



Government  
of Canada

Gouvernement  
du Canada



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# CANADA'S NEW GOVERNMENT

## FEDERAL ACCOUNTABILITY ACTION PLAN

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### TURNING A NEW LEAF

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### TURNING A NEW LEAF

*April 11, 2006*





## Message from the Prime Minister of Canada

Canadians have said they want us to turn over a new leaf in the way we do business in Ottawa. Canadians want to be able to trust their federal government, and know that it is accountable.

Today we are delivering on the first of our five priorities by introducing the *Federal Accountability Act* and its companion Action Plan. Our plan will:

- ✓ ban institutional and large personal donations to political parties;
- ✓ ensure that positions of public trust cannot be used as stepping stones to private lobbying;
- ✓ provide real protection for whistleblowers who show great courage in coming forward to do what is right;
- ✓ strengthen the capacity and independence of Officers of Parliament, including the Auditor General, to hold the Government to account; and
- ✓ increase the transparency of appointments, contracts, and auditing within government and Crown corporations.



These measures signal a significant change in how federal politics and government will work in Canada. Canadians understand this priority, and they have said they want us to deliver on our other key priorities:

- lowering taxes for all Canadians by cutting the GST from seven percent to six percent;
- ensuring safe communities by cracking down on drugs, guns, and gang crime;
- giving parents choice in child care with a \$1,200 annual payment for each child under six and helping create more child-care spaces; and
- working with the provinces and territories to establish a patient wait-times guarantee.

Turning over this first leaf—the *Federal Accountability Act*—is my government's commitment to delivering the good, clean government that Canadians deserve and expect.

The Right Honourable Stephen Harper  
Prime Minister of Canada







## Message from the President of the Treasury Board of Canada

On February 6, 2006, the Prime Minister asked me to deliver on our government's commitment to introduce the proposed *Federal Accountability Act* in the House of Commons as our first major piece of legislation.

I am proud of the efforts of all of my colleagues, my Parliamentary Secretary Pierre Poilievre, and public servants across government—from policy specialists to legal drafters—who have made this possible.



Thanks to this collaboration, we are introducing a solid piece of legislation and a clear plan of action that address every element of our platform, and more. The *Federal Accountability Act* and companion Action Plan is about making everyone more accountable—from the Prime Minister to parliamentarians, from public-sector employees to all Canadians and businesses who receive government funding.

Canadians expect no less. Accountability is the foundation on which Canada's system of responsible government rests. It is key to assuring Parliament and Canadians that the Government of Canada is using public resources efficiently and effectively, and that it answers for its actions.

In developing this Act for the consideration of Parliament, and the Action Plan, we have used the most effective ways, both legislative and non-legislative, to meet our commitments. We have taken steps to ensure that the proposed changes do not discourage individuals and organizations from doing business with government. And we have included measures to simplify and streamline rules so that government functions more efficiently.

This is an important undertaking—one that will require the commitment and dedication of parliamentarians and public servants alike. I am confident that, together, we can rebuild the confidence and trust of Canadians.

The Honourable John Baird  
President of the Treasury Board of Canada







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## Highlights

Through the *Federal Accountability Act* and Action Plan, the Government of Canada is bringing forward specific measures to help strengthen accountability and increase transparency and oversight in government operations. The comprehensive Action Plan includes a proposed *Federal Accountability Act*, supporting policy and other non-legislative measures, and a draft bill to amend the *Access to Information Act*.

Through this Action Plan, the Government will:

- **reform the financing of political parties** by reducing the opportunity to exert political influence through large donations to political parties and candidates;
- **ban secret donations to political candidates** by prohibiting electoral district associations and parties from transferring money to their candidates from trust funds;
- **strengthen the role of the Ethics Commissioner** by introducing a new *Conflict of Interest Act* and granting powers to the new Conflict of Interest and Ethics Commissioner to enforce it;
- **toughen the Lobbyists Registration Act** by introducing stricter rules for lobbyist activity and giving a new Commissioner of Lobbying enhanced powers to investigate and enforce them;
- **ensure truth in budgeting with a Parliamentary Budget Authority** by creating the position of Parliamentary Budget Officer to provide objective analysis to Members of Parliament and parliamentary committees concerning the state of the nation's finances, trends in the national economy, and the financial cost of proposals under consideration by either House;
- **make qualified government appointments** by introducing a uniform process for appointing Agents and Officers of Parliament and ensuring that public appointments are based on merit;
- **clean up the procurement of government contracts** by enshrining in law a commitment to fairness, transparency, and openness in the procurement process, and by appointing an independent Procurement Auditor to provide additional oversight of the procurement process;
- **clean up government polling and advertising** by preventing public opinion research and advertising contracts from being used for partisan or personal benefit, and by appointing an Independent Advisor to conduct a full review of public opinion research practices discussed in Chapter 5 of the Auditor General's November 2003 report that the previous government explicitly exempted from Justice Gomery's consideration;
- **provide real protection to whistleblowers** who disclose government wrongdoing by introducing specific penalties for offences, granting powers to the new Public Sector Integrity Commissioner, creating a Public Servants Disclosure Protection Tribunal to consider cases of reprisal, providing public-sector employees with access to legal counsel and

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continuing to ensure they have adequate access to the courts, and providing a \$1,000 reward to public-service employees who have the courage to expose wrongdoing in the workplace;

- ***strengthen access to information legislation*** by extending its reach and scope, and by tabling for consideration by parliamentary committee a draft bill to further amend the *Access to Information Act* and a discussion paper to ensure the full consideration of views and possible approaches;
- ***strengthen the power of the Auditor General*** by expanding the reach and scope of the Auditor General's investigative powers to help Parliament hold the government to account;
- ***strengthen auditing and accountability within departments*** by clarifying the managerial responsibilities of deputy heads within the framework of ministerial responsibility, and by bolstering the internal audit function within departments and Crown corporations; and
- ***create a Director of Public Prosecutions***, outside the Department of Justice, with the authority to conduct criminal prosecutions under federal law.

This Action Plan strikes an appropriate balance between oversight and flexibility. The Government of Canada will strengthen and streamline its management policies and consult with stakeholders on reducing barriers that inhibit access to government. It will:

- ***establish an independent blue-ribbon panel*** to identify barriers to access for recipients of government grants and contributions, and to recommend changes to Government policies and practices to ensure a fair, economical, and efficient delivery of grants and contributions programs;
- ***review its procurement and financial management policies*** to identify where they could be streamlined, and where the Government could replace transaction-level requirements and rules with basic principles of management accountability and transparency; and
- ***repeal policies and regulations*** where they inhibit the effectiveness of public-service employees, rather than promote accountability and good management.



## Introduction

Accountability is the foundation on which Canada's system of responsible government rests. A strong accountability regime assures Parliament and Canadians that the Government of Canada is using public resources efficiently and effectively. It also promotes ethical practice—actions undertaken in government must be motivated by the public interest and carried out in accordance with legislation and policy. Effective accountability also means that those who manage public resources must be prepared to report openly on results achieved.

In a culture of accountability, roles and responsibilities are clear so that people know what is expected of them and answer for their performance; appropriate rewards for good performance are in place; and there are swift consequences in cases where rules are knowingly broken. Furthermore, a high degree of transparency makes government more accountable, and is vital to the effective participation of citizens and organizations in developing public policy.

Canadians have every right to expect that public-office holders and public-sector employees will be guided by the highest standards of ethical conduct. Recent political scandals—notably those concerning government sponsorship and advertising activities—have contributed to a further erosion of Canadians' trust and confidence in government, and have brought issues of accountability, transparency, and integrity to the forefront of public discussion and debate.

This Action Plan represents the Government of Canada's response to those concerns. It is a blueprint for more accountable, open, and ethical government.

In its pursuit of greater effectiveness and accountability, the Government has made sure that the measures contained in this Action Plan strike an appropriate balance between oversight and flexibility. It has recognized that, within this new accountability regime, the public service must maintain its capacity to deliver important programs to Canadians efficiently and effectively. Accordingly, the Government will streamline its management policies to replace superfluous controls and rules that hinder the effectiveness of the public service, and will consult with stakeholders on ways to reduce barriers that inhibit access to government.





## Reforming the financing of political parties

### Delivering on our commitment

- ✓ *New limits on individual donations to parties or candidates*
- ✓ *A ban on contributions from corporations, unions, and organizations to parties or candidates*
- ✓ *A longer period to prosecute violations under the Canada Elections Act*

### Why we are doing this

The *Canada Elections Act* governs campaign donations and the financing of political parties and candidates in Canada. The law ensures transparency and regulates the financial relations and operations of political parties and candidates. However, more needs to be done to rebuild public confidence in the integrity of the democratic process, and to ensure that influence cannot be bought through political donations. Donations from corporations, unions, and organizations are of particular concern, since they currently allow for a contribution of funds from unknown original sources.

The Government of Canada will toughen the laws around the financing of political parties and candidates to reduce the opportunity to exert influence through large donations.

### The *Federal Accountability Act* will:

- impose a complete ban on contributions by corporations, unions, and organizations;
- lower from \$5,000 to \$1,000 the annual limit on contributions an individual can make to a particular registered party;
- lower from \$5,000 to \$1,000 the annual limit on contributions an individual can make to the local entities of a particular registered party (candidates, nomination contestants, and district associations);
- lower to \$1,000 the contribution an individual can make to party leadership contestants;
- lower to \$1,000 the contribution that a candidate, a nomination contestant, or a leadership contestant can make to his or her own campaign, in addition to the above limits;
- prohibit cash donations to political parties and candidates of more than \$20, lower from \$25 to \$20 the amount after which a receipt must be issued, and lower from \$25 to \$20 the amount individuals may donate through a “passing of the hat”;
- make it an offence for the person authorized to receive the donation on behalf of a party or candidate to knowingly accept cash donations of more than \$20, and for the person contributing to willfully make a cash donation of more than \$20; and





- extend the period for instituting prosecutions under the *Canada Elections Act* from 7 to 10 years after the day on which the offence was committed (investigations must be completed and a prosecution initiated no later than 5 years after the Commissioner of Canada Elections becomes aware of the incident).

#### **WHAT THIS MEANS FOR CANADIANS**

These changes will increase transparency, reduce opportunities to influence politicians with contributions, and help Canadians feel more confident about the integrity of the democratic process. They will level the playing field among individual contributors, and encourage political parties to engage the electorate more directly.

*Quebec,  
Manitoba, the  
United States,  
and France are a  
few of the  
jurisdictions that  
ban  
donations by  
corporations,  
unions, and  
organizations.*



# Banning secret donations to political candidates

## Delivering on our commitment

- ✓ *A ban on candidates accepting gifts that might be seen as influencing them*
- ✓ *A ban on transferring trust-fund money to candidates or political parties*
- ✓ *Powers for the new Conflict of Interest and Ethics Commissioner to order that trusts not be used for political purposes or be wound up*

## Why we are doing this

While campaign donations are regulated, riding associations can still give large amounts of campaign money to candidates through trust funds. The Government of Canada will close loopholes in the current election laws by applying new restrictions on the use of trust funds and the receipt of gifts by candidates for federal political office.

## The *Federal Accountability Act* will introduce the following changes:

- The Act will prohibit candidates from accepting gifts that might reasonably be seen to risk influencing them in the performance of their elected duties. Candidates may accept gifts from relatives or gifts of courtesy or protocol.
- It will require that candidates report to the Chief Electoral Officer any gifts they receive worth more than \$500. Gifts received by will or from relatives will be excluded from this requirement. These restrictions on receiving gifts will apply from the time of a candidate's nomination or on the day the writ is issued, whichever is earlier, and will end on polling day or when the elected candidate becomes a Member of Parliament. The rules governing the acceptance of gifts by Members of Parliament are provided for under the *Conflict of Interest Code for Members of the House of Commons*.
- It will prohibit electoral district associations from transferring money to a candidate when that money is held in trust.
- It will require Members of Parliament to report to the Conflict of Interest and Ethics Commissioner all private interests from which they derive benefit, including trusts, regardless of their value.
- It will prohibit Members of Parliament from using trust funds for political purposes.
- It will empower the Conflict of Interest and Ethics Commissioner to order Members of Parliament to wind up trust funds or handle them in any other manner that the Commissioner considers acceptable. Failure to comply with an order of the Commissioner will constitute an offence. Registered retirement savings plans and registered education savings plans will be exempt from this requirement.

*Newfoundland,  
Nova Scotia,  
New Brunswick,  
Ontario,  
Saskatchewan,  
and Alberta  
expressly  
regulate the use  
of trust funds  
in the electoral  
process.  
The level of  
regulation ranges  
from  
disclosure to  
mandatory  
termination.*



### ***WHAT THIS MEANS FOR CANADIANS***

These changes will enhance public confidence in the electoral process by banning the use of trust funds to finance a candidate's campaign. Greater transparency and fairness regarding political financing will be the result. The Government will heighten disclosure requirements regarding the personal finances of Members of Parliament, and hence reduce the risk of their holding problematic financial interests. These measures will allow Members of Parliament to hold legitimate financial instruments that do not influence their elected positions.

# Strengthening the role of the Ethics Commissioner

## Delivering on our commitment

- ✓ A new Conflict of Interest Act
- ✓ A new Conflict of Interest and Ethics Commissioner with powers to fine violators and consider public complaints
- ✓ A ban on voting by ministers on matters connected to their business interests
- ✓ An end to the use of “venetian blind” trusts

## Why we are doing this

Canadians expect elected representatives and public-office holders to make decisions in the public interest, without any consideration of personal gain. Public-office holders must perform their official duties and arrange their private affairs in a manner that will avoid real or perceived conflicts of interest.

### The *Federal Accountability Act* will:

- combine the functions of the Ethics Commissioner and Senate Ethics Officer and create a new position of the Conflict of Interest and Ethics Commissioner;
- enshrine the provisions of the current *Conflict of Interest and Post-Employment Code for Public Office Holders* into a proposed *Conflict of Interest Act*;
- give the Commissioner, an individual who must have a judicial or quasi-judicial background, the power to administer the *Conflict of Interest Act* and initiate formal investigations;
- give the Commissioner the power to levy administrative monetary penalties of up to \$500 for administrative breaches of this Act’s provisions;
- prevent the Prime Minister from overruling the Commissioner on whether the Prime Minister, a minister, or other public-office holder has violated this Act;
- prohibit ministers from voting on matters connected with their business interests;
- prohibit the use of blind management agreements (“venetian blind” trusts), meaning that public-office holders who are required to divest controlled assets will either have to sell them in an arm’s-length transaction or place them in a fully blind trust;
- provide that all “ministerial advisors” who are part of a minister’s office are subject to this Act; and
- give the public the ability to bring forward, through a Member of Parliament, information to the Commissioner for the Commissioner’s consideration and action,



as appropriate. Members of Parliament will be required to attest by oath or affirmation that, in their opinion, public complaints are well founded. The Commissioner will have the authority to reject complaints deemed to be frivolous, vexatious, or made in bad faith.

The Government will articulate ethical guidelines for all public-office holders, including ministers, through a revised edition of *Accountable Government: A Guide for Ministers* that will include guidelines for political activities.

The Office of the Conflict of Interest and Ethics Commissioner will be responsible for administering the *Conflict of Interest Code for Members of the House of Commons* and the *Conflict of Interest Code for Senators*. The Commissioner will provide confidential opinions to Members of Parliament and advice to public-office holders on any matter respecting their obligations under these Codes, and will conduct inquiries on behalf of Parliament on questions of compliance with them.

The Government would welcome the opportunity to work with Members of the House of Commons and with Senators to enshrine their respective conflict of interest codes into law.



#### WHAT THIS MEANS FOR CANADIANS

These measures will create a strong conflict of interest and ethics regime to help build public confidence in our system of government and parliamentary institutions. By enshrining the *Conflict of Interest and Post-Employment Code for Public Office Holders* into law, the Government will ensure that future Prime Ministers abide by a consistent set of rules.

***“These measures will create a strong conflict of interest and ethics regime to help build public confidence in our system of government and parliamentary institutions.”***



## Toughening the *Lobbyists Registration Act*

### Delivering on our commitment

- ✓ A five-year ban on lobbying for ministers, ministerial staffers, and senior public servants after they leave office
- ✓ A ban on the payment and receipt of success or contingency fees
- ✓ Requirements that contacts with senior public-office holders be recorded
- ✓ A new, independent Commissioner of Lobbying with a strong mandate to investigate violations under the new *Lobbying Act* and *Lobbyists' Code of Conduct*
- ✓ A longer period under which lobbying violations can be investigated and prosecuted

***There are more than 4,700 lobbyists registered with the Government of Canada—approximately 700 are individual consultant lobbyists, with the remainder representing 270 corporations and 375 organizations***

### Why we are doing this

Individuals, organizations, and businesses have the right to communicate with decision makers to provide them with information and views on issues that are important to them. Lobbying is a legitimate part of our democratic system, but it must be done ethically and transparently. It is important that Canadians have the opportunity to know who is lobbying public-office holders, and in what context.

The current *Lobbyists Registration Act* provides for the public registration of individuals who are paid to communicate with public-office holders about government decisions. All information collected under the *Lobbyists Registration Act* and its regulation is a matter of public record. The objective of the registration system is to ensure that the general public and public-office holders know who is being paid to communicate with public-office holders regarding government decisions.

Parliamentarians and others, however, have identified weaknesses with the *Lobbyists Registration Act*. It has been noted, for example, that compliance with registration requirements is low, that the information disclosed is insufficient, and that the Registrar lacks the necessary independence, powers, and resources to conduct effective investigations of possible infractions under the *Lobbyists Registration Act*. Together, these factors have increased perceptions of conflict of interest in the relationships between public-office holders and lobbyists, and have raised concerns that privileged access to government is reserved for a chosen few.

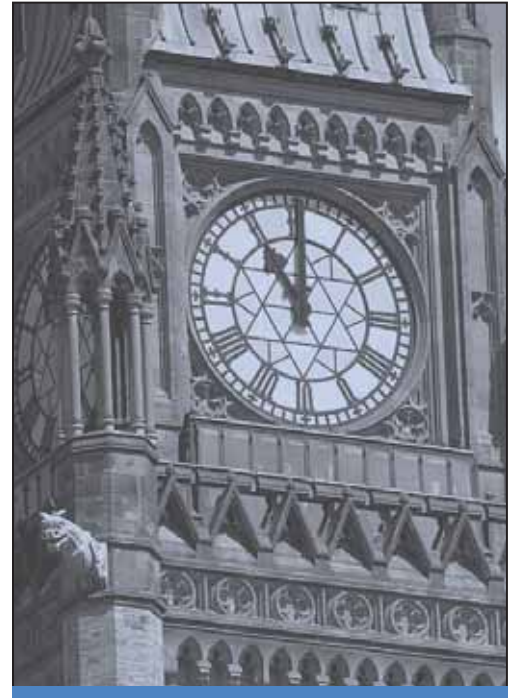
### The *Federal Accountability Act* will introduce the following changes:

- The Act will establish a new Commissioner of Lobbying as an independent Agent of Parliament.
- It will provide the Commissioner with enhanced investigatory powers and mandate to enforce compliance with the proposed *Lobbying Act*. The Commissioner will be able to:
  - verify information on contacts with senior public-office holders that lobbyists submit, and display that information on a Web site;





- ask senior public-office holders to verify the accuracy and completeness of contact report information that lobbyists submit and, if necessary, report to Parliament the names of those who do not respond;
- conduct expanded investigations, including the power to summon and compel persons to produce documents relevant to any investigation of possible infractions under the *Lobbying Act* or the *Lobbyists' Code of Conduct*;
- prohibit any lobbyist convicted of any offence from communicating with the Government as a paid lobbyist for up to two years, if the Commissioner deems it to be in the public interest;
- publish the names of violators in reports before Parliament; and
- undertake expanded outreach, education, and communications activities to foster understanding and awareness of the requirements with the public, lobbyists and their clients, and public-office holders.



- It will require lobbyists to record registrable activities with senior public-office holders, including with whom they met, when, and on what specific subject, plus any other information that may be prescribed in regulation. To minimize the administrative burden, the Government, through regulations, will limit these activities to prearranged forms of communication—specifically, in-person meetings and telephone calls. These are the most important forms of communication through which lobbyists conduct business with public officials.
- It will prohibit ministers, ministerial staffers, and senior public servants from registering and lobbying the Government of Canada for five years after leaving office. To ensure fairness, the Commissioner will have the authority to exempt certain individuals from this ban (for example, administrative staff or students employed in a minister's office, or individuals from the private sector who work in the public service for a period on executive interchange), consistent with criteria set out in legislation.
- It will ban any payment or other benefit that is contingent on the outcome of any consultant lobbyist's activity. As a complementary measure, the Government will amend the *Financial Administration Act* to require that all government contracts and agreements contain provisions that prohibit the payment of contingency fees to a lobbyist specific to that transaction.
- It will extend from 2 to 10 years the period during which possible infractions or violations under the *Lobbying Act* and the Code can be investigated and prosecution can be initiated. Within this 10-year period, the Commissioner will have to complete investigations within 5 years of the time he or she becomes aware of the possible infraction or violation.
- It will double the criminal monetary penalties for lobbyists who fail to comply with the requirements of the *Lobbying Act*.



### **WHAT THIS MEANS FOR CANADIANS**

These changes will give the Commissioner of Lobbying the independence and necessary powers to ensure that lobbying is done in a transparent and ethical way. Canadians will have easy access, through the Internet, to information about lobbying activities. They will be reassured that former senior public-office holders do not use their personal connections to obtain special favours from government once they leave office, and that conflict-of-interest situations do not arise while they hold office. These changes will ensure that recipients of taxpayer money do not use it to reward lobbyists, and that unregistered lobbyists are effectively investigated and prosecuted.





## Ensuring truth in budgeting with a Parliamentary Budget Authority

### Delivering on our commitment

- ✓ *A new Parliamentary Budget Officer to support Members of Parliament and parliamentary committees with independent analysis of economic and fiscal issues*
- ✓ *Quarterly updates of government fiscal forecasts from the Department of Finance*

### Why we are doing this

Improving the transparency and credibility of the Government's fiscal forecasting and budget planning process is a fundamental step in making it more accountable to Parliament and to Canadians. Parliamentary committees should have access to independent, objective analysis and advice on economic and fiscal issues, supported by the timely provision of accurate information from departments and agencies.

### The *Federal Accountability Act* will introduce the following changes:

- The Act will expand the mandate and resources of the non-partisan Library of Parliament by establishing within it the position of Parliamentary Budget Officer.
- It will give this Officer the mandate to:
  - provide objective analysis to the Senate and House of Commons concerning the state of the nation's finances and trends in the national economy;
  - undertake economic and fiscal research for the Standing Committee on Finance, the Standing Committee on Public Accounts, or the Senate Standing Committee on National Finance, on the request of these committees; and
  - estimate the financial cost of proposals currently or prospectively under consideration in either House when requested to do so by a Member, a committee of the Senate or the House of Commons, or a committee of both Houses.
- It will require that departments and agencies provide the Officer with existing data necessary to fulfill his or her mandate. To protect highly sensitive data, however, appropriate exemptions, including ones similar to those under the *Access to Information Act*, will apply to the Officer's ability to access or release certain types of information.

### In addition, we will introduce the following measures:

- We will provide quarterly updates to government fiscal forecasts using the following vehicles:
  - the June *Fiscal Monitor*, for the first quarter of the fiscal year, ending in June (to be released by the Department of Finance in mid- to late August);

*In both the United States and the Netherlands, independent budget agencies play an important role in formulating budget projections.*



- the *Fall Update* for the second quarter, ending in September;
  - the Budget for the third quarter, ending in December; and
  - the March *Fiscal Monitor* for the fourth quarter, ending in March (to be released in mid- to late May).
- We will continue to provide monthly financial statements in the *Fiscal Monitor*, in adherence with the International Monetary Fund's *Code of Good Practices on Fiscal Transparency*.



#### **WHAT THIS MEANS FOR CANADIANS**

These changes will increase transparency in the Government's fiscal planning framework, and will enable Parliament to better hold government to account.





## Making qualified government appointments

### Delivering on our commitment

- ✓ *A consistent appointment process for Agents and Officers of Parliament with a meaningful role for Parliament*
- ✓ *A new Public Appointments Commission to oversee appointments to agencies, boards, and commissions*
- ✓ *An end to priority treatment for ministerial aides when they apply for public-service positions*

### Why we are doing this

At present, legislative provisions that govern the appointment of Agents and Officers of Parliament are uneven and do not fully respect Parliament in the process. The appointment process for agencies, commissions, and boards is not as transparent or as merit-based as it could be. Furthermore, favoured treatment to ministerial staffers in filling public-service positions undermines both the non-partisan nature of the public service and its adherence to the merit principle.

### The *Federal Accountability Act* will introduce the following changes:

- The Act will institute a uniform approach to appointing Officers and Agents of Parliament<sup>1</sup>, and will ensure a meaningful role for Parliament in the process. This approach will be based on the highest standard, which involves Governor in Council appointment after consultation with the leaders of recognized parties and after approval of the appointment by resolution of both Houses.<sup>2</sup>
- It will remove the priority appointment entitlements for all ministers' staff. Ministers' staff with three years of consecutive service will be able to apply to internal competitions for public-service positions for up to one year. Appointments will be subject to the oversight of the Public Service Commission to ensure an open and transparent process in accordance with the merit principle. The Act will also ensure that the most senior ranks of the public service are appointed in a consistent manner.
- It will allow the Chief Electoral Officer to appoint returning officers, with provisions that ensure the application of the merit principle.
- It will create a Public Appointments Commission in the Prime Minister's portfolio, composed of a Chairperson and four Commissioners with support from a small Secretariat.

<sup>1</sup> This process will apply to the Auditor General, Information Commissioner, Privacy Commissioner, Commissioner of Official Languages, Public Sector Integrity Commissioner, Conflict of Interest and Ethics Commissioner, and Commissioner of Lobbying.

<sup>2</sup> The appointment of the Chief Electoral Officer is made by resolution of the House of Commons only.

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**In addition, we will give the Public Appointments Commission the responsibility to:**

- oversee, monitor, and report on the selection process for Governor in Council appointments for agencies, boards, commissions, and Crown corporations;
- set a code of practice to govern the selection process for Governor in Council appointments;
- approve the selection process that ministers propose to fill vacancies within their portfolio agencies;
- monitor selection processes to ensure that they are followed as approved, including audits and reviews of complaints; and
- apprise the Prime Minister of compliance with the code of practice in an annual report to be tabled in Parliament.

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*“These reforms will assure Canadians that the appointments of Agents and Officers of Parliament are approved by both Houses.”*

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**WHAT THIS MEANS FOR CANADIANS**

These reforms will assure Canadians that the appointments of Agents and Officers of Parliament are approved by both Houses; that government appointments reward merit while respecting the values of fairness and openness; and that the potential for politicizing the public service is reduced.





## Cleaning up the procurement of government contracts

### Delivering on our commitment

- ✓ A legislated commitment to fairness, openness, and transparency in the procurement process
- ✓ Inclusion of integrity provisions in all government contracts
- ✓ A Procurement Auditor to review procurement practices on an ongoing basis
- ✓ A Code of Conduct for Procurement

### Why we are doing this

In carrying out its programs and providing services to Canadians, the Government of Canada is one of the largest purchasers of goods and services in the country. It is important that the bidding process for government contracts, including those for polling and advertising, be fair, open, and transparent.

### The *Federal Accountability Act* will introduce the following changes:

- The Act will include an overarching statement of principles regarding procurement that will commit the Government of Canada to promoting the fairness, openness, and transparency of the bidding process.
- It will require that contracts include integrity provisions that require action be taken to preclude corruption, collusion, and the payment of contingency fees in the procurement process.
- It will establish a Procurement Auditor to:
  - review procurement practices across government on an ongoing basis to ensure fairness and transparency, and to make recommendations for improvement;
  - review complaints from potential suppliers after contract award with respect to procurements of goods and services that are covered by the *Agreement on Internal Trade*, but which are below the monetary thresholds of that Agreement (\$25,000 for goods and \$100,000 for services);
  - make recommendations to the relevant department on whose behalf the procurement was carried out should the Procurement Auditor consider the complaint valid (through regulations, the Government will provide that, in these cases, the Procurement Auditor may recommend that the Government compensate unsuccessful bidders for their costs of bid preparation and loss of profit at no more than 10 percent of the value of the contract);
  - review complaints concerning the administration of contracts for goods and services;
  - manage an alternative dispute resolution program for contracts; and

*“The Government of Canada is committed to taking appropriate measures to promote fairness, openness and transparency in the bidding process for contracts with Her Majesty for the performance of work, the supply of goods or the rendering of services.”*

—proposed  
Federal  
Accountability Act



- 
- submit an annual report to the Minister of Public Works and Government Services on activities and outcomes, which the Minister would then table in Parliament.

**In addition, we will:**

- engage an independent procurement expert to review the draft policy on managing procurement to determine whether its requirements will reinforce a fair, open, and transparent procurement process;
- introduce a *Code of Conduct for Procurement* that would consolidate the Government's existing suite of conflict-of-interest and anti-corruption policies and would apply to both suppliers and public-service employees;
- provide accreditation and training for procurement officers;
- build on recent consultations between the supplier community and Public Works and Government Services regarding barriers to entry; and
- provide more resources and greater regional presence to the Office of Small and Medium Enterprises within Public Works and Government Services, to help these businesses maintain access to government business opportunities and to ensure they are treated fairly.

**WHAT THIS MEANS FOR CANADIANS**

Through these measures, the Government will ensure that the procurement process is free of political interference, and that a clear process is in place to address complaints from potential suppliers. It will also provide greater opportunities for small vendors and vendors in all regions of Canada to compete for government contracts.



## Cleaning up government polling and advertising

### Delivering on our commitment

- ✓ A requirement to publicly release, in writing, polling findings within six months
- ✓ A legislated commitment to fairness, openness, and transparency in the procurement process for advertising and public opinion research

### Why we are doing this

The Government of Canada uses public opinion research and advertising to listen to and communicate with Canadians. They are vehicles through which government captures public awareness and concerns, maintains focus on the needs of citizens, and reaches Canadians with information on its programs and services.

Recent political scandals regarding sponsorship and advertising activities, however, have raised legitimate concerns about the transparency, fairness, and value for money of the procurement process in these areas. In her November 2003 report, the Auditor General raised concerns about lack of compliance with contracting rules; the manner in which public opinion research and advertising contracts were awarded; poor documentation; and the failure of oversight mechanisms to detect, prevent, and report violations.

### The *Federal Accountability Act* will:

- prohibit verbal-only reports; and
- require that departments and agencies, within six months of completing public opinion research data collection under contract, send to Library and Archives Canada a final written report on research findings.<sup>3</sup>

### In addition, we will introduce the following measures:

- We will amend the *Communications Policy of the Government of Canada* and related procedures by June 2006 to:
  - reflect the new statutory requirement for written reports;
  - include a requirement that the contracting of government advertising and public opinion research be open, fair, transparent, and competitive; and
  - include a new definition of advertising to distinguish advertising from collateral services such as public relations, events management, and public-service announcements, following consultations with key stakeholders in the industry.

***“In 2004–2005, 621 POR [public opinion research] projects were initiated by the government and coordinated through PWGSC for a contract value of \$29 million, using the services of 74 research firms.”***

—Public Opinion Research Annual Report, 2004-2005  
*Public Works and Government Services Canada*



<sup>3</sup> Exemptions under the *Access to Information Act* related to issues such as national security and federal/provincial affairs will continue to apply.

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- We will appoint an Independent Advisor for a period of six months to:
    - conduct a full review of public opinion research practices discussed in Chapter 5 of the Auditor General’s November 2003 report that the previous government refused to allow Justice Gomery to consider by explicitly exempting them from consideration;
    - determine whether further action, such as a judicial inquiry, is required; and
    - provide a final report to the Minister of Public Works and Government Services, who will make the report available to the public.
  - We will require that departments and agencies post public opinion research contract information and executive summaries of completed projects on the Internet for ease of public access.<sup>4</sup>
  - We will instruct all departments and agencies to conduct risk-based audits of their advertising and public opinion research activities and processes.



**WHAT THIS MEANS FOR CANADIANS**

These measures will ensure value for money in public opinion research and advertising contracts, and will preclude those contracts from being awarded or used for partisan reasons or political benefit.

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<sup>4</sup> Exemptions and exclusions under the *Access to Information Act* related to issues such as national security and federal/provincial affairs will continue to apply.



## Providing real protection for whistleblowers

### Delivering on our commitment

- ✓ *A Public Sector Integrity Commissioner with the power to enforce the Public Servants Disclosure Protection Act*
- ✓ *A new, independent tribunal with the power to order remedies and discipline*
- ✓ *Expanded whistleblower protection for all Canadians who report government wrongdoing*
- ✓ *More public information on wrongdoing*

### Why we are doing this

The Public Service of Canada is a multifaceted institution staffed by professional, dedicated, and highly skilled people. Its employees play a crucial role in supporting the Government's agenda and helping it deliver programs and services to citizens. Canadians have every right to expect that public-office holders and public-sector employees behave ethically and in accordance with their legal obligations. The public sector must, therefore, foster an environment in which employees may honestly and openly raise concerns without fear or threat of reprisal.

*“The public sector must foster an environment in which employees may honestly and openly raise concerns without fear or threat of reprisal.”*

### The *Federal Accountability Act* will introduce the following changes:

- The Act will make the Public Sector Integrity Commissioner an Agent of Parliament with an expanded mandate.
- It will give public-sector employees direct access to the Public Sector Integrity Commissioner to report wrongdoing in the workplace.
- It will give the Commissioner the authority to deal with complaints from public-sector employees who feel that they have suffered reprisal for alleging wrongdoing. The Commissioner will screen complaints, investigate the matter as necessary, and attempt to conciliate a settlement between the parties to the complaint. If there is no settlement, the Commissioner may decide to refer the matter to a new, independent Public Servants Disclosure Protection Tribunal.
- It will give the independent Tribunal, composed of judges or former judges, the power to decide whether reprisal occurred. The Tribunal will have the authority to order action to ensure that the reprisal is remedied and that those who took reprisal are disciplined.
- It will include specific penalties for offences under the *Public Servants Disclosure Protection Act*, including tougher penalties for those who willfully impede investigations of wrongdoing. These offences will be punishable by fines of up to \$10,000, imprisonment for up to two years, or both.
- It will ensure that public-sector employees are provided with legal counsel. The Act will give the Commissioner the power to authorize free access to legal counsel for advice for public-sector employees who are considering making a disclosure of wrongdoing,

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serving as a witness, or alleging a reprisal. The Commissioner will also have the power to authorize free access to legal counsel for advice for non-public-sector employees who are considering providing information to the Commissioner about government wrongdoing.

- It will remove the ability of the Government to exclude Crown corporations from coverage under the *Public Servants Disclosure Protection Act*.
- It will expand protection to all those who disclose government wrongdoing by prohibiting:
  - employers from undertaking reprisal against employees who will be providing or have provided information concerning an alleged federal public-sector wrongdoing to the Public Sector Integrity Commissioner;
  - the Government from terminating a contract or withholding payments to a contractor because the contractor or any of the contractor’s employees provided information concerning an alleged wrongdoing;
  - the Government from refusing to enter into a contract because the contractor or any of the contractor’s employees provided information concerning an alleged wrongdoing; and
  - the Government from withholding a grant or contribution because the recipient or any of the recipient’s employees provided information concerning an alleged wrongdoing.
- It will provide more open access to information related to disclosures of wrongdoing by requiring that:
  - the Commissioner, within 60 days, report to Parliament the finding of wrongdoing, the recommendations if any, and any response to date by the chief executive;
  - chief executives make public reports of corrective action they have taken where they have found wrongdoing following investigations by senior officers within their organization; and
  - the Public Service Human Resources Management Agency of Canada, through its minister, make an annual report to Parliament to provide an overview of all departmental disclosure activity.
- The Act will protect from release, under the *Access to Information Act*, information created for the purpose of making a disclosure or information created during the course of an investigation. Doing so will ensure that sensitive information is protected in a manner consistent with that held by other Agents of Parliament who conduct investigations.
- It will recognize and reward public-sector employees who expose wrongdoing. The Act will institute a special recognition award. The Commissioner will grant this award, which could include a monetary component of up to \$1,000, to public-sector employees who make a disclosure that leads to a finding of wrongdoing and who demonstrate courage in defending the public interest.

In addition to the new rules to encourage whistleblowing and protect those who identify wrongdoing in government, the Parliamentary Secretary to the President of the Treasury Board, Pierre Poilievre, has been asked to work on proposals for establishing a “made in Canada” regime that would allow members of the public to initiate legal action against





private companies who may be defrauding the government of taxpayers' money. Should legal action be successful, those who identified the wrongdoing may be eligible to receive damages that are imposed upon the defendants.

**WHAT THIS MEANS FOR CANADIANS**

These changes will help create an environment in which employees and all Canadians can honestly and openly report wrongdoing in the federal government without fear of reprisal.

## Strengthening access to information legislation

### Delivering on our commitments

- ✓ *Expansion of Access to Information Act coverage to include:*
  - *Seven Agents and Officers of Parliament: the Offices of the Information Commissioner, the Privacy Commissioner, the Commissioner of Official Languages, the Chief Electoral Officer, the Auditor General, the Public Sector Integrity Commissioner, and the Commissioner of Lobbying*
  - *Seven Crown corporations: Canada Post, Via Rail, the Canadian Broadcasting Corporation, Atomic Energy of Canada, Export Development Canada, the National Arts Centre, and the Public Sector Pension Investment Board*
  - *Three foundations: Canada Foundation for Innovation, Canada Foundation for Sustainable Development Technology, and the Canada Millennium Scholarship Foundation*
- ✓ *A draft bill that reflects the Information Commissioner's recommendations and a discussion paper tabled for consideration and debate*

*In 2004–05, the Government of Canada received 25,207 requests under the Access to Information Act.*

### Why we are doing this

Access to government information allows Canadians and organizations to participate more fully in public policy development and better assess the Government of Canada's performance in order to hold it to account. The Government must instil the public trust and respect the public interest by encouraging the greatest degree of openness and transparency, while taking into account legitimate concerns such as personal privacy, commercial confidentiality, and protection of intergovernmental affairs.

The *Access to Information Act* became law in 1983. The legislation is based on a number of principles: that effective accountability depends on knowing the information and options available to government decision makers; that government documents often contain information vital to the effective participation of citizens and organizations in public policy development; that government is the single most important storehouse of information about our society, and that, as a public resource, this information should be made available wherever possible; that necessary exceptions to the right of access should be limited and specific; and that decisions on the disclosure of government information should be reviewed independent of government.

Since the *Access to Information Act* became law, much has changed in the federal government, in Canada, and around the world. Accordingly, there have been numerous calls for reform of the *Access to Information Act*, most recently from the Information Commissioner, who in September 2005 proposed a series of changes to the Act to the Standing Committee on Access to Information, Privacy and Ethics.

### The *Federal Accountability Act* will introduce the following changes:

- The Act will expand the coverage of the *Access to Information Act*, the *Privacy Act*, and the *Library and Archives of Canada Act* to include the following organizations:



- the Offices of the Information Commissioner, the Privacy Commissioner, the Commissioner of Official Languages, the Chief Electoral Officer, the Auditor General, the Public Sector Integrity Commissioner, and the Commissioner of Lobbying;
  - Canada Post, Via Rail Canada, the Canadian Broadcasting Corporation, Atomic Energy of Canada, Export Development Canada, the National Arts Centre, and the Public Sector Pension Investment Board; and
  - Canada Foundation for Innovation, Canada Foundation for Sustainable Development Technology, and the Canada Millennium Scholarship Foundation.
- It will provide a duty for institutions to assist requesters without regard to their identity, and will clarify the time limit for making a complaint under the *Access to Information Act*.
  - It will increase the number of investigators the Information Commissioner may use for investigations concerning information related to defence or national security.

**In addition, we will:**

- immediately table in Parliament a separate draft bill that reflects the Information Commissioner's recommendations for access reform; and
- table at the same time a discussion paper to highlight a variety of issues and options for discussion, including the following:
  - the possible extension of the *Access to Information Act* to include more organizations;
  - the principles of exemptions and exclusions;
  - factors related to the efficiency and effectiveness of the request process;
  - the appropriate roles for the Information Commissioner and designated ministers;
  - possible approaches to a duty to document; and
  - the costs related to various proposals under consideration.

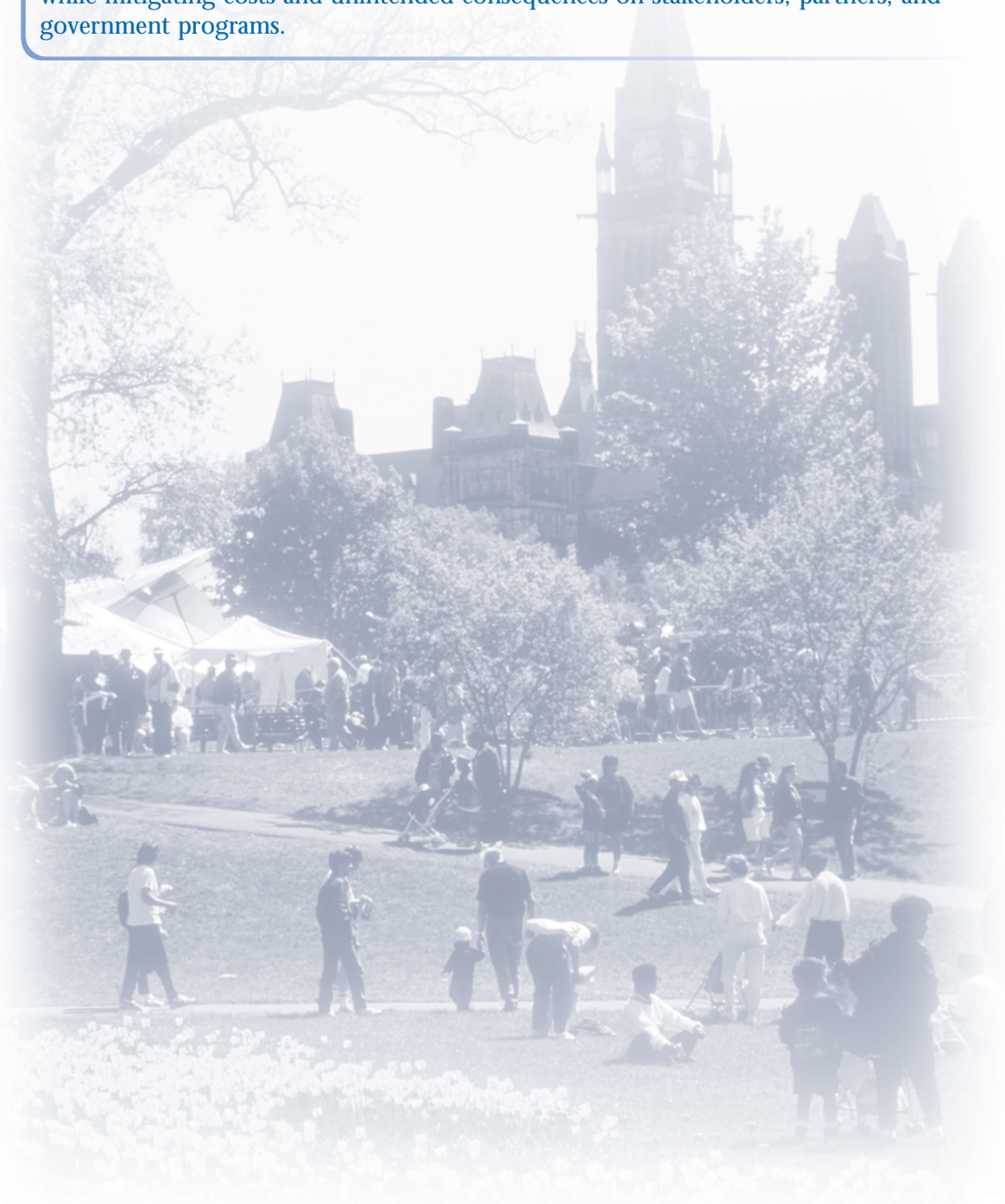
The *Access to Information Act* is a complex piece of legislation, with a broad constituency across many sectors of society and widely divergent views on its administration. The Information Commissioner's proposed amendments, for example, would require more than 88 changes or additions to 46 provisions of the *Access to Information Act*. When the Information Commissioner appeared before the Standing Committee, he advised them that his recommendations had not had the benefit of consultations with stakeholders.

A separate process will allow the parliamentary committee to engage in a comprehensive debate in consultation with a broad range of stakeholders, and to issue a report when it reaches the end of its deliberations. This approach is necessary to balance the value of transparency with the legitimate interests of individuals, other governments, and third parties in the security and confidentiality of their dealings with government. It will also allow for diverse views to be heard, and for the resulting legislation to find broad support after comprehensive analysis and full debate.



### **WHAT THIS MEANS FOR CANADIANS**

By expanding the coverage of the *Access to Information Act*, the Government will become more transparent and more open. It will provide Canadians with access to more information from Crown corporations, Agents of Parliament, and government-funded foundations. At the same time, the Government will explore ways to further strengthen access to information legislation in consultation with parliamentarians and Canadians to ensure that their concerns receive careful attention. Doing so will ensure a measured approach to access reform that will allow the Government to widen access while mitigating costs and unintended consequences on stakeholders, partners, and government programs.





## Strengthening the power of the Auditor General

### Delivering on our commitment

- ✓ *New powers for the Auditor General to audit individuals and organizations that receive federal money*
- ✓ *Ongoing departmental reviews of granting programs enshrined in law*
- ✓ *An independent blue-ribbon panel to identify barriers to access for recipients of government grants and contributions programs*

### Why we are doing this

One of the most important roles of Parliament is to hold the government to account for its use of taxpayers' dollars. To do this effectively, parliamentarians need objective and fact-based information about how well the government raises and spends public funds. The Auditor General is an independent and reliable source of such information. The Auditor General audits federal departments and agencies, most Crown corporations, and many other federal organizations; reports up to four times a year to the House of Commons on matters that the Auditor General believes should be brought to the attention of the House; and testifies on audits before parliamentary committees.

### The *Federal Accountability Act* will introduce the following changes:

- The Act will give the Auditor General authority to inquire, at his or her discretion, into the use of funds that individuals, institutions, and companies receive under a funding agreement with any federal department, agency, or Crown corporation.<sup>5</sup>
- It will require that the Government include in funding agreements with recipients provisions that support Auditor General audits. More specifically, funding agreements will:
  - prescribe that recipients maintain records with respect to federal funding provided;
  - create a contractual right for the Auditor General to inquire into the use of funding provided; and
  - require that recipients provide information and records to the Auditor General on request.
- The Act will provide immunity for the Auditor General from criminal and civil proceedings, and protection from being a compellable witness, for actions taken in the performance of his or her statutory duties.

*The federal government spends some \$26 billion per year on grants and contributions to individuals, companies, and non-governmental organizations.*



<sup>5</sup> This authority would not extend to transfers or transfer payments to other governments or international organizations, or to recipients that have received, in total, less than \$1 million over any five consecutive fiscal years. Other governments and international organizations—including foreign governments, provinces, local, regional, and municipal governments, and self-governing First Nations—will therefore be exempted from these audits.



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- It will require that every department review, at least once every five years, the relevance and effectiveness of each ongoing grants and contributions program for which it is responsible. Grants or contributions to individuals, corporations, and non-government organizations account for \$26 billion in annual transfer-payment spending. The Treasury Board will determine the scope of these reviews, how they are approached, and when departments will submit reports to the Treasury Board of Canada Secretariat.

**In addition, we will introduce the following measures:**

- We will ensure that the Office of the Auditor General has adequate resources to fulfill its mandate. The Auditor General is one of five Agents of Parliament currently participating in a two-year pilot project in which an all-party Parliamentary Advisory Panel considers the funding requests of Agents prior to a final Treasury Board decision on their budgets. This process gives Parliament a greater role and respects the independence of Agents of Parliament, while allowing the Treasury Board of Canada Secretariat to provide input on panel recommendations. The Government will work with the House Leaders to continue this pilot process, the results of which will inform longer term decisions on the means of ensuring adequate funding for the Office of the Auditor General.
- We will continue to respond publicly to the Auditor General's recommendations and ensure that independent departmental audit committees monitor the implementation of corrective action plans.
- We will establish an independent blue-ribbon panel with a mandate to:
  - review the draft policy on transfer payments, along with its directives and related departmental practices;
  - identify barriers to access for recipients of government grants and contributions programs and recommend changes to policies and practices to ensure that Government delivery of those programs is fair, economical, and efficient;
  - give consideration to eliminating legislative barriers and constraints; and
  - report to the President of the Treasury Board by December 2006.
- We will issue a new policy on transfer payments to reflect recommendations stemming from both the Auditor General's May report on voted grants and contributions and the blue-ribbon panel.
- We will look for ways to reduce the number of financial management policies to clarify roles and responsibilities and institute a more coherent set of requirements. We will mandate a committee of deputy ministers, including the Secretary of the Treasury Board and the Comptroller General, to consult with stakeholders and:
  - review and bring forward recommendations to strengthen and streamline Treasury Board financial management policies;
  - identify where unnecessary or unproductive policy or legislative requirements exist and recommend basic principles of management accountability and transparency for the policies;
  - give consideration to eliminating legislative barriers and constraints;





- recommend measures, including training strategies, so that the Government has the skilled financial experts it needs to ensure effective financial control and accountability; and
  - report to the President of the Treasury Board on its findings and recommendations by December 2006.
- We will examine the entire suite of Treasury Board policies. This initiative will aim to reduce the number of Treasury Board policies by more than half, clarify the management responsibilities and accountabilities of ministers and deputy heads, and clarify the responsibilities of functional experts. The renewed policies will also establish clear compliance requirements and consequences.

#### **WHAT THIS MEANS FOR CANADIANS**

These changes will give Canadians reassurance that their government is using their tax dollars wisely. They will strengthen the role of the Auditor General as an independent and reliable source of information about government spending. To maximize the use of taxpayer money, the Government will ensure that it roots out non-performing or irrelevant programs. Finally, these measures will enhance the ability of Canadians and organizations to access government programs and services, and ensure that third parties that receive federal funding are not faced with an unnecessary administrative burden.

## Strengthening auditing and accountability within departments

### Delivering on our commitments

- ✓ *Designation of deputy ministers as accounting officers*
- ✓ *A clear process to resolve disputes between ministers and deputy ministers*
- ✓ *Strengthened internal audit functions within departments*
- ✓ *Strengthened governance structures in Crown corporations*
- ✓ *Tougher penalties for fraudulent misuse of public funds*
- ✓ *A consistent approach to promote legal and policy compliance and enforce disciplinary measures*

### Why we are doing this

Under the doctrine of ministerial responsibility, ministers are responsible and accountable to Parliament for all powers vested in them, whether by legislation or otherwise. With respect to their departments, ministers are responsible to Parliament and the Prime Minister for their own actions and those of their officials, whether those actions pertain to policy, operations, or departmental administration. In particular, they are responsible for the management and direction of their departments. This accountability must be supported by appropriate systems of control, including appropriate communications between ministers and deputy ministers, who themselves have responsibilities for departmental management. It is vital that, within the framework of the minister's overall responsibilities and his or her accountability to Parliament, the roles and responsibilities of deputy ministers are clear.

Independent, objective, and timely internal audit services within departments provide assurance to deputy ministers and reinforce good stewardship practices and sound decision making. They also enable Treasury Board to focus on Government-wide strategic matters dealing with risk.

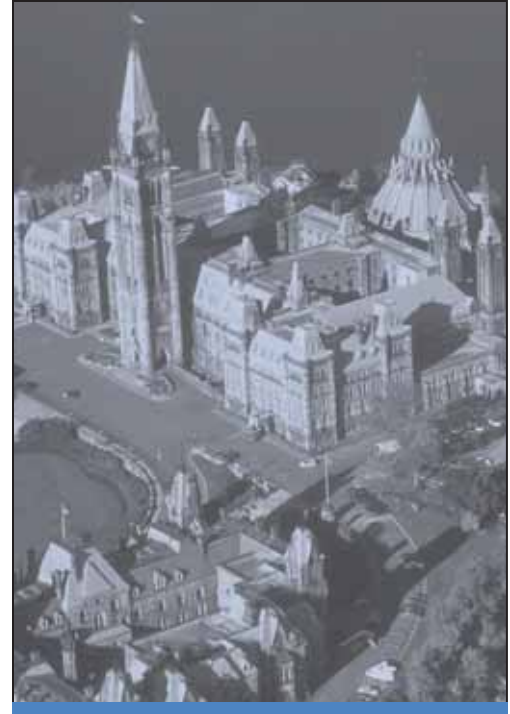
### The *Federal Accountability Act* will introduce the following changes:

- The Act will designate deputy ministers and deputy heads as accounting officers for their department, within the framework of ministerial responsibility. Deputy ministers and deputy heads will be accountable before the appropriate committee of Parliament to answer questions related to their responsibilities, which consist of the following:
  - ensuring that resources are organized to deliver departmental objectives in compliance with government policy and procedures;
  - ensuring that there are effective systems of internal control;
  - signing departmental accounts; and
  - performing other specific duties assigned by law or regulation in relation to administration of the department.

*“Independent, objective, and timely internal audit services within departments provide assurance to deputy ministers and reinforce good stewardship practices and sound decision making.”*



- The Act will require that a clear process be followed in the event that a minister and deputy minister are unable to agree on the interpretation or application of a Treasury Board policy, directive, or standard. In this case, the Act will require that:
  - deputy ministers seek guidance in writing from the Secretary of the Treasury Board;
  - if the matter remains unresolved, the minister would refer the matter to the Treasury Board for a decision; and
  - a copy of the Treasury Board decision be shared with the Auditor General as a confidence of the Queen’s Privy Council.
- It will require that deputy heads ensure an appropriate internal audit capacity and establish departmental audit committees.
- It will ensure that audit committees in Crown corporations are independent of corporation management by excluding officers or employees of the corporation from audit committee membership.
- The Act will separate the role of Chief Executive Officer and Chair of the Board of Directors within the National Capital Commission, Canadian Dairy Commission, and the Enterprise Cape Breton Corporation to bring these corporations in line with best practices in corporate governance. Having different individuals carry out the duties of chair of the board of directors and chief executive officer respectively will clarify accountabilities: the board of directors will be accountable to the responsible minister for the stewardship of the corporation, and the chief executive officer to the board will be accountable for the management and performance of the corporation.
- It will allow members of Crown corporation boards of directors to be appointed for up to four years, up from the current three-year maximum. This measure will help ensure the continuity of expertise on boards of directors.
- It will make fraud involving public funds committed by officials an offence under the *Financial Administration Act*. The offence would have a maximum term of imprisonment of five years for fraud involving \$5,000 or less and a maximum term of 14 years for fraud over \$5,000. The *Financial Administration Act*, along with amendments to the *Criminal Code of Canada*, will also provide for the dismissal of any official convicted of this offence, and will prohibit any individual convicted of this offence from contracting with the Government of Canada. It will also create a similar offence for Crown corporations.



**In addition, we will introduce the following measures:**

- We will implement the new *Treasury Board Internal Audit Policy*, which came into force on April 1, 2006. The policy supports strong internal auditing across government by assigning respective responsibilities between deputy heads and the Comptroller General. The Comptroller General provides functional leadership, monitors internal audit across government, and ensures horizontal audits of high-risk areas that transcend individual

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departments and agencies. The Government will bolster auditor independence by establishing audit committees with membership drawn largely from outside of the public service. Chief Audit Executives will be appointed to report directly to deputy heads and functionally to the Comptroller General.

- We will develop a compliance framework that will include:
  - training, certification, and tools for employees to enhance compliance, including for human resources specialists to support managers in areas such as discipline;
  - a deputy minister committee to ensure consistent application of disciplinary measures and appropriate follow-through; and
  - disciplinary codes in departments to provide clarity on types of misconduct and the corresponding range of consequences.



#### *WHAT THIS MEANS FOR CANADIANS*

For Canadians, these measures will strengthen accountability and ensure that all government officials, from ministers to employees, are aware of their responsibilities under law and government policy and of the consequences of breaching them. They will clarify the roles and responsibilities of deputy ministers and, together with a stronger internal audit capacity, help ensure that departments are well managed to meet the needs of Canadians. Finally, they will strengthen enforcement of government financial guidelines and toughen penalties for the misuse of taxpayers' money.



## Creating a Director of Public Prosecutions

### Delivering on our commitments

- ✓ *A new, independent Director of Public Prosecutions to prosecute criminal offences under federal law*

### Why we are doing this

It is important for transparency and for the integrity of the federal justice system that prosecutions under federal law operate independently of the Attorney General of Canada and of the political process. Crown counsel within the Federal Prosecution Service of the Department of Justice and legal agents currently prosecute federal offences throughout Canada, and provide legal advice to investigative agencies and government departments in matters of criminal law. The creation of the Office of the Director of Public Prosecutions will make absolutely clear the independence of criminal prosecutions from political influence by formally separating the Federal Prosecution Service from the Department of Justice.

### The *Federal Accountability Act* will:

- create the Office of the Director of Public Prosecutions to reside outside the Department of Justice (the Director will be selected in a manner similar to that used to make the most recent appointment to the Supreme Court of Canada);
- give the Director of Public Prosecutions jurisdiction to conduct prosecutions for offences under federal jurisdiction, including new fraud provisions proposed under amendments to the *Financial Administration Act*;
- give the Director of Public Prosecutions power to make binding and final decisions on whether to prosecute, unless instructed otherwise by the Attorney General (to safeguard the Director's independence, however, the Act will require that instructions to the Director from the Attorney General be in writing and made public in the *Canada Gazette*);
- give the Director of Public Prosecutions security of tenure; and
- require that the Director of Public Prosecutions submit an annual report to the Attorney General for tabling in Parliament.

### In addition, we will introduce the following measures:

- We will initiate, through the Office of the Director of Public Prosecutions, a review of lessons learned over the past several years in Canada and best practices for prosecuting cases of fraud involving governments. The review will involve interdepartmental partners, provincial and territorial counterparts, and foreign jurisdictions, and will examine the various approaches and mechanisms used in order to:
  - determine when a prosecution for public-sector fraud should be commenced;
  - examine best practices for conducting these prosecutions;

*“The Office of the Director of Public Prosecutions will have independence to pursue prosecutions under federal law and will report to Canadians on its performance.”*

- 
- determine how the Director of Public Prosecutions can best work collaboratively with provincial and international counterparts; and
  - make clear the seriousness of fraud involving public money, and the importance of pursuing fraud cases quickly.



**WHAT THIS MEANS FOR CANADIANS**

The new federal Office of the Director of Public Prosecutions model reflects the best features of similar offices that currently exist in three Canadian provinces (British Columbia, Nova Scotia, and Quebec) and in several countries around the world, including the United Kingdom, Australia, and Ireland. The Office of the Director of Public Prosecutions will have independence to pursue prosecutions under federal law and will report to Canadians on its performance.





## Conclusion

The *Federal Accountability Action Plan* is about strengthening accountability and integrity in government. It is about reassuring Canadians that the Government of Canada is working in their best interests.

Taken together, the legislative and policy measures outlined in this Action Plan are far-reaching and significant. The Action Plan will do the following:

- ***It will change the way politics works in Canada.*** Reforms to political financing rules and a legislated code of conduct for public-office holders will bolster the integrity of the democratic process and raise the bar on ethical conduct. Tighter rules will also ensure that lobbying of senior public-office holders is done ethically, and that government decision making is objective, impartial, and rooted firmly in the public interest.
- ***It will enhance Parliament's role.*** The Government will provide parliamentarians with independent, objective analysis on economic and fiscal issues, timely and accurate information, and an enhanced role in selecting government appointments. Through strengthened roles for Agents of Parliament, parliamentarians will be in a better position to hold government to account on behalf of Canadians.
- ***It will make government more open.*** Procurement will be fair and free of political interference, without imposing rules that inhibit access to government contracts. The Government will expand the coverage of the *Access to Information Act* to give citizens more information so they can fully participate in public policy development and hold government to account.
- ***It will reinforce the non-partisan, professional excellence of the public service.*** The Government will clarify roles and responsibilities, ensure that public-service appointments are based solely on merit, provide employees with the training and the tools they need, and protect those who disclose wrongdoing in the workplace.
- ***It will balance oversight and flexibility.*** In this new accountability regime, Canadians and organizations will continue to have easy access to public-office holders and government services. Furthermore, the Government will remove barriers and rules that inhibit the effectiveness of the public service rather than promote good management.

As a final measure, the Government of Canada remains committed to ratifying the *United Nations Convention Against Corruption* as soon as possible. This Convention is the first global treaty of its kind, and is expected to become the most important and widely applied international instrument to fight all forms of corruption, particularly as they affect the developing world. Canada has played an active role in developing the Convention, and is in an excellent position to promote compliance with the accountability and transparency measures it contains.

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Above all, the measures detailed in this Action Plan will promote a culture of accountability in government. They will help restore public confidence in government, and will deliver the honest government that Canadians expect and deserve. As it proceeds, the Government will work with parliamentarians, the public service, Agents and Officers of Parliament, and Canadians to implement this Action Plan.

