

# Implementing Modern Comptrollership at NRCan



October 2001

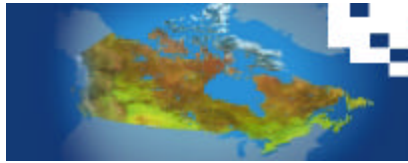


Natural Resources  
Canada

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Canada





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# I Introduction

## **Purpose of document**

This document outlines NRCan's action plan to address gaps in the Department's modern comptrollership capabilities and take advantage of opportunities to improve its management practices.

## **What is modern comptrollership?**

Modern comptrollership means sound management practices. Traditionally, comptrollership in government has focused on financial controls and accounting functions such as processing transactions, reporting totals and keeping track of funds. It has been regarded largely as the preserve of functional specialists. Modern comptrollership represents a shift from a centralized financial focus to a broader management perspective and thus becomes an integral part of each manager's responsibilities.

Modern comptrollership is about vigorous and responsible management of public resources with emphasis on performance, not just on following the rules. It is also about linking financial information (budgets, expenditures, revenues, assets) with non-financial information (planned results, outcomes, performance). It focuses on effective decision making with sound management of resources, including human, financial, capital, technological and information.

Modern comptrollership promotes good business planning, a shared understanding of an organization's ethics and values, and mature risk management regimes. With these in place, it will be possible to adjust the degree of direct controls on organizations and on managers to achieve a better balance between ensuring responsible spending while providing managers with the flexibility they need to deliver in a results-based management culture. This is a multi-year process for full implementation.

## **How it all began**

The need for improved services to Canadians and fiscal restraint has resulted in important changes in the federal public service. Most federal departments have streamlined their operations and refocused their roles and activities. Greater emphasis is being placed on exploring new ways of working, including forming partnerships with other stakeholders to deliver effective, affordable programs and services. Modern comptrollership is one of the key initiatives supporting that transformation.

In December 1997, a blue ribbon panel of public and private sector experts made recommendations to Ministers on modernizing comptrollership in the federal government. In March 1998, Treasury Board (TB) approved \$15 million (April 1998-March 2001) for pilot implementation of modern comptrollership.



**Comptrollership  
Crossroads - Working  
Smarter for Better Results**

**ESSENTIALS OF  
MODERN  
COMPTROLLERSHIP**

# Comptrollership Modernization Road Map — Overview

**ANTICIPATED END RESULTS**

**1. LEADERSHIP**

**KEY PROCESSES & ACTIVITES**

- \*Commitment
- \*Baseline assessment and gap analysis
- \*Business planning & resource allocation
- \*Integrating all elements
- \*Monitoring and feedback
- \*Communications

**STRATEGIC LEADERSHIP**

- \*Sustained and committed endorsement to the vision
- \*Tone from the top in actions, language and rewards
- \*Integrated (central and departmental) and balanced use of all elements for effective decision making
- \*Focus on strategic issues

**2. PEOPLE**

- \*Human resources capacity assessment and gap analysis
- \*Competency profile and surveys
- \*Training and development plan (Managers and Functional Specialists)
- \*Performance management and rewards

**MOTIVATED PEOPLE**

- \*Demonstrated required competencies and skills
- \*Learning environment and programs
- \*Implementing HR management framework
- \*Comptrollership performance in management assessment and accountability accord
- \*Appropriate incentives for achieving results

**3. VALUES & ETHICS**

- \*Defining framework
- \*Building awareness and training
- \*Setting standards and Code
- \*Regime for monitoring

**SHARED VALUES & ETHICS**

- \*Demonstrated in behaviour (internal & with clients)
- \*Evidenced in decisions and in rewards
- \*Work climate based on trust and openness
- \*Values driven organization

**4. PERFORMANCE INFORMATION**

- \*Reporting standards
- \*Systems support and upgrade
- \*Collection and validation of data
- \*Analysis and measurement of results
- \*Integration of results
- \*Developing linkage between performance, planning & results

**INTEGRATED PERFORMANCE INFORMATION**

- \*Integrated financial and non-financial information for supporting decision making and results-based management
- \*Linked resources to results
- \*Linkage to accountability for results
- \*Meaningful, Reliable & Timely Information
- \*Confidence of stakeholders in information

**5. RISK MANAGEMENT**

- \*Establishing framework
- \*Building awareness of business risks
- \*Developing tools
- \*Providing training

**MATURE RISK MANAGEMENT**

- \*Use of comprehensive framework
- \*Inherent to decision making process and to implementing change
- \*Demonstrated confidence by managers in taking & managing risks

**6. STEWARDSHIP**

- \*FIS and Accrual Accounting
- \*Setting standards and policies
- \*Reviewing control and delegation structure
- \*Advice and challenge/ Audit and evaluation plans
- \*Reference to best practices
- \*Building awareness and training

**RIGOROUS STEWARDSHIP**

- \*Appropriate supporting infrastructure and tools in place
- \*Appropriate control systems
- \*Linkage to results and performance
- \*Rigorous analysis of options
- \*Safeguarding of public resources and assets
- \*Public confidence in public stewardship

**7. ACCOUNTABILITY**

- \*Improved Reporting to Parliament
- \*Accessible performance information
- \*Improved internal accountability

**CLEAR ACCOUNTABILITY**

- \*More thorough & succinct reporting to Parliament
- \*Greater public availability of relevant information
- \*Clear internal accountability linked to Performance Management
- \*Improved transparency of Public Service
- \*Public confidence in accountability

**Working Smarter for Better Results**

- \*Better decisions
- \*Better policy
- \*Better service

Six departments began work on modern comptrollership in 1998. The number of pilot departments and agencies has since grown steadily to include fifteen departments and agencies by December 2000. These are Natural Resources Canada, Agriculture and Agri-Food Canada, National Defence, Human Resources Development Canada, Indian and Northern Affairs Canada, Treasury Board Secretariat, Transport Canada, RCMP, Immigration Refugee Board, Health Canada, Environment Canada, Veterans Affairs Canada, Industry Canada, Citizen and Immigration Canada, and the Department of Foreign Affairs and International Trade.

### Elements of the Road Map

1. strategic leadership
2. motivated people
3. shared ethics and values
4. integrated performance information
5. mature risk management
6. rigorous stewardship

Comptrollership modernization focuses on assessing the state of seven key elements, identifying areas for improvement, and developing and implementing “improvement action plans”. The Comptrollership Modernization Road Map (see previous page) provides a brief description of the key processes, activities and anticipated end results for each of the seven elements.

On May 10, 2001, Treasury Board approved an additional \$30 million over three years, beginning in fiscal year 2001-02, to expand modern comptrollership to an additional 100+ departments and agencies in the Government of Canada. Additional information on Modern Comptrollership can be found at [http://www.tbs-sct.gc.ca/CMO\\_MFC/contents.asp](http://www.tbs-sct.gc.ca/CMO_MFC/contents.asp).

### **How this fits with the management framework for the Government of**

**Canada** Two major initiatives, *Program Review* and *Getting Government Right*, have set the stage for effective management at the federal level in the new century. Another important step was taken when Treasury Board became the management board of the Government of Canada, in June 1997.

To fulfill the commitments outlined in *Results for Canadians - A Management Framework for the Government of Canada* (see [http://www.tbs-sct.gc.ca/res\\_can/rc\\_e.html](http://www.tbs-sct.gc.ca/res_can/rc_e.html) to review this publication), TBS has established an agenda with six priorities, including Modern Comptrollership. The other five priorities are citizen-centred service delivery; Government On-Line; improved reporting to Parliament; Program Integrity; and developing an exemplary workplace.

Modern Comptrollership not only supports the commitments made in *Results for Canadians*, but also integrates and builds on a number of key government-wide initiatives such as the Financial Information Strategy; Integrated Risk Management Framework; revised Internal Audit and Evaluation policies; Active Monitoring policy; Transfer Payment policy; and modernization of human resource management in the Public Service.

### Government of Canada framework/agenda that:

- recognizes that the federal government exists to **serve Canadians** and that a “citizen focus” must, therefore, be built into all government activities, programs, and services;
- highlights the importance of sound **public service values**;
- focuses on the achievement of **results** for Canadians; and
- promotes discipline, due diligence and **value for money** in the use of public resources.

### Financial Management Capability Model and Modern Comptrollership

In 1997, the Office of the Auditor General (OAG) developed a Financial Management Capability Model (FMCM) as a diagnostic tool to assess the capacity of federal organizations to meet their goals through sustained and effective comptrollership. The model reflects specific attributes or financial management capabilities that an organization should exhibit at a particular level. Organizations are assessed against these attributes to determine their ranking on a financial management continuum. The model has five levels described by the OAG as follows:

- the **Start-Up** level describes the financial management capabilities of a start-up organization that has not yet established its key policies and practices;
- the **Control** level focuses on establishing the controls needed to safeguard assets and to ensure that data are reliable and operations are monitored and controlled; this level generally describes the capabilities to meet current financial management requirements;
- the **Information** level focuses on integrating an organization’s financial and operational (non-financial) systems, practices and procedures to provide information that can be used to manage resources in an efficient and effective manner;
- the **Managed** level focuses on using information to balance the competing objectives of using resources efficiently and economically and achieving high-quality and effective results; and
- the **Optimizing** level focuses on continuous improvement and learning.

The focus of the OAG’s recent audit of five departments (October 2000, Chapter 13, *Assessment of Financial Management Capabilities in Departments*) was on determining the extent to which they met the requirements of the Control and Information levels. These are capabilities that are consistent with the requirements of the Modern Comptrollership initiative. Key recommendations from the OAG’s audit of the five departments included the need to:

- strengthen capability to monitor and report on departmental control systems;
- strengthen capability to monitor accuracy and timeliness of financial data and the linkage to operational data;
- provide training and support on operation of departmental financial systems;
- establish effective performance indicators for financial management;
- have a clear vision and strategy for how financial management will support the organization’s management practices; and
- integrate financial information into day-to-day decision making.

These findings are similar to those found during the self-assessment conducted as part of the Modern Comptrollership initiative.



## II Modern comptrollership opportunities at NRCan

### **Why NRCan is interested**

The overall key benefit of Modern Comptrollership is the increased efficiency and effectiveness of Natural Resources Canada (NRCan) in fulfilling not only its vision, but also in contributing to the fulfillment of the goals of the Government of Canada. This means adopting modern management practices that will ensure the sound management of resources and facilitate effective decision making. This, in turn, involves a shift to a more strategic use of controls and compliance monitoring to support a values- and results-based culture and is in line with the new TBS Active Monitoring Policy (effective June 1, 2001).

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### **A vision for Canada's natural resources sector**

*In the new millennium, Canada must become and remain the world's "smartest" natural resources steward, developer, user and exporter – the most high-tech; the most environmentally friendly; the most socially responsible; the most productive and competitive – leading the world as a living model of sustainable development.*

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In August 1998, NRCan volunteered to become one of the original six departments to pilot the development and implementation of modern comptrollership in the federal government.

The Deputy Minister is a member of the Modernization Task Force as are the Deputy Ministers from the other pilot departments. The Assistant Deputy Minister (Corporate Services Sector) participates on a Comptrollership Council that has been meeting quarterly. The Director Generals of the Department's Financial Management Branch (FMB) and Audit and Evaluation Branch (AEB) are members of a Director Generals Pilot Group which meets every three weeks. NRCan is expected to report on progress at these committees.

### **Project Management Office**

NRCan applied for and received \$500K for three fiscal years starting in 1998-99, for project management activities. From these funds, a Modern Comptrollership Secretariat was established in the FMB to look after the administrative aspects, coordinate other modern comptrollership activities in the Department, and liaise with the Treasury Board Secretariat/Comptrollership Modernization Office and other departments/agencies interested in modern comptrollership. The Department will receive an additional \$200K in fiscal year 2001-02.

### **Capacity check**

In late 1999 and early 2000, NRCan further refined and piloted the KPMG Capacity Check Model in collaboration with KPMG Consulting and Agriculture & Agri-Food Canada. Using this tool, the

Department undertook an assessment of its modern comptrollership practices.

The tool was used to provide a baseline reading to see how a sample of NRCan managers view key management practices in the Department. Since modern comptrollership is a management responsibility, the opinions and perceptions of managers are important in determining what should be done to move toward improving modern management practices. Information was gathered through interviews (non-random selection) then validated by managers collectively.

It should be noted that the findings of NRCan's assessment were at the departmental level. The capability of sectors or branches with regard to each of the seven categories may vary greatly relative to the departmental results.

The results, which were publicly released in April 2000, indicated that NRCan has good management practices in place but that there are areas where improvements could be made (see table on next page). Overall, NRCan has an opportunity to recognize that:

- leadership is demonstrated through results-based management and communication;
- financial and assets management frameworks promote responsible spending;
- strengthened HR management practices support a workplace of choice;
- mature risk management leads to higher quality decisions and better results;
- shared ethics and values maintain the highest standards of public service; and
- service improvement meets the needs of citizens and clients.

NRCan's Modern Comptrollership Assessment Report can be found at <http://www.nrcan.gc.ca/css/fmb/mc/index.html>

# Summary of Results: NRCan Capacity

		1	2	3	4	5
Strategic Leadership	Leadership commitment		████████			
	Senior Financial Officer's role			████████		
	Management commitment			████████		
	Linkage to strategic planning			████████		
Motivated People	Modern management practices competencies		████████			
	Employee satisfaction		████████			
	Valuing people's contribution			████████		
	Specialist support			████████		
Shared Values and Ethics	Ethics and values	████████				
Integrated Performance Information	Business planning			████████		
	Resource allocation			████████		
	Budgeting and forecasting			████████		
	Corporate performance information			████████		
	Operating information		████████			
	Client satisfaction		████████			
	Evaluative information		████████			
	Service standards		████████			
	Financial information			████████		
	Cost management information		████████			
Mature Risk Management	Risk management		████████			
	Authority levels			████████		
Rigorous Stewardship	Business process improvement			████████		
	Tools and techniques		████████			
	Transaction tracking system			████████		
	Knowledge enabling technology		████████			
	Consistency of information			████████		
	Internal controls		████████			
	Accounting practices			████████		
	Internal audit and review				████████	
External audit and review			████████			
Clear Accountability	Clarity of senior management responsibilities			████████		
	Performance agreements and evaluation			████████		
	Incentives			████████		
	External reporting			████████		

A rating system of 1-5 is used. A high rating does not necessarily mean "goodness", but rather, formality or maturity of capability. The ideal rating for any area is dependent on the needs and goals of the organization. Level 3 is considered the norm.

\* Capacity Check conducted in 1999.

## III Achievements and plans

An analysis of NRCan's capacity check results confirmed that the Department has many key processes in place for the sound management of resources but there are opportunities for improvement. The assessment enabled us to take stock of some of our achievements, and more importantly, it helped identify significant areas for improvement. NRCan's Implementation Plan (Annex 1) outlines six themes in the form of planned results to respond to these areas, and includes the implementation schedule for the next three years. Individual managers are responsible for implementing modern management practices within their areas of operations. In addition, theme leaders have been identified to work in partnership with managers to embed modern comptrollership in the culture of the department. While Annex 2 provides information on funding profiles, Annex 3 provides a cross-walk between the Road Map, the Financial Management Capability Model (FMC) Level Control 2 and the Implementation Plan. The information below presents a brief summary of action items by themes and some of our achievements.

### Themes/Planned Results

1. Leadership is demonstrated through results-based management and communication
2. Financial and assets management frameworks promote responsible spending
3. Strengthened HR management practices to support a workplace of choice
4. Mature risk management leads to higher quality decisions and better results
5. Shared ethics and values maintain the highest standards of public service
6. Service improvement meets the needs of citizens and clients. needs

### *Did you know?*

NRCan was cited in the Auditor General December 2000 Report (Chapter 19) as having "good features" in its Departmental Performance Report. The AG was referring to "**clear and easy to read**" **performance indicator tables** that show the performance expected, the trend and the current status of performance for each indicator, a discussion of its significance and its relationship to NRCan programs, and what the Department is doing to improve performance in that area.

### **1. Leadership is demonstrated through results-based management and communication**

NRCan's modern comptrollership self-assessment indicated that the Department could improve its methods of prioritizing its strategic direction and realigning its programs, activities and resources. NRCan's senior management has an opportunity here to demonstrate its leadership in, and commitment to, modern management practices. There is also an opportunity to further integrate the Department's performance measurement framework and respond to the recently approved Active Monitoring Policy.

Since 1998, the Department has made significant progress toward advancing its planning and performance measurement capabilities. This progress includes the development of a performance measurement framework – based on stakeholder engagement and internal working groups – that comprises a set of goals, objectives, indicators and targets. Furthermore, the Department has used its performance indicator reporting format to inform Parliamentarians of progress made toward advancing sustainable development and good governance. The Department has been recognized for this by external parties such as the Auditor General. Indeed, the Department has developed a web-based performance management/reporting system for its Sustainable Development Strategy. NRCan has also modernized its planning and performance reporting process and has aligned its Sustainable Development Strategy with its Planning, Reporting and Accountability Structure.

The Department is well positioned to launch the development of a more integrated planning and performance management system. It will do so by:

- enhancing strategic planning and better aligning programs to strategic priorities;
- improving linkages between sector business plans and the departmental strategic plan;
- improving methods of prioritizing activities and programs and developing appropriate funding strategies;
- communicating and promoting the use of the *Guide to Good Management 2001*;
- implementing all aspects of NRCan's planning and performance reporting cycle;
- better developing performance information and measurement frameworks; and

### ***Did you know?***

With the tabling of NRCan's first Sustainable Development Strategy (SDS) in 1997, the Department established the Sustainable Development Action Items Management System to track and report on commitments. **The web-based system has been set up to help NRCan staff in updating achievements that have been made with regard to the time-bound targets that have been established under each of the actions of the Department's SDS.** With the tabling of the *SDS - Now and in the Future* in February 2001, NRCan has committed to making progress reports available to the public via the Internet, enhancing transparency and strengthening our credibility with Canadians.

### ***Did you know?***

The new Treasury Board Policy on Transfer Payments now requires that grants and contributions have Results-based Management and Accountability Frameworks (RMAFs) and evaluation studies to support ongoing program effectiveness. The recent Government of Canada's Climate Change Action Plan 2000 comprises more than forty separate initiatives. About 20 of these involve grants and contributions. (All of the grants and contributions initiatives as well as the large non-grants and contributions initiatives require RMAFs as well as full evaluation studies.) While there is an increase in workload, the RMAFs will ensure that programs are better designed and managed throughout the life cycle of the program.

- integrating both centrally driven and departmental management initiatives to make progress within available resources.

## **2. Financial and assets management frameworks promote responsible spending**

Better tools and techniques for managers and value-added analysis and reports were among the opportunities identified in NRCan's self-assessment. Also identified were the benefits of improving monitoring and performance reporting of accountability frameworks and the importance of training for managers and functional specialists. The OAG has also been encouraging better financial management in departments and agencies and to this end has developed the FMCM described on page four. Further, TBS is proposing that all departments and agencies obtain a minimum financial management standard, such as FMCM Control Level 2, by the fall of 2002.

Since 1998, NRCan has been very active in strengthening its financial management function. This is particularly evident in the buildup of its contract management area and the achievement of becoming Financial Information Strategy (FIS) compliant on April 1, 2001. The Department is also developing 13 web-based training modules for managers and functional specialists, has contributed to the development of the Financial Officer (FI) Competency Tool and has provided annual workshops to the FI community and others. NRCan is presently developing a fixed asset module for use in conjunction with the GFS and is upgrading its procurement and contracting monitoring.

Our goal is to develop a strategy and move toward FMCM Control Level 2 as a first priority. This would enable the Department to make sound business decisions, maintain appropriate controls, manage the long-term risk and achieve value for money. This would also allow us to reach the required standard by December 2002 and ensure there is an effective active monitoring regime in place for the financial management function. Over the longer term, the Department will need to move toward attaining the next level, Information Level 3, by December 2004. Specific areas for action include:

- developing financial, procurement and asset management policies and frameworks tailored to NRCan requirements;

### ***Did You Know?***

The Government Financial System (GFS) User Friendly, an NRCan-developed application, is an excellent way to obtain financial management information and reports. This application contains budgets, expenditures and commitments for each departmental project and responsibility centre. The application contains several financial reports that can help managers and administrative officers keep track of their budget and prepare their financial forecasts.

In September 2000, the Acquisition Card (AC) module was added to the GFS. This module allows acquisition cardholders and their designates to record, outside of GFS, purchases made using their departmental AC.

### *Did you know?*

In 1999, a **value-for-money audit of NRCan's contracting management** in the National Capital Region and regional offices revealed that opportunities existed to improve elements of the contracting management framework and promote value-for-money within the Department.

In response to the audit, NRCan hired a departmental contracting manager; increased the number of contracting staff in the Financial Management Branch; developed and issued a contracting manual; held monthly training sessions; developed a contracting web site that is being expanded; has begun upgrading its financial systems to include a new procurement module that will assist in monitoring contracting activity department-wide; and improved documentation of contracting processes.

These actions are essential in improving service delivery to managers, ensuring that the Department adheres to government contracting and procurement policies, and meeting the requirements of the FMCM Control Level 2.

- enhancing monitoring and performance reporting of financial policies, practices and control systems including developing performance indicators for financial management;
- providing tools and techniques for managers, particularly in the areas of forecasting, business planning and business case analysis;
- providing training in financial management policies and practices, FIS requirements, and modern comptrollership responsibilities;
- ensuring the integrity of financial data and monitoring the accuracy and timeliness of this data;
- examining approaches to link information systems for the integration of financial and non-financial information;
- conducting value-added financial analysis and providing financial reports in key areas, including the costing of new policy and program proposals to Cabinet and identifying the corporate and support costs of implementing these proposals; and
- developing a human resources plan to attract and retain staff in the Department's financial community.

### **3. Strengthened HR management practices to support a workplace of choice – recruitment, learning and workplace well-being**

NRCan's modern comptrollership self-assessment indicated that the Department could move towards becoming a workplace of choice by promoting and creating a continuous learning environment where employees have the opportunity to update and increase their knowledge and further their development. To support a continuous learning environment, NRCan adopted, in June 2001, a new departmental learning strategy entitled Partnerships in Learning – A Shared Employee-Employer Investment.

### *Did you know?*

In June 2000, NRCan reaffirmed the direction of the **Retention, Rejuvenation and Recruitment (3R) Strategy** which offers a vision for human resources management for a five-year period. One of the key objectives of the strategy is to help the Department become an employer of choice.

In September 2000, NRCan submitted its Employment Equity Action Plan which focuses on removing systemic barriers and undertaking the necessary steps to become a diverse and harassment-free workplace.

Major achievements during 2000-2001 include partnering with science-based organizations to identify the need for future recruitment as part of its Graduate Opportunities Strategy and the development of a Science Management Development Program for scientific managers; an accountability accord with the Public Service Commission on staffing sub-delegation; and active participation in the regular Career Assignment Program (CAP), the Aboriginal CAP, as well as the Management Trainee Program to prepare the future leaders of the Department.

Other important ongoing initiatives include youth programs such as the Youth Employment Strategy, Federal Student Work Experience Program, and COOP programs, as well as various scholarship programs.

As part of Phase II of La Relève, the Department developed a five year Retention, Rejuvenation and Recruitment (3R) Strategy to address HR priorities. Some of the results to date include career planning workshops, training in developing learning plans, and the development and implementation of a pilot mentoring program. The Department is also fostering the development of functional and other communities. Particularly active are the middle managers', administrative services and policy communities. To date, mandatory awareness sessions on the harassment policy have been provided to nearly 4,000 employees.

Human resources are vitally important to NRCan's ability to achieve its mandate. In terms of advancing the federal agenda on recruitment, learning and workplace well-being, NRCan leads a number of initiatives to improve human resources management within the Department but also with science-based departments and agencies in the federal S&T community. As part of its 3R Strategy, the Department will focus on:

- providing tools and training to support managers in exercising their staffing and recruitment responsibilities, and to assist employees in their personal development;
- developing a leadership development continuum to support employees who want to develop their skills as managers;
- under its Employment Equity Action Plan, putting in place programs to enhance the recruitment, promotion and retention of employees from the four employment equity designated groups including participation in the Visible Minority CAP;
- developing a learning strategy, and implementing the Universal Classification Standard;



- implementing recommendations of the Departmental Public Service Employee Survey (PSES) Working Group to respond to the findings of the PSES; and
- implementing the on-line leave web application to all of NRCan.

#### **4. Mature risk management leads to higher quality decisions and better results**

The capacity check results indicated the need to develop and implement a risk management framework. A particular focus was the need to inculcate the framework into NRCan's management culture.

The Department received funding to examine, identify and implement an integrated risk management framework consistent with the Treasury Board Integrated Risk Management Framework. Building on other risk activities, NRCan has prepared a draft that proposes a departmental approach to realize an integrated risk management framework that also responds to the TBS Active Monitoring Policy. The concept of risk management has been incorporated into NRCan's *Guide to Good Management 2001*. In addition, a concept paper on *Arrangements Involving External Parties: Types of Arrangements and Governance Issues* presents the concept of mitigating and managing various risks inherent in these types of arrangements. Several NRCan management activities have begun. Over the next three years, NRCan expects to:

- approve an NRCan integrated risk management framework;
- commence horizontal implementation of the framework;
- establish an inter-sectoral risk management committee to maintain momentum;
- design and implement sector-specific and other risk tools such as training (see web site);
- conduct pilots and risk demonstration projects throughout the Department; and
- participate in the Justice Legal Risk Management Project.

#### ***Did you know?***

One of NRCan's sectors undertook a **sector-wide risk assessment** to examine its resources and services. This has generated wide exposure to risk concepts across sector management. A checklist of risk exposures that can occur in the procurement and contracting processes, along with appropriate mitigation strategies, has been developed. Work is ongoing to achieve a shift in NRCan's culture, moving beyond being risk attentive to being a risk mature organization.

## 5. Shared ethics and values maintain the highest standards of public service

The Department has recognized the need to develop and implement a department-wide ethics and values framework. To date, the Department has:

- renewed the dialogue on ethics through case discussions and awareness sessions being undertaken in the NCR and regional offices;
- conducted an “ethics in science” case discussion for the interdepartmental Science Managers Forum;
- incorporated values and ethics into NRCan’s *Guide to Good Management 2001*;
- incorporated ethics and values into the concept paper *Arrangements Involving External Parties: Types of Arrangements and Governance Issues* and other guidelines to ensure that the public interest is protected in collaborative arrangements; and
- delivered the "Ethics and Conflict of Interest" course to NRCan employees across Canada.

In the near future, the Department will continue its dialogue with employees, will launch an ethics and values web site, create an office of internal disclosure, and will be investigating the use of web-based tools for real-time ethical case discussions. A mutual understanding and acknowledgment of the ethics and values that guide our professional relationships will greatly support the Department in meeting its goals and objectives.

### *Did you know?*

The Department is renewing the dialogue on **ethics and values** to build a solid foundation on which to develop a framework. This is being accomplished through awareness sessions and ethical case discussions in the National Capital Region and regional offices, including a ethics and values workshop that NRCan hosted as part of the Regional Science

## 6. Service improvement meets the needs of citizens and clients

NRCan’s modern comptrollership self-assessment indicated that there is an opportunity to improve service delivery in the areas of providing departmental guidelines, conducting regular client surveys, and aggregating results departmentally. The Department can also be more consistent in putting service standards in place.

The Department’s Excellence Plan concluded on March 31, 2000, and contributed to the following:

- implementation of NRCan Operating Principles;
- promotion of a *Guide to Good Management*;
- implementation of sectoral client satisfaction measures (surveys); and
- thirteen divisions and laboratories registered to ISO standards.

To respond to the Treasury Board Service Improvement Initiative, NRCan has developed an action plan for addressing client service measurement. This work is proceeding in collaboration with NRCan On-Line, in terms of identification of services, clients and service standards. Treasury Board Ministers have established a target of a minimum 10 percent improvement in Canadians’ satisfaction with the delivery of key Government services by 2005.

NRCan will implement its Excellence Initiative Strategic Plan 2001-04, which will focus on the development, promotion and implementation of quality management principles, methods and tools, including external certification of services, products and programs. In addition to client satisfaction surveys, other Excellence initiatives will include expanding the number of organizational self-assessments using the *Guide to Good Management 2001* and its companion workbook; expansion of ISO 9000 registrations, ISO/IEC Guide 25, and upgrading to ISO 9000:2000 for NRCan units registered to ISO 9000.

### *Did you know?*

NRCan's Aeronautical and Technical Services (ATS) Division has won the prestigious **Canada Award for Excellence trophy**. ATS is the first Government of Canada organization honored by the National Quality Institute (NQI) with the award, which recognizes outstanding organizational achievement and excellence in implementing quality principles and practices. The award encourages the adoption of world-class management techniques, promotes communication and creates a forum for the exchange of best practices as embodied in the NQI Quality Framework.

ATS underwent major changes during Program Review, seeing its budget cut by more than half, becoming largely dependent on cost recovery and client loyalty, and successfully implementing automation and digital products and services. Since then, ATS has actually grown, incorporating its supplier of cartographic printing services, and hiring new employees to meet demand. Throughout all these changes, it was the focus on quality that sustained the organization and allowed it to move ahead.

### *Did you know?*

ISO 9000 is a standard for quality management systems that has been developed and accepted internationally as a method of providing assurance of product/service quality. Public and private sector organizations qualify for these standards to compete in this era of global competition. The Standards Council of Canada, along with representative bodies of more than 100 countries, works with the International Organization for Standardization to develop these standards. **NRCan is one of several federal departments currently implementing ISO quality management systems in several of its organizational units.**

The following departmental organizational units have already obtained ISO 9000 registration: Centre for Topographic Information; Aeronautical and Technical Services; Canadian Certified Reference Materials Project; Analytical Services Group; Canadian Explosives Research Laboratory; Characterization Laboratory; Energy for High Temperature Processes; Processing and Environmental Catalysis; Cartographic Services Section; Mining Laboratory Advanced Combustion Technology; and the Mining and Mineral Sciences Laboratory.

### **Progress reporting**

The Department will continue to provide modern comptrollership progress reports to the Departmental Management Committee on an annual basis.

These progress reports and the implementation plan are available on the following web site:

<http://www.nr.gc.ca:80/css/fmb/emp/ppr/mc.htm>

## IV Conclusion

Modern comptrollership forms an integral part of NRCan's efforts to integrate various departmental and other governmental management initiatives. It is pivotal to the achievements of *Results for Canadians*. To be successfully implemented, modern comptrollership must be embedded in management practices at all levels in the Department. Strong and effective communications are essential to ensuring that managers at all levels recognize the importance of modern comptrollership in achieving the Department's vision.

The Department will therefore continue to work with the Treasury Board Secretariat's Comptrollership Modernization Office and other government departments, over the next three years, to further develop and refine our modern management practices and controls. This liaison will also enable the Department to meet the challenges of implementing the Government's Active Monitoring Policy. For example, the implementation of risk management and values and ethics programs, and other modern comptrollership initiatives, will greatly assist in the cultural evolution towards achieving the goals set out in *Results for Canadians*.



# Annexes

## 1. Implementation Plan and schedule

Results	Milestones	2001-02	2002-03	2003-04
1. Leadership is demonstrated through results-based management and communication.	strengthen departmental strategic planning including supporting departmental priority-setting and program alignment processes	✓	✓	
	further integrate departmental performance measurement framework	✓	✓	✓
	develop an integrated agenda of management improvement initiatives	✓		
	communicate and promote use of <i>Guide to Good Management 2001</i>	✓	✓	✓
2. Financial and assets management frameworks promote responsible spending.	strengthen financial management and accountability frameworks	✓		
	implement capital and asset management frameworks	✓	✓	
	provide tools and techniques for managers	✓	✓	✓
	provide training to managers and functional specialists	✓	✓	✓
	enhance monitoring and performance reporting of financial policies, practices and control systems	✓	✓	✓
	targeted rollout of FIS to managers	✓	✓	
	develop a strategy for the integration of financial and non-financial systems	✓	✓	✓
	develop and implement costing model to determine incremental corporate and support costs of new or expanded activities	✓		
	develop a human resources plan to attract and retain financial staff	✓		
	develop a strategy and move toward FMCM Information Level 3		✓	✓

Results	Milestones	2001-02	2002-03	2003-04
<b>3. Strengthened HR management practices to support a workplace of choice.</b>	implement the employment equity action plan and work towards a barrier-free workplace and more diverse workforce	✓	✓	✓
	conduct value-based staffing training	✓	✓	
	develop (official) language at work action plan	✓		
	develop leadership program and career coaching workshops, and conduct career planning workshops	✓		
	develop assignment policy and web site and revise performance appraisal policy	✓		
	reassess departmental participation in career development programs (CAP, MTP)	✓	✓	✓
	develop and implement HR planning/recruitment strategy; and implement learning and employee development strategy	✓		
	implement E-Mentoring program; and develop orientation program	✓		
	conduct regular employee satisfaction surveys (government-wide or departmental)		✓	
	implement on-line leave web application for all of NRCan	✓		
<b>4. Mature risk management leads to higher quality decisions and better results.</b>	approve an NRCan integrated risk management framework	✓	✓	
	commence horizontal implementation of the framework		✓	✓
	establish an inter-sectoral risk management committee to maintain momentum	✓		
	design and implement sector-specific and other risk tools such as training			✓
	conduct pilots and risk demonstration projects throughout the Department	✓	✓	✓



Results	Milestones	2001-02	2002-03	2003-04
<b>5. Shared ethics and values maintain the highest standards of public service.</b>	continue dialogue with employees	✓		
	investigate the use of web-based tools for real-time ethical case discussions	✓		
	implement approved ethics and values program		✓	✓
	evaluate effectiveness of ethics and values program in the Department			✓
<b>6. Service improvement meets the needs of citizens and clients.</b>	expand number of self-assessments using <i>Guide to Good Management (GGM)</i> , GGM workbook and management improvement plans	✓	✓	✓
	expand number/scope of ISO 9000 registrations and ISO/IEC Guide 25 accreditations	✓	✓	✓
	upgrade to ISO 9000-2000 for units registered to ISO 9000	✓	✓	✓
	develop and implement an NRCan Service Improvement Initiative	✓	✓	✓
	use service standards and client satisfaction surveys at sector and departmental levels on a more consistent basis		✓	✓

## 2. Funding profile (\$000)

Themes and Initiatives	1998-99	1999-00	2000-01	Mod. Compt 2001-02	Other TBS Funds 2001-02	Deptl Funds 2001-02	Totals
<b>Modern Comptrollership Project Office</b>	50	237	92	55	*	*	434
<b>Leadership</b>							
• strategic planning/program alignment	*	*	*	*	*	*	*
• performance measurement module	*	*	*	40	*	*	40
• integrated management agenda	*	*	*	60	*	*	60
• promote and communicate <i>Guide to Good Management 2001</i>	*	*	*	*	*	*	*
<b>Financial and assets management</b>							
• financial management and accountability frameworks	*	*	*	*	*	*	*
• capital & asset management frameworks	*	*	*	*	*	100	100
• tools and techniques	*	*	*	*	*	*	*
• provide training to managers	*	*	*	66	*	*	66
• financial monitoring and reporting	*	*	*	50	*	*	50
• FIS implementation, quality review and rollout	*	438	370 376	*	285	120	1589
• develop corporate costing model	*	*	*	*	*	*	*
• better integration of financial & non-financial systems	*	*	*	*	*	200	200
• financial community HR plan	*	*	*	*	*	*	*
<b>Strengthened HR management practices</b>							
• EEAP	*	*	*	*	*	310	310
• value-based staffing	*	*	*	*	*	*	*
• OLAP	*	*	*	*	*	*	*
• leadership program & career workshops	*	*	*	*	*	*	*
• web site and policy development	*	*	*	*	*	*	*
• CAP, MTP review	*	*	*	*	*	*	*
• HR planning/recruiting strategy, etc.	*	*	*	30	*	*	30
• e-mentoring and orientation	*	*	*	*	*	*	*
• on-line leave web application	*	*	*	*	*	100	100
<b>Mature risk management</b>	*	*	125	55	*	243	423
<b>Shared values and ethics</b>	*	*	26	154	*	*	180
<b>Service improvement to meet needs of citizens and clients</b>	*	*	*	*	*	*	*
<b>Totals</b>	50	675	989	510	285	1073	3582

\* Within existing resources; not separately costed.

### 3. Comparison Between Comptrollership Modernization Road Map, the NRCan Modern Comptrollership Implementation Plan and the Financial Management Capacity Model, Control Level 2

Comptrollership Modernization Road Map	NRCan Modern Comptrollership Implementation Plan	Financial Management Capacity Model Control Level 2
<p><b>1. LEADERSHIP</b></p> <ul style="list-style-type: none"> <li>S commitment and communications</li> <li>S business planning &amp; resource allocation</li> <li>S integration of all Road Map elements for effective decision making</li> <li>S monitoring &amp; feedback</li> <li>S focus on strategic issues</li> </ul>	<p><b>LEADERSHIP</b></p> <ul style="list-style-type: none"> <li>S implement strategic planning/program alignment processes</li> <li>S develop an integrated management agenda</li> <li>S communicate and promote use of <i>Guide to Good Management 2001</i></li> </ul>	<p><b>ORGANIZATIONAL CONTROL ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>S establishing, implementing and communicating the structure, policies and guiding principles of the organization</li> </ul>
<p><b>2. PEOPLE</b></p> <ul style="list-style-type: none"> <li>S capacity assessment &amp; gap analysis</li> <li>S competency profile and surveys</li> <li>S training and development plans</li> <li>S performance management &amp; rewards</li> <li>S learning environment &amp; programs</li> <li>S implementing HR management framework</li> <li>S appropriate incentives for achieving results</li> </ul>	<p><b>FINANCIAL AND ASSETS MANAGEMENT FRAMEWORKS</b></p> <ul style="list-style-type: none"> <li>S develop human resources plan for attracting and retaining financial staff</li> </ul> <p><b>WORKPLACE OF CHOICE</b></p> <ul style="list-style-type: none"> <li>S implement learning and employee development strategy</li> <li>S implement value-based staffing</li> <li>S various training programs and packages</li> <li>S regular employee satisfaction surveys</li> <li>S employment equity, diversity and language of work actions</li> </ul>	
<p><b>3. VALUES &amp; ETHICS</b></p> <ul style="list-style-type: none"> <li>S define framework</li> <li>S build awareness and training</li> <li>S set standards and code</li> <li>S regime for monitoring</li> </ul>	<p><b>SHARED VALUES &amp; ETHICS</b></p> <ul style="list-style-type: none"> <li>S continue dialogue with employees</li> <li>S investigate the use of web-based tools for real-time ethical case discussions</li> <li>S implement approved ethics and values program</li> <li>S evaluate effectiveness of ethics and values program in Department</li> </ul>	

Comptrollership Modernization Road Map	NRCan Modern Comptrollership Implementation Plan	Financial Management Capacity Model Control Level 2
<p><b>4. PERFORMANCE INFORMATION</b></p> <ul style="list-style-type: none"> <li>S standards, system support &amp; upgrades</li> <li>S integrating financial &amp; non-financial information; linking resources to plans and actual results</li> <li>S collection &amp; validation of data</li> <li>S analysis &amp; measurement of results</li> </ul>	<p><b>LEADERSHIP</b></p> <ul style="list-style-type: none"> <li>S further integrate departmental performance management framework</li> </ul> <p><b>FINANCIAL AND ASSETS MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S strengthen financial management and accountability frameworks</li> <li>S implement capital and asset management frameworks</li> <li>S provide tools and techniques for managers</li> <li>S provide training to managers and functional specialists</li> <li>S targeted rollout of FIS to managers</li> <li>S develop a strategy for the integration of financial and non-financial systems</li> <li>S develop and implement costing model to determine incremental corporate costs of new or expanded activities</li> <li>S develop a human resources plan to attract and retain financial staff</li> <li>S develop a strategy and move toward FMCM Information Level 3</li> </ul>	<p><b>INTERNAL CONTROLS AND DATA MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S establishing, maintaining and communicating internal control policies</li> <li>S developing cost-effective controls</li> <li>S establishing data management structure of the organization and implementing procedures to ensure integrity of data</li> </ul> <p><b>OPERATIONS CONTROL</b></p> <ul style="list-style-type: none"> <li>S tracking and monitoring progress and use of resources against plans, analyzing variances or departures from planned accomplishments</li> </ul>
<p><b>5. RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S establishing &amp; using comprehensive framework</li> <li>S building awareness of business risks</li> <li>S developing tools &amp; providing training</li> </ul>	<p><b>MATURE RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S approve an NRCan integrated risk management framework</li> <li>S commence horizontal implementation of the framework</li> <li>S establish an inter-sectoral risk management committee to maintain momentum</li> <li>S design and implement sector-specific and other risk tools such as training</li> <li>S conduct pilots and risk demonstration projects throughout the Department</li> </ul>	<p><b>RISK MANAGEMENT &amp; CONTROL</b></p> <ul style="list-style-type: none"> <li>S organization control environment</li> <li>S internal controls management</li> <li>S planning and reporting and operations control</li> </ul>

Comptrollership Modernization Road Map	NRCAN Modern Comptrollership Implementation Plan	Financial Management Capacity Model Control Level 2
<p><b>6. STEWARDSHIP</b></p> <ul style="list-style-type: none"> <li>S FIS and accrual accounting</li> <li>S appropriate supporting infrastructure and tools in place</li> <li>S appropriate control systems</li> <li>S rigorous analysis of options; advice and challenge function</li> <li>S building awareness and training</li> <li>S audit and evaluation plans</li> </ul>	<p><b>FINANCIAL AND ASSETS MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S enhance monitoring and performance reporting of financial policies, practices and control systems</li> <li>S targeted rollout of FIS to managers</li> <li>S develop strategy to integrate financial and non-financial information</li> <li>S implement capital and asset management frameworks</li> </ul>	<p><b>GENERAL ACCOUNTING</b></p> <ul style="list-style-type: none"> <li>S establishing and communicating accounting policies and procedures</li> <li>S providing functional guidance &amp; advice</li> <li>S meeting financial processing and reporting requirements</li> </ul> <p><b>FUNDING</b></p> <ul style="list-style-type: none"> <li>S estimating needed funding, preparing and approving requests for funding and monitoring ongoing funding needs</li> </ul>
<p><b>7. ACCOUNTABILITY</b></p> <ul style="list-style-type: none"> <li>S more thorough and succinct reporting to Parliament</li> <li>S accessible performance information</li> <li>S improved internal accountability linked to performance and results</li> <li>S improved transparency of Public Service</li> </ul>	<p><b>LEADERSHIP</b></p> <ul style="list-style-type: none"> <li>S expand departmental performance management framework</li> </ul> <p><b>FINANCIAL AND ASSETS MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>S move toward FMCM Control Level 2</li> <li>S implement capital and asset management frameworks</li> </ul> <p><b>SERVICE IMPROVEMENT</b></p> <ul style="list-style-type: none"> <li>S expand number of ISO/IEC registrations and accreditations</li> <li>S develop and implement an NRCAN Service Improvement Initiative</li> <li>S regularize use of service standards and client satisfaction surveys</li> </ul>	<p><b>PLANNING AND BUDGETING</b></p> <ul style="list-style-type: none"> <li>S determining activities, schedules and resources needed to achieve goals and objectives and developing action plans and budgets</li> </ul> <p><b>STEWARDSHIP REPORTING</b></p> <ul style="list-style-type: none"> <li>S defining reporting requirements</li> <li>S communicating requirements and deadlines</li> <li>S assigning responsibility for preparing, monitoring, reviewing and approving reports</li> <li>S producing and distributing reports</li> </ul>