

**THE IMPACT OF THE  
MODERN COMPTROLLERSHIP INITIATIVE  
ON THE SMALL AGENCY COMMUNITY**

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# **THE IMPACT OF THE MCI**

## **ON THE SMALL AGENCY COMMUNITY**

### **1. BACKGROUND**

#### **1.1 Small agencies: characteristics and roles**

For the purpose of the Modern Comptrollership Initiative (MCI), the term “small agencies” refers to federal government agencies, boards, commissions, councils, offices, secretariats and tribunals with less than 300 Full-Time Equivalent Employees (FTEs). There are some 48 small agencies in the federal government fitting this definition,<sup>1</sup> and many of these organizations have an annual operating budget of less than \$25 million. Small agencies differ widely in nature, organization, capacity, and needs. Important differences exist between entities with 10 FTEs and an operating budget of \$1.5 million and those with 300 FTEs and a budget of \$25 million.

From environmental assessment and health research to transportation and nuclear safety, small agencies perform a wide variety of roles. Some are considered judicial or quasi-judicial bodies with authorities to render decisions. Others have regulatory and inspection mandates or act as administrative bodies. Still others perform more of an intermediary role such as providing a service between the government, private sector or non-governmental organizations and citizens.

Despite their relatively small staff and budgets, these organizations often have an impact that is far in excess of their size. They provide a recourse to citizens for perceived unfairness and inequity, render decisions that impact on trade and the competitiveness of Canadian industry, and provide many services that contribute to the health, safety and quality of life of Canadians.

#### **1.2 Independence, fiscal pressures and the small agencies’ resourcing challenge**

Most small agencies and courts were created by the Government to fulfil a specific mandate in an independent and arm’s length manner from the core federal government departments. While faced with the same accountability and reporting requirements as large departments, small agencies are careful to preserve their independence so as to avoid any real or perceived conflict of interest with their program mandates. They clearly view their independence as key to preserve their integrity, objectivity and credibility.

In keeping with this spirit of independence, small agencies have traditionally set up their own infrastructure to support their programs. However, in a climate of fiscal restraints

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<sup>1</sup> For a listing of small agencies involved in the MCI initiative, please see Appendix A

and with strong direction from senior levels of government to improve effectiveness and efficiency of overall program delivery, small agencies have seen their capacity stretched to the point of putting the integrity of their programs at risk.

To address these fiscal and performance pressures, small agencies have had to look at innovative ways to support and improve their services. They began to work more closely with one another to network and leverage limited resources. The Community of Small Organizations (CSO)<sup>2</sup>, for instance, was developed in 2000 to improve the small agencies' ability to share information, identify resources and track best practices.

The advent of the MCI presented a special challenge for small agencies. Small agencies have just as much need for rigour in their management practices as large departments. For example, tribunals and regulatory agencies are part of a world of strict legal requirements, high visibility and high risk and the soundness of their business and management practices can have major repercussions on individuals (e.g., privacy), industries (e.g., competitive position), and the level of probity and trust the Canadian public associates with federal organizations. Yet, to implement a more disciplined management regime of the magnitude required by the MCI, clearly placed further strains on small agencies' already limited resources and further stretched their overall capacity.

## **2. TBS DEDICATED APPROACH TO IMPLEMENT THE MCI IN SMALL AGENCIES**

### **2.1 Common challenges call for a common strategy**

As stated above, small agencies have a multiplicity of roles and show great variability in terms of their mandate, organization, and needs. This being said, most share a number of key features that impact on their ability to implement Modern Comptrollership. These include:

- Small staff complements and staff with diverse responsibilities as compared to the more discrete roles and responsibilities of staff in large organizations;
- Small budget size limiting their ability to reallocate resources internally;
- Informal structures, i.e. while in large organizations formal structures and systems can be implemented to support modern management practices, the financial and human resources pressures of small agencies often preclude the implementation of such an infrastructure.

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<sup>2</sup> The Community of Small Organizations regroups five networks of leaders within the small agencies community:

1. The Group of Heads of Federal Agencies (HFA)
2. The Small Agency Administrator's Network (SAAN)
3. The Small Agencies Finance Action Group (SAFAG)
4. The Heads of Information Technology (HIT)
5. The Personnel Advisory Group (PAG)

Recognizing the specific reality of the small agencies, the Comptrollership Modernization Directorate (CMD) within the Treasury Board Secretariat (TBS) developed a specific strategy to implementing the MCI in the small agency community.

## **2.2 The TBS four-pronged approach**

In response to the capacity issues of small agencies and the fact that they have not been a priority of central agencies in the past, the TBS/CMD put in place a series of instruments to facilitate the implementation of the MCI in this community. Specifically, the TBS/CMD:

- Dedicated funds to assist small agencies in getting started in their modern comptrollership implementation efforts (see Appendix B);
- Established a separate governance structure made up of two groups to provide strategic leadership, advice and guidance on the implementation of modernization activities in small agencies. This separated governance structure is comprised of:
  - The Agency Heads Modernization Steering Committee (AHMSC). The AHMSC is the steering committee providing strategic leadership and acting as an advisor on modern comptrollership for small agencies.
  - The Small Agency Modernization Council (SAMC). This committee assists the steering committee in developing and maintaining momentum for change.<sup>3</sup>
- Created guides and tools targeted for this community<sup>4</sup>, and;
- Assigned portfolio analysts to provide strategic leadership, advice and guidance on the implementation of modern comptrollership activities in small agencies.

## **3. THE IMPACT OF MODERN COMPTROLLERSHIP ON THE SMALL AGENCY COMMUNITY**

### **3.1 Small agencies engagement**

Although small agencies joined the MCI more recently than large departments, their level of engagement with the Initiative has been significant.

The reasons for their engagement are several and relate to the TBS having monies specifically earmarked for the small agency community, the creation of a governance structure separate from that of large departments, the administrative support and guidance provided by the TBS/CMD, and the potential benefits that small organizations associated with this initiative.

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<sup>3</sup> In addition, small agencies created the Small Agencies Modern Comptrollership Group (SAMCG). The SAMCG is a working group dedicated to the exchange of experiences and lessons learned to implement the MCI. For more information please see [http://www.tbs-sct.gc.ca/cmo\\_mfc/resources2/SA\\_PO/smallagencies4\\_e.asp](http://www.tbs-sct.gc.ca/cmo_mfc/resources2/SA_PO/smallagencies4_e.asp)

<sup>4</sup> See for instance [http://www.tbs-sct.gc.ca/cmo\\_mfc/resources\\_e.asp](http://www.tbs-sct.gc.ca/cmo_mfc/resources_e.asp)

Given the small agency resourcing challenge, the \$6.5 million set aside by the TBS to support small agencies in implementing the MCI was critical in making such implementation possible. Yet, the importance of having a separate governance structure specifically dedicated to steer and manage this initiative for the small agency community should be stressed. As Sid Gershberg, a leader in both the CSO network and the small agency governance structure emphasized:

“Having a separate committee structure not only ensured that small agencies needs would be appropriately and thoroughly considered by a committee of ‘peers’, it avoided the potential risk of small agency concerns being overshadowed by large departments’ issues.”

Some organizations within the CSO network had been created in part to respond to the need for small agencies to be more actively included in policy decisions. The creation of a distinct governance structure provided small organizations with a clear signal that they were listened to.

### **3.2 Key findings from the capacity assessments**

Two key findings stand out from the review of the analysis of the capacity assessments in small agencies conducted to date.<sup>5</sup>

First, small agencies commented repeatedly that the capacity assessment provided their organization with a better knowledge of its management capacity and was instrumental in convincing senior management to address some important outstanding issues. Their capacity assessment was viewed as a “worthwhile reality check” that they would not have had the incentive or capability to conduct on their own. (Process in 16; Survey)

Second, many participants involved in conducting capacity assessments in small organizations observed that the definitions and criteria used for this capacity check implied that to be effective, management processes and practices required “formal” parameters. In other words, the Capacity Assessment seems to carry with it the assumption that only formal and sophisticated structures, systems and processes can lead to effective and modernized management practices.

Because of their size, many small agencies have management structures and systems that are often informal and unsophisticated but nevertheless effective and valuable. For example, many senior managers in small organizations use an informal and collegial approach to managing workload consisting of daily “walk around” to ensure that workload is reasonable. Most small agencies are also satisfied to gauge employee morale

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<sup>5</sup> For detailed analyses of capacity assessments conducted in federal organizations see “Content Analysis of Comptrollership Capacity Assessment Reports from the First 10 Small Agencies” (Referred to in the text as “Content in 10”), “The Modern Comptrollership Capacity Assessment Process in Small Agencies, A report based on the experience of the first 16 agencies” (Referred to in the text as “Process in 16”) and “State of Management Practices in the Public Service of Canada – A Self-Assessment”.

using informal methods. In short, it appears that where small organizations are concerned, some informal practices are far more effective than formal mechanisms could be. As one observer puts it:

“Advanced client relationship management, sophisticated cost management information, integrated knowledge enabling technology, and in-house internal audit capability are not necessarily cost-effective and appropriate objectives for an organization of say 12 people.” (Content in 10)

As noted earlier, there are substantial differences in the size of organizations captured under the label “small agencies”. While the above comments makes most sense for the smaller organizations, they may not be as relevant for the larger ones. Further, the level of formalisation required in management practices depends on the specific type of management mechanism considered. For instance, many agencies see the value of a more formal approach to risk management as beneficial. (Content in 10)

The point here is that the conduct of the TBS capacity assessments in small organizations revealed that small agencies have an appetite for practices that are well tailored to their needs. However, no one single set of management mechanisms appears suitable for each and every one of them. Small agencies are faced with a number of the same management issues as the large departments. Yet, a much higher degree of customization of their management infrastructure may be required than that which is suggested by the definitions and criteria used in the MCI capacity assessment.

### **3.3 Enhanced communication, networking and partnering**

#### **3.3.1 Communication within small agencies**

The capacity assessment process provided an opportunity for managers and employees of small agencies to assess the management capacity of their organization and, in the process, to learn about other sectors of their organization, cut through silos and look at the future of the organizations with a longer-term horizon.

The use of focus groups to corroborate the findings of interviews conducted during the capacity checks also enabled those managers involved to look beyond their specific area, discuss their operational environment, and reflect on the big picture. At the same time it provided an opportunity for senior managers with experience and corporate memory to communicate their knowledge within the organization thereby contributing to knowledge transfer and organizational cohesiveness.

Internal training sessions on how to implement the MCI further contributed to organizational cohesion. As one participant noted:

“The MCI helped build a common understanding of the Commission’s context, while facilitating consensus on corporate

priorities.” (RCMP-PCC, Survey)

Whenever Agency Heads and senior management explicitly embraced modern management practices, their commitment was easily communicated and pervaded the organizations.

“The willingness to change and open endorsement of the MCI by the senior management of the Transportation Safety Board was one of the main reasons it has been relatively easy to integrate modern comptrollership with their planning processes.” (TSB, Survey)

For obvious reasons, internal communication can be easier in small organizations as compared to larger ones. It is clear, for example, that the relative small size of these organizations can make it easier to cut through silos and can allow the positive impact on senior management’s commitment to trickle down to managers and staff.

But the MCI also provided a catalyst to increase communication *throughout* these organizations. While the exchange of information was focused on improving the organizations’ management practices, it also had a number of additional and important benefits such as contributing to the cohesiveness, sense of shared vision, and internal coherence of these organizations.

### **3.3.2 Communication and partnering among small agencies**

Improved communication and networking between small agencies took a number of different forms. These included sharing a common project management office (PMO), exchanging best practices, and partnering on Innovation Projects.<sup>6</sup>

#### **3.3.2.1 Clustering for PMOs and capacity assessments**

As mentioned above, the TBS dedicated funding to help small organizations establish their PMO, conduct capacity assessments, develop action plans and carry out Innovation Projects. The TBS also encouraged small organizations to cluster in order to leverage available resources. A number of agencies followed suit on this recommendation.

Fifteen small agencies regrouped in 6 clusters to each share a PMO. Three additional agencies also shared their PMOs with those of large departments. Out the 48 small agencies involved in the MCI then, over 30% clustered in order to establish a PMO and develop their capacity assessments.

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<sup>6</sup> Of the \$6.5 million dedicated by the TBS to support the MCI in small agencies, approximately 59% went to setting up PMOs, 22% to conduct capacity assessments, and 19% to funding Innovation Projects (see appendix B).



### 3.3.2.2 'How to' case studies

A number of agencies developed a series of case studies providing advice and lessons learned on how to implement the Initiative in a small agency environment. These 24 case studies, available to the entire community through the CSO website<sup>7</sup>, present good practices on the following subjects: how to develop an action plan, how to engage managers, how to identify modern management priorities and how to provide training. The CSO website, implemented in 2003, provides the small agency community with a convenient tool to integrate information, find answers to common questions, and network.

### 3.3.2.3 Innovation Projects

Fifteen agencies have partnered in seven Innovation Projects designed to facilitate modern comptrollership implementation in small agencies.<sup>8</sup>

The "Performance Measurement Framework for Small Agencies" project, for instance, is designed to develop performance measurement systems that are well integrated, practical and cost effective for small organizations. It involves three different organizations (a small policy-oriented organization, a quasi-judicial agency, and a regulatory agency) that build on the tools, techniques and experiences of one another to develop a standardized approach to performance measurement that can be adapted to the needs of other small agencies.

Similarly, the "Risk Management for Small Agencies" project aims at developing and implementing a generic risk management approach tailored to small organizations. Another project seeks to address the burden of reporting performance information felt by small agencies by proposing innovative solutions that can assist these organizations to streamline their internal and external reporting requirements.

Some of these projects have been shared with a significantly large audience. The "Values and Ethics in Small Agencies" project, for instance, included a two-day workshop with participants representing 28 different agencies. It resulted in a report,<sup>9</sup> 1800 hard copies of which were distributed. It is worth noting that this workshop (held in March 2003) was the first opportunity for these organizations to have a dialogue on and find solutions to issues related to Values and Ethics as they manifest themselves in the specific context of small agencies.

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<sup>7</sup> See [http://www.cso-cpo.gc.ca/menu\\_e.html](http://www.cso-cpo.gc.ca/menu_e.html).

<sup>8</sup> A list and more information on the Innovation Projects is available at [http://www.cso-cpo.gc.ca/mm-mm/innovation\\_projects\\_e.html](http://www.cso-cpo.gc.ca/mm-mm/innovation_projects_e.html)

<sup>9</sup> See [Independence vs. Partnering](#), "Finding the Right Balance: a Dialogue on Values and Ethical Decision-Making in Small Agencies" (June 2003)

Finally, it should be underlined that some of these projects such as the “Evaluation Function in Small Agencies” project involve organisations that, prior to the launching of the MCI, had never been active in the small agency community.

### **3.3.3 Collaboration with other departments and central agencies**

Because of the similarities between operating in the regional offices of some large departments (e.g., RCMP, SD/HRSD, CCRA) and the situations that prevail in many small agencies (for example the availability of only one financial officer), some of the large departments leading Innovation Projects are partnering with small agencies. For example, the objective of the “Internal Control Framework (ICF) for Regional Manager” project led by Environment Canada is to develop tools to apply an ICF model in front-line settings with guides, training and materials suitable for both regional office and small agency settings. The “Internal Audit Guide on the implementation of Modern Comptrollership” developed by Human Resources and Skills Development and piloted in a small agency setting at the Canadian Transportation Agency is another case in point. These are notable examples as collaboration and partnering between large and small organizations on common projects has been rare in the past.

Finally, the MCI is also having a positive effect in enhancing communication between small federal organizations and central agencies. The dedicated governance structure designed to support small federal entities provided a formal mechanism and a channel for central agencies and the small agency communities to consult on how to proceed with the MCI implementation in small organizations. It raised the profile of small agencies within central agencies and increased awareness of their needs with TBS staff and senior management. As one observer puts it:

“This governance structure is an excellent model for promoting partnership between central agencies and small agencies.” (Jean Laporte, interview)

The development of Innovation Projects also gave rise to increased information exchange between small agencies and the TBS. The “Performance Measurement Framework for Small Agencies” project for instance, led to tangible consultations between the project partners and the TBS.

### **3.3.4 Enhanced communication translates into tangible benefits**

While small agencies had been working together for some time to share information and resources, an important outcome of the MCI has been to solidify the information sharing around small agencies that began with CSO. Better communication resulted in some very tangible benefits for small agencies. These include:

- ✓ greater internal cohesiveness in terms of shared vision and understanding of current management capacity within each participating organization;
- ✓ increased awareness of partnering opportunities amongst small agencies through

- the sharing of PMOs, exchange of information on good practices and partnerships on Innovation Projects;
- ✓ inclusion of new members to the network; and,
- ✓ enhanced cooperation between small agencies and larger federal organizations including central agencies.

Taken together, these benefits amount to increased capacity and a robust foundation on which to build improved management processes and practices. This enhanced communication created synergies and laid the necessary conditions for improving management practices in small organizations.

### **3.4 Preliminary Assessment**

All small agencies mandated to implement the MCI have currently completed their Capacity Assessment, and over 90% have an Action Plan endorsed by their senior management. (See Appendix C).

While pilots departments started implementing the MCI in 1998, most small agencies became actively involved in reviewing their management practices during the last two years. There is thus a substantial gap between this time period and the 7 to 10 years horizon advanced in the Panel Report for full implementation of the Initiative.<sup>10</sup>

Although it is still early to determine what its full impact will be, it is clear that so far the MCI has been a positive experience for small agencies. It gave them an incentive to conduct a diagnostic of their management capacity and provided focus for developing a coherent vision for management improvements. In the process, small agencies reaffirmed their need for management processes well suited to their specific circumstances. Finally, it accelerated and solidified their networking activities and created new opportunities for organizations operating in similar conditions to increase efficiencies by leveraging resources.

Thus, as a result of the MCI, the overall capacity of small agencies to improve their management regimes should be strengthened.

## **4. LESSONS LEARNED AND OPPORTUNITIES TO SUSTAIN MOMENTUM**

### **4.1 Ongoing funding may be critical**

While the infrastructure to continue the implementation of the MCI in small organizations is now in place, there is a widely shared concern that small agencies will not have the capacity to sustain their current efforts towards management improvements. As the past Chair of the Agency Heads Modernization Steering Committee (AHMSC) noted:

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<sup>10</sup> [http://www.tbs-sct.gc.ca/cmo\\_mfc/resources2/review\\_panel/rirp\\_e.asp](http://www.tbs-sct.gc.ca/cmo_mfc/resources2/review_panel/rirp_e.asp)

“[W]ithout additional funding, small agencies which generally have little ability to reallocate resources internally, will not be able to make the changes to ensure that modern management practices are fully integrated in their organizations.”

Without central funding, small organizations may not have the necessary resources to maintain their PMO and the commitments made in their action plans may not be respected. (Process in 16; Consultations with members of the Comptrollership Council, Sep 2003)

**Opportunities:** There may be a need for central agencies to evaluate the current resource capacity of small agencies and assess their ability to sustain efforts in implementing modern comptrollership and other government-wide initiatives. Expectations with respect to future management improvements in small organizations should be realistic, tailored to the existing capacity of small organizations and clearly articulated. Such expectations should also be clearly and consistently conveyed.

The small agency community has already expressed interest in building upon the current momentum to ensure the continuity of collaboration amongst small agencies and with TBS on the continued implementation of the MCI and of the Management Accountability Framework. More specifically, they have proposed to continue using the existing Small Agency Modernization Council (SAMC) structure with renewed terms of reference as the forum for such activity. This initiative to provide continuity could be supported by the TBS through a combination of financial and human resources in order to ensure small agencies can continue to promote management improvements on a collective basis.

A further strategic opportunity to promote sustainability might be for central agencies to ensure the CSO website is resourced so that the sharing of information and management improvement tools among small organizations continues. The CSO website has been an effective instrument to enable the sharing and leveraging of resources among small agencies but continuing resources to maintain the contents of the site are a concern.

#### **4.2 Small organizations need administrative support as well**

To sustain implementation of the MCI, small organizations need not just financial support but administrative support as well.

Small agencies need to develop functional specialist capabilities in a number of areas. Yet, it is unrealistic to expect that greater capacity in say, financial controls, human resources management or internal program evaluation, can be developed and sustained by each small organization in isolation. To have access to such services on a sustainable basis, small agencies need to take a collective approach. Clusters of similar type of organizations (e.g., judicial, quasi-judicial, regulatory, investigative, policy development or parliamentary agencies) could pool resources together and develop sharing arrangements to access expert services. Sharing arrangements for corporate services -- such as corporate finance, human resources (employee services, competency profiling,

pension support), internal audit and evaluation, IM/IT support, risk management, performance measurement, procurement, material management and accommodations -- could be a priority.

The measures to strengthen oversight, accountability and overall management capacity in the small agency context need to be reconciled with provisions for each organization's specific requirements including institutional independence and specific organizational needs. Whereas small organizations require some form of infrastructure to support their management activities, these infrastructures can take many forms.

**Opportunities:** To assist small agencies in improving their management capacity in a cost-effective way, the TBS may want to encourage small organizations to collaborate on establishing shared corporate services and administrative structures. These structures should be commensurate with the needs of specific clusters so that organizational costs do not outweigh expected benefits.

It must be recognized, however, that in some instances no resources to pool or share are available. This is often the case, for instance, with respect to the Audit and Evaluation functions. Wherever some capacity is available, it is likely sufficiently stretched that sharing is not possible without some sort of cost-recovery. When no capacity is available internally, access to external services may only be available at a cost.

#### **4.3 Collaboration can be pursued without compromising independence**

The clustering among small agencies that took place under the MCI demonstrated that collaboration could be achieved without compromising the independence of participating organizations. The MCI experience highlighted the significant benefits that clustering holds for small organizations and its potential for leveraging resources to achieve common purposes. Yet, this clustering took place on a far smaller scale than what might otherwise have been possible.

Clustering to establish PMOs, for instance, was relatively limited in its extent and often pro-forma in nature. Only 15 organizations out of 48 opted for sharing a PMO and in many cases, the clustering arrangement was limited to sharing the costs of the consulting company that conducted capacity assessments. Little collaboration occurred in terms of the various parties sitting together dialoguing and designing solutions to common problems. By comparison, the clustering around Innovations Projects was much more effective in bringing several organizations together to exchange and work on a shared objective.

This difference in practice stems from TBS different views on clustering. While small agencies were merely *encouraged* to share PMOs, access to funding for Innovation Projects was *conditional* upon partnering.

**Opportunities:** The TBS may want to consider more powerful incentives to entice small agencies to collaborate on initiatives targeted to improve management. Benefits would include greater leveraging of limited resources and greater likelihood that tools and lessons learned are shared across organizations. As a key observer noted:

“There is currently an enormous potential for further clustering. The key is to have the right set of incentives to make it happen.” (Jean Laporte, interview)

#### **4.4 Ongoing training is key to long-term sustainability**

A recurring theme of the capacity assessments is that learning opportunities are critical to the successful implementation and long-term sustainability of the MCI. There is a need to provide managers with adequate training on management basics and to link training opportunities to the organizational and operational realities of small agencies. (Content in 10; Kelly)

Learning presents its own set of opportunities and challenges for small agencies. On the one hand, their small size is an asset for informal learning opportunities associated with greater information sharing, multi-tasking or job shadowing and favours a more integrated view to management. On the other hand, their resourcing challenge places limits on their capacity to access formal training programs from orientation training for new managers (needed to acquire core management basics) to specialized training for corporate functional communities (e.g., financial management, personnel management, IMIT, etc.).

**Opportunities:** Customization of management training programs to the needs of specific clusters of agencies can reduce the cost of formal training, improve its relevance, and increase the ability of the small agency community to access formal management training.

It was also observed that younger managers have a strong appetite for management improvements. This would need to be confirmed and, if corroborated, capitalized upon.

#### **4.5 The approach to implement the MCI was sound and is worth repeating**

There is a general consensus that the specific approach designed by TBS/CMD to implement the MCI in the small agency community has, by and large, been successful. Funding from the TBS made the engagement of this community possible. The separate governance structure led the community to buy into the Initiative. The support and directions provided by the TBS/CMD’s office were often described as invaluable.

**Opportunities:** Several organizations suggested that central agencies use this approach as a model to support implementation of other centrally driven management improvement initiatives within the small agency community, such as Government on Line, Human Resources Modernization and the Management Accountability Framework.

## 5. CONCLUSION

The high number of small agencies and the issues they face in implementing modern management processes present a challenge for the federal government. Various TBS led reviews currently underway will likely have a substantial bearing on the future comptrollership context of small agencies.

There is little doubt, that the MCI is having positive results on this community. Small organizations are working at improving their management practices like never before. But a lot remains to be done as the community as a whole is still at the early stage of modern management implementation. As one participant acknowledged:

“The concepts are still new and not second nature to how we do business.” (Competition Tribunal, Survey)

Residual work remains to be done to ensure the implementation tools that have been developed are widely shared and that implementation guides and templates will be maintained up to date. The emergence and development of networks still needs to be further encouraged.

Another challenge will be to ensure that the relatively limited group of individuals that for some years has demonstrated leadership in CSO and the MCI governance structure can be enlarged and renewed. The now retired Chair of the AHMSC, summarizes the current situation well:

“We are now at the critical stage, moving beyond processes and identifying the required changes to implementing the necessary corrective actions that will sustain modern comptrollership. This will require continued effort.”

Adequate resourcing combined with sustained leadership on the part of both central agencies and the small agency community will be critical in providing small federal organizations with the incentives they require to pursue their modern management efforts.

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## INTERVIEWS

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- Jean Laporte, Small Agency Modernization Council Vice Chairperson, Dec. 2003.
- Luc Gaudet, Small Agencies Modern Comptrollership Group Chair, Dec. 2003.



## Appendix A

### List of Small Federal Agencies

Canada Industrial Relations Board  
Canadian Artists and Producers Professional Relations Tribunal  
Canadian Centre for Management Development  
Canadian Centre for Occupational Health and Safety  
Canadian Environmental Assessment Agency  
Canadian Forces Grievance Board  
Canadian Human Rights Commission  
Canadian Human Rights Tribunal  
Canadian Institutes of Health Research  
Canadian Intergovernmental Conference Secretariat  
Canadian International Trade Tribunal  
Canadian Polar Commission  
Canadian Transportation Accident Investigation and Safety Board  
Canadian Transportation Agency  
Competition Tribunal  
Copyright Board Canada  
Financial Consumer Agency of Canada  
Financial Transactions and Reports Analysis Centre of Canada  
Governor General  
Hazardous Materials Information Review Commission  
House of Commons  
Law Commission of Canada  
Library of Parliament  
Military Police Complaints Commission  
NAFTA Secretariat, Canadian Section  
National Battlefields Commission  
National Energy Board  
National Farm Products Council  
National Round Table on the Environment and the Economy  
Natural Sciences and Engineering Research Council  
Northern Pipeline Agency Canada  
Office of Infrastructure Canada  
Office of the Chief Electoral Officer  
Office of the Commissioner of Official Languages  
Office of the Commissioner of Review Tribunals (CPP/OAS)  
Office of the Correctional Investigator  
Office of the Information Commissioner  
Office of the Privacy Commissioner  
Patented Medicine Prices Review Board  
Pension Appeal Board  
Public Service Staff Relations Board  
RCMP External Review Committee  
RCMP Public Complaints Commission  
Security Intelligence Review Committee  
Social Sciences and Humanities Research Council of Canada  
Solicitor General Canada  
Status of Women Canada  
Supreme Court of Canada  
Tax Court of Canada  
Transportation Appeal Tribunal of Canada  
Veterans Review and Appeal Board

## Appendix B

### MCI Funding 1998-2004

#### MCI Funding Percentages per type of organizations

	<b>Capacity Assessments</b>	<b>Project Management Office</b>	<b>Innovation Projects</b>	<b>Total</b>
<b>Small Agencies</b>	\$1,463,519.00 22.48%	\$3,820,062.00 58.68%	\$1,226,400.00 18.83%	\$6,509,981.00 100%
<b>Large Departments</b>	\$3,571,772.00 11.00%	\$16,598,699.00 51.14%	\$12,286,190.00 37.85%	\$32,456,661.00 100%
<b>Total</b>	\$5,035,291.00 12.92%	\$20,418,761.00 52.40%	\$13,512,590.00 34.67%	\$38,966,642.00 100%

#### MCI Funding Percentages per activities

	<b>Capacity Assessments</b>	<b>Project Management Office</b>	<b>Innovation Projects</b>	<b>Total</b>
<b>Small Agencies</b>	\$1,463,519.00 29.7%	\$3,820,062.00 18.71%	\$1,226,400.00 9.08%	\$6,509,981.00 16.71%
<b>Large Departments</b>	\$3,571,772.00 70.93%	\$16,598,699.00 81.29%	\$12,286,190.00 90.92%	\$32,456,661.00 83.29%
<b>Total</b>	\$5,035,291.00 100%	\$20,418,761.00 100%	\$13,512,590.00 100%	\$38,966,642.00 100%

## Appendix C

### Completion Rates for Capacity Assessments (CA) and Action Plans (AP)

#### Small Agencies and Large Departments

#### CA & AP Completion Rates - Small & Large Organizations

	Capacity Assessments	Actions Plans	Total Number of Organizations
<b>Small Agencies</b>	48 - (100%) *	44 - (93%) *	48/47** - (100%)
<b>Large Departments</b>	44 - (93%)	31 - (67%)	47/46*** - (100%)
<b>Total</b>	92 - (97%)	75 - (81%)	95/93 - (100%)

\* Numbers include four (4) small agencies that had their CAs & APs done by their portfolio departments: the Canadian Polar Commission (Indian and Northern Affairs Canada), the Northern Pipeline Agency (National Energy Board), the Office of the Commissioner of Review Tribunals and the Pension Appeals Board (Human Resources Development Canada).

**Total number of small agencies (less than 300 FTEs): 51**

Three (3) small agencies did not receive any MCI funding and are thus not counted in the total number of small agencies when calculating completion rates. These are: the Governor General, the House of Commons, and the Security Intelligence Review Committee.

**Total number of small agencies participating in the MCI: 48**

**Number of small agencies included in the calculation CA completion rates: 48**

**Number of small agencies included in the calculation of AP completion rates: 47**

\*\* Tax Court of Canada did a CA but was then amalgamated with the Federal Court of Canada to form Courts Administrative Service. Courts Administrative Services is now responsible for doing an AP that will include the former Tax Court of Canada. Consequently, Tax Court of Canada is counted as a small agency for the purpose of calculating CA completion rates but excluded for the calculation of AP completion rates.

\*\*\* While the completion rates for CA are based on a total of 47 large departments, the completion rates for AP are based on a total of 46 large departments because of the amalgamation of National Archive of Canada and National Library of Canada into Library and Archives Canada.