

New Agenda for Achievement

The background of the top half of the page features a faded map of Canada. On the left side, there is a detailed illustration of a clock tower, likely the Parliament Hill clock tower, with a Canadian flag flying from its top. The overall color palette is muted, with sepia and light brown tones.

# Budget 2004

## Strengthening Public Sector Management

March 23, 2004

A partial view of the Canadian flag is visible at the bottom left corner of the page.

Canada

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*“We are at a truly transformative moment in modern public sector management. The public sector needs to restructure, to speed up decision-making, respond to change, and focus on citizen-driven service delivery.”*

Reg Alcock,  
President of the Treasury Board  
and Minister responsible for the  
Canadian Wheat Board

## **Introduction**

Canadians want good governance. They want to know that government programs are well managed. They want greater openness and transparency. And, they want to be able to hold Parliament, their Government, and public sector officials to account for results—good and bad.

Strengthening public sector management is a fundamental part of our efforts to achieve these objectives and ensure greater transparency, accountability, fiscal responsibility, and ethical conduct in government.

As the Prime Minister has stated, “our goal should be nothing less than the finest public service in the world.”

Globalization, increased public scrutiny and demand for greater openness, transparency and accountability, and the rise of the knowledge-based economy have all placed huge demands on public sector management.

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The traditional structures of government, however, often cannot deliver the changes necessary to adapt and adjust to changing public priorities. Indeed, democratically elected governments throughout the industrialized world are struggling with growing pressures to modernize public sector management.

It is vital for Canada to be at the forefront of this revolution in public sector management. A modern, vibrant, and effective public sector plays an important role in the quality of life of Canadians.

A more vibrant public sector will contribute to our efforts to build a 21st century economy, strengthen Canada's social foundations, and secure Canada's place in the world.

## **Strategy and Objectives**

The Government recognizes that Canadians expect their government to not only balance the books, but also to manage them with integrity.

The Government also believes in tackling issues head-on and at all levels. That is why since it came to office on December 12, 2003, it has consistently taken steps to put in place concrete measures to strengthen openness and transparency, improve value-for-money, and restore trust and accountability across government—and it will continue to do so.

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To achieve these objectives and to strengthen public sector management, the Government is working hard to:

- Strengthen comptrollership and improve oversight.
- Enhance the role of Parliament and the proactive disclosure of information so that Canadians are better able to hold Parliament, their Government, and public sector officials to account.
- Modernize and transform management practices and the ongoing review of government spending to improve administration and ensure tax dollars are spent wisely.
- Build capacity and better tools within the public service to support good management.

## **Key Initiatives**

As part of these efforts, and to prevent the kinds of abuse that have recently come to light, the Government is moving forward with a comprehensive plan to strengthen comptrollership, expenditure management, and oversight across the federal public sector.

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Budget 2004 includes measures to:

- 1. Re-establish the Office of the Comptroller General of Canada to rigorously oversee all government spending.** The role of the Office of the Comptroller General of Canada is to oversee all government spending, to provide leadership across the public service financial management community, and to ensure standards are set and adhered to. The position will be staffed by an experienced and recognized management expert.
- 2. Appoint professionally accredited comptrollers to sign off on all new spending initiatives in every government department.** The appointment of departmental comptrollers will be subject to approval of the Comptroller General.
- 3. Reorganize and bolster the internal audit function on a government-wide basis to ensure comprehensive audit programs, based on sound risk analyses of all departmental activities, with the authority to delve into every corner of every portfolio.** Treasury Board Secretariat will examine and approve risk analysis profiles of departments and agencies.

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**4. Introduce modern, timely, enterprise-wide financial and human resource information systems to track all spending and provide appropriate tools for effective scrutiny and decision-making.** A new Expenditure Management and Information System will support ongoing expenditure reviews and improved reporting to Parliament.

**5. Introduce new corporate governance rules for Crown corporations and require their five-year, special audit, conducted by the Auditor General, to be tabled with Parliament and posted on their web sites.**

A comprehensive review of Crown corporations is underway and will be completed by September 30, 2004.

In addition, building on the recent initiative to proactively disclose travel and hospitality expenditures by ministers and senior officials, the Government will continue to make its operations more transparent by proactively disclosing information on its activities.

To this end, Budget 2004 commits departments to publicly disclose all contracts entered into by the Government of Canada for amounts over \$10,000, with only very limited exceptions such as national security. These new requirements will be phased in over time, starting with procurement contracts for goods and services.

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Budget 2004 also confirms the Government's plan to examine and focus government spending through the Expenditure Review Committee as part of its efforts to renew and rejuvenate government and to invest in high quality government management.

The Expenditure Review Committee will:

- Examine every dimension of government spending.
- Focus on major interdepartmental activities and core areas of government operations.
- Identify within four years savings of at least \$3 billion annually for ongoing investments in the priorities of Canadians—in health care, learning, communities, the disabled and Aboriginal Canadians.

Taken together, these measures will strengthen public sector management, enhance scrutiny, improve administration and help ensure that tax dollars are spent wisely.

For more information on the Comptroller General of Canada, visit [www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca).

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## **How Can I Get More Information on Budget 2004?**

Information is available on the Internet at [www.fin.gc.ca](http://www.fin.gc.ca) or by phoning:

1 800 O-Canada (1 800 622-6232)  
1 800 465-7735 (TTY for the  
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You can also obtain copies of this brochure and other budget documents from the:

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*Ce document est également offert en français.*