



Twelfth Annual Report

to

the Prime Minister

on

the Public Service of Canada

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Clerk of the Privy Council and
Secretary to the Cabinet

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Introduction

I am pleased to present the *Twelfth Annual Report to the Prime Minister on the Public Service of Canada*, a yearly opportunity to discuss the key accomplishments, challenges and directions of the Public Service.

The Public Service's mission is an exciting one, but it is becoming more demanding. Our challenge is to serve in an era of transparency without retreat or fear of risk; to rise to the issues facing our country; to be innovative and creative in how we serve; to renew ourselves continually; and to be an institution that a new generation of leaders will want to join. This past year both reminded us of the challenges and gave us reason to be optimistic.

A Culture of Transformation and Reallocation

The Public Service continues to take pride in the extraordinary efforts and results of program review but at the same time none of us wants to need such a wrenching exercise again. Program and expenditure review must instead become an integral part of how we work.

This past year marked significant progress toward creating a culture of continuous learning and improvement in the Public Service. Central to this transformation has been the creation and work of the Expenditure Review Committee, which deliberately focused on crosscutting, transformative changes—from the launch of Service Canada to procurement reform. Expenditure review means continuously reassessing the value for money we achieve so that we can alter course or shift resources to where needs are greatest and to what works best. This new way of thinking must become an ongoing part of serving the public, driving the

continual reassessment of priorities and the search for more effective and smarter ways of working.

Expenditure review has already yielded significant savings, almost 90 per cent of which will come from innovation in government operations. As important as these savings are, perhaps the more significant impact will be on how we work. The Public Service is transforming itself. It is changing the way it serves Canadians and how it accounts to them.

Service transformation is not fiscally driven. It means reaching more Canadians with the right services at the right time. It means better services leading to better outcomes. The newly launched Service Canada initiative is intended, over time, to provide Canadians with integrated, one-stop access by phone, on the Internet and in person to their government and, where possible, to their governments. Canadians should be able to resolve the majority of their requests for service or benefits in the first contact they make with government. Implementing Service Canada will clearly be challenging—risks will have to be managed and there will have to be close collaboration between management and bargaining agents and between the field and headquarters. But we welcome the challenge. This initiative represents the most significant change in decades in how we deliver services to Canadians.

Results are already starting to show. Information is easier to find through better, user-focused Web sites and toll-free telephone services. More and more services are available on-line, from tax filing to applying for employment insurance. Processing is faster and more accurate. These are some of the reasons why Canada has ranked first in Accenture's international e-government survey for the past four years. Public servants should take great pride in this recognition because it reflects our commitment to serving Canadians. Going forward, the Secure Channel, built in partnership with

the private sector, will provide a platform for our continuing leadership in secure on-line services.

We should be applying the same approaches to our internal services. And so we will introduce shared services for information technology, human resource management and financial management to improve efficiency and quality, and reduce costs.

Other important innovations will not be as visible as Service Canada, but they will be no less significant. The Budget formally launched the reform of procurement and real property management. While these are not functions that most Canadians see, it is critical that we perform them with integrity and with a commitment to value for money. We need to use technology more effectively, working with all suppliers of all sizes to consolidate purchasing so that we can leverage our buying power to get the best possible prices. It means managing our real property better through accommodation standards and better inventory management. It also means taking better care of our capital assets, realizing savings through good planning and ongoing maintenance. It means a commitment to environmental stewardship and sustainable development. And above all we need to work with the private sector on a new partnership based on a shared commitment to integrity, trust and best practices.

Managing for Results

In my report last year, I said that there is always a gap between our aspirations and our achievements. The gap is never truly closed. A healthy organization is always confident in its mission but never satisfied with its progress.

Service transformation and resource reallocation are part of

a larger management agenda for the Public Service through which we are continuing to strengthen governance and accountability. We introduced the Management Accountability Framework, a common basis for performance reporting, which sets out a rigorous accountability regime. We are one of the few countries to report annually on societal indicators that allow parliamentarians to assess progress along the major dimensions of public policy. We have improved our reporting to Parliament but more needs to be done. Parliamentarians will, therefore, be consulted on the kinds of information they use and what format best meets their needs.

Since it was re-established, the Office of the Comptroller General has led our efforts to improve financial management. A central feature of our culture of reallocation is the ability to align resources with government priorities and track expenditures. We are improving our systems for gathering and analyzing information on spending and performance across government. And we are getting better at recognizing risk and focusing our attention on those areas where it is highest.

Public Service as Vocation

The Public Service of Canada is an extraordinary place to work, offering real opportunities to learn, varied experiences through which to grow professionally and personally, and above all the chance to make a difference for Canadians and to help shape the future of our country.

To fulfill our vision, we will need to recruit the best talent we can find—a new generation of public servants who embrace and represent diversity, who bring new ideas and experiences to our workplaces, and who challenge established ways of doing things.

The *Public Service Modernization Act* is intended to help us compete for the talent we will need and to tap and develop the talent we have. It is intended to build a new relationship between management and labour and to clear the brush away—the layers of rules and process—to help us become more agile and more open.

The new Canada School of Public Service will be an important institution for the future. Career-long learning for all employees helps make the Public Service an attractive place to work and helps ensure we have the talent we need to deliver the results Canadians want. We will upgrade the skills of our managers through a modern curriculum emphasizing leadership and responsibility. Our learning program will include orientation for new employees, retraining of the current workforce and strengthening core capacities—including financial and human resource management. And the Canada School of Public Service will need to become a place for all public servants to be exposed to big ideas, global trends, new and emerging opportunities and critical challenges if the public service is to be the pre-eminent source of strategic policy options.

One way of expanding our reach and opening up the Public Service is by promoting exchanges between executives in the federal government and other sectors. Building on exchanges already in place with major corporate partners and other organizations, the government has introduced the Prime Minister's Fellows Program, which will continue to foster mutual understanding among the key sectors of Canadian society.

In the end, the success of our efforts to modernize our human resource management regime will be measured by whether these reforms helped us to renew ourselves and recruit and develop the people we need, whether they helped create a climate in which excellence and innovation thrive, and whether we are representative of the diverse country we serve.

Transparency and Risk

Today's public servants work in a very different environment than their predecessors. More savvy and demanding citizens and the possibilities of new technology have resulted in a level of transparency unimaginable only 20 years ago. Access to information, more frequent external audits and the posting of information on the Web—from internal audits to contracts—have changed the workplace in fundamental ways. The risk, of course, is that transparency and a more personal form of accountability will breed timidity and fear of error at a time when the Public Service must be innovative, creative, and able to adapt to and lead change.

Clearly, the Public Service cannot tolerate breaches of the law or of our core values and ethics. Through strengthened audit and better information systems we seek to uncover wrongdoing and we need to get better at responding to it.

But we cannot build systems based on distrust. We cannot go backwards, building layers of hierarchy and rules governing each transaction. And we cannot treat all errors in the same way. Errors made in good faith are inevitable, especially in an organization that values innovation and creativity. Accountability requires that we report honestly and accurately, including the errors, and demonstrate that we have learned from the mistakes and have made the necessary adjustments. But accountability cannot become mere blaming.

Shaping the Future

The Canadian Public Service matters to the lives of Canadians and the future of the country. It must continue to be a vocation, an institution driven by the public interest and the responsibilities of the public trust, and able to rise to the great challenges facing Canada in a changing world. We must not let fear of risk make us timid when what Canadians need from us is the courage to help shape the future.