

# **Treasury Board of Canada Secretariat**

## **2010–11**

### **Report on Plans and Priorities**

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The Honourable Stockwell Day, P.C., M.P.  
President of the Treasury Board



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## President's Message

I am pleased to present the 2010–11 *Report on Plans and Priorities* of the Treasury Board of Canada Secretariat (the Secretariat). This report outlines the priorities of the Secretariat in the coming year to support the government in providing essential services to Canadians.

This year, we will launch the fourth strategic review of direct program spending. To date, the reviews have identified ongoing savings totalling \$1.3 billion per year. \$340 million of this amount was reinvested in higher priority areas, thus consistently improving how tax dollars are spent. These reviews are a key element of the fiscal restraint that will boost economic growth.



My department continues to support the renewal and modernization of the public service. Our goal is to ensure that it is well managed and ready to meet the technological and demographic challenges of the 21st century. I also look forward to continued work on the Web of Rules initiative as we further improve how departments balance risk, innovation, and control.

The Secretariat also enables deputy heads to exercise their accountabilities by strengthening the leadership role we play by sharing information, fostering best practices, and assessing performance.

I invite all Canadians to take a closer look at what the Secretariat plans to do in 2010–11 by reading this report and visiting [www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca).

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The Honourable Stockwell Day, P.C., M.P.  
President of the Treasury Board

## Section I: Departmental Overview

### Raison d'être

The Treasury Board of Canada Secretariat (the Secretariat) is the administrative arm of the Treasury Board. It supports Treasury Board ministers and strengthens the way government is managed to better serve Canadians and ensure value for money in government spending.

### Responsibilities

The Secretariat, together with the Canada School of Public Service, the Office of the Commissioner of Lobbying of Canada, and Public Sector Integrity Canada, forms the portfolio of organizations of the President of the Treasury Board.

The Secretariat makes recommendations and supports the Treasury Board in each of its roles by providing advice on policies, directives, regulations, and program spending that promote sound management of government resources. The Secretariat also provides leadership and guidance to management functions within departments,<sup>1</sup> while respecting the primary responsibility of deputy heads for the management of their departments and their roles as accounting officers. Through the Office of the Comptroller General of Canada, the Secretariat is responsible for government-wide direction, leadership, and capacity building for financial management and internal audit. The Office of the Chief Human Resources Officer supports people management across the public service, including the management of labour relations, compensation, and pension and benefits policies and programs. The Chief Information Officer Branch provides strategic direction and leadership for the government-wide pursuit of excellence in information management (IM) and information technology (IT).

The Treasury Board is a Cabinet committee of ministers invested with a broad range of responsibilities for management excellence, policy development, and budget oversight. As “general manager” of the public service, the Treasury Board’s three main roles are as follows:

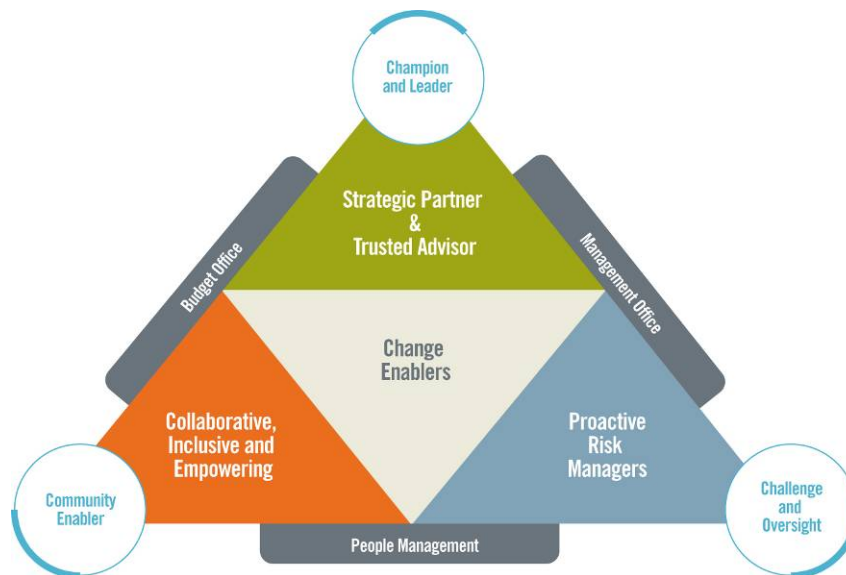
- It is the government’s **management board**, responsible for promoting the improvement of management performance, developing policies and priorities to manage government assets and resources, and overseeing the government’s regulatory function.
- It is the government’s **budget office**, responsible for examining and approving the proposed spending plans of government departments and for financial management and reporting.
- It is responsible for **human resources management** and is the employer of the core public administration.

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1. Throughout this document, the word “department” refers to both departments and agencies.

The Secretariat plays three central roles in relation to federal departments, agencies, and Crown corporations:

- ▶ An enabling role to help departments improve management performance;
- ▶ An oversight role that includes setting policy and standards and reporting on the government's overall management and budgetary performance; and
- ▶ A leadership role in driving and modelling excellence in public sector management.

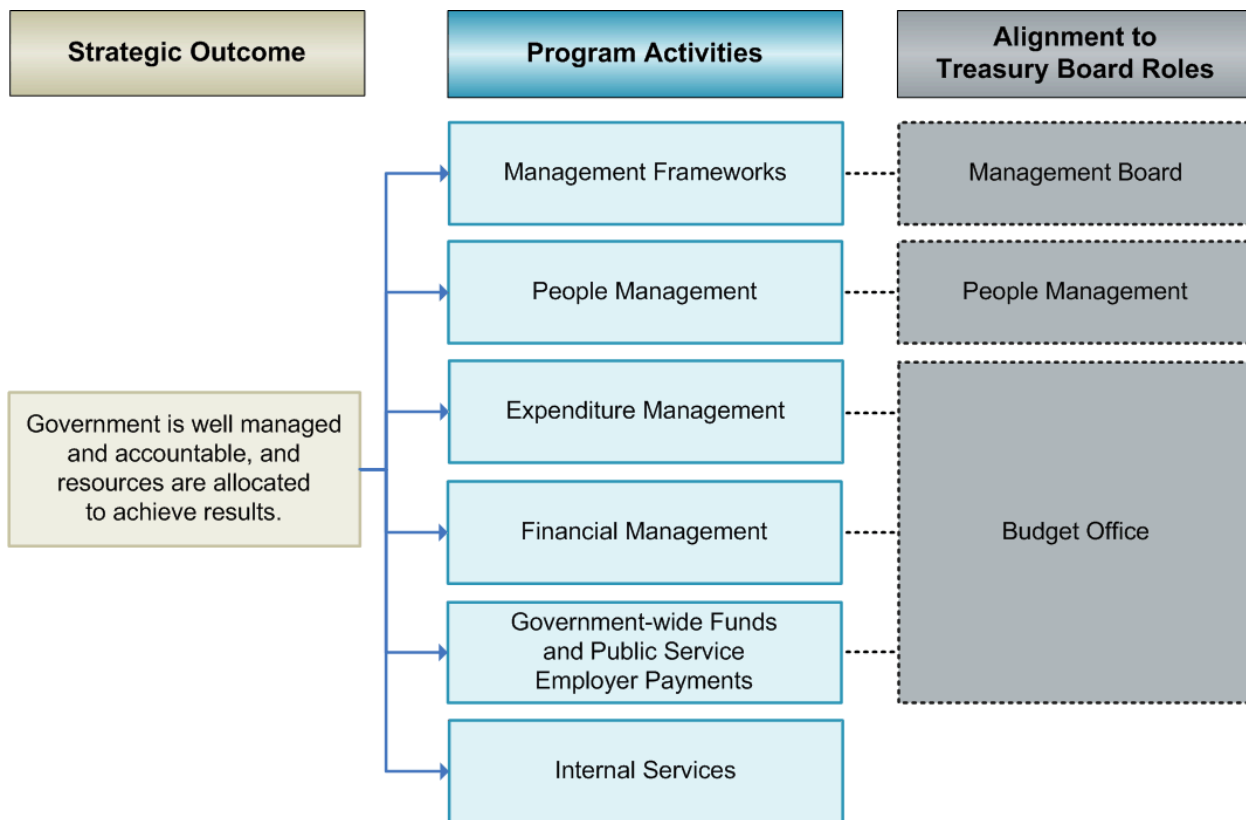


While Secretariat functions have a direct impact on the capacity and quality of federal public service management and on how efficiently and effectively government programs and services are delivered, through legislation, including the *Federal Accountability Act*, and changes to Treasury Board policies, deputy heads now have clear accountability for departmental resources. As they implement these new management responsibilities, the role of the Secretariat is evolving to enable deputy heads to take advantage of their management flexibilities in a way that optimizes performance. This is in addition to the Secretariat's core leadership, challenge, and oversight responsibilities.

In 2009–10, the size of the Secretariat increased significantly due to organizational and machinery changes. These include adjustments to corporate services functions, which integrated employees who previously reported to the Department of Finance Canada and are now part of the Secretariat, and incorporation of the former Canada Public Service Agency (CPSA) to create the Office of the Chief Human Resources Officer. As a result, about 1,000 people were transferred to the Secretariat, with a corresponding addition to its financial allocations. These changes are reflected in the Main Estimates and in the financial tables included in this report.

## Strategic outcome and program activity architecture

The diagram below illustrates the Secretariat’s program activity architecture (PAA) and provides its strategic outcome and program activities. The PAA encompasses the core programs that contribute to achieving the Secretariat’s strategic outcome. The third column demonstrates how program activities reflect the Secretariat’s support for the Treasury Board’s three main roles.



### Program activity architecture crosswalk

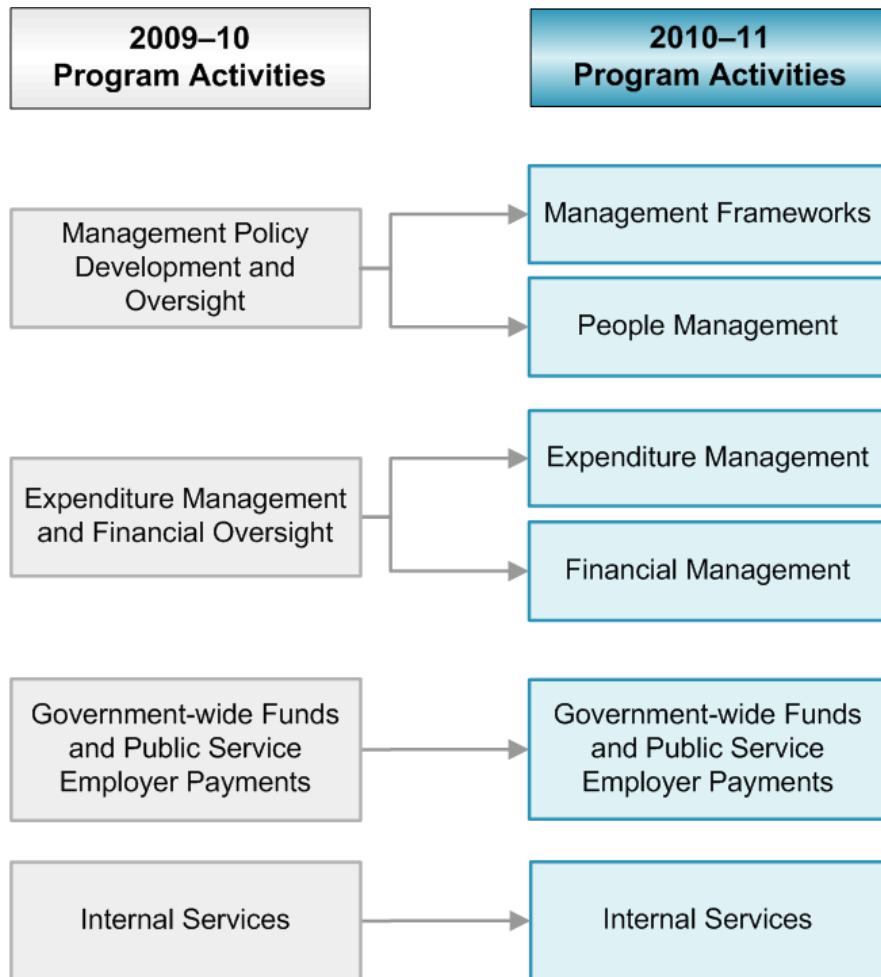
The Secretariat revised its 2010–11 PAA to reflect the machinery of government changes related to human resources (HR) management. As of March 2, 2009, the people management functions of the former CPSA were consolidated with the Secretariat’s pensions and benefits, labour relations, and compensation functions. The revised PAA structure better reflects the Secretariat’s programs and results.

The new Management Frameworks program activity captures the foundational work that supports management excellence, including IT, security, regulation, and other management priorities of the Secretariat. A dedicated program activity for People Management functions was added to reflect the comprehensive role now played by the Secretariat in this domain. The former Expenditure Management and Financial Oversight program activity was split into two to



describe more transparently these different activities: Expenditure Management includes the estimates process, and Financial Management captures work related to financial and audit policy instruments.

The diagram below demonstrates the relationship between the four program activities of the Secretariat’s 2009–10 PAA and the six program activities of the 2010–11 PAA. The strategic outcome remains unchanged. The program activities are further described in Section II.



The table below shows the redistribution of financial resources from the 2009–10 PAA to the new PAA for 2010–11.

		2009–10 Program Activities				
	(\$ thousands)	Management Policy Development and Oversight	Expenditure Management and Financial Oversight	Government-wide Funds and Public Service Employer Payments	Internal Services	Total
2010–11 Program Activities	Management Frameworks	60,412	–	–	–	60,412
	People Management	57,056	–	–	–	57,056
	Expenditure Management	–	30,426	–	–	30,426
	Financial Management	–	28,247	–	–	28,247
	Government-wide Funds and Public Service Employer Payments	–	–	2,223,814	–	2,223,814
	Internal Services	–	–	–	90,120	90,120
	<b>Total</b>		<b>117,468</b>	<b>58,673</b>	<b>2,223,814</b>	<b>90,120</b>

### Planning summary

#### Financial resources

The following table presents the total financial resources (total planned spending) of the Secretariat for the next three fiscal years. This does not include centrally managed funds used to supplement other appropriations that are displayed in the Main Estimates (see Voted and statutory items table). The resources displayed below reflect increases to Public Service Employer Payments for benefits and insurance programs. The Secretariat’s operating budget is not increasing.

#### Financial resources (\$ thousands)

2010–11	2011–12	2012–13
2,490,075	2,627,569	2,812,092

*Amounts may vary due to rounding.*

**Human resources**

The following table presents a summary of the total planned human resources for the Secretariat for the next three fiscal years. Human resources are presented as the number of full-time equivalents (FTEs).

**Human resources (FTEs)**

2010-11	2011-12	2012-13
2,113	2,100	2,043

**Planning summary table**

<b>Strategic outcome: Government is well managed and accountable, and resources are allocated to achieve results.</b>					
<b>Performance indicator</b>		<b>Target</b>			
Canada's ranking in the World Bank Worldwide Governance Indicators—indicator three, "Government Effectiveness."		Top 10 in the Organisation for Economic Co-operation and Development.			
<b>Program activity<sup>2</sup></b>	<b>Forecast spending 2009–10</b>	<b>Planned spending (\$ thousands)</b>			<b>Alignment to Government of Canada outcomes</b>
		<b>2010–11</b>	<b>2011–12</b>	<b>2012–13</b>	
Management Frameworks	65,666	60,412	59,874	57,706	Government affairs
People Management	62,194	57,056	53,375	50,808	
Expenditure Management	32,977	30,426	31,780	30,587	
Financial Management	30,374	28,247	27,237	24,244	
Government-wide Funds and Public Service Employer Payments	2,164,322	2,223,814	2,365,171	2,561,138	
Internal Services	98,065	90,120	90,132	87,609	
<b>Total planned spending</b>	<b>2,453,598</b>	<b>2,490,075</b>	<b>2,627,569</b>	<b>2,812,092</b>	

The 2009–10 forecast spending figures have been readjusted to reflect the new PAA structure for comparison purposes.

**Contribution of priorities to the strategic outcome**

The Secretariat recognizes that it will take time to achieve its strategic outcome. It therefore established three longer-term operational priorities in 2009–10, which the Secretariat will continue to advance in 2010–11. It also identified two management priorities that focus on how the Secretariat carries out its business. Both operational and management priorities are aligned with the Secretariat's PAA. This section describes the priorities and the strategic initiatives on which the Secretariat will focus in 2010–11.

2. <http://publiservice.tbs-sct.gc.ca/est-pre/20102011/me-bd/TBS-SCT-eng.asp>

## Operational priorities<sup>3</sup>

<b>Operational priority 1:</b> Management regime operates effectively, provides opportunities for risk-based decision-making, and enables innovation (ongoing priority).
<b>Link to PAA:</b> Management Frameworks program activity
<b>Description:</b> The Secretariat plays a critical role in leading, challenging, and enhancing management performance across government. The Secretariat will focus on improving the government's effectiveness by streamlining the rules, reporting requirements, and administrative processes that support management, thereby freeing resources to be focussed on serving Canadians.

### Web of Rules initiative, including Policy Suite Renewal

Government is being made more efficient as a result of streamlined rules and modernization of internal management practices. In support of this priority, the Web of Rules initiative<sup>4</sup> simplifies the set of rules, reporting requirements, and administrative processes. For example, the Policy Suite Renewal initiative<sup>5</sup> is reducing the number of Treasury Board policies by 50 per cent, simplifying rules, and clarifying responsibilities. These initiatives are leading the shift from a more rigid, rules-based management regime to one that is principles-based, risk-sensitive, and results-focussed.

Untangling the “web of rules” will free up resources, reduce delays, and help instill a risk-management culture.

To support operational priority 1, the Secretariat will undertake the following activities:

- ▶ Work with large departments to identify a second round of opportunities to further simplify rules as part of the Web of Rules Action Plan; and
- ▶ Review the methodology for the Management Accountability Framework<sup>6</sup> to increase the quality and transparency of the assessment process.

### Risk management

The Secretariat continues to provide leadership and advice to departments on establishing and implementing tailored approaches to managing risk. Putting risk-management principles into practice will assist federal organizations in shifting limited resources to government priorities and organizational mandates—ultimately resulting in increased value for money and improved service to Canadians.

The Centre of Excellence on Risk Management provides leadership, advice, and support for integrated risk management in the Government of Canada. It develops learning resources, shares best practices, and enables dialogue on horizontal risk-management issues.

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3. The operational priorities were established in 2009–10 with the intent to remain stable over a three-year period.  
 4. <http://www.tbs-sct.gc.ca/reports-rapports/wr-lr/index-eng.asp>  
 5. <http://www.tbs-sct.gc.ca/prp-pep/index-eng.asp>  
 6. <http://www.tbs-sct.gc.ca/maf-crg/documents/booklet-livret/booklet-livret-eng.asp>

To support operational priority 1, the Secretariat will undertake the following activities:

- ▶ Develop a model for risk management in the federal government<sup>7</sup> and a government-wide risk taxonomy;<sup>8</sup>
- ▶ Develop and strengthen mechanisms, such as “communities of practice,” that facilitate interdepartmental sharing of information and good practices in risk management; and
- ▶ Develop a risk assessment guide to support development of regulatory proposals.

**Enterprise-wide governance for core business processes and systems**

Government depends on its “back-office” functions (HR, Finance, IT, IM, etc.) to enable departments to provide programs and services to Canadians. The back office of the Government of Canada is a mosaic of differing delivery models, business processes, and systems. Modernizing how it approaches the delivery of these functions could reduce overall investment and operating costs and better support government decision-making.

To support operational priority 1, the Secretariat will undertake the following activity:

- ▶ Explore opportunities for integrated and coordinated alignment of back-office functions, with a particular focus on common human resources and financial information business processes.

<p><b>Operational priority 2:</b> Program spending is focussed on results, provides value for taxpayers’ money, and is aligned with the government’s priorities and responsibilities (ongoing priority).</p>
<p><b>Link to PAA:</b> Expenditure Management and Financial Management program activities.</p>
<p><b>Description:</b> This priority focusses on strengthening the framework that supports developing and implementing the government’s spending plans within the fiscal limits established by the Budget. Overall spending must be managed in a manner that ensures all government programs are effective and efficient, are focussed on results, and provide value for taxpayers’ money.</p>

**Enhanced departmental financial reporting**

The government is committed to more timely and transparent financial reporting and to greater oversight and accountability. The *Policy on Financial Resource Management, Information, and Reporting* is intended to ensure that the management of public funds is supported by effective planning, budgeting, and reporting. This includes sound analysis based on timely and reliable information.

To support operational priority 2, the Secretariat plans to implement the *Policy on Financial Resource Management, Information, and Reporting* across government, including:

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7. [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/riskmanagement/guide-eng.asp](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/riskmanagement/guide-eng.asp)  
 8. <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12254>

- ▶ Supporting departments in the transition to quarterly financial reporting, which will take effect on April 1, 2011. Quarterly financial statements will increase the quality and frequency of financial reporting, enhance transparency and accountability, and facilitate timely oversight by Parliamentarians of government expenditures; and
- ▶ Supporting departments to sustain a controls-based audit of their financial statements and in implementing relevant Treasury Board Accounting Standards in support of the new policy.

### Strategic reviews—Round IV

Strategic reviews<sup>9</sup> assess all direct program spending in the Government of Canada to ensure efficient and effective program management. They support a rigorous, results-based approach to managing government spending responsibly and delivering programs that meet government priorities.

To support operational priority 2, the Secretariat will undertake the following activities:

- ▶ Continue to lead the strategic reviews of organizations' direct program spending, supporting the reallocation of funds and the improvement of operations; and
- ▶ Report the results of these reviews by Treasury Board as part of the government's budget planning process.

<p><b>Operational priority 3:</b> A dynamic public service that is well equipped to address, in a fiscally responsible manner, challenges raised by a complex and unpredictable environment (ongoing priority).</p>
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<p><b>Link to PAA:</b> People Management and Expenditure Management program activities.</p>
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<p><b>Description:</b> People management transformation in the federal public service is rooted in the <i>Public Service Modernization Act</i> and guided by the Prime Minister's Advisory Committee on the Public Service and the Chief Human Resources Officer. The Secretariat is working to ensure that the increased responsibility and accountability of deputy heads for people management is complemented by effective and efficient governance, policy instruments, measurement, and reporting. A focus on leadership, enabling infrastructure, workforce, and workplace, including compensation, is central to people management excellence.</p>
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### New people management policy framework and governance structure

The 2008 Human Resource Agencies Horizontal Strategic Review mandated improvements to people management in the public service of Canada. Deputy heads' responsibility for people management in their organizations will be supported by a new Policy Framework for People Management and a revised governance structure. The model supports an integrated and comprehensive approach to decision-making.

To support operational priority 3, the Secretariat will undertake the following activity:

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9. <http://www.tbs-sct.gc.ca/sr-es/index-eng.asp>

- ▶ Create the new Policy Framework for People Management and review the current suite of people management policies, including adopting and rescinding policies, as appropriate.

### **HR legislative requirements**

The Secretariat is responsible for a number of legislated activities, including monitoring, reporting, direction setting, policy frameworks, and fiscal responsibility. The President of the Treasury Board monitors departmental progress and reports to Parliament on the state of people management in the public service.

To support operational priority 3, the Secretariat will undertake the following activities:

- ▶ Prepare reports for the President to be tabled in Parliament on the legislatively required review of the *Public Service Modernization Act*, which includes the *Public Service Labour Relations Act*<sup>10</sup> (PSLRA) and the *Public Service Employment Act*<sup>11</sup> (PSEA) and in so doing coordinate the efforts of stakeholders, including institutions, deputy heads, bargaining agents, and others involved in the legislative review of the PSLRA and PSEA; and
- ▶ Develop the components required for the implementation of the *Public Service Equitable Compensation Act* (PSECA).<sup>12</sup>

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10. [http://laws.justice.gc.ca/eng/P-33.3/page-3.html#anchorbo-ga:l\\_4-gb:s\\_252](http://laws.justice.gc.ca/eng/P-33.3/page-3.html#anchorbo-ga:l_4-gb:s_252)

11. [http://laws.justice.gc.ca/eng/P-33.01/page-5.html#anchorbo-ga:l\\_8-gb:s\\_136](http://laws.justice.gc.ca/eng/P-33.01/page-5.html#anchorbo-ga:l_8-gb:s_136)

12. <http://laws-lois.justice.gc.ca/eng/P-31.65/index.html>



## Management priorities

The Secretariat established two management priorities for 2010–11 that will guide the Secretariat’s activities in achieving its operational priorities.

<b>Management priority 1:</b> Embed the role of enabler into the Secretariat’s business (ongoing).
<b>Link to PAA:</b> Contributes to the strategic outcome.
<b>Description:</b> A management regime that fosters flexibility and innovation and that focusses on results will improve the way the Government of Canada delivers services to Canadians. Deputy heads are now vested with greater accountabilities and management flexibilities. The Secretariat is adapting to this new management regime by providing greater support to deputy heads to enable the use of these flexibilities.

To support management priority 1, the Secretariat will undertake the following activities:

- ▶ Strengthen engagement with departments through outreach activities;
- ▶ Identify new opportunities to support departments in meeting their management objectives;
- ▶ Share best practices; and
- ▶ Ensure that in-house training and orientation sessions for Secretariat employees focus on the enabling role of the Secretariat.

Departments are using project planning and management tools developed by the Secretariat to increase the success of large IT projects. The development of these tools, such as project dashboards and independent reviews, is based on industry-leading practices.

<b>Management priority 2:</b> Strengthen risk-management capacity and adopt risk-based approaches in daily business (ongoing).
<b>Link to PAA:</b> Contributes to the strategic outcome.
<b>Description:</b> Sound risk management is fundamental to effective public administration because it can lead to more effective, results-based, and high-performance governance. By embedding risk information into decision-making and incorporating risk-based approaches across its business lines, the Secretariat is able to focus resources on priorities and core activities. This will result in strengthened integrated risk-management practices.

To support management priority 2, the Secretariat will undertake the following activities:

- ▶ Align risk-management practices across the Secretariat to ensure an integrated approach;
- ▶ Communicate risk-management approaches to Secretariat employees; and
- ▶ Use a risk-based business continuity planning approach to bolster the Secretariat’s capacity to support delivery of critical government services.

## Risk analysis

Rapid global economic change, new technologies, and a significant demographic shift pose numerous and complex challenges to the management of the public service. An uncertain economy will continue to affect all sectors. Government will continue to monitor a fragile recovery while also setting out a roadmap to balanced budgets. Citizen expectations for responsive, service-oriented, efficient and effective government programs are on the rise. New approaches and dynamic solutions are required.

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

- ▶ Consists of over 175 departments, agencies, and organizations; and
- ▶ Maintains a presence around the world with federal offices in about 180 countries and 17 missions abroad involving the Canadian Forces.

At the same time, accountability, fiscal responsibility, and transparency remain paramount. Effectively managed government means having the right people, processes, systems, and technology to enable government to operate efficiently and generate innovative ideas and approaches. The Secretariat has a key role to play and is continually improving the tools and processes it uses to manage its work, resources, and risks.

The Corporate Risk Profile for the Secretariat provides an overview of risks that could affect the achievement of the Secretariat’s strategic outcome, given this operating environment. Key departmental risks identified for 2010–11 include achieving a cohesive organizational culture following the machinery changes of last year, and sustaining the right human resources skills and capacity to meet operational requirements. To address these risks, the Secretariat has engaged employees in an initiative to articulate a new departmental vision. It is also implementing strategies to improve retention through training and talent management. These mitigation strategies are also embedded in the Secretariat’s commitments under the Public Service Renewal Action Plan.

In addition, the Secretariat has identified a risk concerning the shift to deputy head accountability and its corresponding evolution. These changes require the Secretariat to be adaptable and innovative in its enabling role and in embedding risk-based approaches in all areas of business.

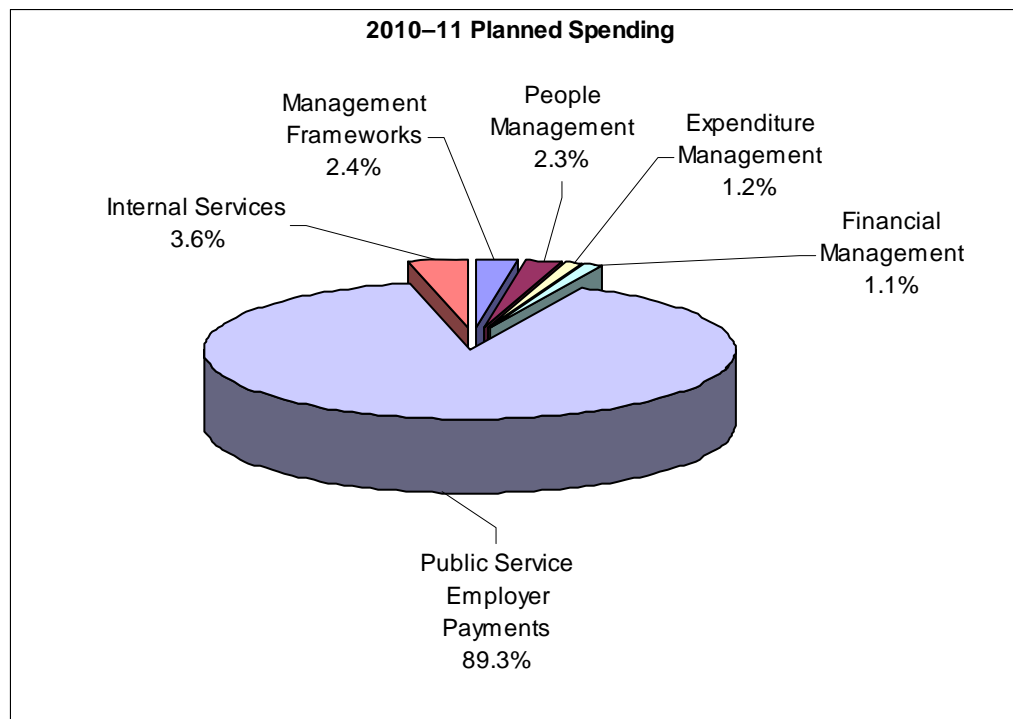
## Expenditure profile

For fiscal year 2010–11, the Secretariat’s total available funding in the Main Estimates is \$4.9 billion. This includes centrally managed funds, in the amount of \$2.4 billion, used to supplement other appropriations of departments, which include votes 5, 10, 25, and 30 (see Voted and statutory items). The Secretariat’s planned spending, not including centrally managed funds, is \$2.5 billion.

As the pie chart below indicates, 89 per cent of the planned spending (\$2.2 billion) is related to the Secretariat's role as employer of the core public administration. These funds are used for the following:

- ▶ The public service pension, benefits, and insurance, including payment of the employer's share of health, income maintenance, and life insurance premiums;
- ▶ Payments to or in respect of provincial health insurance;
- ▶ Payment of provincial payroll taxes and Quebec sales tax on insurance premiums;
- ▶ Costs associated with the pension, benefit, and insurance plans for employees engaged locally outside Canada; and
- ▶ The return to certain employees of their share of the employment insurance premium reduction.

The remaining \$0.3 billion is directly related to the operations of the Secretariat and its five other program activities: Management Frameworks, People Management, Expenditure Management, Financial Management, and Internal Services.

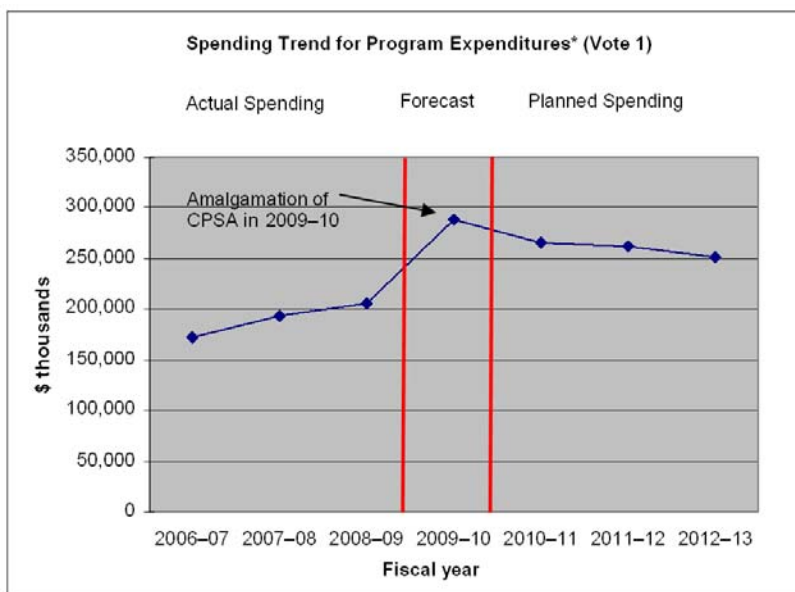


### Canada’s Economic Action Plan

The Government is investing an additional \$20 million over two years (2009–10 and 2010–11) to enhance youth employment in the federal public service, through Canada’s Youth Employment Strategy. The Secretariat is responsible for coordinating this investment, which involves distributing \$10 million per year to 44 federal departments to increase the number of student jobs in the federal public service. Additional details are included in Section II.

### Departmental spending trend

The figure below illustrates the Secretariat’s spending trend from 2006–07 to 2012–13 for its operations (consisting of all program activities, excluding program activity 5, as noted above. Program Activity 5, which is outside of TBS’ operating budget and includes Public Service Employer Payments for benefits and insurance programs, is the only area of expenditure growth in the Treasury Board Secretariat post 2009–10). These operations reflect the people and organizations that support the Secretariat’s strategic outcome of ensuring that government is well managed and accountable and that resources are allocated to achieve results.

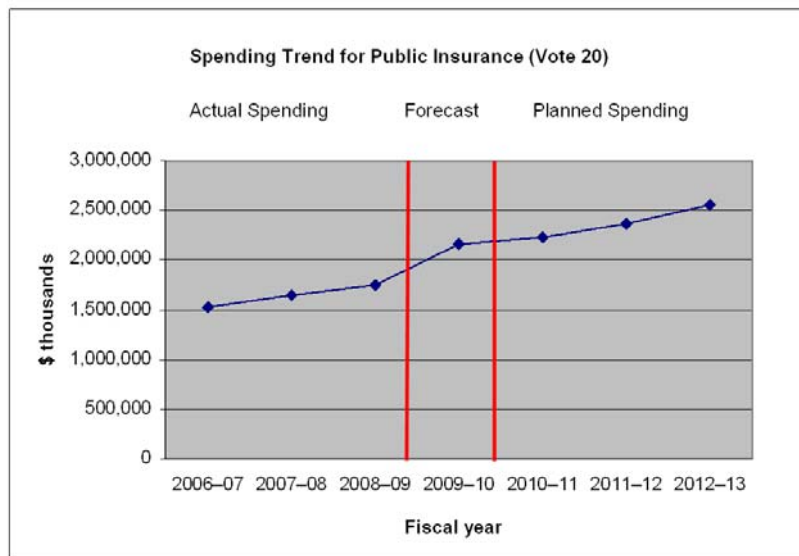


\*Includes Employee Benefit Plan

The Secretariat’s spending increased in 2009–10 due to the following:

- ▶ Amalgamating the CPSA in 2009–10 with the Secretariat, following the strategic review of human resources agencies;
- ▶ Funding to support preparatory work for the redesign and renegotiation of public service health and dental benefit plans, and for more effective disability management practices in departments and agencies;

- ▶ Funding to implement the Internal Audit Human Resource Management Framework to strengthen public sector accountability, risk management, resources stewardship, and good governance;
- ▶ Funding to support the implementation and ongoing management of the Treasury Board's employer obligations under the PSECA; and
- ▶ Funding to compensate for increases to payroll costs resulting from new collective agreements.



Expenditures in public service insurance include the payment of the employer's share of insurance plans, unemployment insurance, and other related expenses. Public service employer payments have increased because of growth in the government-wide wage envelope, introduction of electronic claims processing for drug benefits, increases in provincial payroll taxes, and medical costs. Planned spending in Vote 20 is increasing to support plan modifications to fully cover costs of disabilities caused by military service. As well, costs are increasing due to premium increases for the Canadian Forces Service Income Security Insurance Plan's long-term disability plans. Actual spending will likely fall below planned spending because the planned figure represents the maximum cost that benefit plans could incur.

## Voted and statutory items

(\$ thousands)

Vote Number or Statutory Item (S)	Truncated Vote or Statutory Wording	2009–10 Main Estimates	2010–11 Main Estimates
1	Program expenditures <sup>1</sup>	175,374	236,591
5	Government contingencies	750,000	750,000
10	Government-wide initiatives	6,636	6,215
20	Public service insurance	2,103,044	2,223,794
25	Operating budget carry forward	1,200,000	1,200,000
30	Paylist requirements	500,000	500,000
35	Budget implementation initiatives <sup>2</sup>	3,000,000	–
55	Program expenditures—CPSA	61,127	–
(S)	Contributions to employee benefit plans	22,024	29,592
(S)	Contributions to employee benefit plans—CPSA	7,731	–
(S)	President of the Treasury Board—salary and motor car allowance	78	79
(S)	Payments under the <i>Public Service Pension Adjustment Act</i>	20	20
<b>Total<sup>3</sup></b>		<b>7,826,034</b>	<b>4,946,291</b>
<p><i>Note: Amounts may vary due to rounding.</i></p> <ol style="list-style-type: none"> <li>1. Main Estimates for 2010–11 include funding for the former CPSA, which was transferred during fiscal year 2009–10 as part of the recommendations of the 2008 Human Resource Agencies Horizontal Strategic Review.</li> <li>2. Vote 35, Budget Implementation Initiatives, was created in 2009–10 for implementing certain programs included in the January 27, 2009, Budget to ensure that sufficient funding was available to departments for implementing Budget stimulus initiatives.</li> <li>3. For presentation purposes, the 2009–10 Main Estimates for the former CPSA have been included as part of the total amount.</li> </ol>			

## Section II: Analysis of Program Activities by Strategic Outcome

### Strategic outcome

Strategic outcome	Performance indicator	Target
Government is well managed and accountable, and resources are allocated to achieve results.	Canada's ranking in the World Bank Worldwide Governance Indicators <sup>13</sup> — indicator three, "Government Effectiveness."	Top 10 in the Organisation for Economic Co-operation and Development (annually).

Results under the Secretariat's strategic outcome strengthen the effectiveness and efficiency of federal government management, support Parliament, Treasury Board, and Cabinet decisions, and ensure that Canadians are well served by a government that is accountable and transparent. The strategic outcome is supported by six program activities. Together, these program activities are focussed on supporting a well-managed and accountable public service to achieve results for Canadians by allocating resources appropriately. Effective government contributes to Canada's competitive advantage, providing a foundation for security, stability, and prosperity.

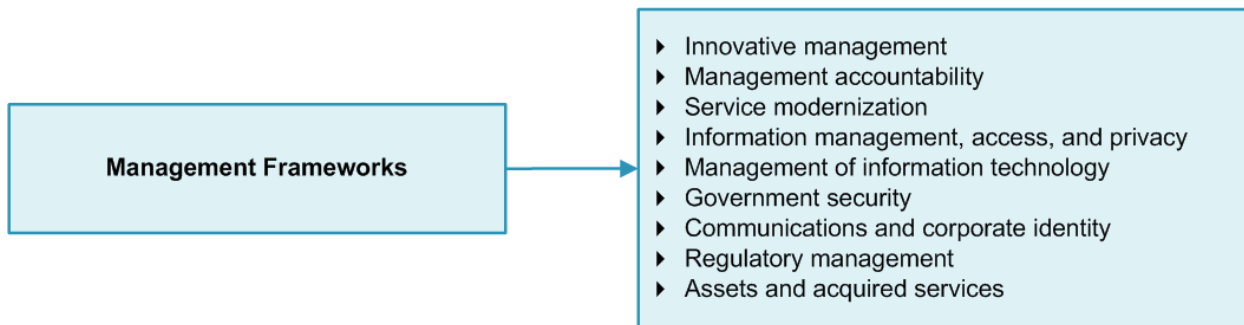
Government effectiveness is defined as the quality of government services, the capacity of the public service, and the quality of policy formulation and implementation.<sup>13</sup>

The following section describes the Secretariat's program activities and identifies the expected results, performance indicators, and targets. The financial and human resources planned for each program activity are presented.

13. <http://info.worldbank.org/governance/wgi/index.asp>

## Program activities

### Program Activity 1: Management Frameworks



Human Resources (FTEs) and Planned Spending (\$ thousands)					
2010–11		2011–12		2012–13	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
480	60,412	477	59,874	464	57,706
Program activity expected result		Performance indicator		Target	
Continuous improvement in the quality of public service management in the Government of Canada.		Averaged percentage improvement in overall Management Accountability Framework scores across departments for identified areas of weakness from previous round.		5% (end of fiscal year 2010–11)	

### Planning highlights

The **Management Frameworks** program activity establishes guiding principles and expectations for public service management. It includes setting government-wide policy directions in targeted areas, such as governance, regulatory management, the Management Accountability Framework, service, IM, and IT. Working with all federal organizations, the Secretariat provides leadership, challenge, and community enablement in policy development, compliance, performance reporting, and functional community development. This work includes new and emerging issues and priorities and promoting a cultural shift in the approach to risk and innovation. In turn, this work informs the policies in the People Management, Expenditure Management, and Financial Management program activities.



To support this program activity, the Secretariat will undertake the following activities:

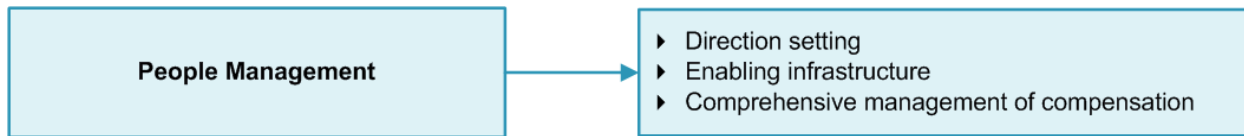
- ▶ The Centre of Expertise on Grant and Contribution Programs will continue to engage and work collaboratively with the 21 departments implementing reforms in this area. It will foster a community of practice to promote the sharing of information and consistent, streamlined approaches. This will advance the implementation of the Government of Canada Action Plan to Reform the Administration of Grant and Contribution Programs, and reduce the “rules” burden on recipient organizations, communities and business;
- ▶ Refine cyber-authentication and identity-management policy direction. Coordinate work with departments to enable them to increase, at the lowest possible costs to the Crown, the number of government services available online; and
- ▶ Continue to work with departments to improve the quality and content of Regulatory Impact Analysis Statements by providing resources, advice, and training through the Centre of Regulatory Expertise.

Each year, the government delivers nearly \$27 billion to Canadians through more than 800 grant and contribution programs.

### **Benefits for Canadians**

Through this program activity, the Secretariat promotes continuous improvement in the quality of public service management. This includes promoting improved management performance, developing policies, and sharing best practices that support the prudent and effective management of government assets and human, financial, information, and technology resources. Removing barriers and inefficiencies will allow departments to deliver on priorities that serve the needs of Canadians while ensuring accountability and transparency.

## Program Activity 2: People Management



Human Resources (FTEs) and Planned Spending (\$ thousands)					
2010–11		2011–12		2012–13	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
454	57,056	452	53,375	439	50,808
Program activity expected result		Performance indicator		Target	
A federal public service characterized by a culture of excellence and highly engaged employees, based on strong leadership and a well-managed workforce and workplace.		Improvement in annual employee survey responses and administrative data in the areas of engagement and culture of excellence.		Year-over-year improvement in survey and administrative results.	

### Planning highlights

The **People Management** program activity supports efforts across the federal public service to achieve strong leadership and a well-managed workforce and workplace. Direction-setting activities include the following:

- ▶ Developing and implementing people management–related frameworks and policies;
- ▶ Setting and monitoring departmental people management performance expectations;
- ▶ Conducting research and analysis regarding the state of people management; and
- ▶ Supporting the effective management of the leadership cadre.

The program activity also provides public service–wide leadership on managing compensation, which it shares with the Expenditure Management program activity. It includes collective bargaining and associated labour relations as well as establishing and maintaining the public service pension and benefits regime.

To support this program activity, the Secretariat will undertake the following activities:

- ▶ Finalize the Treasury Board code of conduct for the federal public sector and the *Policy on Conflict of Interest and Post-Employment*;
- ▶ Implement the Leadership Development Framework;

- ▶ Implement the Common HR Business Process in 10 departments; and
- ▶ Modernize and improve employee health services (e.g., electronic claims processing for drug benefits).

### **Canada's Economic Action Plan: Secretariat Initiative**

As described in Section I, the Secretariat is coordinating the increase in funding for the Government of Canada's component of the Youth Employment Strategy<sup>14</sup> as outlined in Canada's Economic Action Plan. This Strategy supports youth transition to the workplace. The Secretariat will allocate approximately \$48,000 to hire additional students within the Secretariat for the 2010–11 fiscal year. The remaining funding (\$9.95 million) will be distributed across 44 federal departments to hire up to 1,000 additional full-time students for the 2010–11 fiscal year. To mitigate potential risks, deputy heads participating in the program have agreed to a consistent implementation strategy to improve program success.

<b>Expected Result</b>	<b>Performance Indicator</b>	<b>Target</b>
Increase opportunities for youth employment through federal public service student employee programs.	Number of student jobs created in the federal public service corresponding to the increased investment.	1,000 additional full-time students per year of the program (2009–10 and 2010–11).

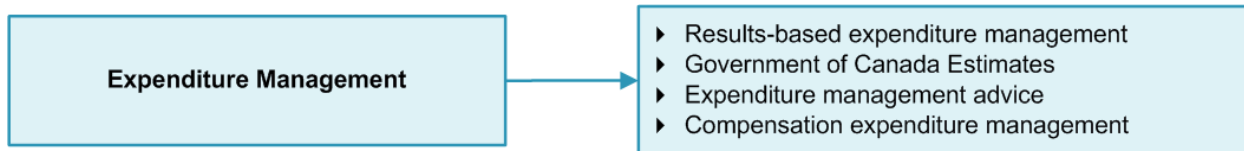
### **Benefits for Canadians**

The People Management program activity will continue to strengthen the management of human resources across the federal public service and thereby support the overall effectiveness of public administration in Canada.

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14. <http://www.youth.gc.ca/eng/common/yes.shtml>

### Program Activity 3: Expenditure Management



Human Resources (FTEs) and Planned Spending (\$ thousands)					
2010–11		2011–12		2012–13	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
241	30,426	239	31,780	233	30,587
Program activity expected result		Key performance indicators <sup>1</sup>		Targets	
Sound analysis of financial and non-financial information to support decision-making on allocating funds to achieve priorities and provide value for money (for program expenditures).		Percentage of direct program spending reviewed per year through the strategic review process. (Data source: Strategic Reviews)		100% (over a four-year cycle)	
		Main Estimates and Supplementary Estimates tabled in accordance with the times set out in the parliamentary calendar. (Data source: Hansard)		As required	
1. Program sub-activity indicators and targets are presented as the program activity indicators will be modified in 2010–11 and therefore would not provide consistent performance information.					

#### Planning highlights

The **Expenditure Management** program activity helps ensure alignment of resources to achieve government priorities in a way that maximizes value for money and provides a whole-of-government perspective on matters related to direct program spending. Working with all federal organizations that are subject to budget appropriation, the Secretariat undertakes the review, analysis, and challenge of plans and proposals involving departmental spending, expenditure forecasting and strategies, compensation management, and results-based management. This program activity includes part of the Expenditure Management System, the framework for the development and implementation of the government’s spending plans and priorities within the limits established by the budget.

To support this program activity, the Secretariat will undertake the following activities:

- ▶ Advance results-based expenditure management by implementing the *Policy on Evaluation*. This includes providing guidance to departments in the production of quality evaluations;
- ▶ Enable departments to improve the quality of performance information through the continued implementation of the *Policy on Management, Resources and Results Structures*;
- ▶ Work with departments to continue improving their departmental planning and performance reports to Parliament, including reporting on Canada's Economic Action Plan; and
- ▶ Provide sound evidence-based analysis on government-wide compensation and provide labour-market and equitable compensation analyses to support PSECA implementation.

### **Benefits for Canadians**

Expenditure management activities will ensure that the best available information on government spending and resource allocation is provided for decision-making. Canadians benefit from government programs that are effective and efficient, are focussed on results, and provide value for taxpayers' money.

### Program Activity 4: Financial Management



Human Resources (FTEs) and Planned Spending (\$ thousands )					
2010–11		2011–12		2012–13	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
222	28,247	221	27,237	215	24,244
Program activity expected results		Key performance indicators <sup>1</sup>		Targets	
Effective financial management function in the Government of Canada.		Improving content and timeliness of public financial reporting. (Data source: Public Accounts)		Clean audit opinion (annually).	
1. Program sub-activity indicators and targets are presented because the program activity indicators will be modified in 2010–11 and, therefore, would not provide consistent performance information.					

#### Planning highlights

The **Financial Management** program activity promotes good financial management practices across government to ensure that financial activities are carried out effectively and efficiently. Working with all federal organizations, the Secretariat:

- ▶ Develops financial management, accounting, transfer payment, and internal audit policies, directives, and standards;
- ▶ Assists departments by providing leadership, policy advice, and guidance;
- ▶ Sets performance expectations and monitors performance;
- ▶ Builds capacity within functional communities;
- ▶ Plans horizontal audits and conducts audits of small departments;
- ▶ Provides financial oversight and reporting; and
- ▶ Advises departments on financial authority issues associated with the *Financial Administration Act* and *Appropriation Acts*.

To support this program activity, the Secretariat will undertake the following activities:

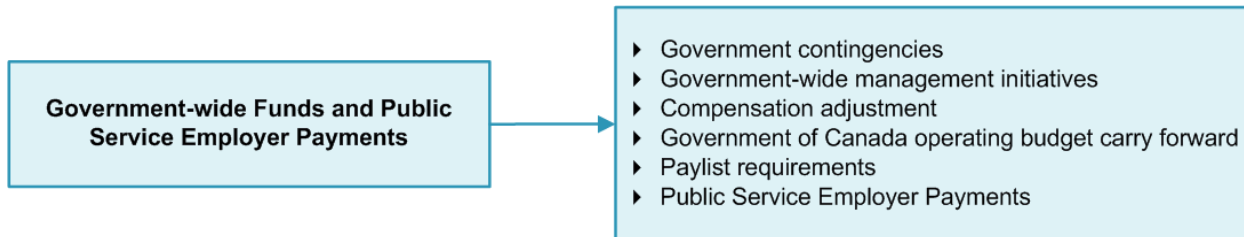
- ▶ Strengthen financial management across the Government of Canada by implementing the Financial Management Framework and the renewed financial policy suite;

- ▶ Work with departments to improve governance, risk management, and internal control processes and ensure that they have effective internal audit functions; and
- ▶ Build capabilities and capacity in the financial management and internal audit communities to effectively implement the financial policy suite.

### **Benefits for Canadians**

This program activity will continue to strengthen financial management and internal audit practices across the federal public service. In this way, it supports the overall effectiveness of public administration in Canada. Safeguarding public assets and ensuring the effective, efficient and economical use of public resources are key to meeting the expectations of Canadians for transparency and accountability in the management of public resources.

## Program Activity 5: Government-wide Funds and Public Service Employer Payments



Human Resources (FTEs) and Planned Spending (\$ thousands)					
2010–11		2011–12		2012–13	
FTEs <sup>1</sup>	Planned spending	FTEs <sup>1</sup>	Planned spending	FTEs <sup>1</sup>	Planned spending
–	2,223,813	–	2,365,171	–	2,561,138
Program activity expected results		Key performance indicator		Target	
Payments and receipts, held centrally by the Secretariat, are made on behalf of other federal government departments in an administratively sound and efficient manner.		Payments are made as appropriate and on time.		Payments made as required (end of fiscal year 2010–11).	
1. The human resources associated with this program activity are included in others; however, the financial resources are shown separately in the PAA for visibility and reporting purposes.					

### Planning highlights

The **Government-wide Funds and Public Service Employer Payments** program activity accounts for funds that are held centrally to supplement other appropriations. From these funds, payments and receipts are made on behalf of other federal organizations. These funds supplement the standard appropriations process and meet certain responsibilities of the Secretariat as the employer of the federal public service. Information on planned spending<sup>15</sup> is provided in Section III, as online supplementary information.

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15. Insert link to online version with supplementary information.



## Program Activity 6: Internal Services



Human Resources (FTEs) and Planned Spending (\$ thousands)					
2010–11		2011–12		2012–13	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
716	90,120	711	90,132	692	87,609

### Planning highlights

The **Internal Services** program activity is advanced through three program sub-activities (PSAs) that support the Treasury Board and the internal management of the Secretariat. PSAs and key functions are the following:

- ▶ Governance and Management Support, including management, oversight, communications, and legal services;
- ▶ Resource Management, which includes human resources management, financial management, IM, IT, travel, and other administrative services; and
- ▶ Asset Management Services, including real property, materiel management, and acquisitions.

To support this program activity, the Secretariat will undertake the following activities:

- ▶ Enhance integrated business planning by improving linkages between operational activities, financial and human resource requirements, and supporting functions such as IM and IT activities.

Effective integrated business and human resources planning is the foundation for shaping the public service of the future. (Source: *2009–10 Public Service Renewal Action Plan*)

- ▶ To support enhanced financial controls, the Secretariat is one of the first departments to implement the new *Policy on Internal Control*. Furthermore, the Secretariat is introducing annual controls assessments and action plans, and will continue to work toward auditable financial statements.

- ▶ Continue to improve HR operations by implementing common HR business processes and through the expanded use of shared services and systems. Training and support will be provided to employees in adapting to their role as “enablers.” A priority will be the full implementation of changes to the Office of the Chief Human Resources Officer.
- ▶ Finalize the IM/IT plan for the next three years, which will incorporate changes related to Treasury Board policies and directives, data centre consolidation, and updates to key applications.
- ▶ Periodically test the readiness of the newly developed Business Continuity Plan (BCP) to ensure that the Secretariat is able to support government-critical services despite business disruptions. The new BCP will enable the Secretariat to withstand hazards to its business activities, such as pandemics, utility failures, or power outages.

The Secretariat will institutionalize the BCP in its management practices to ensure that it mitigates risk associated with business disruption. Building upon the newly developed plan, the Secretariat will ensure that staff are aware of their responsibilities for providing critical services for effective functioning of government.

### **Benefits to Canadians**

Efficient and effective internal services are essential to meet the management and financial performance expectations that have been set for the Secretariat and all departments in the federal government.

## Section III: Supplementary Information

### Financial highlights

The Secretariat is one of ten departments involved in a two-year pilot project to develop a methodology to prepare future-oriented financial statements. The highlights presented in this section are intended to serve as a general overview of the Secretariat's operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management. In 2009–10, the first year of the project, only the Future-oriented Statement of Operations was presented. This year, the Future-oriented Financial Statements also include a Future-oriented Statement of Financial Position, a Future-oriented Statement of Cash Flow, and associated notes.

Complete Future-oriented Financial Statements can be found on the Secretariat's website.

<b>Future-oriented Condensed Statement of Operations (Unaudited) for the Year Ended March 31 (\$ thousands)</b>		
	<b>Estimated results 2009–10</b>	<b>Forecast 2010–11</b>
<b>Expenses</b>		
Government-wide Funds and Public Service Employer Payments	2,171,825	2,231,393
Management Frameworks	72,551	65,534
People Management	68,716	62,071
Expenditure Management	36,435	32,912
Financial Management	33,559	30,514
Internal Services	108,347	97,869
<b>Total expenses</b>	<b>2,491,433</b>	<b>2,520,293</b>
<b>Revenues</b>		
Government-wide Funds and Public Service Employer Payments	11,762	11,909
People Management	7,125	7,845
<b>Total revenues</b>	<b>18,887</b>	<b>19,754</b>
<b>Net cost of operations</b>	<b>2,472,546</b>	<b>2,500,539</b>

<b>Future-oriented Condensed Statement of Financial Position (Unaudited) as at March 31 (\$ thousands)</b>		
	<b>Estimated results 2009–10</b>	<b>Forecast 2010–11</b>
<b>Assets</b>		
Financial assets	223,939	235,047
Non-financial assets	13,695	11,246
<b>Total assets</b>	<b>237,634</b>	<b>246,293</b>
<b>Liabilities and equity</b>		
Liabilities	558,088	574,046
Equity	(320,454)	(327,753)
<b>Total liabilities and equity</b>	<b>237,634</b>	<b>246,293</b>

The Future-oriented Statement of Operations for the year ended March 31, 2010, presented in the 2009–10 *Report on Plans and Priorities* (RPP) has been restated in this RPP to reflect the new PAA and the most current estimates.

The variance between the figures above and the planned spending amounts provided in other sections of the RPP relate to such items as non-responsible revenues, services without charge received from other government departments, amortization, and severance and vacation pay liability adjustments. Additionally, statutory payments related to the employer’s portion of the Employee Benefit Plan and payments of pay equity settlements are included in the table above but not in the planned spending. For more information, refer to Note 6b in the full 2010–11 Future-oriented Financial Statements found on the Secretariat’s website.

## List of supplementary information

The following report is available on the Secretariat’s website:

- ▶ Future-oriented Financial Statements

The following tables are located on the Secretariat’s website:

- ▶ Green Procurement
- ▶ Internal Audits
- ▶ Internal Evaluations
- ▶ Sources of Responsible and Non-Responsible Revenue
- ▶ Planned Spending by Vote under Program Activity 5: Government-wide Funds and Public Service Employer Payments