



Treasury Board of Canada  
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Secrétariat du Conseil du Trésor  
du Canada



## Meeting the Expectations of Canadians

# Review of the Responsibilities and Accountabilities of Ministers and Senior Officials

REPORT TO PARLIAMENT

Canada

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## Table of Contents

1. Introduction.....	1
1.1 Structure of this report .....	2
1.2 Overview of accountability in responsible government .....	3
1.3 The goal of an accountability regime .....	5
1.4 Overview of strengthening accountability .....	6
2. The Role of Parliament in the Accountability Regime .....	9
Introduction.....	9
2.1 Parliament and the assignment of responsibility .....	9
2.2 Parliament’s role in holding the government to account .....	15
2.3 Role of Parliament in sanctioning the government, ministers, and senior officials.....	19
3. The Ministry and the Accountability Regime .....	20
Introduction.....	20
3.1 Role of the prime minister in the assignment of responsibility .....	20
3.2 Managing the political-bureaucratic interface.....	21
3.3 The operating context of government .....	25
3.4 The role of the prime minister in sanctioning ministers and deputy ministers.....	27
4. Role of the Treasury Board in the Accountability Regime .....	28
Introduction.....	28
4.1 The Treasury Board and the assignment of responsibility.....	28
4.2 Role of the Treasury Board in management oversight.....	30
4.3 Role of the Treasury Board in addressing mismanagement .....	32

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5. Framework for Strengthening Accountability .....	33
Introduction.....	33
5.1 Framework for strengthening accountability .....	34
5.2 Support Parliament in its role in holding the government to account	34
5.3 Support ministers and deputy ministers in carrying out their responsibilities and improve management performance .....	39
5.4 Strengthen the Treasury Board's role in ensuring solid managerial accountability .....	47
5.5 Conclusion.....	50
6. Consultation participants .....	52



## 1. Introduction

Accountability in the Government of Canada is framed by our system of responsible government. This system is based on the Westminster model, the cornerstone of which is the doctrine of ministerial responsibility. Parliament has a responsibility to hold the government to account. Ministers are accountable to Parliament for the exercise of authority assigned to the Crown under the constitution and under statutory law.

This review of the doctrine and practice of ministerial responsibility was conducted in response to direction from the Prime Minister to the President of the Treasury Board following the tabling of the Auditor General of Canada's November 2003 report.<sup>1</sup> The report's investigation of the sponsorship program and advertising activities<sup>2</sup> drew the attention of Parliament and the public to the issue of accountability. A number of other measures were taken at the time to address concerns about mismanagement of the sponsorship and advertising program, including the creation of an independent commission of inquiry led by Mr. Justice John Gomery to examine past behaviour in the sponsorship and advertising programs and to formulate recommendations in order to prevent mismanagement in the future.

Since December 2003, action has been taken on many fronts to strengthen accountability:

- ▶ Management expectations have been clarified, and the capacity to meet them is being enhanced.
- ▶ Improvements have been made in transparency and reporting to Parliament.
- ▶ Measures have been taken to enhance financial management.
- ▶ Greater attention is being paid to carrying out audits of departments and agencies, and audit capacity is being increased.

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1. "Strengthening Transparency, Accountability and Management Across the Public Sector," Treasury Board of Canada Secretariat, Press Release, February 10, 2004.

2. *Matters of Special Importance—2003*. Report of the Auditor General of Canada. Ottawa: Queen's Printer, November 2003. See Chapter 2, "Accountability and Ethics in Government." The report was tabled on February 10, 2004.

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- ▶ Human resources modernization will also strengthen accountability within the Public Service.
  - ▶ Governance and accountability has been strengthened in Crown corporations.

The focus of the report is on the role of Parliament, the ministry, and the Treasury Board in the accountability regime. It deals specifically with matters of financial administration, rather than policy, as that is where the current concern about responsibility lies. Financial administration covers matters relating to administrative policy, financial management, expenditure plans, programs and policies of departments, personnel management, and other matters related to the prudent and effective use of public resources.

This report complements the *Review of the Governance Framework of Canada's Crown Corporations*<sup>3</sup> and *The Financial Administration Act: Responding to Non-compliance*. Mr. Justice Gomery has been mandated to take into account issues raised and commitments made in this review as he develops recommendations.

This report follows from an in-depth review of existing documents on the doctrine of ministerial responsibility and from consultations with noted experts and practitioners in the field. Consultations on the accountability regime were held through a series of round tables with distinguished academics, current and former ministers and deputy ministers, and other stakeholders.<sup>4</sup> These consultations were also greatly aided by a discussion paper drafted by Professor Donald Savoie, who served as the Simon Reisman Fellow at the Treasury Board of Canada Secretariat in 2004, and were supported by other eminent observers of Canadian government: Denis Desautels, former Auditor General of Canada; Robert Marleau, former Clerk of the House of Commons; and Camille Montpetit, former Deputy Clerk of the House of Commons.

## 1.1 Structure of this report

This report explains in some detail the practice of ministerial responsibility in Canada, focussing in particular on how:

- ▶ responsibilities are assigned;
- ▶ the people with those responsibilities are held to account; and
- ▶ consequences are delivered when performance is found to be wanting.

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3. Tabled in Parliament on February 17, 2005.

4. See the list of those consulted in Section 6. Their valued insight and input helped shape the review's major findings, though participants were not asked to endorse how the government has set out the issues in the review.



Given the centrality and complexity of the accountability regime, the government believes that it is important to begin with a sound understanding of the existing principles and practices in Parliament and in government itself. Canadians, in judging the best way ahead, will want to know what mechanisms are currently in place, how they relate to each other, and how they have evolved. As will be shown in the report, a robust accountability regime is in place, and it has deep traditions and well-developed roles.

Therefore, the first few sections of the report describe the current accountability regime. Section 1 provides an overview of accountability in responsible government, explains the purpose of an accountability regime, and outlines the doctrine of ministerial responsibility and its practice in Parliament and in government. Section 2 deals with the role of Parliament (particularly the House of Commons), considers in some depth the role of the key mechanisms that Parliament uses to hold the government to account, and explores the accountabilities of ministers and senior officials in this context. Section 3 examines the essential aspects of accountability in the ministry, touching on the role of the prime minister and the Privy Council Office, and addresses how ministers and deputy ministers manage the political-bureaucratic interface. Section 4 outlines the central role played by the Treasury Board and its Secretariat in relation to managerial accountability, particularly as it concerns the responsibilities of deputy ministers for financial management.

The last section of the report describes a framework for reform. In this context, it is important to note the principal lessons learned from past efforts at reform. Knowing where we have come from will help guide where we should go. The government operates in a challenging environment and reforms, both in Parliament and in the government, can carry a high cost if not carefully planned and executed. Reforms must take us forward, not backward. Section 5 outlines each element of the framework and identifies the following for each of the core accountability mechanisms in Parliament, the ministry, and the Treasury Board:

- ▶ the specific challenges noted by the distinguished participants in the consultation phase of the report;
- ▶ the measures that the government has already taken to address these challenges; and
- ▶ the core values and objectives that will guide the government in developing its action plan.

The specific measures the government will be taking to strengthen accountability are outlined in *Management in the Government of Canada: A Commitment to Continuous Improvement*.

## 1.2 Overview of accountability in responsible government

Any discussion of accountability in our constitutional system—the Westminster system of parliamentary democracy—must be informed by an understanding of how that system functions and why. Although the Westminster system developed incrementally, rooted in evolving

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democratic values rather than in abstract or static concepts, it has deep integrity, and the roles of different players complement each other in a fine balance. It is thus both an evolving system that has adapted to changing circumstances and an organic structure in which changes in one area inevitably have repercussions in another. This section provides an overview of the accountability regime. Each of the constituent elements is explored in greater depth in the sections that follow.

The Westminster system is defined by its distinctive accountability features: the twin tenets of parliamentary sovereignty and responsible government. Under this constitutional system, Parliament can make any law it wishes within the limits of the constitution—for example, the division of jurisdictional authority under the *Constitution Act, 1867* and the rights set out in the *Charter of Rights and Freedoms*. The executive is responsible to the legislature—that is, the government of the day remains in power only so long as it commands the confidence of the elected House of Commons. The executive is therefore accountable to the legislature for the exercise of its authority, and together they are accountable to the electorate. Because in this system the members of the executive sit in the legislature and require its confidence, their accountability is anything but a remote theoretical construct—it is a living, daily reality in the House.

Ministers, who together as the ministry form the government of the day, exercise executive authority in this system. These ministers, who act largely through the work of a non-partisan public service, are accountable to Parliament both individually and collectively. All accountabilities in Canadian government flow from ministers' individual and collective accountability to Parliament.

Although Parliament does not exercise executive authority, it is the principal guarantor of the government's accountability, scrutinizing the government's policies and actions and holding it to account. Parliament has a spectrum of tools for doing this, ranging from its role in the passage of legislation to the review and approval of public expenditure to the interrogations of Question Period. But while the specific tool may vary, the environment remains constant—that of partisan politics. Parliament and its processes are inherently *political*.

The political responsibility of ministers, or accountability to Parliament, is an important element of electoral democracy. However, political responsibility is not the mechanism that ensures accountability on the part of public servants—that mechanism is managerial. Deputy ministers are accountable to their ministers, to the prime minister, and to the Treasury Board for the use of their authority to implement policy and particularly in the area of financial administration. Political responsibility is also not the means of determining civil or criminal liability for unlawful conduct—that is the justice system. The sanctions associated with ministerial responsibility are political, ranging from public embarrassment of a minister and consequent loss of political stature at one end of the spectrum to the potential fall of a government at the other.





As noted, all of these elements of the accountability regime will be explored in depth in this report, but what is clear from this overview of responsible government are the distinct and finely balanced roles of each of the system's different players. Ministers exercise executive authority on the basis of the political support that they receive from Parliament; they therefore have political accountability to Parliament. Parliament, in turn, does not exercise executive authority, but it ensures that executive power is properly exercised. Its mechanisms for doing so are political and partisan. They must be employed responsibly in order to strengthen accountability and not be used as a substitute for thoughtful scrutiny. Public servants, as the instruments through which successive ministries give effect to their policy and operational agenda, must adhere to principles and values that enable them to support successive governments effectively and without partisan bias. They must be accountable primarily to their ministers on terms, principally managerial, that respect this role.

### Key concepts of ministerial responsibility

In explaining the theory and operation of ministerial responsibility, the government has distinguished among three central concepts: responsibility, accountability, and answerability.

**Responsibility**, in addition to referring to the constitutional relationship between ministers and the House under responsible government, also refers to the sphere in which a public office holder (elected or unelected) can act, which is defined by the specific authority given to that office holder by law or delegation.

**Accountability** is the means of explaining and enforcing responsibility. It involves rendering an account of how responsibilities have been carried out; taking corrective action and fixing any problems that have been identified; and, depending on the circumstances, accepting personal consequences if the matter is attributable to the office holder's own action or inaction.

**Answerability** refers to a duty to inform and explain. It is narrower in scope than accountability in that it entails neither the responsibility to take action nor the personal consequences associated with accountability.

## 1.3 The goal of an accountability regime

The government must be accountable for both the policies it sets and the means by which it implements them. However, the area of particular concern in the current context is the responsibility and accountability of ministers and senior officials for matters of financial administration and management in policy implementation. This report, therefore, focusses on responsibility and accountability for financial administration. In this regard, the accountability regime under our system of responsible government must do the following:

- ▶ provide assurance to Parliament and Canadians of the government's proper use of lawful authorities and public resources;
- ▶ reinforce all parties' compliance with established legal requirements and management policies and practices; and

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- ▶ promote a culture and practice of continuous improvement of governance and administration in the Public Service.

The accountability regime must therefore be marked by at least three core features:

- ▶ well-defined roles and responsibilities, where those with authority have the capacity to carry out their duties;
- ▶ a credible process of rendering an account, where those with responsibility answer for their performance against the standard of what they were expected to do; and
- ▶ the assignment of consequences, good or bad, for the performance of responsibilities.

The actions of ministers and public servants, and reforms to the accountability regime must be guided by a vision of good management. Given that good management includes not just adherence to sound systems of controls but also the encouragement of creativity to generate continuous improvement, the goal should not be to eliminate all mistakes, at any cost. Good management means that:

- ▶ organizations can allocate public resources based on demonstrable performance, sound values, and the confidence to innovate;
- ▶ management decisions give balanced and integrated consideration to risk, resource stewardship, people, and rigorous accountability; and
- ▶ managers continuously strive to improve the quality of their analysis and their understanding of the needs of Canadians, have the training required to meet performance expectations, and are accountable for meeting those expectations.

An assessment of the accountability regime must take into account the objectives of the regime, examine the practices associated with each of the elements of good management, determine whether this vision of management is being met, and judge whether the proposed framework for reforms will result in the necessary measures to reach this goal.

## 1.4 Overview of strengthening accountability

The government has taken steps to enhance accountability and will continue to do so in the future. The Westminster system is an evolutionary one and can embrace any changes that reflect its fundamental spirit, but such changes must be thoughtful rather than reflexive. Lessons can be drawn from the practices in the accountability regime that provide direction for future reforms:

- ▶ Accountability is a shared responsibility, with central roles played by Parliament, the ministry, and the Public Service. Any reforms must address the challenges faced by each actor and reinforce its unique role.



- ▶ Control systems are important, but they must allow for, not stifle, innovation and creativity. Controls can undermine accountability if they remove responsibility from ministers and public servants and centralize it.
- ▶ Controls alone are not enough; they must be supported by a strong ethical code, learning opportunities, and capacity-building initiatives to ensure that individuals operating in the regime strive to properly fulfil their duties and responsibilities.
- ▶ Even when significant issues of mismanagement arise, the urge to revamp the entire regime must be resisted; a balanced, measured approach that tackles the problems in a comprehensive and sustained way results in better long-term outcomes.

As the Clerk of the Privy Council observed in the *Twelfth Annual Report to the Prime Minister on the Public Service of Canada*, “[We] cannot tolerate breaches of the law or of our core values and ethics ... [b]ut we cannot build systems based on distrust. We cannot go backwards, building layers of hierarchy and rules governing each transaction. And we cannot treat all errors the same way. Errors made in good faith are inevitable, especially in an organization that values innovation and creativity. Accountability requires that we report honestly and accurately, including the errors, and demonstrate that we have learned from the mistakes and have made the necessary adjustments. But accountability cannot become mere blaming.”

Based on careful consideration of the advice and recommendations of the distinguished individuals consulted, the government has developed a framework for strengthening the accountability regime. It builds on the many initiatives already taken and complements the core principles of ministerial responsibility. The framework will do the following:

- ▶ support Parliament in its role in holding the government to account by encouraging Parliament to enhance its capacity for scrutiny and by working with Parliament to improve the quality of information on government plans and performance and how it is reported;
- ▶ support ministers and deputy ministers in carrying out their responsibilities and improve management performance by clarifying the assignment of responsibility and accountability, particularly in areas of financial administration; by ensuring that those who are responsible have the capacity to fulfil their duties; by strengthening financial management and oversight, particularly in high-risk areas; and by strengthening the accountability reflex through reinforced public service values, greater transparency, and decisive action when things go wrong; and
- ▶ strengthen the Treasury Board’s role in ensuring solid managerial accountability by implementing the Management Accountability Framework as the basis of accountability within departments and across government and by enhancing the availability, quality, and use of expenditure and performance information.

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Details of this framework are provided in Section 5. The specific measures to be taken to strengthen accountability are included in the report *Management in the Government of Canada: A Commitment to Continuous Improvement*. Before finalizing its plans in this area, the government will carefully consider the recommendations of Mr. Justice Gomery in his final report.



## 2. The Role of Parliament in the Accountability Regime

### Introduction

This section provides an overview of the role that Parliament plays in the accountability regime, specifically in relation to financial management. It highlights Parliament's involvement in the assignment of responsibility through its legislative role, explains the key mechanisms that Parliament uses to hold the government to account, and sets out the limits of Parliament's role in sanctioning ministers. In the course of explaining the practices of parliamentary scrutiny, the key principles of collective and individual responsibility and the anonymity of public servants are spelled out and certain misconceptions are addressed. The section makes it clear that accountability:

- ▶ is a shared relationship between Parliament and ministers;
- ▶ is fundamentally political; and
- ▶ depends on the neutrality of the Public Service for its efficacy.

### 2.1 Parliament and the assignment of responsibility

Parliament is the primary guarantor of the government's political accountability in responsible government.<sup>5</sup> The direct accountability of ministers to the House of Commons is a central feature of this system, and its efficacy depends heavily on the will and capacity of the House to hold ministers accountable. Governments must account to Parliament, on whose will they depend for their very existence. However, although Parliament is sovereign, it does not exercise executive authority. That is the responsibility of ministers, individually and collectively. As the Chair of the Public Accounts Committee recently put it, "Parliament is not an institution of management; Parliament is an institution of accountability. We're not here to run the government; we're here to hold the government accountable for the way they run themselves."<sup>6</sup>

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5. The primary guarantor of legal accountability is the judiciary.

6. John Williams, M.P., Public Accounts Committee testimony, May 6, 2004. That said, parliamentary committees can obviously contribute significantly to policy development through debate and discussion. This more modest role is reflected in the documents describing aspirations for reform of the House: "Reform must lead to more meaningful contributions to policy debates." See *The Parliament We Want: Parliamentarians' Views on Parliamentary Reform*. Ottawa: Library of Parliament, December 2003, pp. 6, 10, and 15.

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While the organization of the ministry and the corresponding organization of portfolios is one of the defining responsibilities of the prime minister, Parliament plays a key role in the assignment of ministerial responsibility. In Canadian practice, departmental acts, which are passed by Parliament, characteristically set out a number of important provisions that help define ministerial responsibilities. They provide for the appointment of a minister; set out the powers, duties, and functions for which the minister is responsible; and give the minister responsibility for the overall direction and management of the department's financial and public service resources.<sup>7</sup>

Parliament has also approved the *Financial Administration Act*. This Act is the cornerstone of the legal framework for general financial management and accountability of public service organizations. It describes the manner in which government spending may be approved, expenditures made, revenues obtained, and funds borrowed. It provides a procedure for the internal control of funds allocated to departments and agencies by Parliament and for the preparation of the Public Accounts of Canada, which contain the government's annual statement of revenues and expenditures.

The *Financial Administration Act* assigns rights and duties to ministers and directly to deputy heads in relation to the organizations they manage. These rights and duties include the obligation for a deputy head to establish procedures and maintain records respecting the control of financial commitments chargeable to public funds; the fact that only a minister or his or her delegate can request the issuance of a payment; and that before a payment is issued in return for work, goods, or services, the deputy of a minister (or another delegate) must certify that the work has been performed, the goods received, or the services rendered.

Ministers remain individually and collectively responsible for their statutory duties and accountable to Parliament and the prime minister for the stewardship of the resources and exercise of powers assigned to them.

### **Collective responsibility of Cabinet**

Collective ministerial responsibility refers to the convention requiring coherence and discipline of the ministry in deciding policy, managing government operations, and speaking to Parliament with a single voice. An important manifestation of this principle is the requirement of Cabinet solidarity: while ministers engage in full and frank discussion of proposals in Cabinet, once a decision is taken, all ministers must be prepared to support it publicly or to resign. The decisions of Cabinet have mostly political and administrative effect, and their implementation is left largely to the minister or ministers directly responsible. Thus, accountability for specific policies

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7. Canada. *Responsibility in the Constitution*, 1993, p. 55.



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or programs normally lies with individual ministers. Nevertheless, collective ministerial responsibility has great practical significance.

Before the evolution of Cabinet government in the 18th century, the House of Commons could remove ministers individually. Collective ministerial responsibility arose with the development of parties in Parliament and the need to elect a unified government and hold it to account. With the emergence of collective responsibility, the House's capacity to remove individual ministers was effectively replaced by a single, weighty instrument: the power to bring down a government if a majority of members so wish. In the case of individual ministers, members of the House can bring enormous pressure to bear, including demands for resignation. However, the decision as to what consequences the minister will actually be required to accept ultimately lies with the prime minister, who must assess the gravity of the situation and the likely damage to the ministry as a whole, either through a possible loss of confidence or through poor results in the next election.

### **Individual responsibility of ministers**

In applying the concepts of responsible government to individual ministers, we see that they have *responsibility* for their portfolios, which can include not only their departments, but also non-departmental organizations, such as Crown corporations. The prime minister assigns responsibility for portfolios, for the administration of various statutes, and for particular mandates within portfolio and statutory authorities. In current Canadian practice, a minister's powers, duties, and functions in his or her department are typically set out in a departmental statute. Responsibility thus reflects a sphere of legal authority, both statutory and non-statutory, and carries duties that must be discharged within that sphere. In a parliamentary system, the vast majority of executive actions are taken by or on behalf of an individual minister or ministers.

A minister's accountability to Parliament for his or her department means that all actions of the department—whether pertaining to policy or administration, whether taken by the minister personally or by unelected officials under the minister's authority or under authorities vested in those officials directly by statute are considered to be those of the minister responsible. If Parliament has questions or concerns, the minister must address them, providing whatever information and explanations are necessary and appropriate. (This means that accountability always includes answerability.) If something has gone wrong, the minister must undertake before Parliament to see that it is corrected. And, depending on the circumstances, if the problem could have been avoided had the minister acted differently, the minister may be required to accept personal consequences.

Ministerial accountability does not require that the minister be aware of everything that takes place in his or her department, any more than the chair of a corporate board of directors must be aware of everything that takes place in a large modern corporation. Similarly, accountability does not mean that the minister must accept blame (for example, by resigning) whenever

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something goes wrong in his or her department. Accountability and blame are different: blame applies only if problems are attributable to the inappropriate action or inaction of the minister.

To support a minister's accountability for a department, the minister and his or her deputy must work together to understand the level of detail at which the minister expects to be involved in the department's work. This will vary according to the circumstances and style of individual ministers. Broad direction rather than transactional engagement is the norm, especially with respect to administrative matters, although ministers will give more specific direction on key priorities such as Cabinet documents and Treasury Board submissions. But, whatever the level of detail at which the minister becomes involved, the minister and deputy have a complementary responsibility to ensure that appropriate systems are in place to manage the risk of problems and to correct them when they occur.

Ministers are similarly accountable for the exercise of authority by the deputy minister, whether the authority is delegated by the minister or assigned directly to the deputy minister by statute. While responsibilities can, and indeed often must, be delegated, accountability cannot. The person delegating authority must ensure that appropriate controls are in place to ensure that he or she can reasonably manage the risk of something going wrong. There is sometimes a mistaken impression that ministers have no role with respect to administrative matters, particularly where deputy ministers are assigned authorities directly by statute (for example, under the *Financial Administration Act*). However, ministers, who, unlike deputy ministers, are members of Parliament, remain responsible to Parliament for the overall management and direction of their department—a responsibility that is explicit in departmental statutes. Ministers cannot give specific direction to deputies on such matters, but they are accountable for ensuring that deputies discharge their responsibilities appropriately.

Ministers are said to be *answerable*, as opposed to accountable, with regard to the day-to-day operations of arm's-length organizations in their portfolio. This means, for example, that if questions were raised in the House about a decision taken by a quasi-judicial tribunal in a minister's portfolio, the minister responsible would be required to provide the necessary information and explanations to the House. The minister must not, however, intervene in the tribunal's operational process, nor would the minister be subject to personal consequences for the decision. However, ministers are accountable for arm's-length organizations in their portfolio at a systemic level, and Parliament looks to ministers to ensure that their organizations are delivering efficiently and effectively on their mandate.

An important dimension of accountability is the capacity to respond when issues arise. Accordingly, with respect to matters arising under the watch of a previous minister, the current minister, rather than the previous minister, is accountable for answering to the House and for taking any necessary corrective action. This helps ensure responsiveness if problems arise.





Personal consequences would not attach to the current minister for problems that could not be attributed to that minister's own action or inaction, but would depend instead on how effectively that minister addressed the matter.

Much of the debate concerning ministerial accountability has focussed on the appropriateness of holding ministers to account for matters in which they are not personally involved. But concerns in this area often confuse accountability with blame. A minister is subject to blame for matters in which he or she was not personally involved only if the lack of involvement was itself inappropriate because of the nature of the matter. It is difficult to imagine the system not asking this of the minister. Moreover, the minister, unlike public servants (or even political staff in the minister's employ), is a member of the House, and only he or she can participate in the workings of the House.

### **Accountability of public servants**

Clearly, the management and direction of a modern government department requires significant formal delegation. In fact, this reality is not unique to contemporary government. Over 150 years ago, in the famous Northcote-Trevelyan Report on the British civil service, the following statement was made: "The Government of this country could not be carried on without the aid of an efficient body of permanent officers, occupying a position duly subordinate to that of the Ministers."<sup>8</sup>

Departments, as apparatuses for the exercise of authority and responsibilities that reside in ministers, are the basic organizational unit of executive administration in the Westminster system, and ministers act principally through the public servants in their department. The role of the Public Service is to advance loyally and efficiently the agenda of the government of the day without compromising the non-partisan status that is needed to provide continuity and service to successive governments with differing priorities and of different political stripes. In order to do this, public servants must provide candid, professional advice that is free of both partisan considerations and fear of political criticism, which in turn requires that they remain outside the political realm. But, while public servants provide advice, the democratically elected ministers have the final say, and public servants must obey the lawful directions of their minister. In short, all government departments, and all public servants who work for them, must be accountable to a minister, who is in turn responsible to Parliament. Were this not so, the result would be government by the unelected.

In keeping with these principles, public servants as such have no constitutional identity independent of their minister. This, and not an entitlement to operate under a cloak of secrecy, is

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8. Lord Fulton. *The Civil Service*. Vol. 1, Report of the Committee 1966–68. London: Her Majesty's Stationery Office, p. 108.

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what is meant by the “anonymity” of public servants. Even when senior officials support the accountability of their minister by providing information publicly, as for example when appearing before parliamentary committees, they do so on their minister’s behalf. These officials are *answerable* to parliamentary committees in that they have a duty to inform and to explain. Public servants have no direct accountability to Parliament and may neither commit to a course of action (which would require a decision of the minister) nor be subjected to the personal consequences that parliamentarians might otherwise mete out.

In short, while ministers, as elected officials, are accountable for maladministration through the political process, public servants are not. Rather, they are accountable to their immediate superiors and, ultimately, to the deputy minister, through the employment relationship, whose sanctions are managerial rather than political (for example, reprimand, reduction or denial of performance pay, suspension, demotion, or termination). In the event of unlawful conduct, both elected officials and public servants are—like anyone else—accountable through the justice system.

### **Accountability of deputy ministers**

Inevitably, deputy ministers and other senior officials exercise significant responsibility on behalf of ministers.<sup>9</sup> Indeed, certain administrative responsibilities of deputy ministers are assigned to them directly by statute. Some commentators have expressed concern that there is no accountability for this authority because deputies are not accountable to Parliament. But as we have seen, accountability to Parliament is political: Parliament can apply political pressure that may diminish the reputation of an elected official and perhaps threaten the position of the ministry sufficiently to force a minister’s resignation. None of this is appropriate for non-partisan public servants.

Accordingly, a deputy minister is accountable to the minister (and ultimately, through the clerk of the Privy Council, to the prime minister) for the discharge of his or her responsibilities, in addition to being subject to the systems of managerial accountability internal to government (discussed below). The fact that Parliament enacts the statutory obligations of deputy ministers in certain areas does not give rise to an accountability relationship between the deputy and Parliament. Parliament creates many statutory obligations—under the *Income Tax Act*, for example—but this does not give Parliament the authority to oversee compliance or to enforce the law. That is a function of the executive.

This also means that, when senior officials support the accountability of their minister by appearing before parliamentary committees, they do so on their minister’s behalf. These officials

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9. This section deals with deputy ministers of ministerial departments and not with deputy heads of agencies, who have slightly different authorities under legislation.



are *answerable* to Parliament, in the sense that they have a duty to inform and explain, although they should do so without being drawn into discussion of the merits of government policy, which would both undermine the responsibility of their minister and threaten their own non-partisan status. Deputy ministers have no direct accountability to Parliament because other aspects of accountability beyond answerability do not apply: a deputy may neither commit to a course of action (which would require a decision of the minister) nor may he or she be subjected to the personal consequences that parliamentarians might otherwise mete out.

## 2.2 Parliament's role in holding the government to account

Parliament's role, on behalf of Canadians, is to hold ministers to account for the activities carried out under their authority or those authorities vested directly in departmental officials.<sup>10</sup> Ministers, in turn, need to assure themselves that structures and processes are in place to give them the appropriate degree of control, which includes ensuring that their deputy is managing the department well enough to support ministerial accountability.

Parliament has a broad range of means to hold the government to account. The oldest and still among the most powerful is control of the public purse—the exclusive right to authorize taxation and the expenditure of public funds. In support of this responsibility, Parliament audits the accounts of revenues and expenditures in a manner of its choosing.<sup>11</sup> Other means include Parliament's role in the passage of legislation, the scrutiny and approval of public expenditures, debate over resolutions, and the provision of information, whether through Question Period or formal reporting.<sup>12</sup> Three areas warrant specific attention: Question Period, the scrutiny of the government's performance by parliamentary standing committees (particularly the House of Commons Standing Committee on Government Operations and Estimates, and the House of Commons Standing Committee on Public Accounts), and the role of the auditor general.<sup>13</sup>

### Question Period

Question Period is a distinctive feature of Westminster democracy and arguably its most powerful instrument of accountability. A centrepiece of parliamentary life, Question Period gives parliamentarians timely opportunities to challenge policies and raise questions about administration. Ministers are obliged to be present in the House of Commons to respond to

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10. *Responsibility in the Constitution*.

11. See Norman Ward. *The Public Purse*. Toronto: University of Toronto Press, 1951, pp. 3–4, for a statement of the core principles and practices of parliamentary control of finances. Part IV of the *Financial Administration Act* sets out the manner in which the Public Accounts are to be kept, subject to the regulations of the Treasury Board.

12. Based on Peter Aucoin and Mark D. Jarvis. *Modernizing Government Accountability: A Framework for Reform*. Canada School of Public Service, 2005, pp. 20–21.

13. For further details on these matters, see Robert Marleau and Camille Montpetit. *House of Commons Procedure and Practice*. Ottawa: House of Commons, 2000.

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questions, to account for the authority that has been assigned to them, and to defend the way in which they or their officials have exercised authority.<sup>14</sup> Any member can ask any minister any question about his or her area of responsibility, without advance notice. By questioning ministers, parliamentarians hold the government to account in ways that apply appropriate political pressure, especially by raising public attention to a problem.

### **Committee review of government spending**

The Estimates process is fundamental to holding the government to account and is linked to Parliament's control over the public purse. The government can raise revenue and spend or borrow money only with the authority of Parliament. Parliament exercises authority over government financial administration through enabling legislation, such as an appropriations act, and by reviewing financial documentation, such as the Main Estimates (parts I, II, and III) and the Public Accounts of Canada.

In the Main Estimates, the government presents Parliament with spending proposals for a fiscal year and provides details on individual programs and on the plans and performance of departments and agencies. It indicates the areas in which it will spend funds and defines the limits to what the government may legally spend on a program without returning to Parliament to request more funds, which is done through a supply bill or an appropriations act. If called, ministers must appear before a committee of the House of Commons to answer questions on spending for which they are responsible.

The Standing Committee on Government Operations and Estimates (the Government Operations and Estimates Committee) has a mandate to examine the government's management of its physical, human, and financial resources (essentially, the effectiveness of government operations). It also has broad responsibilities relating to the supply process and financial reporting to Parliament by departments and agencies, including the review of the Estimates and the supply processes, as well as the format and content of all Estimates documents.

The Standing Committee on Public Accounts (the Public Accounts Committee) scrutinizes all reports of the auditor general and the Public Accounts of Canada once they are tabled in the House of Commons. The Committee helps ensure that public funds are spent for the purposes authorized by Parliament and that sound financial practices are followed in administration generally and in areas of estimates and contracting specifically. The Public Accounts Committee does not assess the appropriateness of the policies adopted by the government. It is concerned solely with the economy and efficiency of government administration, and it tables reports on

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14. Ministers have a duty to attend Question Period daily. See Canada. *Governing Responsibly*, 2004, p. 16. Any proposed absences must be cleared with the Prime Minister's Office before other commitments are made. When a minister is absent, a designated minister or parliamentary secretary answers for him or her.



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ways to improve managerial and financial practices and controls in departments. A member of the official opposition chairs this committee.

The practices of the House of Commons and the use of standing committees have evolved. The practices and procedures that the House adopted in 1867 were a refinement of those in force in the United Province of Canada (1840–1867).<sup>15</sup> Little changed in the standing orders or in the detailed scrutiny of government expenditures until the mid-1950s. Rules adopted at that time addressed matters including the length of time for the budget debate. In 1958, with the election of the Diefenbaker government, greater use was made of standing committees; for the first time, a member of the official opposition was chosen to chair the Public Accounts Committee, and the Committee began to hold regular meetings. In 1968, a series of significant reforms were made to House procedures, including the following:

- ▶ The Estimates were no longer considered by a committee of the whole House but were sent to standing committees.
- ▶ The opposition was given a total of 25 days on which it could choose the topic of debate.
- ▶ Most bills were referred to standing committees.

Further reforms occurred in 1982, including the establishment of an annual parliamentary calendar and numerous measures to improve the use of the House's time. In 1985, the McGrath Committee noted that many parliamentarians were straining under the new workload placed upon them under the committee system. The Mulroney government implemented a number of the McGrath Committee's recommendations, including those that reduced the size of parliamentary committees, ensured continuity of committee membership in order to develop expertise, and provided committees with their own budgets for research staff and legal counsel. The government also agreed that standing committees should have before them the full departmental policy array, including the department's objectives, the activities carried out in pursuit of those objectives, and the immediate and long-term expenditure plans for achieving them. Since 1993, further efforts have been made to enhance Parliament's capacity to hold the government to account by providing more timely and comprehensible information to Parliament, with greater focus on results. The Government Operations and Estimates Committee was created in 2002.

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15. See a brief history of the evolution of the House of Commons in the McGrath Committee Report, *Report of the Special Committee on Reform of the House of Commons*. Ottawa: Queen's Printer, 1985. See also C. E. S. Franks. *The Parliament of Canada*. Toronto: University of Toronto Press, 1987, especially pp. 238–256.

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## **Auditor General**

The first auditor general, John Langton, had responsibilities to both the government and Parliament. As Deputy Minister of Finance and Secretary of the Treasury Board, he was responsible for the use of funds and for reporting to Parliament on the results of his audits. The first independent auditor general was appointed in 1878, with responsibility to examine and report on past government transactions and approve the issue of government cheques. In 1931, the *Consolidated Revenue and Audit Act* made the auditor general an officer of Parliament to examine the government accounts and report on them to Parliament. In 1959, the first chartered accountant was appointed to the post of auditor general, but the House began referring his reports to the committee only in the mid-1960s. For the most part, these reports contained only a list of specific incidents that, in the auditor general's opinion, indicated inappropriate spending by the government.

In 1977, provisions governing the auditor general were removed from the *Financial Administration Act* and major reforms were instituted through the *Auditor General Act*. This led, among other things, to a more systematic approach to the auditing of financial management in government and to the issues considered by the Public Accounts Committee. Generally, the government's financial management is examined through three types of audits: attest audits (which verify that the government is keeping proper financial records), compliance audits (which ensure that the government spends only the amounts authorized by Parliament and only for the purposes approved by Parliament), and value-for-money audits (which assess whether government programs are run economically and efficiently and whether the government has in place the means to measure the effectiveness of its programs).<sup>16</sup>

## **Accountability and the financial cycle**

The annual accountability process on government spending begins when the government sets out its budgetary plans in the budget speech and legislation, typically in February. The Estimates, tabled in the House of Commons shortly after the budget, are essentially a policy document and identify how the government will allocate its resources among competing priorities. They set out projected expenditures, balancing various demands on resources, while taking into account economic circumstances and the government's determination of the most effective means of achieving its objectives. The Estimates are provided to various parliamentary committees for scrutiny, and ministers are called upon to justify the policy decisions outlined in their respective plans. The committees hold ministers responsible for those plans and usually report back on the Main Estimates by the end of May. After consideration, if Parliament deems the plans approved

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16. See details in subsection 7(2) of the *Auditor General Act*. The auditor general must also report to the president of the Treasury Board any cases where it appears that any person has improperly retained public money and, at his or her discretion, advise the appropriate officers in the Public Service, particularly those engaged in the business of the Treasury Board, of matters discovered during examinations.



through supply bills, ministers are responsible for the management of the public funds allocated by Parliament in accordance with their statutory powers and the policies and regulations set out in Treasury Board policies. In short, the Estimates are an important control instrument.

Finally, there is a requirement for the accounting of how public funds are spent. The government prepares departmental performance reports and the Public Accounts, and each deputy minister attests to the accuracy of the accounts of his or her department. These are submitted to the auditor general for review and tabled in Parliament, typically in November. The Public Accounts Committee then reviews the auditor general's reports and holds ministers to account for the performance of their departments.<sup>17</sup>

### 2.3 Role of Parliament in sanctioning the government, ministers, and senior officials

Parliament has the right to express its displeasure at the government's performance through votes of censure. The ultimate sanction takes the form of a vote of non-confidence that could result in the downfall of the government. Because Parliament confers or withdraws support for a government collectively, it does not have the power to remove ministers individually. When a minister is held to account by Parliament, Canadians and parliamentarians can judge him or her on the adequacy of the response; a minister's moral and political authority is effectively placed under public review. In a political system, this has very real effect. Further, parliamentary committees can register their opinions on the performance of a minister with the aim of embarrassing the individual.

Neither Parliament nor its committees should single out a public servant for censure, among other reasons because public servants have no position in Parliament and must not engage in political debate. Consequences open to Parliament—principally public censure or demands for resignation or removal from office—are political, and public servants cannot defend themselves against them without compromising their political neutrality. If a committee is not satisfied with how a public servant has managed delegated or statutory responsibilities, it may hold the *minister* to account for failing to oversee that person properly.

Does the fact that Parliament cannot strictly compel the disciplining of individual ministers mean that ministers are not truly accountable to Parliament? From the perspective of both individual ministers and the ministry as a whole, the clear answer is no. They take very seriously the prospect of public censure, with its attendant risk both to their personal political stature and to that of the government, and this risk has significant practical impact on their conduct.

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17. For details, see Robert Marleau and Camille Montpetit. *House of Commons Procedure and Practice*. Ottawa: House of Commons, 2000, Chapter 18, pp. 697–768.



## 3. The Ministry and the Accountability Regime

### Introduction

This section describes the prime minister's role in the assignment of responsibility to the ministry, and the Privy Council Office's supportive role in the prime minister's leadership of the ministry. It focusses on the political-bureaucratic interface, outlining how ministers, along with their deputies, manage their departments. It provides an overview of the contemporary environment in which ministers and deputy ministers must manage their responsibilities. Finally, it indicates how the prime minister sanctions ministers and deputy ministers when he or she deems this warranted. This section makes it clear that:

- ▶ collective responsibility is essential to unity of government;
- ▶ a clear hierarchy of authority and well-established protocols for delegating responsibility and resolving disputes are required for managing the political-bureaucratic interface;
- ▶ the conditions in which modern government operates pose challenges to the accountability regime; and
- ▶ tools exist for the sanctioning of both ministers and deputy ministers in the event of poor management performance.

### 3.1 Role of the prime minister in the assignment of responsibility

The leader of the political party that appears able to form a government that will have the confidence of the House of Commons—normally the party with the largest number of seats—is asked by the governor general to form a government. This is the defining responsibility of the prime minister: to select the ministry and to organize the Cabinet both as a decision-making body and as a mechanism for setting the broad direction of government policy and operations.

Ministers are accountable to the prime minister, who is, in effect, the steward of the collective responsibility of the Cabinet. Deputy ministers are accountable to ministers and, through the clerk of the Privy Council, the prime minister. This dual accountability relationship reflects the important role that deputy ministers play in supporting the necessary checks and balances required between individual and collective responsibility.





In addition to responsibility for organizing the Cabinet, the prime minister has the prerogative to set policy and make recommendations to the Governor in Council concerning the organization, structure, and mandate of ministerial portfolios, consistent with legislation.

The prime minister also selects deputy ministers, on the advice of the clerk of the Privy Council. Deputy ministers are accountable to the prime minister through the clerk for upholding the duly approved policies of the government. This accountability underscores the collective interest of all ministers and the specific interest of the prime minister in the overall management of the Public Service.<sup>18</sup>

### **Role of the Privy Council Office in supporting the prime minister**

The Privy Council Office is the prime minister's department. The clerk of the Privy Council, in addition to being secretary to the Cabinet and head of the Public Service, is the prime minister's deputy minister. Accordingly, the clerk, with the assistance of Privy Council Office staff, supports the work—and the accountability to Parliament—of the prime minister and is himself or herself accountable to the prime minister. In addition to this formal accountability, the clerk has a duty to serve the public interest and to ensure that the Public Service as a whole is a professional, non-partisan, and loyal public institution. He or she represents the Public Service to the prime minister and the government and, equally, the prime minister and the government to the Public Service. As secretary to the Cabinet and head of the Public Service, the clerk also has responsibilities beyond service to the government of the day. For example, he or she is responsible for continuity between governments and for the maintenance of the Cabinet papers system. The Privy Council Office plays an important role in reviewing and challenging the initiatives of departments in order to ensure quality and coherence with larger government objectives.

Deputy ministers are accountable to the prime minister through the clerk of the Privy Council for their support to their ministers in a way that is consistent with the agenda and direction of the government as a whole. The clerk also plays a key role in supporting deputy ministers in managing their multiple accountabilities.

## **3.2 Managing the political-bureaucratic interface**

The ways in which ministers manage their departments vary according to circumstances and to the style of individual ministers. That said, Gordon Osbaldeston, a former clerk of the Privy

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18. For a more detailed treatment of this issue, see Gordon Osbaldeston. *Keeping Deputy Ministers Accountable*. Toronto: McGraw-Hill Ryerson, 1989, especially pp. 6–8.

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Council, has outlined the main ways in which ministers direct their departments. These include the following:<sup>19</sup>

- ▶ setting the “general direction” for priorities, both policy and administrative, and the “specific direction” in the department for key priorities;
- ▶ reviewing and signing Cabinet documents, submissions to the Treasury Board, and changes to regulations that give effect to the direction they have given;
- ▶ approving public announcements and correspondence;
- ▶ following up with departmental officials, through the deputy minister, on specific issues identified by citizens, parliamentarians, and other ministers; and
- ▶ communicating with other government players on all matters of importance affecting the department, Parliament, the public, and Cabinet.

Under the minister’s direction, the deputy in turn guides the department and delegates further authority to meet expectations. The extent of ministerial involvement in the detailed work of the department will vary among ministers and across issues and situations, and ministers and their deputies must work together to understand the level of detail at which the minister expects to be involved. The minister and deputy need to ensure that appropriate systems are in place to manage the risk of problems and support the accountability of the minister.

In managing departmental policy and operations, ministers may either give proactive direction to officials or make decisions in response to proposals or other advice that officials bring before them. In either situation, the transmission of instructions from the minister to the Public Service is particularly important in maintaining the hierarchy of accountability upon which ministerial responsibility rests. Accordingly, the lines through which information, advice, and decisions are communicated must be clear and consistent. As a general practice, communications between the minister and his or her office, and departmental officials should be conducted through the deputy minister’s office. Although circumstances will arise in which this is not practical or in which other approaches are appropriate, it will always be important for ministers and deputy ministers to ensure that appropriate controls are in place so that they receive the information they need to fulfil their respective responsibilities.

### **Minister’s exempt staff**

One area that merits specific mention is the appropriate role of the minister’s office in communicating and transmitting instructions to the department. In Canada, political staff (also known as “exempt” staff), while partly occupied with parliamentary and constituency work, also

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19. Gordon Osbaldeston. *Keeping Deputy Ministers Accountable*. Toronto: McGraw Hill, 1989, p. 13.



play an important but limited role in the operation of the department.<sup>20</sup> Gordon Robertson, a former clerk of the Privy Council, described the role of the Prime Minister's Office, which can be extrapolated to all ministers' offices, as partisan, politically oriented, yet operationally sensitive.<sup>21</sup> The role of political staff is to provide strategic, partisan advice to the minister that complements the professional, expert, and non-partisan advice that comes from the deputy minister and the Public Service at large.

Exempt staff are not part of the executive. The exercise of executive power requires legal authorization. Ministers receive this largely through legislation. Public servants receive it generally by being appointed to a position under the *Public Service Employment Act* and the *Financial Administration Act*. Exempt staff are so called because they are exempt from these acts. Accordingly, exempt staff have no authority to give direction to public servants. However, because both exempt staff and public servants serve the minister with respect to his or her departmental responsibilities, the two sides must obviously co-ordinate their work in their respective spheres. Exempt staff may therefore attend meetings in common with public servants, when appropriate (for example, ministerial briefings), ask public servants for factual information, or transmit the minister's instructions. However, to the extent practicable, relations between exempt staff and public servants should be conducted through the deputy minister's office.<sup>22</sup> It should also be noted that the minister is accountable for anything done in his or her name by exempt staff.

### **Role of deputy ministers**

Deputy ministers have a wide range of duties, including providing policy and operational advice to ministers, overseeing program delivery, and ensuring internal departmental management and interdepartmental co-ordination. They have both delegated and statutory authority to perform these duties. Their central duties are outlined in the relevant departmental acts. In the areas of "administration" designated in these acts, deputy ministers act almost entirely in the place of their respective ministers.<sup>23</sup> The authority and duty to act can be assigned to public servants, but accountability in the political or constitutional sense cannot. Deputy ministers are accountable for these actions on a day-to-day basis, primarily to their ministers and, through the clerk, to the prime minister—not to Parliament.<sup>24</sup> The statutory basis for this is the *Interpretation Act*, which,

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20. Exempt staff are outside the official Public Service and are exempt from Public Service Commission of Canada staffing and other controls. A minister's office may also include a number of departmental assistants who are public servants assigned to the minister's office to liaise with the department and provide administrative support to the minister. Departmental assistants are expected to carry out their duties in a non-partisan manner.

21. Gordon Robertson. *The Changing Role of the Privy Council Office*. Ottawa: Information Canada, 1971, p. 506.

22. *Governing Responsibly*, p. 33.

23. *Responsibility in the Constitution*, p. 64.

24. *Governing Responsibly*, p. 11.

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drawing on the departmental legislation, states that deputies may exercise the authority of their minister except to make regulation. This statutory interpretation makes explicit the legal accountability of deputies to their ministers, which is implicit in the departmental statutes.<sup>25</sup>

Deputies are also assigned specific authority directly or through the Treasury Board under certain provisions of key acts of public administration without reference to the minister. In these areas, deputy ministers are accountable not only to their ministers but also to the Treasury Board or to the Public Service Commission of Canada.<sup>26</sup> In practice, deputy ministers' accountability to the Treasury Board is often fulfilled through their interaction with the secretary of the Treasury Board, and by providing reports to and working with the Treasury Board of Canada Secretariat. As noted, ministers are responsible for ensuring that deputy ministers carry out these statutory obligations, and ministers need to ensure that adequate controls such as internal audit, financial systems, and human resources systems are in place to support the discharge of this responsibility.

Deputy ministers are the bridge between ministers and other public servants. An important aspect of this role is ensuring that the lines of communication are clear and consistent. Communications between the minister and his or her office and departmental officials should, to the extent practicable, be conducted through the deputy minister's office. In their conduct and advice to ministers, public servants are expected to adhere to the *Values and Ethics Code for the Public Service*,<sup>27</sup> and deputy ministers have a particular responsibility to show leadership in this regard.<sup>28</sup> Deputy ministers must also comply with the prime minister's *Conflict of Interest and Post-Employment Code for Public Office Holders*. Adherence to public service values means, among other things, that public service advice must always be mindful of the lawfulness and propriety of any initiative. Moreover, in the event of conflict between the minister's instructions and the law, the law must prevail.<sup>29</sup> By the same principle, public servants cannot reject a minister's lawful direction simply because they disagree with the minister. If a minister's directions in matters for which he or she is responsible are lawful, public servants, including deputy ministers, must obey them.

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25. *Responsibility in the Constitution*, p. 59.

26. Canada. Privy Council Office. *Guidance for Deputy Ministers*, 2003, Section III, p. 27.

27. Canada. Treasury Board of Canada Secretariat. *Values and Ethics Code for the Public Service*, 2003. "All public servants are responsible for ensuring that they comply with this Code and that they exemplify, in all their actions and behaviours, the values of public service" (p. 13). "Deputy heads and senior managers have a particular responsibility to exemplify, in their actions and behaviours, the values of public service. They have a duty to infuse these values into all aspects of the work of their organizations. It is expected that they will take special care to ensure that they comply at all times with both the spirit and the specific requirements of this Code" (p. 14).

28. J. E. Hodgetts has stressed the importance of this point in commentary provided to the Treasury Board of Canada Secretariat, October 2004. He speaks of the inward dimension of accountability: "To thine own self be true."

29. *Governing Responsibly*, p. 11.



That said, there will occasionally be situations where disagreements arise between ministers and their deputies that are not readily resolvable simply in terms of legality. For example, the deputy minister could believe that a minister's desired course of action, though lawful, would be inconsistent with Treasury Board management standards of propriety or regularity and therefore run counter to broad government policy, or there could be disagreement over the economy, efficiency, or effectiveness of an administrative measure under the deputy minister's statutory responsibilities.

In the vast majority of cases, such disputes are worked out through discussions between the minister and the deputy. On matters of management policy, the deputy can seek the advice of the secretary of the Treasury Board, the comptroller general of Canada or the president of the Public Service Human Resources Management Agency of Canada. In a few cases, the dispute may be resolved with the help of the prime minister through the clerk of the Privy Council.<sup>30</sup> The clerk acts as an intermediary, as necessary, discussing the issues with ministers and deputies and seeking a resolution. If the deputy disagrees with the final outcome, he or she can resign rather than implement the minister's decision.

### 3.3 The operating context of government

Over the past 50 years, the government has become much larger and more complex and the demands upon ministers and deputy ministers have increased proportionately. Like other organizations, the government is challenged to respond effectively to the emergence of a global economy, startling advances in information technology, social and demographic changes, and a difficult security environment. But the government faces these on an exceptional scale: it is the single largest organization in the country, with annual expenditures of approximately \$200 billion and over 200 departments, agencies, and institutions that operate in every region of Canada and in over 100 other countries. The federal public sector employs more than 450,000 people, delivering over 1,600 programs and services. Consequently, while every transaction can be important, ministers and senior officials find it a real challenge to remain fully informed about all matters for which they are accountable.

The structures within government are now more diverse and include traditional departments, special operating agencies, Crown corporations, regulatory agencies, and various hybrid organizational arrangements. Moreover, many of the core services have been outsourced to the private sector, changing the managerial control exerted by the Public Service and raising questions for parliamentary scrutiny. Many of these structures do not fit neatly within the traditional view of government that prevailed when the doctrine of ministerial responsibility took shape. In this respect, some commentators have argued that 18th-century concepts of

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30. *Responsibility in the Constitution*, p. 87 *Guidance for Deputy Ministers*, p. 23.

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accountability are clashing with 21st-century concepts of public service organizations and delivery of services.<sup>31</sup>

Changing values and expectations are also fuelling demands for reform. Traditional values of accountability, control, and consistency must be balanced against new demands for openness, transparency, innovation, and citizen-centred service. In some ways, these pressures have pulled the application of accountability in government in different directions and raised debate over the right balance between a rules-based approach and a principles-based approach to managerial accountability.

In this context, there is greater openness, horizontality, and complexity surrounding policy making and departmental operations. Major policy issues now require elaborate public and federal-provincial consultations. Program delivery often involves joint departmental delivery, electronic government, federal-provincial partnerships, public-private partnerships, and a role for the voluntary sector, all of which make decision making more open and complex. Public servants must maintain their formal accountability to ministers, to the Treasury Board, and to their own administrative hierarchy in the face of increased pressures from the more participatory approach to policy making and the horizontal approach to policy and program delivery. A clearly defined accountability system in such a complex environment is both more important and more difficult to achieve.

Citizens' demands and expectations for performance and accountability, however, are higher than ever before. Citizens, used to technology in all aspects of their lives, are appropriately demanding better services that are seamless and tailored to their needs, as well as more effective stewardship of resources, and greater involvement in decision making. Thanks to new technologies, such as the Internet, Canadians can be much better informed today about government operations and public policy issues. At times, this has led to calls for mechanisms of direct accountability to citizens (for example, recall), which run counter to the Westminster tradition.

Decision making and managerial authority have gradually been transferred from central agencies to individual departments. As the responsibility for the delivery of government services has been pushed down and out to the front lines, governments have found it increasingly difficult to get accountability and performance information up and into the departmental headquarters and into the central agencies that have responsibility for oversight. Effective accountability in the absence of comprehensive and timely management information poses a challenge. This has led to a

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31. See David Good. *The Politics of Public Management*. Toronto: University of Toronto Press, 2003, p. 40 and Thomas Axworthy. "Addressing the Accountability Deficit: Why Paul Martin's Minority Government Must Pay More Attention to the Three A's." *IRPP Working Paper*, October 2004, p. 10.



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significant increase in the administrative rules and policies that govern the use of authority, despite periodic efforts at streamlining.

### 3.4 The role of the prime minister in sanctioning ministers and deputy ministers

In such a challenging environment, from time to time, mismanagement does occur in government, as it does in any large and complex organization. Parliament may inflict political embarrassment on individual ministers for poor performance. Beyond that, the prime minister can also take a number of steps along a continuum in sanctioning them. In all cases, the prime minister intervenes at his or her discretion. Typically, for less serious issues, the prime minister will speak to the minister and register his or her concerns either directly, in Cabinet, or through senior officials in the Prime Minister's Office or the clerk of the Privy Council. In the most severe cases, the prime minister could ask a minister to resign. These are political rather than legal means of disciplining ministers.

Because deputy ministers are appointed on the recommendation of the prime minister (usually with the advice of the clerk of the Privy Council), a minister who is not satisfied with the administration of his or her department by the deputy minister and who is unable to resolve matters directly with the deputy may bring these concerns to the clerk or, ultimately, to the prime minister.

Assessing the performance of deputy ministers and the consequences for performance is the responsibility of the clerk of the Privy Council as the chair of the Committee of Senior Officials (COSO).<sup>32</sup> Sanctions for poor administration may take various forms depending on the circumstances, including reprimand, stalling career progression, reduction of bonuses (the "at-risk" portion of salary) and, in extreme cases, dismissal or demotion. The clerk, in consultation with COSO, assesses the performance of deputy ministers. The Governor in Council approves the assigned performance rating. Ministers may request that a deputy minister be reassigned or removed. Removal would require agreement by the clerk and the prime minister and would be carried out by the Governor in Council. The appraisal of individual deputy ministers and the application of sanctions and rewards take place as part of an employment relationship rather than in a political context and for the most part remain confidential out of respect for due process and individual privacy. The aggregate outcomes of performance assessment and the allocation of at-risk pay are made public on the Web site of the Public Service Human Resources Management Agency of Canada.

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32. The Committee of Senior Officials, made up of deputy ministers, advises the clerk on senior appointments and other human resources management priorities and issues.



## 4. Role of the Treasury Board in the Accountability Regime

### Introduction

This section provides an overview of the role of the Treasury Board in the assignment of managerial accountability (as opposed to political accountability, which marks the relationship of ministers to Parliament). It focusses on deputy ministers' accountabilities to the Treasury Board for the administration of their department. It explains how the Treasury Board sets standards for management and oversees management performance, demonstrating how this role has evolved over the years. Finally, it outlines how the Treasury Board addresses mismanagement, when required. This section shows that:

- ▶ a comprehensive accountability regime exists in government to deal with managerial accountability;
- ▶ in fulfilling its role, the Treasury Board must oversee the use of delegated authorities without undermining the responsibility and accountability of ministers and their deputies within departments; and
- ▶ the Treasury Board's capacity to apply institutional sanctions in the case of mismanagement is complemented by deputy ministers' authority to deal with unsatisfactory performance of employees.

### 4.1 The Treasury Board and the assignment of responsibility

Under the *Financial Administration Act*, the Treasury Board has authority over all matters relating to administrative policy, financial management, expenditure plans, programs of departments, personnel management, and other matters relating to the prudent and effective use of public resources in support of government objectives.<sup>33</sup> The Board thus plays a critical role in establishing management policies and in monitoring government-wide compliance with those policies—including through the recently introduced Management Accountability Framework, a common basis for performance reporting and accountability that sets out a rigorous regime of managerial expectations and standards.

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33. Over 20 other statutes also establish the legislative authorities of the Treasury Board.





The Treasury Board is accountable to Cabinet and to the prime minister, who appoints the ministers to the Board. The president of the Treasury Board, like all ministers, is accountable to Parliament for the use of the authority granted to him or her under legislation. The Treasury Board, like the Cabinet, serves as a collective decision-making body and is governed by the doctrine of collective responsibility. The decisions of the Treasury Board form part of the collective responsibility of all ministers. They are based on advice from the Treasury Board portfolio (principally, the Treasury Board of Canada Secretariat and the Public Service Human Resources Management Agency of Canada) and on submissions received from ministers.

The Treasury Board performs its role through the following general authorities:

- ▶ approving management policies that control the delegation and use of authorities in departments and agencies and setting management standards in areas such as human and financial resources management, procurement, real property, and information technology;
- ▶ allocating resources through the Estimates;<sup>34</sup>
- ▶ holding departments and agencies to account for how they allocate resources (including stipulating how the Public Accounts should be kept and reported) and allocating authority to spend through the approval of Treasury Board submissions;
- ▶ overseeing the performance of departments against established management policies; and
- ▶ acting as the principal employer of the Public Service.

The ministers who make up the Treasury Board, along with their Cabinet colleagues who initiate submissions, have a collective responsibility to respect the Board's decisions. This includes respecting Treasury Board management policies. Ministers are accountable for the use of their authorities in compliance with Treasury Board policies and directives.

As noted earlier, deputy ministers are assigned specific powers directly or through the Treasury Board under certain provisions of key acts of public administration without reference to their minister. Specifically, the *Financial Administration Act* confers directly on deputy ministers responsibility for the prudent management of resources allocated to their department, in compliance with certain Treasury Board policies, regulations, standards, and periodic audits. Responsibility relating to personnel management, including appointment, employer-employee relations, and the organization of the department, are assigned to deputy ministers directly by a number of acts, including the *Public Service Employment Act*, or are delegated to them by the Public Service Commission of Canada. Finally, the *Official Languages Act* confers a number of authorities on the Treasury Board and provides for delegation of its powers to deputy ministers.<sup>35</sup>

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34. Spending authorities are approved by Parliament.

35. For details, see *Guidance for Deputy Ministers*, Section II, Responsibilities of the Deputy Minister, pp. 6–8.

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Ministers cannot provide specific direction to deputy ministers on activities in these areas, but they may provide general direction, given their overall authority for the management and direction of the department.

Consequently, deputy ministers have multiple accountabilities—to their minister, to the Public Service Commission of Canada, and to the Treasury Board or the prime minister through the clerk of the Privy Council.<sup>36</sup> In the case of administrative authorities delegated to them by ministers under departmental legislation, deputy ministers are primarily accountable to their ministers. At the same time, deputy ministers must ensure that the Treasury Board can assess managerial performance so that it can fulfil its responsibilities for overseeing management and financial performance across government. This is the general accountability of deputy ministers to the Treasury Board for managing the authorities and resources delegated to them by the Board, and the senior financial officers and other officials who report to them directly support them in this.<sup>37</sup> In addition to their accountability to the Treasury Board, deputy ministers remain accountable to their minister for the general management of their department. Deputies are also responsible for ensuring that they have in place appropriate systems, instruments, and management processes to be able to monitor performance. Internal audit and program evaluation are key instruments for departments in this regard and should be employed regularly, based on an assessment of risk.

## 4.2 Role of the Treasury Board in management oversight

Since Confederation, the Treasury Board's role in matters of financial administration has evolved. Throughout the evolution of the role of the Treasury Board, the central challenge has been to balance the requirement for central control over public administration and management with the need to appropriately delegate authorities to managers and support them with training and tools so that they can achieve results in a responsible and accountable manner. The starting point for effective accountability in a decentralized structure is to define clear management policy requirements and objectives, along with a robust set of performance indicators and focussed reporting on results and performance.

In this context, the Treasury Board does not have a role in comprehensively overseeing the compliance of deputy ministers or departments and agencies against every transaction. However, the Treasury Board and its Secretariat do oversee policy compliance, maintenance of control systems and, based on a risk assessment, individual transactions. The Board also has a duty to ensure that expectations of accountability, legality, and propriety are clear. In addition, it has a responsibility to oversee, selectively, departmental performance against these expectations, based

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36. *Guidance for Deputy Ministers*, Section III, p. 27.

37. See *Guidance for Deputy Ministers*, Section III.



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on an assessment of risk, as well as on the Secretariat's resources and capacity to monitor compliance.

In performing this oversight role, the Secretariat relies on a number of sources, such as departmental audits, program evaluations, action plans, departmental performance reports, Treasury Board submissions, reports of the auditor general, the Public Accounts, and on discussions with departmental officials at all levels. Of particular note is the Management Accountability Framework, which the Treasury Board of Canada Secretariat introduced in June 2003 as a means of clarifying management expectations and using them to assess the management capabilities of departments and agencies.<sup>38</sup> The Framework has three parts: the first consists of 10 interconnected expectations defined as the determinants of sound public service management; the second consists of key indicators to be used by the Secretariat and the Treasury Board to gauge departments' management performance over time; the third is a list of short-term measures to improve management performance, which can be tailored to each organization. The Framework is designed to reinforce principles of accountability and sound management. It gives public service managers a comprehensive, integrated model for management improvements.

The Treasury Board of Canada Secretariat staff, in turn, has a responsibility to draw to the attention of the president or the Board information on actual or potential management performance issues and to recommend whether or not to take action. Through such oversight, staff do not, however, become involved in the day-to-day management of a department. This would dilute the accountability of the deputy minister in the department. Decisions to take further action or to intervene hinge on the degree of risk involved in the management problem at hand. Interventions take various forms, including informal follow-ups, external audits or other investigations, and direction on specific preventative or remedial action to be taken by the department.

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38. For further information on the Management Accountability Framework, please visit [http://www.tbs-sct.gc.ca/maf-crg/index\\_e.asp](http://www.tbs-sct.gc.ca/maf-crg/index_e.asp).

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### 4.3 Role of the Treasury Board in addressing mismanagement

The Treasury Board has a range of powers at its disposal should it feel that the actions of a minister or his or her officials in the management and administration of a department impinge on propriety or on the appropriate accounting for use of funds. The general authority of the Treasury Board over personnel management is set out in the *Financial Administration Act*. This authority includes, at the departmental level, reducing delegated authorities, placing restrictions on financial allotments, directly intervening in the management of the department, and revoking authorities. These are not personal sanctions, but rather the revoking of delegated authorities that have been conferred on the deputy minister or on officials in his or her department.

The *Public Service Modernization Act* modifies this regime further by conferring directly on deputy heads the power to establish standards of discipline, to set penalties, and to terminate or demote employees for unsatisfactory performance. The Treasury Board will retain the ability to establish policies on the exercise of this authority by deputy ministers in core departments. This means that disciplinary powers over public servants are vested in the deputy minister and not in the minister. Currently, a system of progressive discipline is employed, beginning with oral warnings, followed by written warnings, suspensions, and termination.



## 5. Framework for Strengthening Accountability

### Introduction

The doctrine of ministerial responsibility is a coherent and robust means of supporting responsible government. The experts consulted in the preparation of this report were virtually unanimous in their endorsement of the doctrine's key concepts and principles. They did not feel that the doctrine of ministerial responsibility (as set out earlier in this report) was broken. The accountability regime in Canada has evolved and is now at the point where noted political scientist Peter Aucoin has said, "Canada has a number of accountability mechanisms that are as good as, if not better than, those found in the jurisdictions against which Canada is usually compared."<sup>39</sup> As indicated, this evolution has occurred both in relation to political accountability to Parliament and managerial accountability to the Treasury Board. In general terms, over the course of many decades, the accountability regime has been refined so that there is now:

- ▶ more clarity in the assignment of responsibilities;
- ▶ more transparency in the operations of government;
- ▶ more focus on results than on inputs;
- ▶ more effective oversight of and sanctions for mismanagement; and
- ▶ a stronger reflection of public service values.

However, those consulted also stressed that there is room for improvement. They indicated that the practice of accountability is inadequate in key areas because of the complexity of modern government, the lack of capacity in some of the core institutions (such as Parliament and the Treasury Board), the lack of clarity or understanding in key areas of responsibilities, and, in a few areas, insufficient commitment or leadership. Accountability must be strengthened. Practices must improve continuously.

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39. Peter Aucoin and Mark D. Jarvis. *Modernizing Government Accountability: A Framework for Reform*. Canada School of Public Service, 2005, p. 61.

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## 5.1 Framework for strengthening accountability

The framework set out below is based on the core principles of ministerial responsibility and how they have evolved in Canada. It takes into account the current challenges facing Parliament, ministers, deputy ministers, and the Treasury Board as they execute their roles in the accountability regime. It clearly sets out the objectives that the government wants to achieve and the values that will enable it to achieve them.

The framework will do the following:

- ▶ support Parliament in its role in holding the government to account by encouraging Parliament to enhance its capacity for scrutiny and by working with Parliament to improve the quality of information on government plans and performance and how they are reported;
- ▶ support ministers and deputy ministers in carrying out their responsibilities and improve management performance by reinforcing the assignment of responsibility and accountability, particularly in areas of financial administration; ensuring that those who are responsible have the capacity to fulfil their duties; strengthening financial management and oversight, particularly in high-risk areas; and strengthening the accountability reflex through reinforced public service values, greater transparency, and decisive action when things go wrong; and
- ▶ strengthen the Treasury Board's role in ensuring solid managerial accountability by clarifying managerial responsibilities set out in the policies of the Treasury Board; by enhancing the availability, quality, and use of expenditure and performance information; and by advancing the Management Accountability Framework as the basis of accountability within departments and across government.

The government has acted to strengthen accountability with an ambitious set of measures. Before giving further life to this framework, the government will carefully consider the recommendations of Mr. Justice Gomery, as well as those of parliamentarians. It will take a responsible, measured approach, minimizing the risks of destabilizing the whole operation of government and maximizing the opportunities to tackle the real challenges confronting the accountability regime.

## 5.2 Support Parliament in its role in holding the government to account

Parliament is master of its own procedures, and the government should not dictate to the House of Commons or Senate how to handle their affairs. Nevertheless, the weight and prominence given to the accountability function (as opposed to Parliament's role in representing constituents in advocacy work with government or in the House and in committee votes), is of critical importance.



When parliamentary practices were assessed against the three core criteria of an accountability regime, the experts consulted did not feel that there were any significant challenges in the area of Parliament's role in the assignment of responsibility. They identified areas where greater clarity could be brought to who was responsible for what, but they felt that that responsibility lies, in the first instance, with the executive, not the legislative, branch of government.

It was pointed out that Parliament has a somewhat blunt instrument for sanctioning mismanagement. It cannot apply personal sanctions to individual ministers (beyond political censure), and withdrawal of support for the government (via a vote of non-confidence) is a significant threat only in the case of minority governments. None of the people consulted, however, called for changing the convention whereby Parliament does not personally sanction public servants. Political sanctions meted out by Parliament do have real effect, and the cost of undermining the executive role of government by involving Parliament in personal sanctions is too high a price for our system of responsible government.

The real focus was on the inadequacy of the mechanisms whereby Parliament holds ministers to account, including Parliament's capacity for scrutiny and the quality of the information reported to Parliament.

### **Increase Parliament's capacity for scrutiny**

As the Lambert Commission put it, "Under our system, Parliament must be the beginning and the end of the governmental process. It must scrutinize and approve all legislation and all proposals for the raising of revenues and the expenditure of funds, and must watch over the Government's implementation of the proposals to which it has assented. We think that Members of Parliament have not been adequately fulfilling their duty of forcing the Government to account for its administration."<sup>40</sup>

Parliament itself has spoken on this issue. In 1985, the *Report of the Special Committee on Reform of the House of Commons* noted that none of the functions of a committee structure (scrutinizing Estimates, considering legislation, undertaking investigations) is carried out in an ideal way by members, who are heavily burdened with constituency work and many other demands on their time and energy.<sup>41</sup> In 2003, the Standing Committee on Government Operations and Estimates published a report titled *Meaningful Scrutiny: Practical Improvements to the Estimates Process*, which highlights many measures that parliamentarians themselves

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40. Canada. Royal Commission on Financial Management and Accountability. *Final Report*. 1979, pp. 52–53.

41. *Report of the Special Committee on Reform of the House of Commons*. Ottawa: Queens Printer, 1985, p. 15.

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could take to strengthen their accountability.<sup>42</sup> A study conducted by parliamentarians representing different political parties and co-chaired by Carolyn Bennett, Deborah Grey, and Yves Morin concluded that “Parliament has lost its ability to scrutinize government activity” and that “most Parliamentarians admit that they are simply overwhelmed.”<sup>43</sup>

Finally the Auditor General, in her November 2004 report, stated that members of Parliament may want to consider “the need for greater parliamentary scrutiny of government spending to ensure that the government is accountable for its operations.”<sup>44</sup>

The observations of the experts consulted for this report included the following:

- ▶ Members of Parliament face enormous time pressures that detract from the time available for their accountability responsibilities, and the resources allocated for their accountability responsibilities are only a small part of the total budget.<sup>45</sup>
- ▶ While extremely dedicated, the Library of Parliament staff that supports committee members is too small for the amount of work required, explaining perhaps why committees make relatively few substantive recommendations regarding the Estimates.
- ▶ Committees are increasingly submitting minority reports rather than working to seek a consensus on their recommendations whereby all sides make compromises. This practice accentuates the partisan approach that is being taken to committee work.<sup>46</sup>
- ▶ The partisan nature of questioning is seen by some participants as a missed opportunity to examine management and expenditure performance properly. Indeed, some of those consulted felt that the Public Accounts Committee too often addresses policy issues at the expense of management, accountability, and performance issues such as propriety, regularity, efficiency, economy, and effectiveness.

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42. *Meaningful Scrutiny: Practical Improvements to the Estimates Process*, Report of the Standing Committee on Government Operations and Estimates, September 2003 and Recommendation 12. See also the report of the McGrath Committee, 1985. See also the recent British report by the Hansard Society Commission on Parliamentary Scrutiny, *The Challenge for Parliament: Making Government Accountable*, chaired by the Right Honourable Lord Newton of Braintree, Vacher Dod Publishing Limited, 2000.

43. *The Parliament We Want: Parliamentarians' Views on Parliamentary Reform*, pp. 6 and 10.

44. *Matters of Special Importance—2004*, November 2004, p. 1.

45. Excluding members of Parliament who are part of the executive or who hold special responsibilities (for example, the leader of the opposition or the party whip), there are only about 210 members available to hold the government accountable in the committee process. Members sit on at least one parliamentary committee and are often members of several (as there are about 20 parliamentary standing committees). They must attend to many responsibilities in their constituencies and on Parliament Hill. See the House of Commons' *Departmental Performance Report*, 2003–04.

46. Commentary provided by C. E. S. Franks to the Treasury Board of Canada Secretariat, April 2005.





- ▶ The House of Commons is expected to review and approve approximately \$65 billion of government program spending in about eight weeks through the Estimates process at a time when many committees are dealing with important legislation at the same time that the Estimates are referred to them, resulting in insufficient time for proper scrutiny of the Estimates by Parliament.

### **Improve reporting to Parliament**

Those consulted also identified challenges relating to the way in which the government supports Parliament in its responsibility for scrutinizing performance:

- ▶ Documents produced by government departments and agencies for parliamentarians need significant improvement to make them more streamlined, transparent, accessible, and useful.<sup>47</sup>
- ▶ There is a disconnect in the nature of the documents the government uses to present its spending plans to Parliament and those it uses to report on performance. For example, the reports on plans and priorities and departmental performance reports are increasingly presented in terms of outcomes sought and results achieved, which makes it difficult to demonstrate which programs or activities reside within a parliamentary vote. Furthermore, the accrual basis of accounting used in the federal budget and its fiscal results differs from the primarily cash basis of accounting used to authorize spending appropriations.
- ▶ Ministers are appearing before parliamentary committees less frequently than in the past. Increasingly, deputy ministers—and, sometimes, assistant deputy ministers—appear before those committees on behalf of their ministers.
- ▶ The Main Estimates must, according to House rules, be tabled before March 1 of each year. They therefore typically cannot contain the most up-to-date expenditure information because federal budgets are usually tabled in late February. This information follows in the Supplementary Estimates later in the year, usually in the fall. The net result is that parliamentarians must work with out-of-date information in approving the government's spending plans by June 23.

The government has signalled its willingness to work with Parliament on matters of accountability. In *Ethics, Responsibility and Accountability: An Action Plan for Democratic Reform*, the government committed to increasing the role of members of Parliament, expanding the role of committees in shaping legislation, modernizing the estimates process, increasing

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47. The *List of Reports and Returns* runs over 100 pages and names approximately 1,000 reports from over 250 organizations, the majority of which are set out in statutes.

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appearances by ministers in committee work, and reviewing appointments.<sup>48</sup> Some important steps have been taken to improve reporting to Parliament, including the following:

- ▶ The reports on plans and priorities and the departmental performance reports have been changed. Greater emphasis is now placed on results-based reporting.
- ▶ A new format for the Estimates was introduced in November 2004 that makes information more consistent and that includes more horizontal and summary information to aid parliamentarians.
- ▶ Steps have been taken to improve publishing of internal audits, program evaluations, and reports of the Auditor General and other officers of Parliament.
- ▶ The government adopted full accrual accounting in the 2003 Public Accounts, earning it the unqualified approval of the Auditor General, as well as an award for excellence in reporting from the Canadian Institute of Chartered Accountants in November 2004, in recognition of its leadership in this area.
- ▶ In the 2005 budget, the government committed to develop a blueprint for improved reporting to Parliament in consultation with parliamentarians.

Although it has already taken various initiatives, the government acknowledges that it must do more to support Parliament in executing its duty of scrutinizing spending and performance. The quality of information needs to be improved. Better processes for scrutinizing reporting information must be established. Greater incentives are required in order to encourage a focus on scrutiny and accountability throughout the system. In moving forward on this agenda, the government will put a premium on forthrightness and openness with Parliament. Reporting must be accurate and complete, and the government willingly accepts the need to be respectful of and responsive to Parliament in this area. The Management Accountability Framework can serve as a guide for discussing management performance with Parliament, and better data on program results will make it clear where those discussions can focus. The government will act in this area in the firm belief that responsibility for accountability is shared and that its actions will be reciprocated by a Parliament that is committed to fulfil its roles and responsibilities. Everyone involved has a duty to act in the public interest to support and encourage good stewardship of public funds. This culture of responsibility must be nurtured in all quarters and by all involved.

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48. Canada. Privy Council Office. *Ethics, Responsibility and Accountability: An Action Plan for Democratic Reform*, 2004.



### 5.3 Support ministers and deputy ministers in carrying out their responsibilities and improve management performance

When the practices of accountability in the ministry were assessed against the three core criteria of a well-functioning accountability regime, most of the experts consulted felt that action was required on a range of fronts. Ministers and deputy ministers need to better understand what they are responsible for, particularly in the area of financial administration. In critical areas, the capacity of the Public Service needs to be enhanced to ensure that ministers and deputies can deliver on their responsibilities. Management information tools and processes are not always adequate, and the oversight of financial management needs improvement in certain areas. Stronger leadership is required to further nurture public service values and ethics, and decisive action is required when mismanagement is uncovered. Each of these areas will be explored below.

Although participants in the consultations called for a comprehensive agenda, they did not demand a radical change. The challenge is not to start over in a different direction; rather, it is to build on the progress to date, to entrench and reinforce good practices, and to give greater prominence and attention to management performance at all levels. This will take time, investment, and leadership, but it must be done.

#### **Clarify the assignment of responsibility and accountability**

A central requirement of any accountability system is that those who are being held to account have a clear understanding of what they are being held to account for. This understanding should be shared with those who delegated that authority to them and who, as a result, are entitled to demand an accounting. Problems can occur when there is no shared and clear understanding of what authority has been delegated or of the priorities that should be addressed. Confusion and inefficiencies can result, creating gaps in the accountability system and making it difficult to know whom to hold accountable.

The consultations and the research undertaken in preparing this report revealed several challenges associated with the assignment and delegation of authority:

- ▶ insufficient clarity of performance expectations associated with delegated authorities, particularly between ministers and deputy ministers;
- ▶ lack of firm boundaries on the role of exempt staff, particularly regarding their relationship to matters of public administration in their dealings with public servants;
- ▶ insufficient clarity of the assignment of responsibility and accountability for matters of financial administration, specifically in areas where deputy ministers have received authority

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directly from legislation (for example, from the *Financial Administration Act*) or through delegation by the Treasury Board; and

- ▶ insufficient clarity of the means by which disagreements between ministers and deputies are resolved on matters of interpretation of the application and implementation of Treasury Board policies.

The government has already taken a number of significant measures to clarify responsibilities and their understanding by ministers and deputies. For example, the guides for ministers and deputy ministers on accountability were updated and expanded in 2003 and 2004. The government has also strengthened governance and accountability in Crown corporations.<sup>49</sup>

But the government recognizes that more must be done. In moving forward, actions will need to be taken to provide both ministers and senior officials with clarity in their roles and responsibilities. In particular, ministers and senior officials must be given the authority necessary to adapt and to lead change. To the degree practical, the areas of confusion over responsibilities must be cleared up. It must be transparent to all who is accountable for what and to whom. In any assignment of authority and requirements of accountability, the essential principle of a non-partisan, professional public service must be preserved and strengthened. Disagreements over how best to implement a policy, however rare, must be resolved in a manner that keeps accountability clear but does not undermine the necessary relationship of trust between ministers and deputy ministers nor the core democratic principle of ministerial accountability to Parliament.

In this regard, many academics and some parliamentarians have argued for the introduction of an accounting officer, long established in Britain. The specific responsibilities of the accounting officer and the means by which he or she would be held accountable could vary widely. The House of Commons Standing Committee on Public Accounts has recommended one version, which includes the following features:<sup>50</sup>

- ▶ a personal duty of signing the financial accounts described in his or her letter of appointment;
- ▶ a personal responsibility for the overall organization, management, and staffing of the department and for department-wide procedures in financial and other matters;
- ▶ ensuring there is a high standard of financial management in the department;

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49. The review tabled in Parliament on February 17, 2005, included 31 measures to clarify the relationship between ministers and Crown corporations, clarify the accountability regimes of Crown corporations, make the appointment process more transparent, bring the governance of Crown corporations into line with reforms in the private sector, strengthen the audit regimes in Crown corporations, and make the activities and operations of Crown corporations more transparent.

50 *Governance in the Public Service of Canada: Ministerial and Deputy Ministerial Accountability: Report of the Standing Committee on Public Accounts*. May 2005.



- ▶ personal responsibility for all authorities, whether delegated or directly held;
- ▶ ensuring the financial systems and procedures promote the efficient and economic conduct of business and safeguard financial propriety and regularity;
- ▶ ensuring compliance with parliamentary requirements in the control of expenditures, ensuring that funds are spent only to the extent and for the purposes authorized by Parliament;
- ▶ the personal responsibility for negligence and wrongdoing does not diminish over time;
- ▶ accountability before the Public Accounts Committee for the performance of his or her duties and for his or her exercise of statutory authorities; and
- ▶ in cases of disagreement with a minister regarding the administration or operation of the department, the minister would need to override the deputy with a letter, which would be sent to the auditor general and the comptroller general.

It should be noted that the responsibilities of accounting officers are very similar to those of a deputy minister under the *Financial Administration Act* and Treasury Board policies. Similar to accounting officers, deputy ministers are responsible for financial regularity and propriety; economy, efficiency, and effectiveness; and financial and management systems for departmental programs and public property. Further, deputy ministers regularly appear before parliamentary committees to provide information and explanations concerning the administration of the department and programs under their authority.<sup>51</sup>

Some believe that the accounting officer model is well-suited to the Canadian context, believing it will clarify to Parliament who is responsible for what management decisions, provide deputy ministers with the “administrative space” to exercise their managerial responsibilities to the fullest while at the same time serving their ministers, and codify the means of resolving

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51 The current responsibilities of deputy ministers, as stated in *Guidance for Deputy Ministers*, Section II, are, in summary form, the following: powers, duties, and functions of deputy ministers and other deputy heads at common law that result from deputy ministers’ managerial functions (for example, the power to define qualifications requirements for any position in their department); preparing a division of an appropriation or item included in the Estimates, at the commencement of each fiscal year, or at such times as the Treasury Board may direct (subsection 31(1)); ensuring by an adequate system of internal control and audit that the allotments provided in a division of allotments approved by the Treasury Board are not exceeded (subsection 31(3)); establishing procedures and maintaining records respecting the control of financial commitments chargeable to each appropriation or item (subsection 32(2)); providing the required certification to authorize any payment to be made (section 34); maintaining adequate records in relation to public property for which the department is responsible and complying with regulations of the Treasury Board governing the custody and control of public property (section 62); personnel management responsibilities delegated under the *Public Service Employment Act* (staffing, including appointment, promotion, transfer, demotion, and release) and its Regulations, and under the FAA (organization and classification); responsibilities related to the *Official Languages Act*; specific obligations imposed on deputy ministers by policy or directive of the Treasury Board under the FAA (for example, occupational health and safety obligations under the *Canada Labour Code*); and powers flowing from orders in council based on royal prerogative (for example, the power to make ex gratia payments on behalf of the Crown).

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conflicting positions between ministers and deputies in a manner that makes it clear who is responsible. Others have argued strongly against the idea. They believe it does little to change the current responsibilities and accountabilities of ministers and deputies, save the introduction of a letter to override the judgment of a deputy in cases of disagreement. Critics of the concept feel this would seriously undermine the trust relationship that is necessary between ministers and their deputies. Critics also believe that it would be extremely difficult to maintain a distinction between the responsibilities of ministers and those of the accounting officer. Under the intense pressure of parliamentary scrutiny, they feel that non-partisan, professional public servants will be forced to defend themselves and risk becoming politicized in the process.

### **Ensure that those who are responsible have the capacity to fulfil their duties**

Individuals who have certain responsibilities must not only have the authority to carry out their responsibilities but also the capability and capacity to do so. Ministers must be assured that the public servants supporting them have the necessary skills and resources to accomplish what they are being asked to do. During the consultations carried out for this review, some participants stated that new employees and managers require better orientation to their positions in order to empower them to do their jobs properly. They also indicated that, in critical areas of government operations—such as the financial management and audit community, the program evaluation community, the procurement, materiel management, and real property communities, and the human resources community—core skills need enhancement and, in some cases, certification standards are warranted. More effective recruitment initiatives are necessary to attract talent to some of these critical areas of operations.

Consultation participants also expressed concern about the tenure of senior officials. Although the average tenure for a deputy minister is three and a half years, many serve less, raising questions as to whether that is sufficient time to see major management initiatives through to conclusion. In this context, questions were raised about the core competencies expected of deputy ministers and whether adequate emphasis was placed on management and administration in their selection. Maintaining, throughout the appointment process and at all levels, the non-partisan, professional standing of all public servants, particularly deputy ministers, was deemed to be of utmost importance.

Steps have been taken to help modernize and renew the Public Service. The *Public Service Modernization Act* is intended to enable the government to build further capacity and attract new talent. It will help integrate human resources planning into business planning and build a new relationship between management and labour. It will reduce the layers of rules and processes that encumber human resources management, while safeguarding the essential principles of merit. The new Canada School of Public Service will make career-long learning for all employees a real possibility and help enable the government to upgrade managers' skills, both for leadership and for sound operations. Senior officials will be more informed about the management



expectations set out in the Management Accountability Framework and in Treasury Board management policies and therefore be better able to carry out their responsibilities. Exchange programs are also being enhanced, in keeping with the notion of a diverse and open institution that relies on new ideas and innovations.

The government has begun to strengthen capacity in core areas of financial administration. It has announced its intention to develop certification standards for departmental comptrollers and chief audit executives. A core learning curriculum will be developed in consultation with educational institutions, professional associations, and unions. It will focus on these areas: orientation for new employees; leadership skills for managers; and specialized needs of key functional communities, such as finance, internal audit, and human resources. Under the auspices of the Committee of Senior Officials, reviews are underway of the core competencies of all senior officials to ensure that the appropriate balance is given to selecting public service leaders.

In its recruitment and retention initiatives, the government is committed to supporting a productive and principled public service and to maintaining its neutral, non-partisan status. An investment in knowledge is an investment in adaptability and will help ensure a sustainable and relevant public service. As the government moves forward, it will focus on the core skills needed for success and sound management. Innovation and creativity will be embraced as the best ways to serve Canadians. Strengthening capacity through careful recruitment and training will allow for renewal and flexibility in the Public Service. Continuous learning, which will be the hallmark of the Public Service, will help build into the system the agility needed to deliver and implement complex programs and policies and will help give public servants the confidence to challenge the established way of doing things if it hinders better service to Canadians.

### **Strengthen financial management and oversight, particularly in high-risk areas**

The Auditor General has expressed concern that financial control is weaker than it should be in government, especially given the complexity of this function. In the course of the consultations for this report, a number of other issues arose. Participants pointed to a lack of timely, comprehensive, whole-of-government management and expenditure information. They identified a need for more focus on the fundamentals of financial audit, as well as a strategic approach to financial stewardship that targets risk areas. Financial management and audit capacity across government was considered stretched, sometimes leading to inadequate planning and decision making. In general, it was felt that a renewed focus on financial controls, monitoring, and enforcement mechanisms is needed to reinforce the stewardship of public funds.

Significant measures have already been taken to enhance financial management:

- ▶ In December 2003, the Office of the Comptroller General was re-established at the Treasury Board of Canada Secretariat as a distinct office under a newly appointed comptroller general,

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who has deputy head status. A network of comptrollers, who report functionally to the comptroller general, will be put in place across departments to strengthen financial management and accountability.<sup>52</sup>

- ▶ In March 2004, the government committed to auditing all annual financial statements of departments and agencies by 2009.
- ▶ The Auditor General's five-year special audits of Crown corporations will be tabled in Parliament and posted on the Auditor General's Web site.
- ▶ An assessment of the audit capacity across government is underway.

In moving forward to strengthen financial management and oversight, the government will be guided by a number of objectives, most importantly prudent stewardship of public funds. As the government said in December 2003, every dollar counts. Propriety and regularity in the handling of public funds are not merely desirable—they are imperative. The economy, efficiency, and effectiveness of program spending must be of equal concern to ministers, deputies, and all public servants who serve under them. Strong leadership will be required, and senior officials will be expected to lead by example. Rigorous controls must be founded on steadfast values. Deputy ministers must understand that they hold primary responsibility for management capacity and performance in their respective departments and that they will be held to account for it. Deputies will need to be supported by objective and independent advice on the performance of the financial administration systems under their responsibility. To be effective, this advice needs to come from within departments. Deputies need information management tools that enable them to manage “smarter.”

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52. The duties of the Office of the Comptroller General are to set financial, accounting, and auditing standards and policies for the Government of Canada; oversee all government spending, including review and sign-off of new spending initiatives; provide advice and guidance to departmental comptrollers (senior financial officers) on sound financial management and administrative practices and procedures; manage and conduct internal audit operations for small agencies that do not have their own internal audit capacity; modernize the government's suite of financial management policies; provide leadership to the Public Service, through the financial and internal audit communities, focussing on the need to ensure and enforce appropriate financial controls and cultivate sound resource stewardship at all levels of the federal Public Service; nurture and manage the professional development of the financial and internal audit communities, including establishing accreditation and certification standards and advising on appropriate training modules for the Public Service learning curriculum; approve, jointly with deputy ministers, the appointment of all departmental comptrollers; reorganize and bolster the internal audit function across government to ensure comprehensive audit programs, based on sound risk analyses of all departmental activities, with the authority to delve into every corner of every portfolio; oversee the introduction of modern, timely, enterprise-wide financial information systems to track all spending and provide appropriate tools for effective scrutiny and decision making; ensure that all annual financial statements of departments and agencies are audited within five years; and strengthen internal audit capacity across the public sector.





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## **Reinforce public service values and transparency**

On its own, a clear understanding of the doctrine will not ensure an effective accountability system, nor will the simple implementation of mechanisms—however robust—of holding the government to account in Parliament and across government. A strong “accountability reflex” is also needed among all players.

As a foundation, it was felt by those consulted that public service values and ethics need to be better promulgated and reinforced through guidance on how to translate them from principles into concrete actions. Beyond this, actions undertaken in public or in conditions of relative transparency were thought to stand a greater chance of living up to these values and these expectations of rules than those that are hidden from view.

During the consultations for this review, the opinion was widely expressed that insufficient transparency makes it difficult to scrutinize management practices and identify risks and problems early. Consequently, too much time is spent on corrective action and too little on prevention. Those consulted believe that increased public transparency provides a powerful means to encourage better management, administration, and public accountability.

Several human resources practices in the Public Service seem to undermine rather than reinforce the accountability regime. For example, some of the experts consulted stated that too little attention is paid to public service values and ethics in setting the criteria for assessment and promotion; others thought that the problem lies in the high turnover at senior levels, which means that people are not always available to account for their actions, leaving others to answer for them.

The government has acted to strengthen the accountability reflex. Building on the seminal work of the Task Force on Public Service Values and Ethics, the *Values and Ethics Code for the Public Service* was released in 2003. Conflict of interest laws, lobbyist registration rules, and the revised *Conflict of Interest and Post-Employment Code for Public Office Holders* have also made an impact. A public integrity officer was appointed, and legislation was introduced in the House of Commons in 2004 to protect public servants who disclose wrongdoing.

A good control system can be reinforced and complemented by public transparency. Indeed, transparency, visibility, and open communications are key instruments for promoting greater public and parliamentary accountability.<sup>53</sup> If parliamentarians and Canadians at large have direct access to information on expenditure management and performance by the government, they will

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53. Canada has a strong tradition of promoting transparency as a means of fostering public accountability. Canada’s access to information legislation broke new ground when it was introduced in 1985, providing a right of access for Canadians to information under the control of almost all government institutions.

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be better able to hold the government to account and less reliant on self-reporting by departments and agencies. For that reason, the government recently tabled in Parliament *A Comprehensive Framework for Access to Information Reform* and has sought the views of parliamentarians on this important matter. The government has also signalled its intention to eventually include all Crown corporations under the scope of the *Access to Information Act*. Other steps already taken include the mandatory proactive disclosure of the following:

- ▶ the travel and hospitality expenses of ministers, parliamentary secretaries, political staff, and senior public servants as of April 2004;
- ▶ the government's own goods and services contracts over \$10,000 in value as of November 2004; and
- ▶ re-classifications of public service positions as of November 2004.

These measures and those that would form an action plan for reforming accountability all find their roots in the core values of the Public Service. They put a premium on integrity and trust, recognizing, among other things, that if public servants are to rely less on centralized rules and regulations, they will need to have a deepened understanding of the values and purposes underlying those rules and regulations. Values are reinforced by best practices and, if public servants are to be empowered to act, they need to see these values given expression in the actions of their leaders. Performance against the Code should be a key determinant in assessment and promotion. It is appropriate that government and the Public Service are held to the highest possible standards. In turn, the government should expect the highest ethical performance from everyone who receives public funds through grants, contributions, or contracts.

The government recognizes the virtues of greater transparency for reinforcing this commitment to public service values. More could be done to make government more transparent, while respecting appropriate safeguards for protecting confidentiality and individuals' privacy. A more open government will enable those who are making judicious choices to do so with confidence and conviction and will serve as a check on those who might be inclined to make poor choices.

### **Act decisively when things go wrong or when mismanagement occurs**

While many of those consulted felt that the accountability regime in government is working reasonably well, they also recognized the importance of the deterrent effects of knowing that mismanagement will be appropriately sanctioned.

It is easier to judge the appropriateness of the consequences of an act or omission when everyone involved knows the details of the regime of rewards and sanctions. Individuals are also more likely to regulate their behaviour if they understand the consequences associated with it. Consultation participants felt that the sanctions regime is neither well developed nor well publicized and that it is therefore weaker than it could be. This perceived weakness is said to



have contributed to the impression among the public and among public servants that the consequences associated with mismanagement are insufficient in some areas.

In this context, participants felt that the absence of a clear definition of mismanagement as it applies to both ministers and deputy ministers challenges the effectiveness and credibility of the sanctions regime. While many intuitive definitions exist, no consensus exists on any single one. It is hard to know whether appropriate action has been taken against poor performance or maladministration when there are no clear, consistent, and obvious benchmarks or standards for such action.<sup>54</sup>

As was emphatically pointed out by the Task Force on Public Service Values, “The public service should be animated by an unshakeable conviction about the importance and the primacy of law, and especially the law of the Constitution, and about the need to uphold it with integrity, impartiality and judgement. Functions that bear upon the rights, duties and public purposes of Canadian citizens can only be carried out with legitimacy and equity within a framework of law and due process.”<sup>55</sup> There can be no tolerance for rule-breaking in government, but cases of mismanagement must be dealt with judiciously. Here, the government will be firm and decisive. As always, it will be important to be just and to be seen to be just. That said, accountability should not be reduced to simply blaming individuals publicly. Remedial measures to address mismanagement must allow for learning and for improvement. The sanctions regime should be structured and applied so as to encourage managers to comply with government direction in a manner that is consistent with the law and with public service values.

#### 5.4 Strengthen the Treasury Board’s role in ensuring solid managerial accountability

The Treasury Board’s place in ensuring solid managerial accountability in government is central. However, in his study, Gordon Osbaldeston reported that, according to deputy ministers, “their accountability to the Treasury Board is not as clear as their accountability to the Public Service Commission,” and that “deputy ministers have mixed views about the nature of their accountability to the Treasury Board.”<sup>56</sup> The recent round of consultations confirmed this. The means by which the Treasury Board identifies how deputy ministers have exercised the authority delegated to them are not very precise. In addition, there are no explicit requirements for accountability sessions between the Treasury Board and deputy ministers to discuss progress on files and projects.

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54. The *Financial Administration Act* and the *Treasury Board Guidelines on Discipline* also contain some key sections on these issues.

55. *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics*. Ottawa: Queen’s Printer, 1996.

56. Gordon Osbaldeston. *Keeping Deputy Ministers Accountable*. Toronto: McGraw-Hill Ryerson, 1989, pp. 67–68.

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## **Streamline Treasury Board management policies**

Accountability is weakened when administrative responsibilities are delegated without specific reference to either tasks or positions. Treasury Board management policies, which assign responsibility and set management expectations for ministers and deputy ministers, have developed over decades. Policy instruments and guidelines number in the hundreds. During the consultations for this report, participants surmised that the complexity of government results, to a significant degree, from working through the rules imposed by the Treasury Board and its Secretariat. The lack of coherence and consistency within the suite of management policies is partly a function of its evolution, but it also reflects insufficient co-ordination in the policy development process and results in overlap, duplication, and sometimes contradiction between individual instruments. The rules emanating from the Treasury Board are often misinterpreted and sometimes ignored, and most senior executives would admit that they simply do not know about some rules. Those consulted feel that too many policies impose unnecessary constraints on departmental operations.

To hold individuals accountable for their performance in fulfilling delegated responsibilities, it must be clear, through the Treasury Board's management policies, who is charged with doing what. The government will simplify and streamline the Treasury Board's suite of management policies in order to:

- ▶ set out what is expected of ministers and deputy ministers to ensure the appropriate control mechanisms are in place and monitored, provide the basis for increased use of authority, and indicate the appropriate response when cases of mismanagement are identified;
- ▶ focus reporting requirements and ensure that meaningful performance information is provided; the requirement to monitor compliance in key risk areas is strengthened and the Treasury Board is notified in cases of mismanagement and that the corrective actions required have been taken; and
- ▶ support deputy ministers and managers in meeting policy requirements through an appropriate combination of tools, training, and internal communications.

There is, however, a significant cost to rigid centralized control: such control undermines the responsibility of those in charge of the policies and programs and reduces the overall efficiency of an accountability regime. Any effort at streamlining management policies, therefore, will make it clear that accountabilities for management must rest with the department and that responsibility for rigorous oversight of management systems must rest with central agencies. It is not prudent to change the entire management accountability regime just because a few individuals operate outside the rules. What needs to be done is to ensure that those rules are tightly focussed on real issues, are clearly understood by all who operate under them, and are closely monitored for compliance, particularly in high-risk areas.



### **Improve management information systems**

The experts consulted for this review also agreed virtually unanimously that information management systems and the data collection processes that feed them are not serving the Treasury Board and its Secretariat well in the execution of their oversight role. More information and less regulation would actually strengthen accountability. During the consultations, participants noted that development of whole-of-government management information was vital, would require a long-term commitment, and would demand a significant investment in leadership and resources.

Work is currently underway:

- ▶ The new Management, Resources, and Results Structure, which will provide information on how departments allocate and manage resources under their control to achieve intended results, has been approved by the Treasury Board and is being implemented.
- ▶ The Expenditure Management Information System is being developed, which will provide the Treasury Board with much better and more timely expenditure and management performance information and which will aid in the oversight of and reporting on departmental performance.
- ▶ The Financial Information Strategy is improving the stewardship capacity of departments, promoting more intelligent risk management, providing a foundation for more comprehensive financial information, and augmenting government-wide decision making.

These are significant tools in reinforcing program accountability in departments and across government. The most effective control systems are “smart”—strategically incorporating risk-based review, as well as auditing and information systems. Deputy ministers, who are responsible for the quality of management in their department, will be supported in enhancing these systems and held to account for how they are used. Parliamentarians will be provided with more comprehensive data to support their role in holding the government to account.

### **Hold departments to account for management and program performance**

As the management board of government, the Treasury Board’s primary duty is to provide departments with a clear sense of the government’s management expectations and to provide Parliament with the assurance that effective internal management systems are in place. Recently, a number of measures have been taken to enhance the Treasury Board’s capacity to fulfil this responsibility. Foremost among those is the Management Accountability Framework. It sets out the basis for a more coherent, consistent, and comprehensive accountability regime. It encapsulates the essential elements of good public-sector management, drawn from several years of careful review and assessment. It builds on the approach to the role of the management board articulated in *Results for Canadians* and the lessons learned from the Modern Comptrollership Initiative.

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The Management Accountability Framework is being used to articulate a vision of sound public management and as a means of underscoring the core principles of managerial accountability. It is also being used as the basis for the assessment of management performance within departments, particularly in the context of bilateral discussions held between the secretary of the Treasury Board and deputy ministers. These assessments, among other things, are considered by the clerk of the Privy Council, in consultation with the Committee of Senior Officials, in making recommendations on the performance ratings of deputies to the prime minister. Public service managers also use the Framework as an integrated model for management improvements. In the future, it will be the basis for reporting on whole-of-government management performance. The goal in moving forward is to reinforce the message that ministers and deputy ministers are accountable for the management of their departments, while the Treasury Board and its secretariat are accountable for oversight to ensure that the appropriate control systems are in place and that the necessary management practices for using those systems are being routinely followed. Under the new accountability regime, the Treasury Board will gradually focus less on the specific transactions in which ministers and deputy ministers are engaged. Nonetheless, more active involvement by the Treasury Board will signal a shift from the management credo of “let managers manage” (which was central to the Glassco Commission) toward a management philosophy of “ensuring that managers manage well.”

Core principles will guide the Treasury Board as it evolves in its role. It will make every effort to avoid entrenching or adding to hierarchies within decision-making processes. Empowerment and responsibility must be cultivated at the lowest practical level. This can be successful only if all parties acknowledge and live up to the expectations for due care and attention. Hence, appropriate oversight by the Treasury Board, bolstered by smart information management systems, must accompany the necessary shift in emphasis from rules and processes to principles and results. Information on management expectations and management performance, more than regulation, will be the means by which the Treasury Board ensures good management.

## 5.5 Conclusion

Parliamentarians, ministers, and public servants all have a critical role to play in supporting and strengthening the accountability regime. To the greatest extent possible, for the public good, they need to work together constructively in fulfilling their specific responsibilities, respecting the roles of others. The doctrine and practice of ministerial responsibility is key to our national political institutions. Getting it right is crucial, and agreement on fundamental principles is needed in order for that to happen.

Specifically, in improving the application and practice of the doctrine of ministerial responsibility, certain core principles of the accountability framework must remain constant. Even in the complex and changing environment within which government operates, they remain relevant and will guide the government as it moves forward to strengthen accountability.



1. Parliament's role in holding the government to account, on behalf of the people of Canada, is reaffirmed as a primary responsibility.
2. The government also has a responsibility to ensure the proper use of authority by establishing efficient and clear internal accountability mechanisms
3. The cornerstone of our system of responsible government is the doctrine of ministerial responsibility. Both ministers and officials also have a duty to serve in the public interest, as interpreted by law and the duly elected government.
4. For accountability to be effective, authority and responsibility must be clearly assigned, with appropriate rendering of account, corrective action as required, and consequences as appropriate.
5. As members of both the legislative and executive branches of government, only the prime minister and ministers should be directly accountable to Parliament.
6. Insofar as public servants operate under the authority of statutes that assign powers to ministers, they must do so on behalf of and under general direction of the ministers of the government.
7. Statutory powers for financial and human resources administration, which relate closely to the principles of neutrality, merit, and propriety in administration, should be exercised by deputy ministers.
8. The Public Service must continue to be professional and non-partisan. Hiring and promotions must be based on merit. The non-partisan independence of the Public Service must be respected in the treatment received by senior officials before parliamentary committees.
9. Parliamentarians, ministers, and public servants all have an obligation and a duty to fulfil their responsibility and honour their accountability to the fullest. When answering to Parliament or the Treasury Board, ministers and deputy ministers, as appropriate, are expected to give as accurate and complete an answer as possible.
10. The government has the duty to provide Parliament with the information needed to do the job of holding the government to account.
11. Accountability in government is meant to promote democratic control, compliance with policies, and continuous improvement in management performance; it should not be equated with blame.
12. While the House of Commons retains the ultimate sanctioning power to vote no confidence in the government, Parliament's role in accountability should not be extended to imposing consequences on senior officials.



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