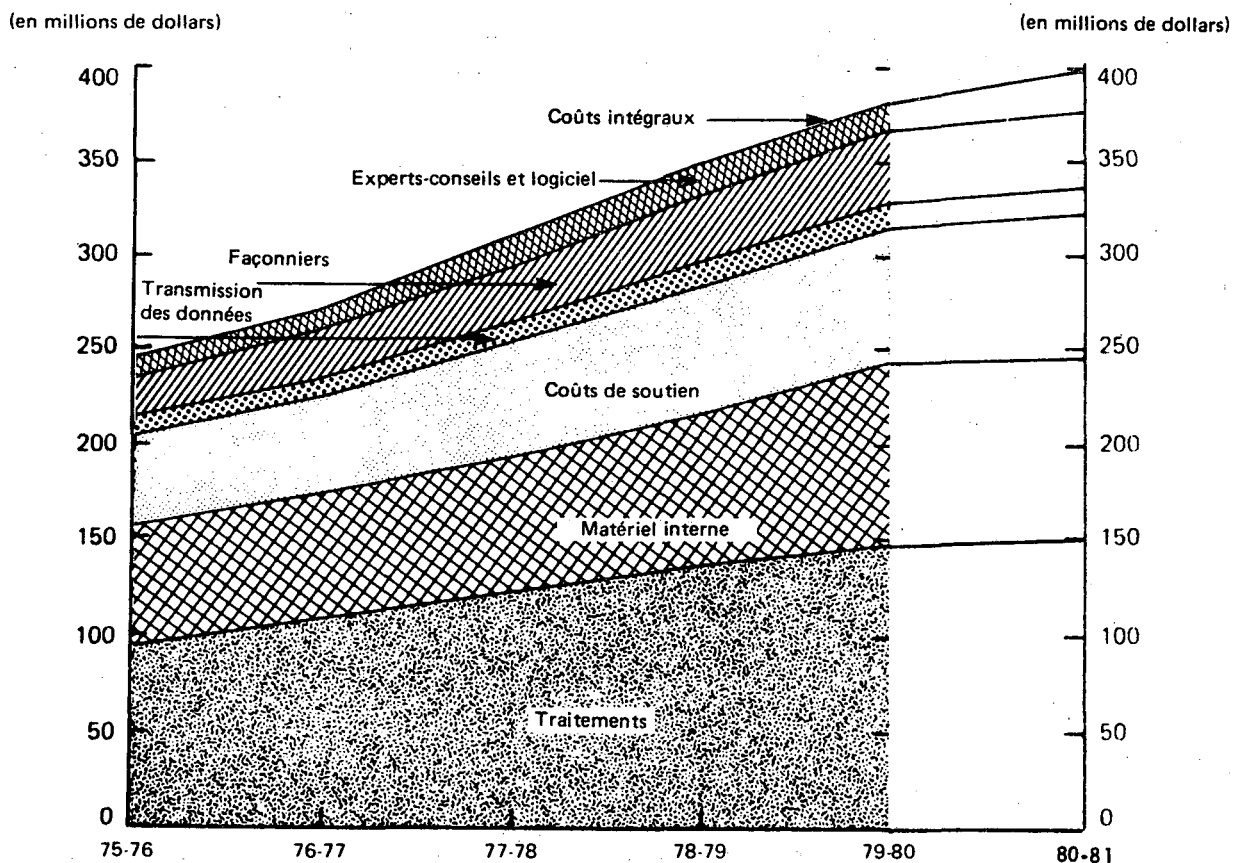
Des mesures ont été prises pour préciser des stratégies qui permettraient au gouvernement de profiter plus facilement de l'évolution technologique actuelle concernant les télécommunications, le matériel de bureau et les ordinateurs. Un groupe interministériel y travaille actuellement.

Informatique

Chaque automne, les ministères présentent leur Plan annuel d'informatique au Conseil du Trésor. La présentation des plans de 1979 a été reportée au début de 1980 pour permettre aux ministères de les rajuster afin de mieux tenir compte de la modification des priorités du gouvernement. Selon les 45 plans reçus en 1978, les coûts intégraux d'informatique pour 1979-1980 (y compris les traitements, les avantages sociaux et les frais généraux) atteindront \$380 millions (graphiques 8 et 9) et sont censés augmenter de 4 pour cent pour atteindre \$397 millions en 1980-1981.

Graphique 8

Répartition des coûts intégraux d'informatique
de 1975-1976 à 1980-1981



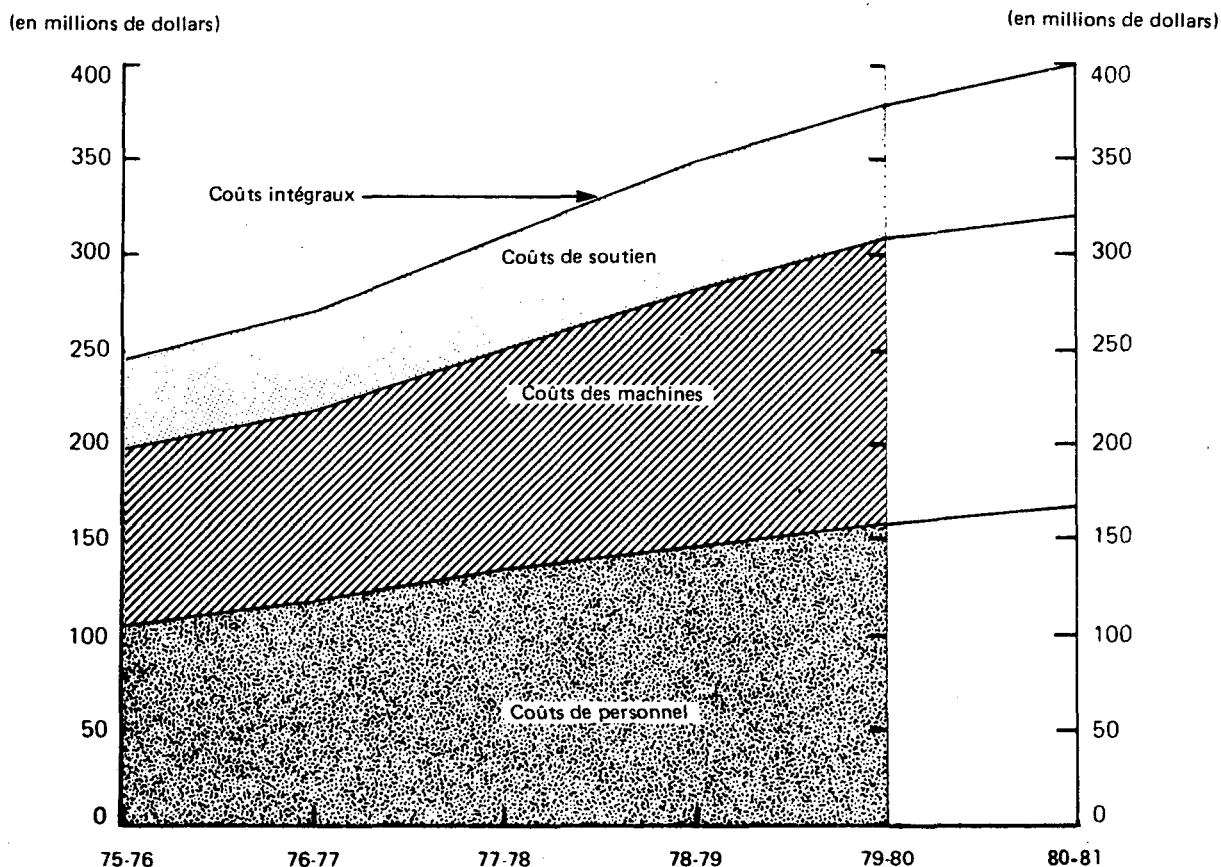
Source: Revue de l'informatique et des télécommunications au gouvernement du Canada

Au début de 1979, une étude de la politique du faire ou faire faire en informatique a été entreprise de concert avec le MAS (Approvisionnements) en vue de découvrir les moyens d'accroître au maximum le recours au secteur privé dans ce domaine. Dans le cadre de l'étude, l'équipe a rendu visite au gouvernement américain pour étudier comment ce dernier envisageait la politique du faire ou faire faire. Il appert que le Canada devance son voisin du sud dans la mise en oeuvre d'une telle politique en informatique.

Suite à cette étude, un certain nombre de recommandations ont été élaborées: elles seront présentées le plus tôt possible au Conseil du Trésor. En attendant, les travaux se poursuivent concernant la rédaction, de concert avec deux associations commerciales du secteur de l'informatique, d'un "Guide de comparaison des coûts des services d'informatique" destiné aux ministères à titre de norme en informatique décrivant les méthodes à suivre pour l'exécution d'études du faire ou faire faire. De son côté, le Conseil du Trésor élaborera des énoncés de politique visant à demander aux ministères d'effectuer de telles études dans des cas particuliers, à préciser les facteurs de coût qu'il faut prendre en considération et à renforcer la politique actuelle du faire ou faire faire en informatique.

Graphique 9

**Coûts intégraux d'informatique dans l'administration fédérale
de 1975-1976 à 1980-1981**



Source: Revue de l'informatique et des télécommunications au gouvernement du Canada

Le recours au secteur privé (notamment aux sociétés d'experts-conseils et de services informatiques) devrait augmenter légèrement, passant de \$57.1 millions en 1978-1979 à \$57.8 millions en 1979-1980, tout en diminuant un peu, soit de 15.9 pour cent à 15.2 pour cent, en pourcentage des coûts intégraux d'informatique.

La mise en oeuvre de directives du Conseil du Trésor concernant la politique du faire ou faire faire en informatique à l'appui du "Guide de comparaison des coûts des services d'informatique", de même que d'autres mesures, constituera un élément important pour favoriser le recours accru au secteur privé. Cependant, l'incidence précise des coûts à cet égard n'est pas encore connue.

La GRC a produit son deuxième rapport annuel sur la sécurité en informatique, le premier qui soit fondé sur la réaction globale des ministères à la mise en oeuvre des recommandations relatives à l'inspection de la sécurité. Le rapport fait foi d'une amélioration générale à cet égard et souligne des points particuliers dont il faudra tenir compte au cours de la prochaine année. Chaque fois que la GRC a évalué comme non satisfaisante la sécurité en informatique d'un ministère, le Secrétariat du Conseil du Trésor a rappelé au sous-ministre l'importance de cette sécurité. La réponse à ce jour a été très positive. Par ailleurs, la première partie de la norme de sécurité en informatique a été rédigée et fait présentement l'objet d'une présentation au Conseil du Trésor.

Dans la mesure du possible, des ressources plus nombreuses seront consacrées à la mise en oeuvre des recommandations de la GRC à l'égard de la sécurité en informatique, à la mise en oeuvre d'un plus grand nombre de normes de sécurité et aux mesures de suivi que doivent assurer les ministères.

Publicité et sondages d'opinion

Au cours de 1979-1980, on a adopté d'importantes mesures concernant la gestion de la publicité et des sondages d'opinion du gouvernement fédéral. Les plus importantes ont été la formation d'un Comité exécutif de ministres chargé de la publicité (CEMP) et la mise sur pied d'un Bureau de gestion (BDG). Le premier a été formé tant pour assurer la coordination maximale de la publicité et des sondages d'opinion que pour veiller à ce que l'on respecte pleinement les priorités et les politiques globales du gouvernement. La première fonction du Bureau de gestion consistait à conseiller le gouvernement à l'égard de toutes les questions concernant la publicité et les sondages d'opinion. Sa création vise à assurer le recours accru du gouvernement à la compétence du secteur privé. Le rôle du BDG était assuré par une entreprise canadienne du publicité sous contrat avec le gouvernement.

En vertu de la politique sur la publicité et le sondage d'opinion publiée en septembre, les ministères et les organismes devaient faire approuver tant leurs programmes que leurs projets par le CEMP. Le 31 janvier 1980, ce comité avait passé en revue 117 présentations distinctes

de projets provenant de 28 ministères et organismes différents. Avant que le CEMP ne réduise, reporte ou annule certains de ces projets, leur valeur totale atteignait plus de \$28.5 millions, soit 70 projets de publicité évalués à environ \$25 millions et 47 projets de sondages d'opinion évalués à environ \$3 millions. En plus de fournir des conseils au CEMP, le BDG a aussi aidé les ministères et les organismes en examinant leurs programmes, projets et budgets de 1979-1980. En mars 1980, le gouvernement a décidé de procéder à un nouvel examen de ce système de gestion de la publicité gouvernementale et il a adopté des mesures provisoires, en attendant les résultats de cet examen.

Analyse de l'impact socio-économique

La Direction de la politique administrative joue un rôle de coordination dans la mise en oeuvre par les ministères de la politique relative à l'Analyse de l'impact socio-économique (AISE) des nouveaux règlements importants dans les domaines de la santé, de la sécurité et de l'équité (SSE). Cette politique, qui est entrée en vigueur le 1^{er} août 1978, vise à assurer une évaluation plus approfondie et systématique de l'impact éventuel des nouveaux règlements. Il n'est pas uniquement question de l'impact des règlements SSE sur l'allocation des ressources, mais aussi de leur impact sur la répartition des revenus, le progrès technique, la structure du marché, la balance des paiements et l'inflation. Par ailleurs, la politique a pour but de donner au public la possibilité de participer davantage en prévoyant la publication anticipée, dans la Gazette du Canada, de l'impact vraisemblable de nouveaux règlements et en prévoyant une période d'examen précédant la promulgation, au cours de laquelle les groupes non-gouvernementaux peuvent faire des représentations.

En 1979, des lignes directrices concernant les exigences de la politique relatives au processus d'analyse et de consultation ont été présentées au Conseil du Trésor qui les a approuvées. Ces lignes directrices ont été incorporées en décembre 1979 dans le Manuel de la politique administrative.

Le 24 mars 1979, la première AISE a été mise à la disposition du public en même temps que le projet de règlement concernant les chloro-fluorométhanés (conformément à la Loi sur les contaminants de l'environnement) a été publié à l'avance dans la Partie I de la Gazette du Canada. Plus tard, soit le 13 octobre 1979, le projet de règlement sur les normes nationales de dégagement d'arsenic par les fours de grillage d'or (en application de la Loi sur la lutte contre la pollution atmosphérique) a été publié à l'avance et l'AISE connexe a été mise à la disposition du public. Au cours de l'année, la Direction de la politique administrative a continué de surveiller les travaux nécessaires pour l'inclusion d'autres études dans la "Série d'études concernant l'activité de réglementation du gouvernement", parrainée par le ministère de la Consommation et des Corporations et par le Conseil du Trésor.

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La première évaluation annuelle de l'efficacité de la politique d'AISE sera effectuée au cours de 1980 en se fondant sur les informations fournies par les ministères et organismes chargés d'appliquer les lois conférant le pouvoir de faire des règlements dans le domaine SSE; cette évaluation se fondera aussi sur les informations par les groupes non-gouvernementaux.

La Direction de la politique administrative participera vraisemblablement à la discussion et à l'étude des recommandations que le Conseil économique du Canada a faites dans son rapport provisoire concernant la réglementation responsable, y compris la possibilité de perfectionner et d'élargir la politique d'AISE.

F. SYSTEMES DE GESTION

Gestion des projets gouvernementaux

Après publication de la politique sur la gestion des grands projets de la Couronne, un rapport a été préparé à l'intention du Conseil du Trésor concernant le recrutement et la rémunération de chefs de projet qualifiés à cet égard. Ce rapport a été suivi de la politique traitant du profil du poste, des qualités, de la catégorie, de la rémunération et du perfectionnement des chefs des grands projets de la Couronne.

On a aussi préparé un guide sur la gestion des projets de moins de \$100 millions. Fondé sur les notions et les principes de base énoncés dans la politique sur les grands projets de la Couronne, cet aide-mémoire fournit des principes généraux et des lignes de conduite pratiques sur la gestion des projets, peu importe leur portée. Les dispositions de ce guide régissent des projets évalués à environ \$20 milliards.

Une politique relative au contrôle des coûts des projets, publiée en juillet 1979, souligne l'importance de la connaissance et de l'imputabilité des coûts et stipule qu'il faut nommer un chef de projet pour chaque projet assujéti à l'approbation du Conseil du Trésor. Les directives en application de la politique explicitent les inquiétudes concernant la fréquence des dépassements des coûts prévus et répartissent les responsabilités entre les ministères utilisateurs et les autorités contractantes.

Des mandats, des notes d'information portant sur les directives et les lignes directrices existantes relatives à la gestion des projets gouvernementaux et des bilans des projets actuels ou passés d'importance variable ont été rédigés à l'intention du Comité parlementaire spécial chargé des grands projets gouvernementaux en cours, créé pour mener une enquête approfondie sur les mesures à prendre pour empêcher que ne se répètent les dépassements des coûts prévus des grands projets (ceux dépassant \$1 million).

S'appuyant sur une stipulation de la politique relative aux grands projets de la Couronne, un système a été conçu pour informer continuellement le Conseil du Trésor des progrès réalisés à l'égard de chaque grand projet de la Couronne compte tenu des objectifs approuvés. Il doit être présenté sous peu au CT pour approbation. Le système s'appliquera à des projets d'installations et d'équipement évalués à environ \$10 milliards.

La mise en oeuvre de la politique relative aux grands projets de la Couronne s'est faite très rondement et efficacement au sein du Secrétariat et d'un certain nombre de ministères. Elle a comporté essentiellement de nombreuses présentations et réunions avec les hauts fonctionnaires du MDN, de POC, du SCC, de l'ACDI, du MTP et du MDT concernant la mise en oeuvre et l'observation de la politique en général,

ainsi que de l'aide aux ministères et à la Direction des programmes pour la préparation et l'examen, respectivement, des études d'options (MDN - véhicules de soutien logistique moyen; SCC - logement des détenus; MDT - brise-glace nucléaire), des exposés de projet (MDN - nouveaux chasseurs, frégate canadienne de patrouille, alerte lointaine et contrôle aérien par moyens aéroportés de l'OTAN, centres de contrôle des opérations régionales, prolongation de la vie des destroyers, satellite de recherche et de sauvetage; MDT - 3^e brise-glace de classe "R"; ACIDI - raccordement du réseau électrique du Kenya) et des rapports d'évaluation suite aux projets (MDN - le char d'assaut Léopard).

Autoassurance

L'autoassurance au sein du gouvernement n'est régie ni par une politique administrative globale ni par un ensemble de lignes directrices connexes; elle fait plutôt l'objet d'un certain nombre de documents distincts, y compris des décrets du conseil, des lois particulières, des règlements et des directives.

Dans un effort pour élaborer un cadre de politique approprié concernant l'autoassurance, les documents distincts susmentionnés ont été regroupés, d'après le principe de la gestion des risques, dans un chapitre particulier du Manuel de la politique administrative. Ce chapitre tient compte de la méthode conceptuelle élaborée par la DPA pour gérer les risques.

En ce qui concerne la mise en oeuvre permanente de la politique d'autoassurance, plus de 25 enquêtes différentes et complexes ont été menées. Elles ont porté sur une diversité de questions telles que, d'une part, la responsabilité de la Couronne et l'assurance des biens immobiliers appartenant au gouvernement ou non en ce qui concerne les attractions touristiques, les musées, les organismes sans but lucratif qui participent à la recherche et au sauvetage en mer, les pénitenciers et les parcs fédéraux; et, d'autre part, la répartition des tâches et des responsabilités ainsi que l'assurance des intérêts acquis suite à des projets entrepris conjointement par le fédéral, les provinces et le secteur privé dans le développement des télécommunications.

La promulgation de la Loi du Québec sur l'assurance-automobile a rendu nécessaire la publication d'une lettre circulaire sur la portée de la loi québécoise à l'égard des politiques administratives du gouvernement fédéral. La circulaire a été rédigée en consultation avec le gouvernement du Québec, le Bureau d'assurance du Canada, les ministères de la Justice, de la Défense et des Finances ainsi que la Direction de la politique du personnel.

Mesures concrètes

Un examen préliminaire des lois, règlements, décisions et mesures concrètes adoptés par le fédéral concernant la personne (droits de la personne, femmes, autochtones, handicapés), les langues officielles

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et les petites entreprises a été mené et ces résultats ont servi à la rédaction d'un rapport sur la question, en tenant compte de leur incidence sur les politiques administratives et sur l'élaboration d'un projet de politique et de stratégie de la Direction concernant les mesures concrètes. Le rapport final, qui a été présenté à la haute direction pour étude, a pour but la coordination des procédures et du calendrier concernant la révision et l'élaboration des politiques administratives de manière à assurer l'observation de la stratégie des mesures concrètes de la Direction.

Services communs

Le besoin d'élaborer une politique relative aux services communs constitue un autre domaine de préoccupation. En réponse aux recommandations faites par la Commission Lambert, on se propose de formuler les principes d'une politique de services communs concernant le rôle et les objectifs des organismes de services communs, leur financement et leurs rapports avec les ministères et organismes centraux clients.

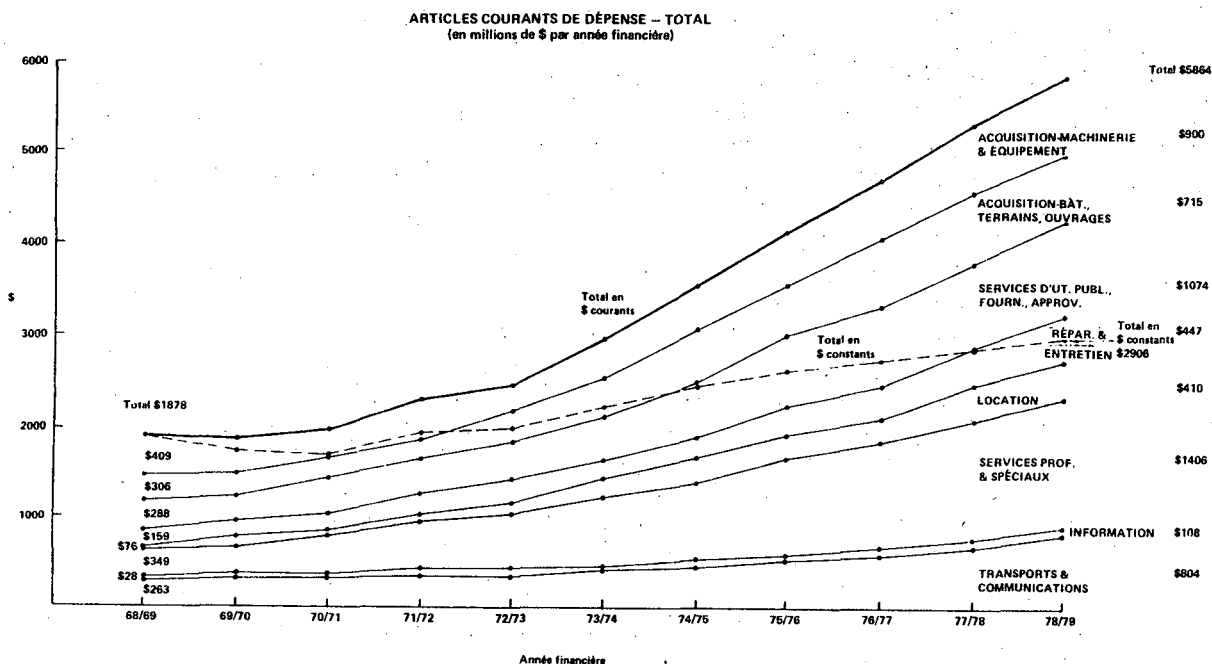
G. AUTRES ACTIVITES

Analyse de l'évolution des dépenses

Au cours de l'automne de 1979, la Direction de la politique administrative a effectué une analyse exhaustive des dépenses administratives au sein de l'administration fédérale de manière à découvrir de nouveaux domaines éventuels permettant d'améliorer le contrôle des dépenses gouvernementales. L'analyse a porté sur les dépenses administratives visées par les articles courants 02 à 09 des Comptes du Canada. Même si beaucoup de ces dépenses correspondent aux coûts directs des programmes, une partie importante d'entre elles correspond au coût du soutien administratif nécessaire à la prestation des programmes.

Les dépenses globales dans ce domaine atteignent environ \$6 milliards par année et ont triplé au cours de la dernière décennie. Comme en fait foi le graphique 10, même après avoir converti les sommes pertinentes en dollars constants, l'importance (\$3 milliards) et l'augmentation (50 pour cent) des dépenses sont suffisamment considérables pour justifier un examen attentif de la nature et de la croissance des éléments qui composent ce montant global.

Graphique 10



Source: Comptes du Canada

L'analyse a permis de relever un certain nombre de problèmes lorsqu'il s'agit de déterminer exactement quelles dépenses il faut examiner de plus près. Un de ces problèmes consiste en l'absence d'un système de comptabilité qui puisse satisfaire les besoins d'une gestion centrale des dépenses administratives. Un autre provient de ce que la définition et la classification des diverses dépenses des ministères ne sont pas normalisées.

Les activités courantes du contrôleur général dans ce domaine produiront, avec le temps, des données sur les dépenses plus étroitement reliées aux besoins de l'administration.

A l'aide des données disponibles à l'heure actuelle, on a relevé un certain nombre de domaines qu'il convient d'examiner en priorité et on les a inclus dans le plan de travail de la Direction pour 1980-1981. Les domaines qui méritent d'être examinés en priorité sont ceux qui sont marqués par un taux de croissance chronique élevé ou qui sont reliés à la croissance rapide de la technologie, à un usage généralisé ou qui présentent des possibilités évidentes de réaliser des gains de productivité ou d'obtenir une haute valeur pour les biens accumulés. Les critiques persistantes (du public) constituent une autre raison de les examiner en priorité.

Accroissement des recettes

Bon nombre de ces domaines prioritaires, notamment les télécommunications, l'information et les biens immobiliers, ont été traités plus haut dans le présent document. L'accroissement des recettes ou une meilleure politique d'imputation à l'utilisateur constitue un quatrième domaine à examiner en priorité. Une politique efficace dans ce domaine permettrait non seulement d'accroître considérablement les recettes du gouvernement mais aussi de mieux réaliser les objectifs de la gestion des dépenses gouvernementales en ce qui concerne les restrictions budgétaires et l'efficience de la gestion.

La Direction de la politique administrative a une politique relative à la cession à bail ou à permis des biens immobiliers, y compris les concessions. La politique stipule qu'il faut exiger le taux courant du marché dans une situation commerciale et recouvrer les coûts marginaux pour une utilisation faite dans l'intérêt de la communauté. Les recettes annuelles provenant de ce domaine sont de l'ordre de \$155 millions. La Direction (de concert avec la Direction des programmes) est en train de mettre au point un projet destiné à préciser les mesures à prendre pour relever les recettes tirées des baux et des licences en vigueur jusqu'au niveau du marché et les recettes tirées des utilisations actuelles faites dans l'intérêt de la communauté jusqu'au niveau des coûts marginaux ou encore plus haut. En outre, l'examen devrait aussi porter sur des questions telles que les frais d'admission sur les terrains de camping et dans les parcs afin d'accroître le recouvrement des frais d'exploitation et d'entretien, l'augmentation du taux d'intérêt sur les comptes à recevoir du gouvernement et le remboursement d'une partie des frais de scolarité par les personnes qui ont bénéficié des programmes de formation des adultes parrainés par le gouvernement et qui occupent maintenant un poste à temps plein.

H. PROJETS A LONG TERME

Un certain nombre d'activités qui doivent commencer en 1980 se poursuivront au cours de 1981 en raison de la complexité relative des travaux et du niveau des besoins en ressources des projets. Même si certaines informations à l'égard de ces activités à plus long terme ont déjà été données, des renseignements plus détaillés sont fournis ci-dessous sur les activités qui se poursuivront après 1980.

Différenciation des pouvoirs des ministères

Le besoin s'est fait sentir d'établir des différences entre les ministères quant à leur façon de réagir à la politique de passation des marchés et de s'y conformer. De concert avec le Bureau du Contrôleur général et la Direction des programmes, la Direction de la politique administrative examinera le Règlement sur les marchés de l'Etat afin d'établir des critères éventuels qui pourrait servir à mesurer la réaction des ministères et leur observation du règlement.

Réduction du fardeau des écritures

Tous les contrôles centraux et les exigences connexes en matière de rapports imposent un certain fardeau aux ministères. Dans une lettre qu'il adressait récemment aux sous-chefs au sujet de la coordination des activités de vérification, le Contrôleur général a décrit les mesures à prendre pour réduire au minimum le double emploi et toute ingérence indue dans les opérations des ministères. Dans un effort pour équilibrer les besoins d'information des organismes centraux concernant la mise en oeuvre des politiques et les besoins d'une souplesse opérationnelle des ministères, la Direction de la politique administrative examinera, de concert avec le Contrôleur général, la possibilité d'utiliser les renseignements obtenus grâce aux vérifications internes approfondies des ministères. De plus, on s'efforce présentement de s'assurer que les démarches actuelles en vue d'améliorer le système de codage financier tiennent compte des besoins d'information découlant de la politique administrative.

Formule normalisée des marchés de services d'experts-conseils

Afin de favoriser des méthodes uniformes de passation de marchés dans toute l'administration publique fédérale, on mettra au point une formule normalisée de marchés de services d'experts-conseils. Suite à un examen des méthodes existantes, un groupe de travail interministériel élaborera des clauses types pour tous les marchés de services d'experts-conseils et concevra des appendices pertinents pour les différentes disciplines professionnelles.

Gestion quantitative du matériel

Pour faire suite à la politique actuelle relative à la gestion qualitative du matériel, on stipulera des exigences relatives au contrôle exercé par l'organisme central sur la consommation des ministères. Ces

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mesures devraient permettre de relever les habitudes anormales d'utilisation et les pertes imputables à une aliénation prématurée ou au chapardage. Cette politique ne portera que sur l'établissement des exigences essentielles ou obligatoires et laissera aux ministères la tâche de concevoir les méthodes et les systèmes connexes nécessaires pour répondre à ces exigences.

Répertoire des sources d'information fédérales

Le premier Répertoire des sources d'information fédérales sera élaboré et diffusé. De plus, on établira une méthode pour la publication des éditions subséquentes (conformément à la législation sur la liberté d'information).

Autres initiatives

Bon nombre d'autres projets feront eux aussi l'objet d'une attention particulière, notamment l'élaboration d'une politique globale sur les imprimés, l'examen d'une méthode de versement d'un montant forfaitaire (ou d'une subvention) pour rembourser les employés de leurs frais de réinstallation et la rédaction d'un guide pour aider les ministères à transférer certaines de leurs opérations au secteur privé.

APXP/P.D. FRAZER/6-2136/MH

FILE ✓
DIARY
CIRC
CHRON

APX

Unclassified

APXP/Frazer

December 20, 1978

Treasury Board Memorandum to Deputy Heads,
November 20, 1978

Federal Identity Program (FIP)

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Mr. Dunseath, Director of Management Services Division (AFS) informed me that since late 1976 no one has been designated as the Department's liaison for the above-noted program.

2. Dunseath and D. Bresnahan, his Director-General, believe the subject matter falls well within the competence of Materiel Management Division (ARM). I would agree. Consequently, at the next meeting of directors-general, Bresnahan will recommend that ARM be appointed the Department's liaison for this program.

3. Based on an examination of the Federal Identity Program (FIP) literature received from the Treasury Board, I would suggest that APX involvement be limited to the Official Languages aspect of the program. To this end, I have prepared a memorandum for your signature, if you agree, requesting that Guy Benoit be placed on the Department's distribution list for material related to the program.

4. You may wish to inform APP of this arrangement.

P.D.F.

APXP/P.D.FRAZER/6-2136/MH

FILE ✓
DIARY
CIRC
CHRON

AFSA

Unclassified

APX

December 20, 1978

○ Treasury Board Memorandum November 20, 1978

Federal Identity Program

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APP
APXL

We should be grateful if you would ensure that Mr. G. Benoit, Head, Official Languages (APXL) be placed on the Department's distribution list for material related to this program.

Marie-Andrée Beauchemin

Marie-Andrée Beauchemin,
Director,
Personnel Policy and
Official Languages Division.



Treasury Board Conseil du Trésor

done
cc to Mr. Dunn
if clearedPlease pass original to Staff Relations
& Confidentiality

January 10, 1976



Mr. A.B. Roger,
Director, Information Division (FAI),
Department of External Affairs
Ottawa, Ontario.
K1A 0G2

Dear Mr. Roger:

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1-1-4	50

As the Treasury Board Secretariat frequently issues news releases and other material of direct interest to all or many public servants, it has occurred to me that your division might be interested in being placed on our mailing list for such publications, if you have not already so indicated.

I am particularly interested in reaching editors of departmental magazines, newsletters and other publications designed for internal communication so that our material, if deemed appropriate, can be communicated directly to your employees.

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I look forward to hearing from you.

Yours sincerely,

Please put APRS
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Paul M. Dunn

Paul M. Dunn,
Acting Director,
Communications Division.

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Circular No.: 1976-25

Our File No.: 9950-11

July 22, 1976

le 22 juillet 1976

To: Deputy Heads of Departments
and Heads of Agencies

Aux: Sous-chefs de ministères et
chefs d'organismes

Subject: Measurement of the
Performance of Govern-
ment Operations

Objet: Mesure de la performance
des opérations du
gouvernement

I INTRODUCTION

Purpose

The purpose of this circular is to state the Treasury Board's policy and guidelines governing the measurement of performance of government operations.

Application

The policy applies to all departments and agencies whose programs are subject to review by the Treasury Board. Other agencies of the federal government are encouraged to meet its requirements where applicable.

Summary

This policy requires that departments establish ways for routinely measuring the ongoing performance of their operations in terms of the effectiveness with which their objectives are being achieved and the efficiency with which they are being administered.

I INTRODUCTION

Objet

La présente circulaire a pour objet d'énoncer la politique et les lignes directrices du Conseil du Trésor qui régissent la mesure de la performance des opérations du gouvernement.

Application

La politique s'applique à tous les ministères et organismes dont les programmes sont examinés par le Conseil du Trésor. Les autres organismes du gouvernement fédéral sont priés de satisfaire à ses exigences dans la mesure du possible.

Résumé

Cette politique exige que les ministères établissent des moyens de mesurer périodiquement et régulièrement la performance de leurs opérations sous l'angle de l'efficacité avec laquelle elles atteignent leurs objectifs et de l'efficience avec laquelle elles sont conduites.

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The policy is based on the concept that it is sound management practice for control, planning and accountability purposes to monitor the movements of the relationships between:

- the results of operations and
- their associated costs (efficiency) and
- the desired effects (effectiveness)

Measures of performance, in addition to being essential to departments in managing their operations, are also of importance to Treasury Board in meeting its responsibilities with respect to the general management of the public service and for reviewing expenditure plans and programs.

Background

As one of the steps in introducing the Planning Programming Budgeting (PPB) concept, work began in the Treasury Board Secretariat in 1969 to develop a framework for evaluating the results of on-going government programs. Departments were encouraged to conduct periodic comprehensive evaluations of the effectiveness and efficiency with which their programs were achieving their objectives, and to establish ways of routinely measuring the on-going performance of their operations. The concept that was developed for the latter type of evaluation was named "Operational Performance Measurement" and was identified by the initials "OPMS" (operational performance measurement systems). It is the subject of this circular.

Elle se fonde sur l'idée qu'il est de bonne gestion, pour les besoins de contrôle, de planification et de responsabilité, de surveiller l'évolution des relations entre:

- les résultats des opérations et
- les coûts y afférents (efficience) et
- les effets souhaités (efficacité)

Outre qu'elles sont essentielles à la gestion des opérations des ministères, les mesures de la performance servent également au Conseil du Trésor à remplir ses responsabilités à l'égard de la gestion générale de la Fonction publique et à examiner les plans et les programmes de dépenses.

Historique

Dans le cadre de la mise en oeuvre de la Rationalisation des choix budgétaires, le Secrétariat du Conseil du Trésor s'est mis à élaborer en 1969, un cadre d'analyse permettant d'évaluer les résultats des programmes permanents du gouvernement. En même temps, les ministères furent encouragés à procéder périodiquement à des évaluations globales de l'efficacité et de l'efficience avec lesquelles leurs programmes atteignent leurs objectifs et à établir des moyens de mesurer périodiquement et régulièrement la performance de leurs opérations. Ce concept d'évaluation s'intitule "Mesure de la performance des opérations", que l'on désigne par le signe SMPO (systèmes de mesure de la performance des opérations), et constitue l'objet de la présente circulaire.

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The operational performance measurement concept, following a period of development and testing with a number of government departments and agencies, was approved by Treasury Board Ministers in April 1973. Departments were then informed of the Ministers' direction that the concept be implemented in all government departments and agencies where feasible, and that performance data begin to be supplied in support of resource requests to Treasury Board, where appropriate, by no later than the 77/78 program forecast.

In January 1974 the Treasury Board issued the manual Operational Performance Measurement which outlines the overall framework for evaluating government programs and which describes the concept and related techniques of operational performance measurement. The Program Forecast and Estimates Manual and related instructions contain information on how performance information is to be supplied in support of program requirements.

At present, performance measurement systems are in place or under development in most departments and agencies.

In February 1976 Treasury Board Ministers reviewed the progress being made in implementing the regular measurement of performance of government operations and directed that completion of this work be accelerated.

Après une période de mise au point et de vérification avec plusieurs ministères et organismes, les ministres du Conseil du Trésor ont approuvé, en avril 1973, le concept de mesure de la performance des opérations. Les ministères ont alors été informés que les ministres avaient donné l'ordre d'assurer, dans la mesure du possible, la mise en application du SMPO dans tous les ministères et organismes et de commencer à fournir, dès que possible, des données sur la performance à l'appui de leurs demandes de ressources au Conseil du Trésor, et au plus tard dans la prévision de programme de 1977-1978.

En janvier 1974, le Conseil du Trésor publiait le guide Mesure de la performance des opérations, qui expose le cadre général d'analyse permettant l'évaluation des programmes du gouvernement et qui décrit le concept et les techniques de mesure de la performance des opérations. Le Manuel des prévisions de programme et du budget des dépenses et les instructions y afférentes contiennent des renseignements sur la façon de fournir l'information sur la performance à l'appui des besoins des programmes.

A l'heure actuelle, les systèmes de mesure de la performance sont en place ou en voie d'élaboration dans la plupart des ministères et des organismes.

En février 1976, les ministres du Conseil du Trésor ont examiné les progrès réalisés dans la mise en oeuvre des systèmes visant l'évaluation régulière de la performance des opérations du gouvernement et ont ordonné d'accélérer ce travail.

Treasury Board Secretariat officers from the Planning and Program Branches have been working with departments to assist them in developing appropriate systematic ways of measuring the on-going performance of their programs to meet departmental management needs and the Board's needs for performance data for program review and resource allocation purposes. This assistance in interpreting and applying performance measurement policies and guidelines will continue to be available. However, as described later in this circular, the Treasury Board Secretariat has begun to give greater emphasis to reviewing the extent to which departments have met the requirements of the Board's policies, and the extent to which performance data supplied with resource requirements are representative of program performance.

II. POLICY

General Statement

1. *Departments and agencies of the federal government whose programs are subject to Treasury Board review will, wherever feasible, regularly measure the on-going performance of their operations in terms of the effectiveness with which their objectives are being achieved and the efficiency with which they are being administered.*

Les fonctionnaires de la Direction de la planification et de la Direction des programmes du Secrétariat du Conseil du Trésor ont collaboré avec les ministères à la mise au point de moyens systématiques de mesurer régulièrement la performance de leurs programmes, de manière à satisfaire les besoins en matière de gestion des ministères et les besoins du Conseil en données sur la performance aux fins de l'examen des programmes et de l'attribution des ressources aux ministères. Ils continueront de prêter leur concours quant à l'interprétation et à l'application des politiques et des lignes directrices en matière de mesure de la performance. Toutefois, comme on le verra plus loin, le Secrétariat du Conseil du Trésor a commencé à insister davantage pour examiner dans quelle mesure les ministères ont satisfait aux exigences des politiques du Conseil et dans quelle mesure les données sur la performance qui étayaient les besoins en ressources reflètent fidèlement la performance des programmes.

II. POLITIQUE

Enoncé général

1. *Les ministères et les organismes du gouvernement fédéral dont les programmes sont examinés par le Conseil du Trésor doivent, dans la mesure du possible, mesurer de façon périodique la performance de leurs opérations sous l'angle de l'efficacité avec laquelle elles atteignent leurs objectifs et de l'efficience avec laquelle elles sont conduites.*

Timing

2. As directed by Treasury Board Ministers in April 1973, departments and agencies were to begin to provide performance measurements, where appropriate, in support of their program requirements by no later than the 1977/78 Program Forecast.
3. Departments and agencies will continue to improve their ability to measure routinely the performance of their operations, for both internal management and resource allocation purposes, so that by 1980 all will be using adequate and reliable means, wherever feasible, for performance measurement. Progress towards this goal will be reviewed periodically by Treasury Board Secretariat officers.

III GUIDELINES

1. CRITERIA FOR APPLICATION OF PERFORMANCE MEASUREMENT POLICY

Measures of efficiency should be developed for programs where it is possible to relate ongoing results to the resources being used;

and/or

Measures of effectiveness should be developed for programs where it is possible to relate ongoing results to specific program objectives. (Included in effectiveness measures should be considerations of quality and level of service.)

Cadre chronologique

2. Ainsi que l'ont ordonné les ministres du Conseil du Trésor en avril 1973, les ministères et les organismes devaient commencer à fournir, dès que possible, des données sur la performance à l'appui de leurs exigences de programme, et au plus tard dans la prévision de programme de 1977-1978.
3. Les ministères et les organismes continueront d'améliorer leur aptitude à mesurer périodiquement et régulièrement la performance de leurs opérations, pour les besoins de gestion interne et d'allocation des ressources, de manière qu'en 1980, ils aient tous adopté, dans la mesure du possible, des moyens efficaces et sûrs de mesure de la performance. Les fonctionnaires du Secrétariat du Conseil du Trésor examineront périodiquement les progrès réalisés dans la poursuite de cet objectif.

III LIGNES DIRECTRICES

1. CRITERES D'APPLICATION DE LA POLITIQUE DES MESURES DE PERFORMANCE

Il faut élaborer des mesures d'efficacité dans le cas de programmes où il est possible de relier les résultats permanents aux ressources utilisées;

et/ou

Il faut élaborer des mesures d'efficacité dans le cas de programmes où il est possible de relier les résultats permanents aux objectifs précis des programmes. (Les mesures d'efficacité doivent tenir compte de la qualité et du niveau des services.)

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Measures selected should facilitate:

- Planning for on-going programs where it is important to assess past levels of performance in terms of the relationships between results, resources consumed, and objectives.
- Controlling the on-going operations of programs to aid in ensuring that the intended results are being attained within planned costs by relating planned performance to performance being achieved.
- Evaluating and Accounting for past levels of performance.

A description of the types of performance measures which can be provided, and an outline of points to consider in developing performance measurement systems, are contained in Appendix A. Further details may be found in the Treasury Board manual "Operational Performance Measurement".

2. USE OF PERFORMANCE INFORMATION IN THE ALLOCATION OF RESOURCES

The basic purpose of performance measurement systems is to provide departmental and agency management with the means required to evaluate routinely the performance of the on-going programs for which they are responsible, to ensure that limited resources are being used as effectively and efficiently as possible.

Les mesures choisies doivent favoriser:

- La planification des programmes permanents lorsqu'il importe d'évaluer les niveaux antérieurs de performance sous l'angle de la relation établie entre les résultats, les ressources consommées et les objectifs.
- Le contrôle des opérations permanentes des programmes pour assurer que les résultats visés sont atteints dans les limites des coûts prévus en rattachant la performance prévue à la performance obtenue.
- L'évaluation et la justification des niveaux antérieurs de performance.

L'appendice A contient une description des divers types de mesures de la performance et un exposé des points qu'il faut prendre en considération dans l'élaboration des systèmes de mesure de la performance. On trouve également de plus amples détails dans le guide du Conseil du Trésor intitulé Mesure de la performance des opérations.

2. UTILISATION DE DONNEES SUR LA PERFORMANCE DANS L'ALLOCATION DES RESSOURCES

Le but fondamental des systèmes de mesure de la performance consiste à fournir à la direction des ministères et des organismes, les moyens nécessaires pour évaluer périodiquement et régulièrement la performance des programmes permanents dont ils sont chargés en vue d'assurer que les ressources limitées sont utilisées de manière aussi efficace et efficiente que possible.

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The information provided by performance measurement systems is also of value in resource allocation, as it provides data on past and present levels of performance as a guide to assessing future requirements.

(Performance information is, of course, only one factor that is considered in resource allocations.) General instructions concerning the provision of performance data to Treasury Board with program forecasts are contained in the Program Forecast and Estimates Manual and related instructions. Specific instructions to individual departments and agencies are normally communicated in letters calling for program forecast and main estimates submissions.

3. RELATIONSHIP OF PERFORMANCE MEASUREMENT TO FINANCIAL SYSTEMS

It is obviously fundamental in measuring performance to be able to relate costs and results. Costs compared to quantities of outputs provide efficiency indicators, and costs compared to program effects can provide cost-effectiveness or cost-benefit indicators. (Further information on this subject can be found in the Treasury Board publication Benefit-Cost Analysis Guide.)

Les systèmes de mesure de la performance fournissent également des informations utiles en ce qui concerne l'allocation des ressources, car, en fournissant des données sur les niveaux de performance passés et présents, ils aident à l'évaluation des besoins futurs. (Les données sur la performance ne constituent évidemment qu'un facteur parmi ceux dont il est tenu compte dans l'allocation des ressources.) Le Manuel des prévisions de programme et du budget des dépenses et les directives y afférentes contiennent des instructions générales concernant la communication de données sur la performance dans les prévisions de programme présentées au Conseil du Trésor. Chaque ministère et organisme reçoit habituellement des instructions précises dans les lettres d'appel des présentations de la prévision de programme et du budget général.

3. LIEN ENTRE LES MESURES DE LA PERFORMANCE ET LES SYSTEMES FINANCIERS

Il est évidemment essentiel de pouvoir rattacher les coûts aux résultats quand on mesure la performance. Les indicateurs d'efficience proviennent de la comparaison entre les coûts et les quantités d'extrants alors que les indicateurs coût-efficacité ou coût-bénéfice illustrent les coûts par rapport aux effets des programmes. (On trouve également de plus amples détails dans le Guide de l'analyse avantages-coûts du Conseil du Trésor.)

Costs are usually obtained through departmental financial systems; thus it is important that the budgetary control and financial reporting aspects of the financial system, wherever possible, be an integral part of any performance measurement system. Such an integration will usually serve to avoid duplication in reports and to enhance the reliability of input data being used in performance measurement. Furthermore, it will emphasize the fact that accountability for results cannot be separated from stewardship of resources. An effective system of budgetary control should be based on the periodic matching of planned operational performance and planned costs with actual performance and actual costs.

However, it must be emphasized that care should be taken to avoid attempting too high a level of precision or completeness in gathering and allocating costs to outputs, results, or organizational elements. Otherwise, too complex and unwieldy a system may result. For most types of performance indicators, reasonable approximations are generally sufficient providing that they are in general agreement with the financial records. The means used to produce the information for performance indicators should be kept as simple as possible and with no higher a level of precision than is really required. For example, where total costs are not essential for each output, or would be difficult to obtain, it may be

Les systèmes financiers des ministères fournissent habituellement les coûts; il est donc important que les éléments du système financier relatifs au contrôle budgétaire et à la communication des données financières fassent, dans la mesure du possible, partie intégrante du système de mesure de la performance. Cette intégration permet d'éviter le chevauchement des rapports et de rehausser la fiabilité des intrants qui servent à mesurer la performance. En outre, elle fait ressortir le fait qu'on ne saurait séparer la responsabilité d'obtenir des résultats de l'intendance des ressources. Un système efficace de contrôle budgétaire devrait se baser sur la mise en parallèle périodique de la performance des opérations et des coûts prévus avec la performance et les coûts réels.

On ne saurait cependant trop insister sur le danger qu'il y a à vouloir atteindre un niveau de précision ou de perfection trop élevé dans la collecte des coûts et dans leur répartition entre les extrants, les résultats ou les éléments d'organisation. Autrement, il peut en résulter un système trop complexe et trop encombrant. Des approximations raisonnables suffisent généralement à la plupart des types d'indicateurs de la performance du moment qu'ils concordent avec les registres financiers. Pour obtenir les renseignements nécessaires, il faut s'en tenir aux moyens les plus simples possibles, sans chercher à atteindre un niveau de précision plus élevé qu'il n'est réellement nécessaire. Par exemple, lorsqu'il n'est pas essentiel d'avoir en mains les coûts totaux de chaque

much simpler to use direct costs as inputs for monitoring changes in levels of performance. Overhead costs and costs of unmeasured activities can be monitored in various ways, for example, as percentages of direct costs.

4. PERIODIC COMPREHENSIVE EVALUATIONS OF PROGRAMS

The policy set out in this circular provides for the routine measurement of the on-going levels of performance being attained by programs. The required performance measurement systems will not, of course, provide judgements on whether the objectives of programs are still relevant, or whether there are more effective or efficient ways of attaining them.

These questions can be approached through periodic thorough reviews of the basic purposes of programs and of the ways in which they are being carried out.

IV REVIEW

As noted earlier in this circular, Treasury Board is reviewing the progress being made by departments in meeting the requirements of this policy.

The aim of the reviews is to assess the extent to which departments have developed appropriate means for measuring the ongoing performance of their programs. Hence, the reviews examine the

extrant ou qu'il serait difficile de les obtenir, il peut s'avérer plus simple d'utiliser les coûts directs comme intrants pour contrôler les changements des niveaux de performance. Les frais généraux et les coûts des activités non mesurées peuvent être contrôlés de diverses manières en tant, par exemple, que pourcentage des coûts directs.

4. EVALUATIONS PERIODIQUES COMPLETES DES PROGRAMMES

La politique exposée dans la présente circulaire prévoit la mesure régulière et courante des niveaux de performance qu'atteignent les programmes. Les systèmes de mesure de la performance ne permettent pas, il va sans dire, de juger de l'à-propos des objectifs de programme pas plus qu'ils ne sauraient indiquer des moyens plus efficaces et plus efficaces de les atteindre.

Il faut aborder ces problèmes en examinant à fond et régulièrement les buts fondamentaux des programmes et les façons dont ils sont exécutés.

IV EXAMEN

Ainsi que nous l'avons déjà dit, le Conseil du Trésor examine le succès des ministères à répondre aux exigences de la politique.

Le but de ces examens consiste à évaluer dans quelle mesure les ministères ont élaboré des moyens appropriés pour mesurer la performance de leurs programmes. Il s'agit donc d'examiner les

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means used by departments to assess the relationships between the results of their programs and the associated costs, and to assess the extent to which programs are achieving their objectives.

The results of such reviews are of value to both departmental management and Treasury Board in determining:

- the extent to which existing measures of performance are representative of program performance,
- requirements for improvements to existing measures, and
- requirements for additional measures.

Amongst other things, the reviews examine the following aspects of the means being used by departments for performance measurement:

1. Adequacy

- What performance indicators are now available for the program?
- Do they provide adequate and appropriate information for evaluating all the major aspects of the performance of the program that can be measured?

moyens qu'ils utilisent pour évaluer les rapports qui existent entre les résultats de leurs programmes et les coûts y afférents et pour évaluer dans quelle mesure les programmes atteignent leurs objectifs.

Les résultats de ces examens sont indispensables à la direction des ministères comme au Conseil du Trésor pour déterminer:

- à quel point les mesures de la performance actuellement employées reflètent fidèlement la performance des programmes,
- s'il y a lieu de les améliorer, et
- s'il y aurait lieu d'en adopter d'autres.

Ces examens tiennent compte, entre autres choses, des aspects suivants des moyens utilisés par les ministères pour mesurer la performance:

1. Suffisance

- Quels sont les indicateurs de performance qui sont actuellement applicables au programme?
- Offrent-ils suffisamment d'informations pertinentes pour évaluer tous les grands aspects de la performance du programme susceptibles d'être mesurés?

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- Are there other feasible indicators which would provide for a more complete on-going assessment of program performance?
- Are any of the existing indicators of little value in terms of relevance and validity?

2. Accuracy

- Are the existing indicators sufficiently accurate for their intended use?
- To what extent are indicators, which relate to program costs, based on or reconcilable to the financial accounts for the program?

3. Usefulness

- Are the indicators provided in time to be of significant use in the management decision-making process?
- Are they available to the appropriate levels of management?

- Existe-t-il d'autres indicateurs utilisables et capables de fournir une évaluation permanente plus complète de la performance du programme?
- Parmi les indicateurs employés, y en a-t-il dont la pertinence et la validité sont négligeables?

2. Exactitude

- Les indicateurs existants sont-ils suffisamment précis pour atteindre le but qu'ils visent?
- Jusqu'à quel point les indicateurs qui se rapportent aux coûts du programme sont-ils fondés sur les comptes financiers du programme ou peuvent-ils être mis en concordance avec eux?

3. Utilité

- Les indicateurs sont-ils fournis assez tôt pour être de quelque utilité dans le processus décisionnaire de la direction?
- Sont-ils accessibles aux niveaux adéquats de direction?

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- Are they presented in a form that is easily understood and that permits significant changes, trends or variances to be readily observed?

- Are the performance data presented with Program Forecasts and Main Estimates in the form and content required by the Board?

4. Extent of Use

- To what extent are the performance indicators used in the management of the program? (e.g. program forecast, estimates preparation, operational planning, control, evaluation.)

- Have there been any significant program improvements in terms of major efficiency gains, improved service levels, or increased effectiveness that can be demonstrated using the existing performance indicators?

5. Departmental Review

- Does the department periodically review its performance measurement systems?

- Sont-ils présentés sous forme facile à comprendre et qui permette d'observer facilement les changements, les tendances ou les variations sensibles?

- Les données sur la performance sont-elles présentées avec les prévisions de programme et le budget principal des dépenses sous la forme et dans le détail prescrits par le Conseil?

4. Degré d'utilisation

- Dans quelle mesure les indicateurs de la performance sont-ils utilisés dans la gestion du programme? (par exemple, prévision de programme, préparation du budget, planification, contrôle, évaluation des opérations, etc.)

- Y a-t-il eu une amélioration sensible du programme (accroissements importants de l'efficacité, amélioration des niveaux de service ou efficacité accrue) qui puisse être démontrée par le recours aux indicateurs de la performance existants?

5. Examen du ministère

- Le ministère examine-t-il régulièrement ses systèmes de mesure de la performance?

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Review Report

On completion of a review, a report is given to the department concerned listing the findings and recommendations. Comments on the report are then submitted by the department to the Treasury Board. Follow-up reviews may be conducted by Secretariat officers.

V CONCLUSION

A basic responsibility of public service managers is to ensure that program results are being achieved as efficiently and effectively as possible. Application of the provisions of the policy contained in this circular will help to ensure that the means exist to assist managers in measuring the extent to which they are meeting this responsibility.

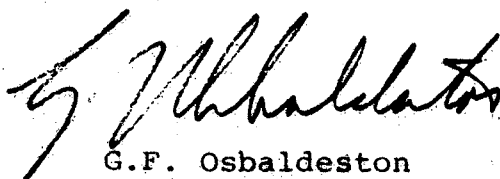
Rapport de l'examen

Une fois l'examen terminé, le ministère intéressé reçoit un rapport qui énumère les conclusions et les recommandations auxquelles il a donné lieu. Il le retourne ensuite au Conseil du Trésor accompagné de ses commentaires. Il arrive que des fonctionnaires du Secrétariat procèdent à un examen complémentaire.

V CONCLUSION

L'une des responsabilités fondamentales des gestionnaires de la Fonction publique consiste à assurer que les résultats des programmes sont atteints avec un maximum d'efficacité et d'efficacités. L'application des dispositions de la politique contenue dans la présente, aidera à assurer qu'il existe des moyens pour aider les gestionnaires à mesurer à quel point ils s'acquittent de cette responsabilité.

Le secrétaire



G.F. Osbaldeston
Secretary

Lists/Listes: 1A, 1B, 1C, 2, 3A, 3B,
4, 5, 8, 21A, B, C, D,
E.

APPENDIX 'A' TO CIRCULAR LETTER
1976-25

MEASUREMENT OF THE PERFORMANCE OF
GOVERNMENT OPERATIONS

1. PERFORMANCE MEASURES

(a) Efficiency

To measure the efficiency of an operation, it is necessary to quantify what is being produced, or the results being achieved, and to relate these to the associated costs. The ratio of these "outputs" to "inputs" is the efficiency of the program.

There are a number of ways in which inputs can be considered. At one extreme, the costs of all inputs related to an output could be gathered (including capital costs). This would provide a very complete measure of efficiency. To do this, however, usually requires very elaborate and expensive cost accounting mechanisms. A simpler approach, which can provide an "indication" of the absolute levels of efficiency being achieved, is simply to use direct inputs, and only those significant ones which are readily quantifiable. For example, in a labour-intensive program it may be appropriate to use salary dollars or man-years as the input, and to use the resulting labour productivity as an "indicator" of overall efficiency. The basic criteria in selecting what to include as inputs should be relevance to program management and ease of measurement.

APPENDICE 'A' A LA CIRCULAIRE
n° 1976-25

MESURE DE LA PERFORMANCE DES OPERATIONS
DU GOUVERNEMENT

1. MESURES DE LA PERFORMANCE

a) Efficienc

Pour mesurer l'efficienc d'une opération, il est nécessaire de quantifier ce qu'elle produit ou les résultats qu'elle atteint et de les rattacher aux coûts subis. Le rapport entre les "extrants" et les "intrants" constitue l'efficienc du programme.

Il existe plusieurs moyens de considérer les intrants. D'une part, on pourrait recueillir les coûts de tous les intrants par rapport à un extrant (y compris les coûts en capital). On obtiendrait alors une mesure très complète de l'efficienc. Pour ce faire, toutefois, il faudrait disposer de mécanismes de comptabilité des coûts très compliqués et très chers. Il y a une façon plus simple et qui fournirait une "indication" des niveaux absolus de l'efficienc obtenue; elle consiste simplement à utiliser les intrants directs et seulement les plus signifiants qui sont facilement quantifiables. Par exemple, dans le cas d'un programme à forte utilisation de main-d'oeuvre, il peut être de mise d'utiliser les charges salariales ou les années-hommes comme intrant et de faire jouer à la productivité de la main-d'oeuvre, le rôle d'indicateur de l'efficienc globale. Les critères de base qui président au choix des intrants devraient être signifiants pour la gestion des programmes et faciles à mesurer.

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(b) Effectiveness

Effectiveness is that aspect of performance which describes the extent to which objectives are being achieved. Given the many facets of the objectives of most government programs, it is obviously unlikely that any single or absolute measure of program effectiveness could be formulated. Hence, the approach normally taken is to select appropriate quantifiable aspects of a program's objectives and use these as indicators of ongoing overall effectiveness.

(c) Service

Indicators of quality and level of service and other related indicators are of value to program management. These are indicators of characteristics or properties and the appropriateness of goods and services provided. Examples of such indicators are: the waiting time to receive a service, error rate, client satisfaction, frequency of service, number of outlets, durability, conformity to specifications, intensity and complexity, etc. Again, it is unlikely that a single absolute measure could be developed and so "indicators" of service are normally used to assist management in monitoring this aspect of performance.

b) Efficacité

L'efficacité constitue l'élément de la performance qui décrit dans quelle mesure les objectifs sont atteints. Etant donné les nombreuses facettes des objectifs de la plupart des programmes du gouvernement, il serait évidemment difficile d'établir une mesure de l'efficacité des programmes unique ou absolue. Aussi l'approche habituellement adoptée consiste-t-elle à choisir les éléments quantifiables appropriés des objectifs d'un programme et les utiliser comme indicateurs de l'efficacité globale permanente.

c) Service

Les indicateurs de la qualité et du niveau du service et les autres indicateurs connexes sont utiles pour la gestion des programmes. Ils indiquent les caractéristiques ou les propriétés ainsi que l'à-propos des biens et des services offerts. On peut citer en exemple: la période d'attente pour bénéficier d'un service, le taux d'erreur, la satisfaction des clients, la fréquence du service, le nombre de points de prestation des services, la durabilité, la conformité au cahier des charges, l'intensité et la complexité, etc. Encore une fois, la possibilité d'élaborer une mesure absolue et unique étant à peu près nulle, la direction se sert habituellement d'indicateurs de service pour l'aider à contrôler cet aspect de la performance.

- 3 -

The availability of this type of performance indicator can be of considerable use to management in making trade-offs between efficiency and service in seeking to provide an adequate level and quality of service at the lowest possible cost.

(d) External Factors
Indicators

Indicators of the movements of factors which are external to, but which have a bearing on the performance of programs, should be identified. Such indicators can be of use in forecasting resource requirements (workload determinants), in controlling program performance, and in assisting in accounting for performance changes occasioned by external events.

Examples of such indicators would be the Consumer Price Index, Unemployment Rate, demographic indicators, crime rates, etc. Movements of the unemployment rate, for example, can have a bearing on the degree of difficulty experienced in obtaining placements in a manpower program. Demographic indicators can be of importance to such programs as Family Allowance and Old Age Security.

Further information on the uses of this type of indicator is contained on page 14 of the Treasury Board publication "Operational Performance Measurement", Volume 1.

Ce type d'indicateur de la performance peut s'avérer extrêmement utile à la direction lorsqu'il s'agit pour elle de faire les compromis nécessaires entre l'efficacité et les services dans le but de fournir un niveau et une qualité de services acceptables au coût le plus bas possible.

d) Indicateurs de facteurs
extérieurs

Il faut établir des indicateurs de l'évolution des facteurs qui sont extérieurs aux programmes mais qui influent sur leur performance. Ces indicateurs peuvent être utiles pour prévoir les besoins en ressources (déterminants du volume de travail), pour contrôler la performance du programme et pour aider à justifier les variations de performance causées par des événements extérieurs.

Parmi ces indications, il y a l'indice des prix à la consommation, le taux de chômage, les indicateurs démographiques, les taux de criminalité, etc. L'évolution du taux de chômage, par exemple, peut rendre le placement plus ou moins difficile dans un programme de main-d'oeuvre. Les indicateurs démographiques peuvent revêtir une certaine importance pour des programmes comme ceux des allocations familiales et de la sécurité de vieillesse.

De plus amples renseignements sur les utilisations de ce type d'indicateur sont donnés à la page 15, volume I du guide du Conseil du Trésor, intitulé: Mesure de la performance des opérations.

- 4 -

2. DEVELOPMENT OF PERFORMANCE MEASUREMENT SYSTEMS

There is no single "best system" for all programs. Performance measurement systems need to be tailored to the particular and unique requirements of each program. For each there are critical factors and indicators that provide useful measures of performance.

The development of useful performance measurement systems for a department or agency involves determining:

- the operations and their end outputs for which performance indicators would be useful,
- the specific indicators and reporting frequency desired, and
- the simplest means of producing the required indicators at the desired frequency. (Maximum use should be made of existing information systems, including financial reporting systems, in developing the means of producing the required indicators.)

Care should be taken in determining the number of levels of management to be provided with performance information from a common system. Anything much in excess of three to four levels during the early stages of development and operation of a system can make it too complex, unwieldy, and unresponsive. Simplicity must be the aim.

2. ELABORATION DES SYSTEMES DE MESURE DE LA PERFORMANCE

Il n'existe pas de système idéal qui convienne à tous les programmes. Les systèmes de mesure de la performance doivent s'adapter aux besoins particuliers de chaque programme. Pour chacun, il y a des facteurs et des indicateurs critiques qui fournissent d'utiles mesures de la performance.

Pour élaborer un système de mesure de la performance qui soit utile à un ministère ou à un organisme, il faut déterminer

- les opérations et leurs extrants finaux pour lesquels des indicateurs de la performance pourraient être utiles,
- les indicateurs précis et la fréquence désirée des rapports, et
- les moyens les plus simples de produire les indicateurs nécessaires à la fréquence voulue. (Il faut tirer le meilleur parti possible des systèmes d'information existants, y compris les systèmes de communication de données financières, dans l'élaboration des moyens de produire les indicateurs nécessaires.)

Il faut déterminer avec soins le nombre de niveaux de direction qui recevront des données sur la performance d'un système commun. Un système qui compterait plus de trois ou quatre niveaux dans les premiers stades de son élaboration et de son fonctionnement risque d'être complexe, rigide et difficile à manier. Il faut viser à la simplicité.

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Similarly, too complex or too detailed a data-gathering process in support of the indicators can make the system overly complex and expensive to operate. A system which is based on staff continually recording time spent on various types of outputs should be approached with caution, unless time recording serves some other important purpose. In some cases, a periodic survey of the distribution of staff time amongst various tasks will suffice. Where possible, statistical sampling or other such techniques should be considered for data gathering, especially for service and other effectiveness indicators.

Program managers must have a high level of involvement in the development and implementation of performance measurement systems, if the information produced by the systems is to be useful for control and resource allocation purposes. This involvement is especially important in selecting appropriate performance indicators, in determining the means to be used to produce them, and in implementing the necessary systems.

In the early stages of development of performance measurement systems for a program it is advisable to concentrate initially on developing indicators for aspects of the program that are readily measurable and controllable. Time spent initially in developing simple,

De même la mise en place d'une méthode de collecte des données trop complexe ou trop détaillée à l'appui des indicateurs peut également rendre le fonctionnement du système excessivement complexe et onéreux. Il faudrait ainsi se méfier d'un système qui exigerait du personnel qu'il enregistre constamment le temps passé à produire les différents types d'extrants, à moins que cette donnée serve à d'autres fins importantes. Dans certains cas, il suffit de déterminer périodiquement la façon dont les employés répartissent leur temps entre diverses tâches. Il faudrait, lorsque faire se peut, envisager de recourir à l'échantillonnage statistique ou à d'autres techniques semblables pour recueillir les données, surtout pour les indicateurs de service et les autres indicateurs d'efficacité.

Il importe que les gestionnaires de programme participent activement à l'élaboration et à la mise en oeuvre des systèmes de mesure de la performance, si l'on veut que l'information obtenue soit utile au contrôle et à l'allocation des ressources. Cela est d'autant plus important quand il s'agit de choisir les indicateurs de performance, de déterminer les moyens de les produire et de mettre en place les systèmes nécessaires.

Dans les premiers temps de l'élaboration des systèmes de mesure de la performance d'un programme, il est indiqué de s'attacher aux aspects du programme qui sont facilement contrôlables et mesurables. Mieux vaut en effet s'employer au début à mettre au point des indicateurs simples,

relevant and valid indicators for performance areas that management can directly influence, may be of greater value than time spent on developing more complex indicators of doubtful validity, for areas where the possibility of managerial impact is remote.

Base Year or Absolute Standards

Some indicators provide information on performance relative to some base or standard. However, where generally accepted standards do not exist for a program, an expedient is to use a "base year" approach, when developing a performance measurement system, rather than attempting to establish absolute standards for all aspects of performance.

The "base year" approach involves choosing a representative and "normal" year, for which adequate performance data are available, as the base year, and measuring performance against that year. From this base, standards or performance targets can be set as required. For example, standards for quality of service can be established and productivity improvement targets set once the performance measurement system is in operation and managers have confidence in the quality of the information being produced.

Further information on the development of performance measures is contained in the Treasury Board Manual "Operational Performance Measurement".

pertinents et valides pour les aspects de la performance sur lesquels la direction exerce une influence directe que de rechercher des indicateurs complexes et de validité douteuse dans des domaines où les possibilités d'action de la direction sont restreintes.

Année de base ou normes absolues

Certains indicateurs fournissent des données sur la performance par rapport à une base ou à une norme. Cependant, lorsque pour un programme, il n'existe pas de normes généralement acceptées, on peut se contenter au moment de l'élaboration d'un système de mesure de la performance, de la méthode de l'année de base, plutôt que d'essayer de doter de normes absolues, tous les aspects de la performance.

Cette méthode de l'année de base consiste à choisir une année "normale" et représentative, pour laquelle il existe des données suffisantes sur la performance et à l'utiliser comme terme de comparaison. Cette année de base peut alors servir à établir les normes ou les objectifs de performance voulus. Par exemple, on peut établir des normes de qualité des services et fixer des objectifs d'amélioration de la productivité une fois que le système de mesure de la performance fonctionne et que les gestionnaires se fient à l'information obtenue.

Pour plus de renseignements sur l'élaboration de mesures de la performance, il suffit de consulter le guide "Mesure de la performance des opérations" du Conseil du Trésor.

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Treasury Board

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CONFIDENTIAL

Ottawa, Ontario
K1A OG2

January 16, 1975

My dear Colleague:

I have read with interest your letter of November 18, 1974 concerning the subject of government decentralization. It raises a number of important considerations including the impact such a programme would have in the provinces and on governmental operations here in Ottawa. Accordingly, officials of my department are prepared to contribute to the consideration of this question in whatever manner is deemed most appropriate.

As for the first item under review, that of the possible physical location of new units or reallocation of existing units outside the National Capital Region, the Department of External Affairs as the foreign policy arm of the government, does not readily lend itself to decentralization. Units within the department are interrelated and it would be illogical to separate them.

However, we do maintain seven Passport Offices throughout the country (in Halifax, Montreal, Toronto (2), Winnipeg, Edmonton and Vancouver) largely for the purpose of issuing passports to Canadians wishing to travel abroad. If it were deemed to be of value these offices could possibly be expanded to extend wider support to certain programme activities of the Department in such fields as consular assistance, liaison with the academic community and visits of foreign dignitaries.

In addition, there has been in recent years a growing interest of the provinces in a variety of international subjects and an increasing involvement of provincial

①
The Honourable Jean Chrétien, P.C., M.P.,
President of the Treasury Board
Ottawa

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- 2 -

governments in international activities of various kinds, including in particular a substantial increase in economic and financial operations abroad. As a result, my department has become more and more involved in those provincial activities which have an impact on our external relations. We do have a Federal-Provincial Coordination Division to handle these subjects but consideration could be given to establishing closer links with the provinces by means of locating liaison officers in the provincial capitals, either in their own offices or on secondment to the provincial government.

I must point out however that any of these possible forms of decentralization would not replace anything that is now being done at headquarters and if we were to implement this programme it would require hiring additional personnel.

These are questions we will be giving further consideration to and they undoubtedly will be the subject of future discussion between our officials in the wider context of government decentralization. As I have already mentioned, we stand ready to cooperate wherever possible.

Yours sincerely,

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
ALLAN J. MacEACHEN
Allan J. MacEachen

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PDA/L.J. O'Toole/re

CONFIDENTIAL

January 10, 1975.

ACRP

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MEMORANDUM TO FPO

c.c. PDF FCP PCS

Decentralization of Government Services

... The Treasury Board has been instructed to undertake a systematic review of the possibilities for decentralizing services out of the National Capital area. The first phase consists of an identification of the possible candidates, later phases will consider feasibility and modalities. I attach a copy of a letter to the Under-Secretary from the Secretary of the Treasury Board dated December 17 in which they express a special interest in the Passport Office in this connection.

2. I have since spoken to Mr. Bernier of the Treasury Board to tell him that we think no units of the Department are really amenable to relocation, although we admitted that the Passport Office was a special case which we had no objection to discussing with them. Mr. Bernier agreed on this basis that there was no need to meet with me for a general survey of possibilities, but he remained anxious to discuss the Passport Office specifically as part of the first phase and he pressed for a meeting early next week. (The initial round of interviews with departments will end next week.) I would be grateful, therefore, if you would phone Mr. Bernier of Treasury Board, telephone number 5-0995, to arrange to meet with him at your mutual convenience. While I will not be able to participate in the meeting, I am asking PDF, by copy of this memorandum, to let you know whether he will be able to participate.

...2

CONFIDENTIAL

- 2 -

3. There is a certain amount of awkwardness about assigning ongoing responsibility for this subject and Mr. Bernier himself seemed a little impatient at having been bounced around between "seven or eight" different people in the Department. As discussed in my telephone conversation with Mr. Dupuis of FCP on January 7, I explained to Mr. Bernier that while we felt it was highly unlikely that we would be able to relocate any existing activities, we thought it likely we would have considerable interest in subsequent phases, as we might wish to eventually establish some form of regional representation to serve a number of our programme interests including, in particular, the growing federal-provincial traffic in international subjects. For this reason, FCP should be the responsible contact point from here on, although the first phase discussion will focus on the Passport Office.

... For your background information, I attach a copy of an earlier letter to our Minister from the President of the

... Treasury Board and a copy of the reply which is proposed. I am returning the remainder of the file to FCP, who should also advise you whether or not they wish to have a representative at your meeting with Mr. Bernier.

4. For FCP: The reply to Mr. Chretien has been amended as per your suggestion and has gone forward to the Minister's Office for signature. I told Mr. Bernier that my initial reaction to relocating the Passport Office was sceptical, if for no other reason than the symbolic significance of the passport-issuing function in relation to sovereignty, but I agreed that it had to be examined. He seemed willing to forego the pursuit of other candidates for relocation on the basis of the line taken in our reply to Mr. Chretien. Should he direct his attention elsewhere, there would of course be managerial and administrative implications, for which you would have to depend on other Bureaux for assessment.

L.J. O'TOOLE

L.J. O'Toole
PDA



President of The Treasury Board / Le Président du Conseil du Trésor

Mr. Halstead

CONFIDENTIAL

November 18, 1974

The Honourable A.J. MacLachlan, P.C., M.P.,
Secretary of State for External Affairs,
Ottawa, Ontario.
K1A 0A6

My dear Colleague:

On several occasions during the past year, we have discussed the subject of decentralization, primarily as one way to increase effectiveness in the delivery of government programs, but also as a means to improve sensitivity and responsiveness in government decision-making. In August, you might recall, the Cabinet requested further study of the issue, as set out in its record of decision (293-74 RD).

The purpose of this letter is to interpret the thrust of this decision as I see it and to discuss generally the approach I think we should take.

The decision expresses a strong interest in seeing what further potential for decentralization exists, while indicating at the same time some considerations which we as Ministers are not prepared to jeopardize. In particular, our concerns include Ministerial control and departmental communications, official languages objectives and the size of public expenditures. While having regard for these concerns, we have agreed that decentralization may be an important means of achieving several priority objectives such as increasing the responsiveness and effectiveness of individual programs, contributing to regional development, urban thrusts, equalized employment opportunities, federal visibility, and so on.

As you may note, the first part of the Cabinet decision (paragraphs a and b) relating to reviewing proposals can be handled in the normal course of Treasury Board departmental contact. The rest of the decision depends on each department's involvement. The first item I think we should address is that of the possible physical location of new units outside the major metropolitan areas and the NCR, and the relocation of existing units. It is my hope that, with your help, by the end of January I can report back to Cabinet with an inventory of plans and a report on the implications of such action.

Ottawa, Ontario
K1A 0R5

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(MR. LOOYE)

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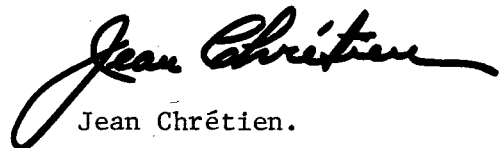
In a second phase of work on decentralization, I suggest we address the more complex process of determining areas in which delegation of authority to the field, regionalization or changed procedures to increase effectiveness, sensitivity and responsiveness, would be appropriate. These discussions will no doubt draw on and extend the work on relocation. I hope that we can report back on this and its implications, at least in a preliminary way, by March or April.

Your involvement in this study is likely to have a significant bearing on its outcome and I would be most grateful for any comments or suggestions you may have at any time. You may, for instance, be responsible for agencies or corporations for which you think this study may be relevant. My officials will contact your office to discuss this aspect.

Gordon Osbaldeston will be in touch with your Deputy to initiate detailed discussions concerning the implications for your Department. He will write shortly before we are ready to begin the process with your officials.

You will, of course, be kept fully informed of our progress. Given the above, I would expect that Cabinet would be in a position to make some definite decisions on decentralization this winter.

Yours sincerely,



Jean Chrétien.

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REGISTRY

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CANADA

SECRETARY OF THE TREASURY BOARD
LE SECRÉTAIRE DU CONSEIL DU TRÉSOR

Circular No.: 1969-49

Our File No.: 9550-1

OTTAWA 4, May 1, 1969

To: Deputy Ministers and
Heads of Agencies

The Government Organization Act, 1969, created the Department of Supply and Services (DSS) and decreed that it shall be operated as a common service agency for the Government of Canada. Under the Act, the Minister of Supply and Services has a responsibility to consolidate, on a government-wide basis, purchasing, matériel management for items not essential to the conduct of military missions, printing, publishing and to provide related services with the objective of reducing costs. In addition the Minister is responsible for a broad range of services which can best be provided on a centralized basis; these include administrative services supporting pay, superannuation and other employee benefit plans, a variety of consulting, financial, auditing and management services and, in his capacity as Receiver General for Canada, cheque issue, the maintenance of the central governmental accounts and the preparation of the Public Accounts.

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REGISTERED IN AUTH. INDEX & REFERRED FOR ACTION TO: <i>Matériel Mgt.</i>
COPIES REFERRED FOR INFO TO: CHIEF TREASURY OFFICER <i>Mr. Bennett, Mr. Keith</i> <i>Mr. Grant, Finance</i> <i>Prop Mgt., Mr. Gregson</i>

Received from T.B. 13-5-69

Circulaire: 1969-49

Notre dossier: 9550-1

OTTAWA 4, le 1^{er} mai 1969

Aux sous-ministres et
chefs de départements

La Loi de 1969 sur l'organisation du gouvernement a créé le ministère des Approvisionnement et Services (MAS) et a décrété qu'il devrait fonctionner comme organisme de services courants pour le gouvernement canadien. Aux termes de la Loi, le ministre des Approvisionnement et Services est chargé de fusionner, à l'échelle du gouvernement, l'achat, la gestion du matériel non essentiel à la conduite de missions militaires, l'impression, la publication et de fournir des services connexes en vue de réduire les dépenses. Le ministre est de plus responsable d'un large éventail de services qui ont avantage à être centralisés, à savoir la rémunération du personnel de soutien des services administratifs, la pension de retraite et autres régimes de prestations aux employés, une diversité de services de consultation, de finances, de vérification comptable et de gestion et, en sa qualité de Receveur général du Canada, émission de chèques, la tenue de comptes centraux du gouvernement et la rédaction des Comptes publics.

The purpose of this letter is to outline in broad terms the relationship of Treasury Board, DSS and customer departments.

The DSS role as a common service agency implements recommendations of the Royal Commission on Government Organization, which recognized the requirement for the consolidation of supporting services under central direction and the requirement for Treasury Board to issue policies and standards governing administrative practices throughout government. The Commission's report emphasized that organizations providing supporting services should exercise no control over the users, except within the strict limits of any responsibility laid on them for applying special considerations of public policy. As a corollary, the Commission expressed the view that, within the limits of any general standards applicable to the government as a whole, the user department should define its needs and bear the cost of the services received.

Part V of the Government Organization Act is intended to reflect the concept formulated by the Royal Commission on Government Organization relating to purchasing and supply, namely that:

- (a) Treasury Board shall prescribe the policy and regulations to control administrative practices, including purchasing, materiel management, printing, publishing, pay and employee benefit programmes, management consulting, data processing, and other related services throughout the government;

La présente lettre a pour but d'exposer les grandes lignes des relations entre le Conseil du Trésor, le MAS et les ministères usagers.

Le rôle du MAS comme organisme de services courants donne suite aux recommandations de la Commission royale d'enquête sur l'organisation du gouvernement qui avait reconnu le besoin de centraliser les services de soutien sous une direction et la nécessité de politiques et de normes fixées par le Conseil du Trésor pour régir les usages administratifs dans tout le gouvernement. Le rapport de la Commission soulignait le principe que les organismes fournissant des services de soutien ne devraient pas exercer de contrôle sur les usagers, sauf dans les limites strictes de toute responsabilité qui leur est confiée d'appliquer des certains aspects de la politique publique. En corollaire, la Commission a exprimé l'opinion que, dans les limites de toutes normes générales applicables à l'ensemble du gouvernement, le ministère usager devrait définir ses besoins et acquitter le coût des services reçus.

La partie V de la Loi sur l'organisation du gouvernement vise à appliquer le principe formulé par la Commission royale d'enquête sur l'organisation du gouvernement en matière d'achat et d'approvisionnement, à savoir que:

- a) Le Conseil du Trésor doit établir la politique et les règlements pour régir les pratiques administratives, y compris les achats, la gestion du matériel, l'impression, la publication, les programmes de rémunération et de prestation des employés, la consultation en matière de gestion, le traitement des données, et autres services connexes dans tout le gouvernement;

- 3 -

- (b) DSS shall be operated as a common service agency in conformance with such regulations as the Treasury Board shall prescribe; and
- (c) as a common service agency, DSS is mainly responsible for providing service in support of programmes of departments and agencies of the Government of Canada and for meeting the requirements of the user departments within Treasury Board policies and regulations.

The DSS is aware that there will be instances where certain purchasing and supply functions may better be left with the user departments and the legislation permits the Minister of Supply and Services to delegate his powers and functions to meet this need.

In providing a common service to operating departments in the supply and services area, the Minister intends to solicit advice and guidance from operating departments and to establish suitable machinery for this purpose to ensure adequacy of service and to facilitate interdepartmental co-operation.

- b) le MAS doit fonctionner comme un organisme de services courants en conformité des règlements que le Conseil du Trésor établira; et
- c) en qualité de ministère de services courants, le MAS est le principal organisme chargé de fournir des services à l'appui des programmes des ministères et départements du gouvernement canadien et de répondre aux besoins des ministères usagers dans le cadre des politiques et règlements du Conseil du Trésor.

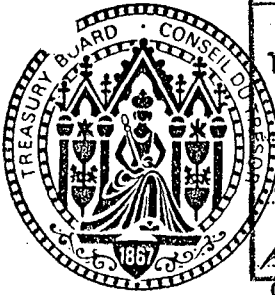
Le MAS sait pertinemment qu'il sera plus avantageux de laisser aux ministères usagers certaines fonctions d'achat et d'approvisionnement et la législation permet au ministre des Approvisionnements et Services de déléguer ses pouvoirs et fonctions à cette fin.

En fournissant des services courants aux ministères dans le domaine des approvisionnements et des services, le ministre compte leur demander conseil pour établir des rouages appropriés à cette fin afin d'assurer la qualité du service et de faciliter la collaboration entre ministères.


S.S. Reisman

NOV 2 1966

Received from T.B.



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TO: CHIEF TREASURY OFFICER

Mr. L. L. E. H. - Mr. Williams

Officer - Mr. MacLeod, Finance

Ext. Adm. Mr. Bennett

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Recipients of MI-7-66 of June 16, 1966

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<input type="checkbox"/>	POSTING SERV.

SUBJECT: An amendment to this directive for the purpose of being more specific concerning the need to obtain Treasury Board approval to pass by a low tender.

Explanation of Revision

1. This amendment is being issued to provide additional information and guidance to departments and agencies concerning the meaning of the term "qualified tenderer" used in MI-7-66.
2. After MI-7-66, June 16, 1966, was issued, it was brought to the attention of the Treasury Board Secretariat that the directive implied a delegation to contracting authorities that could not be granted by the Treasury Board because of section 16(2) of the Public Works Act and section 7(2) of the Government Contracts Regulations. The delegation in question concerns the right of a contracting authority to pass by a low tender on the basis that the tenderer is not qualified to do the job.
3. This observation is correct. Section IV (b) of MI-7-66 states that the lowest tenderer must agree that a job is beyond his capabilities before a contracting authority can decide to award a contract to a higher tenderer without Treasury Board approval. It was assumed that if the lowest tenderer agreed that a job was beyond his capabilities, then his tender would be withdrawn and what was previously the lowest tender, meeting tender call requirements, would no longer exist. MI-7-66 should have been clearer on this point by stating that the lowest tender must be withdrawn; otherwise a bona fide lowest tender would still exist and must be accepted, unless Treasury Board approval was obtained to pass by such a tender as required by the legislation previously mentioned.

- 2 -

This rule does not apply to tenders for purchase contracts where the legislative authority permits entry into the contract without obtaining tenders or prior approval of the Treasury Board.

Please revise your copy of MI-7-66 as follows:

Remove

Insert

Page 3

Page 3 (revised)

Asterisks indicate revisions.

MI-7-66

(revised Oct. 11/66)

T.B. 654442, May 30/66
655293, May 30/66


- 3 -

(ii) explain to interested parties why a contract was not awarded to the lowest tenderer.

(b) T.B. 655293 - The term "lowest tenderer" is to be interpreted to mean the lowest qualified tenderer.

IV. IMPLEMENTATION

- (a) It was noted by the Board that it would be impractical for departments and agencies to provide the names of persons bidding on certain complex or multiple-purchase tenders including the amounts therein, to interested parties and, therefore, the Board established the policy that this information would be made available on request rather than provided. In cases where it is practical for this information to be provided the Board expects that this will be done. In other cases, names and prices can be made available on request at headquarters or regional offices for interested parties to see. The main point of establishing this policy is that persons are not to be denied this information by departments and agencies without prior approval of the Treasury Board.
- * (b) The Board considers a tenderer to be qualified if he provides the required security deposit and if his tender meets the specifications for the work and other specified conditions in the tender call.
- * (c) If a contracting authority is completely satisfied that the lowest qualified tenderer does not have the necessary resources to complete the work and the tenderer agrees, after further explanation of the job, that it is beyond his capabilities, then it is safe to conclude that he cannot do the job. In such case, the contracting authority may request him to withdraw his tender and upon his doing so, it may return to him his security deposit and his tender. If the lowest qualified tenderer disagrees or refuses to withdraw his tender, then a recommendation must be submitted to the Board pursuant to section 7(2) of the Government Contracts Regulations to pass by his tender. Unsatisfactory performance in the past is not a sufficient reason to assume that a tenderer does not have the necessary resources to complete a particular contract.


Assistant Secretary.

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CANADA

1966 - 37

File Nos.

Fin. 326-2-1

T.B. 1435-1

Ottawa, October 5, 1966.

TO: Deputy Ministers and Heads of Agencies

1-1-4	
33	

Dear Sir:

In accordance with the Government Organization Act, 1966, and effective October 3, 1966, the Treasury Board is no longer part of the Department of Finance. Both Departments will continue to be served by joint personnel and administrative services.

All matters for the Board should be addressed to:

The Secretary,
Treasury Board,
Confederation Building,
Wellington Street,
Ottawa 4, Ontario.

Yours truly,

L.V. Thornton,
Director,
Personnel and
Administration.

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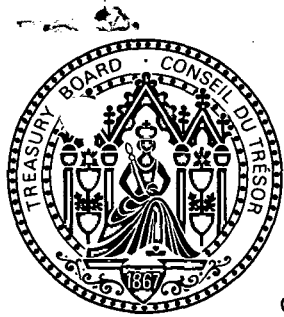
Mr. Meech

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TO: CHIEF TREASURY OFFICER

O/SSEA, Finance, Ext.Aid,
Pers.Serv., Pers. Ops., S. &
P., Mrs. Waterman, Mr. Keith.
MR. BENNETT

OCT 11 1966

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COPIES REFERRED FOR INFO
TO: CHIEF TREASURY OFFICERMr. Williams(O/USSEA), Insp.
Service, Finance, Ext. Aid,
S. & P., Mr. Bennett, Pers.
Serv., Pers.Ops., O. & M.

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LITERATURE DIGEST

RÉSUMÉ LITTÉRAIRE

MANAGEMENT IMPROVEMENT BRANCH
DIRECTION DES RÉFORMES ADMINISTRATIVES

NO. 1966-14 DATE August 31, 1966

TITLE: The Operational Audit - An Extension of
Management Controls

AUTHOR: R.E. Seiler

PUBLISHED: The Internal Auditor
Summer 1966

1-1-4	
33	

ADM. SERV. DIV.	
<input checked="" type="checkbox"/>	HEAD OF DIV.
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The internal audit function is a control device to appraise and evaluate all other controls which management has formulated. There is widespread disagreement as to what the "other controls" encompass. "What level of management control the internal audit function is to appraise and evaluate" is a controversial question.

Operational versus Financial Audit Controversy

The internal audit function has two basic purposes, protective and constructive. Protective auditing has been often associated with financial control, whereas constructive auditing is thought to be more dynamic and operational.

1. Financial Auditing characterizes the past when greater emphasis was placed upon the protective feature of financial control. Management delegated to the internal audit staff the responsibility for appraising and evaluating measures instituted to prevent and detect fraud and to report non-compliance with company's policies. This work directed toward the lower levels of the organization structure was essentially a review of past actions and events.

The author presents three basic reasons why an audit of financial matters is readily acceptable to management at both the top and intermediate levels:

- (a) This type of audit is historical in nature; it is easier to examine the past than the future.

- 2 -

- (b) Financial accounting systems and the system of internal control are creations of management. Too frequently, management assumes past compliance with the established system to be a measure of the success of the system.
 - (c) Audits of a financial nature are historically within the province of the accountant.
2. Operational Auditing is the extension of internal auditing into all operations of a business. It attempts to be more constructive in its methods. The controversy surrounding it is reflected in the resistance shown by some levels of management and lies in the fact that when an internal auditor is involved in an operational audit, he is not evaluating a system established by management, he is auditing management's compliance with the system.

A Change in Mental Attitude is Needed

The auditor thinks in terms of internal check when performing audits that deal with the internal control function. When dealing with the operational audit, he must think in managerial terms. He must bear in mind that he is the representative of general management when on operational audit, not the representative of financial management. A different basis for audit measurement must be used, not because the type of work is different; rather, it is the subject under review that is different. Seiler states:

"While the basis for examining a good system of internal check may be compliance with the system, the basis for evaluation of the operations of a department ... must be how nearly that department achieves the objectives which top management has set for it".

But Seiler does not recommend a complete break from the methods of financial auditing. The auditor should keep a "lifeline" to financial auditing, for, with this financial background, a path is laid for a more complete investigation of operations.

"A resourceful auditor can let financial matters lead him into almost as many places as he could want to go".

In using a final assembly department as an illustration, Seiler shows that, rather than going straight to the final assembly, the auditor would find a far more natural entry through an audit of payrolls, which leads to incentive pay and thus to the supporting time studies, until he finds himself deep into the operations of the assembly department itself.

Basic Approach: A Five-step Procedure

1. The auditor must first determine the general objectives of top management.
2. He must gather the necessary data about the organization of the department; the duties of the various personnel; their responsibilities; the flow of work or materials; the number, nature and timing of reports, and so forth.
3. He should segregate the work into "bite-size" pieces, at least until he forms a better picture of the whole department's work.
4. With the technical assistance of departmental personnel, he should apply common sense, and, "the peculiar sixth sense which a good auditor has", in order to spot weaknesses or inefficiencies in the department.
5. Finally, the auditor should bring all the parts of the picture together for a concluding review. At this point he is thoroughly familiar with the departments operations, personnel and procedures and is now ready to evaluate the performance of this operation in the light of what is expected of it. He must determine whether it measures up or falls short and, if it falls short, to recommend corrective action.

Specific Items to Evaluate

- A. Personnel should be reviewed. Is the work force adequate? What is the turnover experience? Is overtime done; if so, is it necessary?
- B. The workload of the department should be reviewed.
- C. Productivity should be reviewed. Though this is difficult to measure, it is important for the auditor to assure himself on this point by finding answers to such questions as whether the trend of productivity is up or down per manhour, per letter written, or per purchase order issued.
- D. Quality should be reviewed. Although this may be a highly subjective matter, the question, "Is the work of highest quality?", may be answered by investigating the amount of scrap, the number of errors made, the number of customer complaints, or the number of employee grievances.

- 4 -

- E. Reports should be reviewed. The number, nature and extent of the reports that flow into and out of the department must be investigated.
- F. Costs and expenses should be reviewed. This brings the auditor back into the financial field again, but he must maintain the management viewpoint. "He should be just as interested in whether the amount is justified as in whether the cost and expense are correct in amount".

Two Problems

1. Laying the Groundwork for the Audit

This entails proper communication between top management, for whom the audit is being performed, and the management of the department being audited. Since he is a representative of general management, rather than financial management, a clear statement of the responsibilities and authorities of the auditor and the purpose, nature and coverage of the audit must be given. It is important to maintain a clear-cut distinction between line and staff authority. It may promote the smooth progress of the audit, if the auditor would request in advance, the assistance of certain key personnel in the department being audited to provide background information and help establish an atmosphere of co-operation.

2. The Preparation of the Report

According to Seiler, this involves the responsibility of the auditor to inform top management of any findings reached as a result of the audit. In addition, the auditor's report has the responsibility of gaining the respect and confidence of the line people whose performance he is auditing. Seiler concludes that in most operational audits the auditor is not trying to solve a particular problem other than the general question of whether the department is operating at optimum efficiency. A keen sense of knowing how to recognize a weakness is of the utmost importance; often, the ability to locate the problem requires far more insight and talent than the ability to solve it.

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Org. & Methods Unit

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TO: CHIEF TREASURY BOARD

Admin. Imp. Unit, Communications/

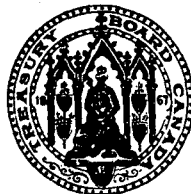
Col. Lockhart, S. & P., Mr.

Irwin, Production Services,

Registry, *EX. A.D.*

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FOR ACTION *ORG. & METHODS*



CONSEIL DU TRÉSOR

OTTAWA 4, February 16, 1966

Mr. Marcel Cadieux,
Under-Secretary of State for
External Affairs,
East Block,
Ottawa 4, Canada.

Dear Mr. Cadieux:

Different departments are using different systems of work measurement with the resulting difference of work standards for similar jobs in different government departments.

Treasury Board Secretariat has recently set up a group of work measurement specialists from different departments to study this situation and to recommend a course of action that will provide for comparability of work standards for like jobs in all departments.

As a part of doing this task, the study team needs to get facts about existing work measurement programs. Since some of the information required is detailed and technical it would be valuable if they could deal directly with specialist officers in departments who are responsible for implementing work measurement programs.

If you have a work measurement program within your organization, it would be appreciated if you would nominate an officer to deal with the study team, and have him telephone Mr. R.W. Rapley (2-6178), the Treasury Board director of the study. Mr. Rapley will also be pleased to provide any further information that your officers may want about the purpose and plans of the study.

No reply is necessary if you have no programs of this type at present.

For the purposes of this study, work measurement programs regarding typing and transcribing services using the line count system can be ignored as the facts about these programs are already available.

Yours truly,

D.R. Yeomans
D.R. Yeomans,
Assistant Secretary.

Received from T.B.

FEB 18 1966

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1-1-4



BUREAU CENTRAL DE TRAITEMENT
DES DONNÉES

Room 204, Finance Annex,
Tunney's Pasture,
OTTAWA 3, Canada.

July 1, 1965.

REGISTRATION WITH INDEX
& REFERENCE FOR ACTION PROCESSING
SERVICE BUREAU

Mr. March
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TO: CHIEF TREASURY OFFICER
Mr. Williams / 01455 EA,
Finance Pers. Ops.
Admin. Supp. Unit
Organizing & Methods Unit
Ext. Aid.

INFORMATION BULLETIN NO. 5

1. FALL TRAINING COURSES

The Bureau is arranging a series of training courses to take place in the months of September and October covering various aspects of the use of computers and data processing equipment. To date the following courses have been arranged:

<u>TITLE</u>	<u>DURATION</u>	<u>SUITABLE FOR</u>
Introduction to Computers and Data Processing	2 half days	Senior Executives
Introduction to FORTRAN	5 days	Non-programmers wishing to obtain an introduction to this language.
Introduction to COBOL	5 half days	Non-programmers wishing to obtain an introduction to this language.
Introduction to Computing and Data Processing	10 half days	For those with no previous experience in computing and data processing equipment and methods.
IBM 360 Assembly Language	10 days	Programmers.

Firm dates for these courses will be notified in a later bulletin. Should you wish to make a reservation for one of these courses, please call Mrs. Forbes at 2-2107.

2. RATES FOR COMPUTER TIME

Treasury Board Circular Letter No. 1963-97 (T.B. 616725) dated December 12, 1963 outlined policy regarding charges to departments using computers within the government service. Subsequently, Treasury Board Circular Letter No. 1965-6 (T.B. 635377) dated February 3, 1965 provided that the Bureau

- 2 -

would establish rates for time provided within maximum charges approved by Treasury Board from time to time. The Bureau has been working on the problem of a uniform schedule of rates and the following is a list of maximum rates to be charged on government installations:

<u>MANUFACTURER & MODEL</u>	<u>CUSTODIAN</u>	<u>HOURLY RATE</u>
IBM 650 with 407 on line	National Defence	\$20.00
IBM 1620 Mod. I	Agriculture	20.00
IBM 1620 Mod. II	Mines & Technical Surveys	35.00 *
IBM 705	Dominion Bureau of Statistics National Defence	100.00
IBM 7074	National Revenue - Taxation	150.00
IBM 7074	Finance - Comptroller of the Treasury	145.00 *
IBM 1401 - 8K	Dominion Bureau of Statistics National Defence National Revenue - Taxation Transport	35.00
IBM 1401 - 4K	Finance - Comptroller of the Treasury	25.00
UNIVAC 1004	National Defence	20.00 *
IBM 360 Model 40	National Research Council	115.00 *

* Rates suggested by the Bureau but not yet approved by Treasury Board.

In addition, the Bureau has negotiated the following maximum rates with University and commercial computing facilities:

<u>MANUFACTURER & MODEL</u>	<u>LOCATION</u>	<u>HOURLY RATE</u>
CDC 3100	University of Montreal	\$120.00
CDC 3400	University of Montreal	360.00
IBM 1401 - 16K	IBM Data Centre - Ottawa	51.00 (plus (\$7.50 per hr. for operator if required)

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- 3 -

A full schedule of university and commercial facilities available to the Bureau, together with rates charged, will be published in the next Information Bulletin.

Requests for time on these installations and for pick-up and delivery services may be addressed to the Bureau's Administrative Officer, Mr. D. A. Hodgins (2-1704). Our telephones are manned from 8.00 a.m. to 5.00 p.m. on working days. Arrangements for the provision of computer time were outlined in our Information Bulletin No. 1 dated March 1965.

3. REPLACEMENT OF IBM 1620 COMPUTERS

The number of government IBM 1620 installations may be substantially reduced in the fall of this year. The Bureau is prepared to make arrangements for running existing 1620 programs during the period of transition and reprogramming. We would appreciate knowing of these requirements as early as possible in order to make the most advantageous arrangements for our users.

4. COURSE IN SIMSCRIPT

A course in SIMSCRIPT has been arranged by a group in Montreal for the week of August 30, 1965. It is hoped to bring the originator of the language from California to give this week's course: the cost of the course will depend on the members attending. At the present time this works out at \$285.00 per person attending. Anyone wishing to attend this course should contact the Bureau as soon as possible.

5. INSTALLATION OF IBM 360 MODEL 40 AT NATIONAL RESEARCH COUNCIL

The IBM 360 Model 40 has been installed at the National Research Council and is planned to go into operation on July 1, 1965. This facility was planned to have five tape drives and a disk: however, the disk unit will not be available for some ninety days and two extra tape drives are being provided as a temporary replacement. A special support FORTRAN is available and the Bureau has prepared a series of test programs to provide information on the operating characteristics of this installation. It is recommended that prospective users contact Dr. D. C. Baxter or Mr. L. Long (2-1900) for information on system characteristics before proceeding too far with programming for this installation.



TREASURY BOARD BULLETIN

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CHIEF TREASURY OFFICER
Admin. Improvement Unit
Mr. Macleod
Personnel, Supplies & Property

Bulletin No. 1-64

May 11, 1964.

FINANCIAL MANAGEMENT

Delineation and Subdivision of Programmes

Previous Treasury Board Bulletins outlined plans for the introduction of improvements in financial management in the government. The terms of reference of the consultants working in four "pilot" departments were outlined according to the major headings, which were:

1. Definition of programmes and activities;
2. Organization for financial management;
3. Financial planning;
4. Financial control systems;
5. Accounting systems;
6. Management control and reporting systems; and
7. Internal auditing.

The first series of reports dealing with the definition of programmes and activities has been received and considered. This Bulletin deals with the principles that should be followed by all departments in planning the introduction of programme budgeting. This can be a complex task for no one programme is exactly like any other and the development of programme budgeting and responsibility accounting in each programme area will necessarily be influenced by the particular characteristics of the undertaking. The principles outlined below, while generalizations, are, however, common to all.

General Considerations Guiding Programme Delineation

The general aim of the present review of financial management may be said to be the introduction of programme budgeting and responsibility accounting. Individual programmes should -

- (1) be identified with legislation and describe the purpose of the programme;
- (2) give Parliament, the Executive and management a clear insight into the primary purposes of departmental operations and facilitate the evaluation of alternatives;
- (3) be complete in themselves and not contain significant elements of unrelated functions, thus facilitating the determination of total costs of each programme;

- 2 -

- (4) be capable of assignment to a specific individual who can be held accountable for achieving the objectives of the programme.

Some of the more important objectives of programme budgeting are -

- (1) To show the nature of the programmes being carried out by each department and the activities making up each programme so that those in authority, by knowing the purposes for which funds are being requested, will be in a better position to establish priorities and decide on the most effective allocation of the funds or other resources available to the government.
- (2) To bring together as many of the costs associated with a given activity or programme as is practicable, so that those in authority can weigh prospective benefits against related costs and estimate the effect of a cut-back or expansion.
- (3) To facilitate the planning and control functions of departmental management by providing a means of assessing the effect of changes in demands for services, and thus in levels of activity, on the funds needed to finance a given programme.
- (4) To improve financial management within a department by identifying individual accountability, wherever practicable, for the estimation and control of revenues and expenditures associated with a particular programme.

Practical examples of the application of the foregoing principles are illustrated in the 1964-65 Main Estimates vote pattern for the Departments of Agriculture, Northern Affairs and National Resources, Transport, and Veterans Affairs. With some exceptions, the consultants found that the consolidation of the vote pattern has resulted in a reasonable delineation of the programmes of these departments.

Definitions

It has been found that in discussing this problem, semantic difficulties can become acute. The following definitions are presented in an effort to avoid some of these difficulties. While there are undoubtedly better explanations and definitions, these will at least give some precision to the terms used in this Bulletin.

Programme Budgeting and Responsibility Accounting

Organizational units plan and execute programmes. They are given authority and responsibility for carrying out operations within approved plans. Programme budgeting is thus the process of planning operations and estimating financial requirements for each programme which is then coupled with

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- 3 -

responsibility accounting--the assigning of responsibility to organizational units for both financial and operational performance in meeting planned objectives.

Programme

A programme is a grouping of activities with a broad common objective as set out in enabling legislation. Each programme is a centre of government operations and, in the budgetary process, represents a precise area of political, executive and managerial significance.

Activity

An activity is the purpose for which an organizational unit is established and reflects the type of work or service provided.

Objects of Expenditure

The classification of accounts according to the nature (e.g., salaries, materials, equipment, etc.) of the expenditure. In addition to classifications which will reflect both responsibility and activities, an object classification, which will reflect expenditures in terms of things purchased in a standard or uniform way across all departments, is essential for many purposes including accounting and the economic analysis of government operations.

How Programmes Are Divided

Since programmes embrace large areas of government operations requiring the expenditure of many resources, they are too big to be managed effectively on this level alone. The next step, therefore, is the division of programmes into their principal components. Bearing in mind the definitions and objectives outlined above, it is apparent that programmes must be subdivided by departments to meet two tests. The subdivision of a programme must -

- (a) identify clearly the authority and responsibility assigned to each manager for carrying out his share of programme,

- AND -

- (b) identify the real purpose or nature of the activities making up the programme rather than the nature of the expenditure (objects of expenditure).

Consider the first of these tests. Responsibility within a programme is reflected by the organization. If the organization is properly drawn, there will be no overlapping of management responsibilities, and effective responsibility can be determined.

- 4 -

If clear organizational lines are not established and adhered to, it will be impossible to establish a responsibility reporting system. If a manager has more than one superior, he cannot be held responsible for his performance if he gets conflicting direction. For example, if a regional or district manager is supposed to be responsible to a programme director for a budget but is in fact also obliged to follow operational directions from staff specialists at headquarters, neither he nor the staff specialists can be held truly responsible for the operations of his unit. The organizational relationships must be clarified before responsibility can be assigned and a responsibility reporting system initiated. Once responsibility has been precisely determined, it is, of course, essential that commensurate authority be delegated down the line. Budgetary control will rest on this responsibility pattern. Funds will be allocated to responsible managers. They must be given authority to manage these funds. They can then be held correspondingly accountable for their performance.

All of this relates only to the first test of ensuring that responsibility is precisely assigned in accordance with organizational lines of command. However, no organization exists for its own sake. Senior management, in developing their annual plan for a programme, will be concerned with the principal purposes or objectives to be sought. The second test requires the presentation of the expenditures needed to meet these objectives.

In instances where the organization that executes a programme is constructed so that each organizational unit is responsible for only one activity, the programme components will be identical for both responsibility and activity purposes. For example, if a programme is intended to provide hospitalization, education, and welfare to some particular group, and if the organization to carry out the programme is divided into self-contained medical, education, and welfare divisions with one individual and his subordinates responsible for each at every level, then responsibility will be identical with purpose and both tests will be met by one subdivision of the programme. If, however, for administrative reasons, the organization is divided geographically into regions, then districts, that are responsible for several activities, the responsibility pattern will not directly reflect the activities of the programme and these activities must then be expressed separately.

Systems for management control and reporting will be the subject of a subsequent Bulletin, as soon as the consultants' reports on the sixth item of their terms of reference are received and considered. The question of control is treated here only to the extent necessary to clarify the requirements for subdividing programmes into responsibility and activity components.

In cases where the organization is divided geographically rather than functionally, so that the organizational framework is not identical with the activities making up the programme, budgets will be struck on an agreed activity level and then translated into standard objects at the lowest management level. Budgets of organizational units then become progressively consolidated by levels of responsibility up to the programme director himself.

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- 5 -

A separate system of reports for each activity--medical, education and welfare--will allow higher management to monitor progress in these terms. These two facets of each programme are, of course, completely interdependent and serve the same fundamental objective of management, namely the achieving of operational plans in the most efficient and economical manner.

The future nature or depth of Treasury Board allotment control is a question which cannot yet be determined. The Board will naturally have an interest in both the responsibility and activity aspects of a programme because of its role in management and in programme determination. It can be assumed that Treasury Board allotment control will be consistent with the departmental financial control system that meets the tests described above. Accountability will always be in terms of expenditures and operational accomplishment, but it would be reasonable to expect that allotment control by activity would not be exercised by the Board unless responsibility and activity coincide.

Parliament will invariably be interested in the activity, or purpose, breakdown of programmes. However, there will presumably also be a parliamentary interest in the responsibility breakdown of certain programmes, for example, where this presents information of a regional significance, etc. There may be other ways of expressing programmes which could be of interest to Parliament or the Executive, but these can be arranged for specifically where required.

Vote Structure

The foregoing discussion has been concerned with the principles applicable to the delineation of programmes, and their division into components for management purposes, without consideration of the vote structure. The manner in which the total expenditure requirements of the government are divided into votes is, of course, dictated by the needs of parliamentary review and control.

Theoretically, the drawing together of all the costs of any programme would suggest that one programme equals one vote. However, most programmes contain, at least at some point in time, the two elements of operating and capital expenditure; many also have a third element of major transfer payments (grants and subsidies). These distinctions are important on a government-wide basis. Trends in operating costs should not be obscured by the year-to-year fluctuations which inevitably occur in capital programmes. In addition, Parliament and the Executive have a special interest in the impact of capital programmes on the economy and the flexibility to adjust these programmes to respond to economic circumstances is of particular importance.

While large transfer payment activities can be considered as merely another way of achieving a given objective within an operating programme, they are different in kind. Since requirements for their financial management within departments are relatively insignificant, the needs of Parliament will be the main factor in determining the vote pattern for these purposes.

- 6 -

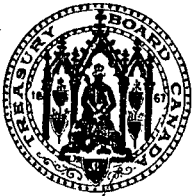
For all of these reasons, each programme will continue to be divided, where appropriate, into the three votes of administration and maintenance, capital, and grants and subsidies. This division, representing a kind of overlay of parliamentary control, will be superimposed on the delineation of programmes previously arrived at according to the principles and concepts discussed above.

Conclusion

While all aspects of the system have not yet been fully examined, it is hoped that the implications for greater freedom for senior management from detail and greater authority for operating management to "get on" with things will be apparent.

It is recognized that the foregoing will raise many intimately related questions, such as the form of budgetary control; the relationships of a programme "manager" with the departmental organization for financial management and of the department with the Treasury; the system of management reports; the responsibility for and the nature and extent of the accounting and audit systems; etc. These will be the subject of subsequent bulletins which will be issued as the proposals of the consultants are received, considered, and approved.

Comments on this bulletin are invited and officers of the Treasury Board associated with the studies are available for any further consultation departments may require.



TREASURY BOARD BULLETIN

Bulletin No. 2-63

September 18, 1963

Mr. Keiff
Miss Jones
"Blackburn"
+ file
Wilde

Copies sent to:
M. Matheson, Sec., Committee on Admin
Finance Div
S & P
Personal Sec. 27/9/63
Asst. Sec.

File 1-1-4

MANAGEMENT IMPROVEMENT

An earlier bulletin dealing with Improvement of Financial Management (1-63) described the general plan and initial steps proposed to examine the application to Government departments and agencies of the Glassco Commission's recommendations concerning a Plan for Financial Management.

The Government has now approved the management studies for this purpose and negotiations are underway which will result in the selection and engaging of four management consultants to undertake them in the four departments concerned. All four departments will be reviewed by the consultants for the purpose of improving financial management, but one of these, namely the Department of Northern Affairs and National Resources, will also be examined from the point of view of improving management generally, that is, in the financial, personnel, systems and materiel areas.

It was realized very early in the planning stage that a high degree of co-ordination would be necessary if the studies to be undertaken by consultants were to follow a consistent pattern and produce useful results which could be introduced in other areas of Government. In recognition of this, not only was the decision made to have the work of the selected consultants performed under the guidance of policy and co-ordinating groups, including among others representatives of the departments and the staff of the Treasury Board, but it was also clearly appreciated that the terms of reference and the scope of the studies would have to be prepared with utmost care.

With this in mind, the Treasury Board, in March, 1963, authorized the Department of Finance to engage consultants to conduct a preliminary survey of the Departments of Agriculture, Transport and Veterans Affairs to advise on the best methods of undertaking more detailed studies utilizing outside consultants, including the preparation of terms of reference for these studies and contract specifications for use in negotiation with the management consultants. Subsequently, a similar survey was commissioned by the Department of Northern Affairs and National Resources to cover a broader study as described earlier in this bulletin, with the understanding that the financial management aspects of the program would be co-ordinated with the similar studies in the other three departments concerned.

The terms of reference and scope of study which were agreed to as a result of the preliminary survey referred to above and which have now been approved are summarized hereunder:

Terms of Reference - - Agriculture, Transport and Veterans Affairs

The project objectives are to survey in depth the present departmental financial management practices and to indicate where improvements can be introduced to enable both operating and staff management to carry out their responsibilities more efficiently. To accomplish these objectives, certain aspects of financial management will be examined, which are described briefly below:

1. Determination of Programs and Activities - this will involve an examination of the functions, operations and organization of the department. The programs and activities so established will be translated into a vote structure and will be the basis for the study of financial management in the department.
2. Organization for Financial Management - a review will be made of the present duties and responsibilities of all officers providing staff services to operating and senior management in the area of financial management. The present financial management organization will then be evaluated, including estimates of the size of the establishment required and the advantages of a centralized or decentralized organization, and position descriptions for all the key positions in the financial management structure will be prepared; for the above purposes it is to be assumed that there will be a gradual implementation of the concepts of departmental managerial responsibility as proposed by the Glassco Commission over a period of, say, three to five years.
3. Financial Planning (including expenditure and revenue) - the present methods for operational planning will be reviewed and evaluated with particular emphasis on the interpretation of these plans into financial terms; where indicated, improvements are to be proposed and developed into a detailed system for improved operational planning. Long-term (five years), financial planning and procedures, as well as the annual Estimates process, will also be examined and where improvements are proposed, a detailed program will be developed to enable implementation in these departments prior to the preparation of estimates for the fiscal year 1965-66, if this proves to be feasible. The consultants will also look at the standards of measurement used by the department in preparing and reviewing financial plans and will suggest improvements and the type of standards that can be usefully employed.
4. Financial Control Systems - a review will be made of the present delegation to all levels of departmental management of authority for incurring expenditures and the adequacy of these will be analyzed in relation to the needs of operating management and the requirements of the Government's over-all financial control system. Suggested improvements in this area are to be developed on the basis of present Government regulations but comment is to be invited on the adequacy of these regulations as they affect the management of departmental operations. The present

departmental methods for allocating funds to spending units and controlling these allocations will also be examined with improvements and an implementation program suggested where indicated.

5. Accounting Systems - the present accounting systems will be analyzed in relation to the requirements of operating management and of performance efficiency. In recommending improvements and outlining an implementation program with reference to accounting systems, as well as to financial control and reporting, the present statutory responsibilities of and procedures followed by the Comptroller of the Treasury will be considered in conjunction with the needs of departmental management and the over-all system of Government administration. The questions of decentralization of the accounting systems, use of data processing equipment, adequacy of accounting information for cost control purposes and make-or-buy decisions, applicability of accrual accounting, etc., will also be considered.
6. Management Control and Reporting Systems - present reports will be reviewed and their effectiveness evaluated in relation to the principles of good management reporting systems. Improvements are to be suggested where required and a detailed implementation program developed to facilitate installation in these departments during 1964-65. In addition, budgetary control techniques are to be examined and improvements, where indicated, are to be proposed for implementation during 1964-65. The applicability of net voting will also be considered, as well as the need for improved costing systems, particularly in respect of the allocation of common service costs. The need for a continuing program of operational analysis will be looked into, involving the role of the senior financial officer in interpreting the results of operations and assisting management in making improvements.
7. Internal Auditing - the requirements for internal auditing will be determined and a plan for implementation developed.

Terms of Reference - Northern Affairs and National Resources

The study to be undertaken in the Department of Northern Affairs and National Resources encompasses not only financial management but the broad field of management generally, including personnel, systems and materiel management. For this purpose, the terms of reference had to be specially adapted but all items already covered under the description of the financial management terms of reference will be generally applicable to the financial area in Northern Affairs and National Resources.

In areas other than financial management it is intended among other things to examine and develop criteria on the make-or-buy question in relation to "secondary" activities. Departmental personnel administration procedures will be studied and the system by which personnel performance is measured will be evaluated, with improvements

to be developed if indicated. Personnel planning and the methods used to develop long-range requirements for personnel resources in respect of skills and types of manpower needs will be studied; staff training and development programs will be looked at, including the present methods and criteria used in determining the need for training. Departmental classification and salary administrative procedures will also be reviewed and evaluated.

In addition, all other major administrative systems and procedures in the department will be reviewed and their efficiency analyzed. The various practices for managing administrative matters will be examined (forms control, records retention, filing and mailing, etc.). The present practices for compiling and reporting information of a statistical nature will also be reviewed. In the field of procurement and materiel management, such matters as procedures for requisitioning, purchasing, receiving and processing invoices will be examined, as well as practices followed in warehousing, controlling and issuing stores of material, supplies and equipment.

GENERAL

Control and co-ordination of these and any similar studies in the area of management improvement is of great importance and planning should proceed in an orderly fashion with the detailed scheme for implementing new concepts to be developed in a manner that is consistent throughout the Government. As planning and analysis progress, it should prove possible to develop a program of gradual implementation throughout the Government, at the same time realizing that to be effective, any system of management improvement must be adapted to the particular needs of the individual departments .

It is expected that the studies of the four departments as described above will commence in mid-November; the consultants will be required to submit their final report within six months from the date of commencement. As developments take place and questions of general interest are resolved, all departments will be kept informed through the medium of these bulletins.

June 25 63

file - 1-1-4 *BK*

Under date of June 6 63 Treasury Board Secretary wrote to the Under-Secretary announcing the commencement of Treasury Board Bulletins dealing with government planning (largely the Glassco Commission reports), and attaching 6 copies.

I consulted with Mr. A. Mathewson in the Under-Secretary's office since these bulletins relate to the work of the Committee on Administration and with registry. It was decided that one copy of each issue should be marked for file 1-1-4 which has been established for the purpose. *It should first be distributed to Head, Deputy Head, Miss Munro & Miss MacKay in Admin. Services.* The other five copies will go to: *Mr. Sherwood*

OJUSSE^A (Mr. A. deW Mathewson)

~~ADMINISTRATIVE SERVICES DIVISION~~

Finance Division

Personnel Division

Supplies and Properties

Inspection Service.

(It is assumed that the file copy, which will be on an Admin. Services file will be sufficient for the use of Admin. Services Division.)

BKeith.

Mr. Austin

Mr. Keith

Mr. Sherwood

Miss Munro

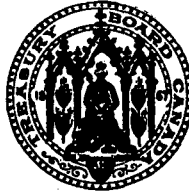
Miss MacKay

Mr. Cullen

WRC

x file

B Keith



OTTAWA, June 6, 1963.

The Under-Secretary of State for
External Affairs,
East Block,
Ottawa, Canada.

Dear Sir: Treasury Board Bulletins

Recent developments, such as the publication of the Report of the Royal Commission on Government Organization, have resulted in the initiation of extensive planning in many areas of Government activity. The desirability of keeping all departments informed about the direction of this planning has led to the need for some means of transmitting this information informally. The enclosed Treasury Board Bulletin is the first of a series which it is expected will be published on a variety of questions at irregular intervals.

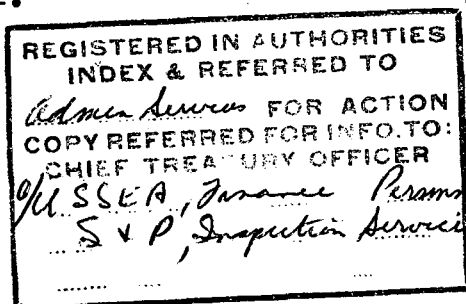
Several copies of this first Bulletin are being provided at this time to facilitate an immediate initial distribution to interested members of your staff. Additional copies can be obtained on short notice from the Treasury Board General Office (local 2-4522).

Yours truly,

A handwritten signature in dark ink, appearing to read "G.E. Steele".

Encl.

Secretary.



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TREASURY BOARD BULLETIN *

Bulletin No. 1-63

June 6, 1963.

IMPROVEMENT OF FINANCIAL MANAGEMENT

Background

Since the publication of the first volume of the Report of the Royal Commission on Government Organization, most departments and agencies have been considering the implications of the Commission's recommendations for their own activities. The recommendations and suggestions on the question of financial management in particular have, of course, been of direct interest to the Treasury Board. While all departments have been encouraged to consider the application of the Commission's recommendations to their own operations, it is obviously desirable to ensure that preliminary planning, particularly as it relates to program budgeting and the form of the annual Estimates, conforms to a central and consistent pattern. This bulletin outlines the preliminary planning and the decisions of the Treasury Board as they relate to this matter.

In their report on financial management, the Commission recommended that the development of financial planning and the preparation of the annual Estimates be developed in a manner which reflects clearly the vital relationship between the departments' activities in the formulation of their objectives, the development of their plans and the resulting estimates of costs. Certain preliminary planning has been undertaken within the Treasury Board in the development of a concept which will result in a common understanding of the basic principles which underlie the Commission's recommendations and their particular applications to your Department's sphere of activities.

The General Plan

In many departments, the existing vote structure does not adequately reflect the broad programs being carried out by the departments. Tentatively, it is envisaged that the estimates which are ultimately to be presented to Parliament will be grouped into broad programs of significance to the Government and Parliament and that all the moneys which will be required to finance these programs will

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be shown under the program heading. Parliament would then be asked to appropriate funds to two votes, an operating vote and (where applicable) a capital vote, in support of each program. Since each program would be substantially different from the next, the pattern of activities which make up the programs would vary a good deal. In each instance, however, the objective would be to divide the program into activities in a manner which reflects the way in which departmental operations are planned and managed.

While it is not too difficult to reconstitute the vote structure of the Estimates into programs and activities rather than the present votes and standard objects, it seems apparent that if the implications of the contemplated system of program control and budgeting are not systematically extended into the operations of the departments, the objectives of improved managerial efficiency would not be fully realized. The flexibility and freedom which would be delegated by the Treasury Board to department heads should be accompanied by appropriate delegations of authority to program and activity "managers" within departments in the use of the manpower, materials, and funds that are made available to them. Since the delegation of authority that is implicit in such a system is extensive, it is apparent that it will be of vital importance for these delegations of authority to be accompanied by a thorough and accurate system of management reports. These reports should be designed to show clearly the progress of program implementation at all levels of management and we envisage a system of reporting which becomes progressively consolidated from the smallest unit of an activity up to the Treasury Board itself.

The First Step

Since the concept which has been outlined above is still very general, it is apparent that careful consideration will have to be given to all the problems that will arise in particular departments, including the recommendations of the Glassco Commission regarding such questions as the costs of common services and the proposal to vote funds on a "net" rather than on a "gross" basis. Accordingly, the Treasury Board has considered that the new system should be evolved on a trial basis by selecting four departments for a more detailed examination of the feasibility of implementing this approach. The four departments which have been selected for this examination are the Departments of Agriculture, Northern Affairs and National Resources, Transport, and Veterans Affairs. As soon as the necessary preliminary work has been completed, it is planned to engage four firms of management consultants, one for work in each of the departments concerned. All the firms will work under the direction of a coordinating group consisting of representatives of the departments and the staff

of the Treasury Board. It is contemplated that the surveys will include an examination of the departments' existing organizations for financial management, their internal arrangements for financial planning and their procedures and techniques for controlling expenditures and operations. The surveys should also arrive at recommendations for the development and maintenance of accounting reports and management reports. We anticipate that it will be possible to complete these surveys and reach firm conclusions about the feasibility of the concepts which we have been evolving by February or March, 1964.

As the feasibility of these concepts is examined during the course of the surveys this coming autumn, it may be possible to begin comparable surveys in other departments. It is anticipated that when the surveys of the first four departments are completed, it will be possible to advise the Treasury Board regarding the application of the new system to all remaining departments of the Government.

It will be apparent from the foregoing that the general application of these concepts to the Government's system of financial management is not foreseen prior to the preparation of the Estimates for 1965-66. It is also apparent, however, that the present vote structure would in many cases constitute an obstacle to the development of program budgeting within departments. Accordingly, the Treasury Board favours a plan whereby preliminary consolidations within the present pattern of votes would be effected in the 1964-65 Main Estimates. Because of the limitations of time available for such changes, the revision of the vote pattern for 1964-65 Estimates would have to be limited to consolidations of existing whole votes and statutory items in all cases. Further, the consolidation of votes could not be accompanied in 1964-65 by a consolidation of the details of these consolidated votes. The details would continue to be shown much as they are now but grouped under the new consolidated vote titles.

A good deal of consideration has already been given to this matter by departmental officers and Treasury Board staff during the preparation of the recommendations concerning changes in the form of Estimates which were put forward to the Standing Committee on Public Accounts in 1960. Working from that base, officers of the staff of the Board have been directed to resume discussions on this matter with departments within the next few weeks with a view to arriving at proposals for submission to the Public Accounts Committee during the present Session of Parliament. If approval of that Committee can be obtained during the early summer months, there should be no difficulty in implementing the changes in the 1964-65 Estimates which you will submit next fall.

Further bulletins on the more basic changes involved in improving financial management will be issued as the planning proceeds.