



**MODERN COMPTROLLERSHIP AND  
THE MANAGEMENT ACCOUNTABILITY FRAMEWORK**

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## **MODERN COMPTROLLERSHIP AND THE MANAGEMENT ACCOUNTABILITY FRAMEWORK**

### **INTRODUCTION**

Federal public sector management practices and policies evolve continuously in response to changing socio-economic circumstances and shifting public policy priorities. In recent years, globalization, rapid technological progress, evolving federalism and taxpayers' altered expectations have compelled the federal government to rethink its management policies and practices in order to move towards a more responsive, citizen-centred delivery of government programs and services. Since 1997, the federal government has been engaged in a number of initiatives to reform public sector management and to fundamentally transform federal administration and governance.

In the past, government comptrollership was commonly viewed as the exclusive preserve and responsibility of financial and accounting specialists, and as primarily concerned with recording, processing and reporting financial transactions and ensuring that expenditures had been properly authorized. Modern comptrollership, in contrast, is concerned with all aspects of public sector management: efficient resource allocation, effective decision-making, performance measurement and achievement of results. Rather than the strict adherence to centrally prescribed rules and regulations, modern comptrollership is a set of principles that are defined by a strong commitment to centralized standards and values and to the achievement of planned results, but that allow managers the discretion to select the processes and approaches best suited to achieving these results.

This document provides an overview of one of the federal government's major medium-term management initiatives:<sup>(1)</sup> modern comptrollership, and its successor initiative, the Management Accountability Framework. Both of these seek to reform and modernize the government's overall management function in order to provide for more effective delivery of programs and services.

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(1) The six medium-term initiatives are: Citizen-centred Service Delivery, Government of Canada On-Line, Modern Comptrollership, Improved Reporting to Parliament, Program Integrity, and Developing an Exemplary Workplace.

## **AN UNEASY BALANCE: CENTRALIZATION VERSUS DECENTRALIZATION**

Over the past several decades, one of the driving forces behind the evolution of federal public sector management has been the concern that existing policies and practices were no longer adequate in meeting citizens' changing needs and expectations and in achieving the stated goals.

In 1962, the federal government commissioned the Royal Commission on Government Organization (Glassco Commission) to examine federal public administration in order to identify shortcomings and propose solutions. The Glassco Commission concluded that the highly centralized and prescriptive comptrollership systems and practices of the past could no longer provide effective support to public sector management and decision-making, nor could they ensure proper accountability and reporting of program results. What was needed was a more flexible and decentralized decision-making capability at the departmental and agency level. Departments and agencies should be free of inappropriate central controls and be allowed to devise management methods best suited to their needs. In the Commission's words, "Let the managers manage."

During the later 1960s and the 1970s, federal departments and agencies saw an expansion of their powers over discretionary spending. The Auditor General expressed concerns, however, that centralized command systems had become too weakened to retain effective control over public expenditures. Based on a study of financial management systems in federal departments and agencies during 1974-1976,<sup>(2)</sup> the Auditor General reported that "Parliament – and indeed the Government – has lost, or is close to losing, effective control of the public purse."

This, in turn, led to the establishment of the Royal Commission on Financial Management and Accountability (the Lambert Commission), whose 1979 report recommended strengthening parliamentary control over government expenditures through greater scrutiny of the central government's fiscal plans and the Estimates.

During the 1970s and 1980s, the federal government repeatedly attempted, through a number of initiatives, to strike a new balance between centralized controls over public

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(2) Office of the Auditor General of Canada (OAG), *Financial Management and Control Study*, Ottawa, 1974-1976.

expenditures and more delegation of managerial and decision-making powers to departments and agencies. Those initiatives included re-instituting an office of the comptroller general, introducing a new policy and expenditure management system (PEMS) and expenditure management system (EMS) which aimed to strengthen the link between policy and expenditure management, and revising the Estimates documents to provide better information on program performance and accomplishments.

In the 1990s, in an effort to curb growing budget deficits, a new cabinet committee – the Expenditure Review Committee – was set up to ensure that public spending was directed to the highest priorities. In 1994, the government launched a comprehensive program review to determine the most efficient and effective way of delivering programs and services and reducing overall government spending.

## **RESULTS FOR CANADIANS**

In 1997, the Prime Minister conferred upon the Treasury Board and its Secretariat an enhanced role as the government's management board, with the mandate to support departments and agencies in improving their administrative and managerial practices. Out of this mandate subsequently came *Results for Canadians: A Management Framework for the Government of Canada*,<sup>(3)</sup> which set out the government's vision for modernizing the Public Service of Canada. *Results for Canadians* outlined the framework for management and described the agenda for change in the way departments and agencies would manage and deliver their programs and services. This framework and agenda contained the following initiatives:

- *Citizen-Centred Service Delivery*. To improve Canadians' access to a wide range of government services and citizen satisfaction with the quality of those services.
- *Government of Canada On-Line*. To be the government most connected to its citizens and, using information and communications technologies, to provide Canadians with direct, on-line access to its information and services in both official languages.
- *Modern Comptrollership*. To strengthen government-wide policies and processes through more effective decision making, greater accountability, a mature approach to risk management, results-based control systems, and shared values and ethics.

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(3) Treasury Board of Canada Secretariat (TBS), *Results for Canadians: A Management Framework for the Government of Canada*, Ottawa, 30 March 2000, [http://www.tbs-sct.gc.ca/res\\_can/siglist\\_e.asp](http://www.tbs-sct.gc.ca/res_can/siglist_e.asp).

- *Improved Reporting to Parliament.* To consult with parliamentarians on tailoring information to better meet their needs, improve channels of access and timeliness, and strengthen financial accountability by linking costs to results.
- *Program Integrity.* To identify critical risks to the existing program base for the Treasury Board and Cabinet and recommend strategies that will help departments ensure their continued achievement of results.
- *Developing an Exemplary Workplace.* Fostering public service adherence to values such as integrity, transparency, respect for diversity, and recognition of both official languages.<sup>(4)</sup>

Other initiatives included:

- *Human Resources Modernization.* To update several critical components of the public service human resources management system (staffing, accountability, labour-management relations, and development).
- *Integrated Risk Management Framework.* To enable employees and organizations to better understand the nature of risk and to manage it more systematically.
- *Adoption of full accrual accounting, and study of accrual-based budgeting and appropriations.* To provide a more comprehensive accounting of the government's assets and liabilities, present a more transparent picture of its financial position, and enhance accountability, the management of liabilities, and the stewardship of assets.
- *Policy and Reporting Review Project.* To reduce the number and enhance the relevance of policy instruments and reports.
- *Revised Policy on the Management of Government Information.* To ensure that information under the control of the Government of Canada is managed effectively and efficiently throughout its life cycle.
- *Management Accountability Framework.* To reinforce sound management in the public service by providing public service managers with a comprehensive and integrated model for management and for management improvement.
- *Values and Ethics Code for the Public Service.* To guide and support public servants in all their professional activities, to maintain and enhance public confidence in the integrity of the public service, and to strengthen respect for, and appreciation of, the role played by the public service within Canadian democracy.<sup>(5)</sup>

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(4) OAG, 2004 Report, Chapter 7, "Managing Government: A Study of the Role of the Treasury Board and its Secretariat," Ottawa, March 2004, p. 22.

(5) *Ibid.*

Accordingly, in 1997, the government created the Independent Review Panel on Modernization of Comptrollership in the Government of Canada. The Panel, made up of respected accountants, financial specialists and other experts, was asked to recommend practical ways to translate and integrate modern comptrollership concepts into federal managerial practices. After extensive consultations with a wide range of executives and officers within the federal government and related professional associations, the Panel released its report in October 1997.<sup>(6)</sup>

The Panel concluded that, in light of changing socio-economic and political circumstances, comptrollership could no longer remain a specialist function limited to accounting and financial administration. Instead, program managers and financial specialists should work together to prioritize, plan, set and achieve goals. As defined in the Panel's report, modern comptrollership is essentially a set of principles founded on the belief that effective stewardship of public resources and assets must become part of every manager's thinking and behaviour. To exercise responsible stewardship, a manager's decision-making should incorporate the following key elements:

- *Integrated performance information* – timely financial data linked to operational data to assess program performance and results;
- *Sound risk management* – clear understanding of the risk environment, the organization's capacity to prioritize and manage those risks, and the manager's role in mitigating the risks;
- *Rigorous stewardship and appropriate control* – comprehensive departmental systems of delegation and control that are conducive to innovative delivery, consistent with capabilities and appropriate to the level of risk; and
- *Shared values and ethics* – alignment of organizational culture and mandate with values and ethics of the Public Service.

For this new version of public sector management, the federal government would attempt to find a new balance between flexibility within departments and the need for adequate control mechanisms. The government would be expected to maintain its influence and oversight over public expenditures by asserting general principles while departments, agencies and Crown corporations would integrate these principles into their own managerial framework.

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(6) Independent Review Panel on Modernization of Comptrollership in the Government of Canada, *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*, Ottawa, 1997, [http://www.tbs-sct.gc.ca/cmofmc/resources2/review\\_panel/rirep\\_e.asp](http://www.tbs-sct.gc.ca/cmofmc/resources2/review_panel/rirep_e.asp).



Given the challenges involved in fundamentally transforming the management culture in the federal government, the Panel acknowledged that it would likely take between 7 and 10 years to systematically transform the government's comptrollership function. This process would be divided into three distinct phases:

1. *Foundation Phase* (1<sup>st</sup> to 3<sup>rd</sup> year): government departments and agencies build awareness of modern comptrollership, assess the state of their current management practices, establish benchmarks to measure progress, and begin to identify and address priorities.
2. *Transition Phase* (4<sup>th</sup> to 6<sup>th</sup> year): organizations begin to see measurable improvements in management practices, and focus on building modern management skills and competencies that are in line with their identified areas of greatest need. The relationship between functional specialists and line managers evolves into a partnership focussed on achieving results.
3. *Sustaining Phase* (7<sup>th</sup> to 10<sup>th</sup> year): modern comptrollership practices are the norm in federal organizations, stewardship is a core management function, management is principles-based, the department is a learning organization, program results are measurable and costed, and improvement is continuous.<sup>(7)</sup>

## **THE MODERN COMPTROLLERSHIP INITIATIVE**

In response to the Panel's recommendations, the Treasury Board launched the Modern Comptrollership Initiative (MCI). Started in 1998, this three-year pilot project corresponded to the foundation phase of the process outlined above and was designed to test new concepts and new tools for managerial decision-making in a group of 15 lead departments. The MCI aimed to: develop standards and practices for integrating financial and non-financial performance information, and communicating the data to those who need it; properly assess and manage risk, and ensure appropriate control systems; and improve procurement practices, the management of assets, liabilities and real property, and other programs and financial management activities. The MCI involved the participation of all managers, not just financial officers, and was expected to become an integral part of every management activity.

In June 2001, one month after the completion of the pilot phase, Treasury Board ministers announced the implementation of modern comptrollership on a government-wide basis.

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(7) TBS, *Modern Comptrollership Practices: Toward Management Excellence*, Ottawa, April 2003, pp. 2-3.

An additional 73 organizations joined the original 15 pilot departments, for a total of 88 departments and agencies participating in the reform of their management policies and practices.<sup>(8)</sup> According to the Treasury Board's 2003-2004 Report on Plan and Priorities, the participating departments and agencies were expected to complete the reform of their comptrollership practices and policies and begin the implementation by April 2004.<sup>(9)</sup>

The Treasury Board of Canada Secretariat (TBS) was responsible for leading the implementation of the government-wide initiative. Acting on the Panel's recommendations, it set up three advisory committees (private sector, deputy ministers and assistant deputy ministers), and developed a strategic plan to build and sustain government-wide commitment to modern comptrollership. The plan included upgrading the whole suite of TBS management policies and frameworks, developing new policies that incorporated modern comptrollership principles, and setting up centres of expertise. The initiative further aimed to instil modern comptrollership principles across federal management by developing modern comptrollership curricula and training programs and by clarifying responsibilities and accountabilities for every government manager.

While central agencies such as the Secretariat played a leading role in the implementation of modern comptrollership by establishing appropriate standards and providing direction, counsel and support for the government as a whole, the responsibility for implementation ultimately rested with the departments and agencies themselves. Deputy ministers and senior departmental officials were the ones who had to provide the leadership and create a working environment that encouraged the adoption of modern comptrollership. They had to plan and organize departmental resources to achieve, and report on their organization's progress.

According to the Independent Review Panel, the successful modernization of the comptrollership function will depend on the following:

- The manner in which senior departmental officials create and maintain a climate that fosters effective comptrollership (leadership);

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(8) OAG, December 2002 Report, Chapter 5, "Financial Management and Control in the Government of Canada," Ottawa, 2002, p. 4.

(9) TBS, *Report on Plans and Priorities 2003-2004*, Ottawa, 2003.

- The clarity with which responsibilities for achieving the changes needed in modern management practices are assigned (accountability); and
- The degree to which managerial and professional capacities are developed, deployed and motivated to support the necessity, direction, and intent of change (motivating people).

### **A. Leadership**

At the departmental level, it is the deputy minister who must exercise the strategic leadership to implement comptrollership reform. He or she has the overall responsibility for creating an environment and organizational structure that contribute to the establishment of modern comptrollership. It is the deputy minister who must evaluate the organization's current comptrollership capabilities against the requirements of modern comptrollership, and then secure from the senior management team a commitment to carry out the necessary reforms. Moreover, the deputy minister must be able at all times to clearly communicate to his or her staff the comptrollership priorities and provide leadership throughout the reform process.

### **B. Accountability**

Another critical element in reforming the comptrollership function is ensuring there are clear and distinct lines of responsibility and accountability amongst all key participants, such as executives, specialists, professionals, departments and central agencies. Modern comptrollership calls for clearer linkages between program delivery, management initiatives and overall departmental agenda. It also requires clearer linkages between program performance and management compensation and rewards. The departmental executive team and program managers must have an explicit understanding that they are ultimately responsible for the results they achieve.

To this end, departments and agencies must develop, maintain and monitor results-based plans for modern management, and also require that performance agreements of executives at every level of management reflect individual accountabilities for implementing modern management practices.

### **C. Motivating People**

Finally, departments and agencies must ensure that all their staff, including functional specialists and line managers, possess the required skills and capabilities that are essential to implement modern comptrollership. They must provide their staff with the training and tools they need in order to apply modern comptrollership principles to real-time management decisions.

### **CURRENT STATUS OF THE MODERNIZATION OF THE COMPTROLLERSHIP FUNCTION**

Between the 1998-1999 and 2003-2004 fiscal years, the Treasury Board allocated almost \$39 million to implement modern comptrollership. After the initial injection of funding, all 88 departments and agencies participating in the MCI were required to finance the comptrollership reforms through internal reallocation of resources.<sup>(10)</sup>

The modern comptrollership timetable called for the upgrade of the comptrollership function of all participating departments and agencies to be completed by 31 March 2004. A final progress report would be released by the same date (see the Appendix).

For the federal government, the remaining challenge is to maintain strategic leadership for management reform and sustain the momentum for the implementation of modern comptrollership. Maintaining leadership will require clear accountability for results throughout the implementation period; securing commitment from middle-level and front-line managers; and translating modern comptrollership principles into day-to-day decision-making.

### **MANAGEMENT ACCOUNTABILITY FRAMEWORK**

In 2003, the TBS released the Management Accountability Framework (MAF). This built on the vision and framework of modern public service management that had been established in *Results for Canadians*, and brought together the principal elements of modern management initiatives such as modern comptrollership, human resources modernization, service improvement and Government On-Line (GOL) into a set of 10 management expectations for deputy heads and all public service managers.

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(10) TBS, *Modern Comptrollership Initiative: A Progress Report on Government-Wide Implementation*, Ottawa, March 2003, p. 14; and TBS, "Innovations Funding," [http://www.tbs-sct.gc.ca/cmo\\_mfc/funding\\_e.asp](http://www.tbs-sct.gc.ca/cmo_mfc/funding_e.asp).

The 10 MAF expectations are: public service values (public sector values and ethics are continuously reinforced through departmental actions); governance and strategic direction (effective support is provided to ministers and strategic direction is translated into results); policy and programs (rigorous policy analysis is applied); people (the right workforce is achieved); citizen-focused service (all citizens should have timely access in both official languages to quality government services); risk management (key risks are considered); stewardship (measures are taken to ensure that public resources are properly managed, generate results consistent with government's priorities and provide value for taxpayers' dollars); accountability (responsibility for results is clearly assigned and consistent with resources, and delegations are appropriate to capabilities); results and performance (results are used as feedback to support decision-making, and public reporting is balanced and transparent); and learning, innovation and change management (the organization constantly seeks to improve processes and results through continuous learning).

Not all 10 expectations can be achieved at the same time. Within each department and agency, choices will have to be made: organizations may need to concentrate on some management areas more than others, and the priorities may differ from one organization to another. Nonetheless, the intent of the Framework is to ensure that all departments and agencies demonstrate progress in each of the 10 elements.

In the 2004-2005 fiscal year, the TBS worked with departments and agencies to establish performance benchmarks by identifying and agreeing to a common set of indicators of effective management performance. These common indicators were designed with the goal of strengthening accountability and the reporting of federal public sector management performance. With the help of these indicators, the TBS will conduct annual assessments of federal departments and agencies to monitor improvements, identify and promote best practices in management, and ensure that the management expectations of deputy heads and public service managers are achieved across the federal government.

In December 2003, the TBS refocused its mandate to strengthen accountability for management performance. Over the next two years, it expects to further develop aspects of the MAF to strengthen public sector management and, in particular, to reinforce accountability mechanisms, assess and monitor management performance at both the departmental and government-wide levels, and support improvements to management practices.

Given the diversity of government business lines and the significant changes experienced by departments and agencies in recent years as a result of the modernization of the comptrollership function and other management initiatives, the successful renewal of federal public sector management will require effective horizontal communications and a long-term, sustained commitment on the part of all participants to carry through the initiative.<sup>(11)</sup>

## **EXPENDITURE MANAGEMENT INFORMATION SYSTEM**

The TBS has also recently embarked on a process to overhaul its overall approach to gathering and reporting expenditure management and performance information. In 2003, the Secretariat undertook the development of an “enterprise-wide” expenditure management information system. In March 2004, Treasury Board ministers approved the development and implementation of a new Expenditure Management Information System (EMIS), which is expected to improve the quality and integration of the financial and performance information required by the TBS to strengthen analytical support for its oversight function. EMIS will align financial and performance data on priorities, planned and actual expenditures, and results.<sup>(12)</sup>

## **REVIEW OF RECENT AUDITS OF THE FEDERAL GOVERNMENT’S MANAGEMENT AND ADMINISTRATION**

The federal government has set a very ambitious agenda for public sector reform and is undertaking a number of complex initiatives to realize these goals. The likelihood of its successfully completing those initiatives will depend on its existing track record in this area.

Every year, the Office of the Auditor General (OAG) of Canada undertakes and reports to Parliament on a number of value-for-money (VFM) audits of the management and administration of various federal initiatives and programs. The usual caveats apply: audits are often limited in scope and usually examine a particular program or government entity. Given time constraints and resource limitations, the OAG seldom carries out comprehensive audits of government-wide aspects of public sector management.

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(11) TBS, *Report on Plans and Priorities 2004-2005*, Ottawa, 2004, p. 13.

(12) *Ibid.*, p. 26.

Furthermore, given the large number of departments, agencies, Crown corporations and other federal entities, each delivering a multitude of programs and services, there will be a wide variance in terms of administrative and managerial capabilities and styles. In these circumstances, it is risky to draw sweeping generalizations about the capabilities of the federal comptrollership function based on a small number of audits. At the same time, the lack of uniform managerial and administrative capabilities across federal departments and agencies makes any attempt at comprehensive comptrollership reform that much more difficult.

Outlined below is a selection of audits that have been reported in the last five years concerning various aspects of financial management and internal controls of government programs, human resources management, risk assessment, transparency and reporting to Parliament.

#### **A. Integrated Risk Management**

Integrated risk management means incorporating risk information into strategic direction-setting and decision-making procedures to establish an organization's tolerance for risk. In April 2001, the TBS published the Integrated Risk Management Framework as part of the modern comptrollership initiative in order to strengthen management capabilities in departments and agencies. The implementation of that framework is a key element in both modern comptrollership and improved reporting to Parliament. In April 2003, the OAG reported on the results of an audit of the risk management practices of six departments. It found important gaps in the action plans of each department under review, which raises questions as to ability of each entity to integrate sound risk management practices within its operations. Further, the audit noted that departments lacked fully developed risk profiles that would have provided guidance for each organization in determining the level of risk it would be prepared to tolerate. The OAG concluded that the TBS needed to provide better guidance and support to departments and agencies in order to assist them in implementing integrated risk management.<sup>(13)</sup>

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(13) OAG, April 2003 Report, Chapter 1, "Integrated Risk Management," Ottawa, 2003, p. 1.

## **B. Internal Audit**

Internal audit is an important management tool that enables senior departmental officials to ensure that their organizations have effective internal control systems. In November 2004, the OAG evaluated the internal audit function in six federal departments and agencies. It found that the quality of that function varied considerably across those organizations, and that compliance with international internal audit standards was uneven. While most departments and agencies under review generally or partially complied with international internal audit standards, at least one agency did not. Moreover, the OAG found that at the time of the audit, the TBS had yet to establish and fund a strategy that would enable it to meet the requirements of its own Policy on Internal Audit and the expectations of the internal audit community.<sup>(14)</sup>

## **C. Reporting**

In April 2005, the OAG evaluated the departmental performance reports of three departments to ascertain progress in improving the overall quality of reporting. While generalizations cannot be inferred from such a small sample, the OAG did find that the quality of performance reporting had improved only marginally between 2002-2003 and 2003-2004. Over a nine-year period, between 1995-1996 and 2003-2004, the audit found that two departments had achieved only modest improvements while the third showed mixed results. Furthermore, there was little evidence that performance information had been used to make decisions about improving program performance in future years. The OAG concluded that “this rate of improvement is not good enough for parliamentarians and Canadians to be able to hold departments and agencies to account for their performance.”<sup>(15)</sup>

## **D. Financial Information**

Since 1998, the OAG has carried out at least six audits on the progress of the federal government’s Financial Information Strategy (FIS), which aims to improve financial information by converting federal accounting policies and practices to a full accrual basis. In the most recent update, the OAG found that departments’ and agencies’ financial systems and

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(14) OAG, November 2004 Report, Chapter 1, “Internal Audit in Departments and Agencies,” Ottawa, November 2004, p. 1.

(15) OAG, April 2005 Report, Chapter 5, “Rating Selected Departmental Performance Reports,” Ottawa, 2005.



practices still lack the capacity to benefit fully from the new financial information. Some progress has been achieved in certain specific areas, but internal control systems need to be further strengthened and the quality of the financial information still needs to be improved.<sup>(16)</sup>

Moreover, the federal government has made little progress in addressing accrual-based budgeting and appropriations at the department and agency level. While the federal government continues to study this issue, other jurisdictions (e.g., Australia, New Zealand, the United Kingdom and several Canadian provinces and territories) have already moved ahead on it. The OAG recommended that the government complete its study of accrual-based budgeting and appropriations and implement an approach for a common accrual basis of planning, budgeting, and reporting.<sup>(17)</sup>

### **E. Human Resources Management**

With regard to the modernization of human resources management in the federal government, the OAG found satisfactory progress. A new legislative framework for human resources management was expected to be implemented by December 2005 at the earliest. According to the audit, the government has established a good foundation for reforms in this area and has clarified the roles and responsibilities for human resources management. However, the TBS needs to ensure better and more formalized coordination between the agencies that act as federal public service employers. Furthermore, the government will have to maintain the focus and momentum of the initiative, as the full impact of these reforms will take a number of years to work through the federal bureaucracy.<sup>(18)</sup>

### **F. Horizontal Initiatives**

In terms of the management of government-wide initiatives (“horizontal initiatives”), the federal government still proceeds on a case-by-case basis. Central agencies have yet to determine the kinds of circumstances that would require a horizontal initiative and the kinds of governance models needed. The central agencies need to develop specialized tools

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(16) OAG, February 2005 Report, Chapter 8, “Managing Government – Financial Information,” Ottawa, 2005.

(17) *Ibid.*, p. 12.

(18) OAG, February 2005 Report, Chapter 3, “Modernization of Human Resources Management: Managing the Reforms,” Ottawa, 2005, p. 1.

for the governance, accountability and coordination of federal efforts in such initiatives. The OAG recently reviewed three such initiatives and found inadequate arrangements for governance and coordination, and little planning for measuring and reporting on how federal organizations can contribute to the initiative as a whole; as a result, parliamentarians do not have an overall picture of what these initiatives are trying to achieve.<sup>(19)</sup>

## CONCLUSION

Modern comptrollership and its successor, the Managerial Accountability Framework, are two recent attempts at improving overall management and reforming the comptrollership function in the federal bureaucracy. This remains a very ambitious undertaking with very high stakes. Many essential elements have been implemented, such as the renewal of the suite of TBS management policies, the move to full accrual accounting, and the completion of the Integrated Risk Management Framework. Many more elements, however, still have to be implemented.

Complicating matters is the wide variance in terms of managerial and administrative capabilities and styles across the large number of departments, agencies, and other governmental entities. This situation makes any attempt at comprehensive reform that much more difficult.

To be successful, ambitious reform agendas require that central agencies provide effective and strong coordination, support and leadership necessary for comprehensive and far-reaching transformation of public sector management practices. To improve managerial and administrative capacities throughout the federal government within a reasonable number of years will require several important factors: a sustained commitment and effort from all participants; sufficient resources; clear direction; realistic timeframes; and performance benchmarks that enable all participants to effectively assess what has been achieved and what remains to be done. Without these, the likely result will be half-completed initiatives, frustrated participants, and the erosion of belief in the government's ability to substantively strengthen its comptrollership capabilities.

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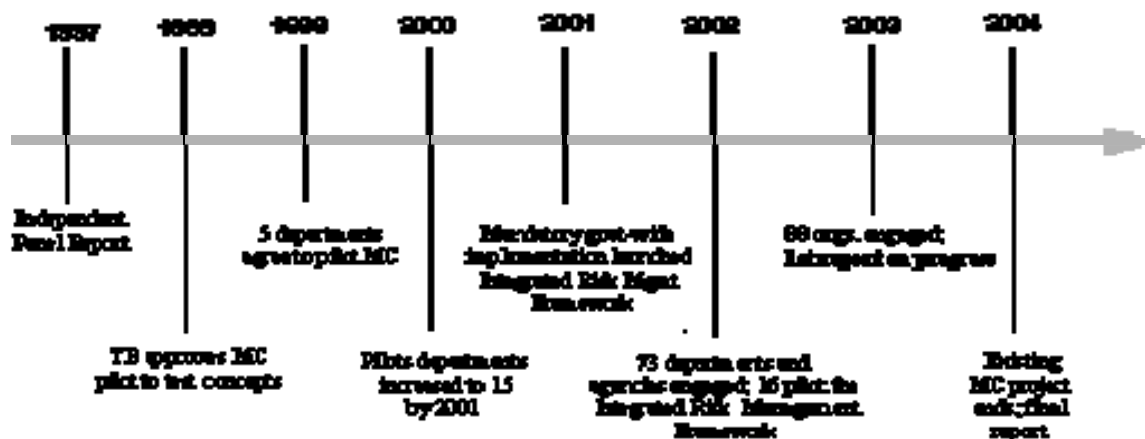
(19) OAG, November 2005 Report, Chapter 4, "Managing Horizontal Initiatives," Ottawa, 2005, p. 1.

## APPENDIX

### TIMELINE OF MODERN COMPTROLLERSHIP INITIATIVE

October 1997:	Report of the Independent Review Panel released.
January 1998:	TBS establishes Modernization Controllership Initiative (MCI) to strengthen management capabilities of departments and agencies.
March 1998:	5 departments agree to participate in the modern comptrollership pilot project.
March 2000:	The President of the Treasury Board tables <i>Results for Canadians: A Management Framework for the Government of Canada</i> .
March 2000:	Number of pilot departments increases to 15.
June 2001:	The President of the Treasury Board announces that after a three-year foundation phase, the MCI is to be extended to all federal departments and agencies. TB also endorses the Integrated Risk Management Framework (IRMF) as a guidance tool for departments.
May 2001-2002:	73 departments and agencies engaged in MCI in 2002; 16 departments agree to participate in the IRMF.
March 2003:	88 organizations engaged in MCI; first progress report on modern comptrollership tabled.
March 2004:	End of existing modern comptrollership project and tabling of final report.

**Figure 1: Modern Comptrollership Timeline**



**TIMELINE OF MANAGEMENT ACCOUNTABILITY FRAMEWORK**

- Summer 2003: TBS releases the Management Accountability Framework (MAF).
- Fall 2003: First set of operational MAF indicators.
- Winter 2003: TBS completes the first MAF profiles for 27 departments.
- Spring 2004: Completion of bilateral meetings between the Secretary of the Treasury Board and 27 deputy heads.
- Fall 2004: Second set of MAF indicators.
- Winter 2004: Completion of data capture to create MAF profiles for over 50 departments and agencies.
- Spring 2005: Completion of bilateral meetings with 33 deputy heads.
- Summer 2005: Workshops with departments to refine 2004 MAF indicators, leading to a revised set of MAF indicators for 2005.
- September 2005: Decision to align MAF assessments with the government's Planning and Reporting Cycle:
- MAF data capture to begin immediately;
  - departments to be engaged earlier;
  - selected deputy-level bilateral meetings to be completed before the end of January 2006.