



Office of the
Commissioner of
Official Languages

Commissariat
aux langues
officielles

AUDIT

OF THE TREASURY BOARD OF CANADA SECRETARIAT WITHIN THE
CONTEXT OF THE 2011–2012 STRATEGIC AND OPERATING REVIEW

(PART VII OF THE *OFFICIAL LANGUAGES ACT*)

FINAL REPORT

January 2016



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HIGHLIGHTS

WHAT WE EXAMINED

The Office of the Commissioner of Official Languages conducted an audit of the Treasury Board of Canada Secretariat (the Secretariat) from March to December 2014 to determine how well the Secretariat is meeting its language obligations under Part VII of the *Official Languages Act* (the Act) during expenditure reviews. The audit focused specifically on the 2011–2012 Strategic and Operating Review (SOR), also known as the Deficit Reduction Action Plan. Our examination focused solely on the requirement to take positive measures that support and assist the development of official language minority communities.

The audit had two objectives: to determine whether the Secretariat, as the central agency responsible for the administration of expenditure reviews, had a planning strategy for the SOR that took into account its obligations under Part VII of the Act; and to determine whether the Secretariat could demonstrate that it took these obligations into account when conducting analyses in view of providing recommendations on proposals submitted by federal institutions during the SOR.

More details about the audit methodology are in the “About the audit” section at the end of this report.

WHY THIS AUDIT IS IMPORTANT

Expenditure reviews are mechanisms used periodically to allow the government to review program spending and reallocate funding to programs that are a priority for Canadians, while also ensuring value for money in government spending. The SOR was a one-year, in-depth, government-wide exercise announced in Budget 2011. Its objective was to achieve at least \$4 billion in ongoing annual savings in 2014–2015 so that the government could achieve its objective of returning to a balanced budget.

When considering major changes, such as budget cuts or the creation or elimination of programs, decision makers must not proceed blindly. They must ensure that they meet their obligations under the law, including those obligations under the Act. Failing to take the Act and its obligations into account during these types of reviews can have a severe impact on Canadians, especially those in minority groups like official language minority communities. The Commissioner of Official Languages has noted the adverse effects that previous government expenditure reviews have had on these communities, and he has urged the federal government to take the necessary corrective measures to comply fully with the Act by understanding the needs of official language minority communities and taking them into account during expenditure reviews.

WHAT WE FOUND

- There was little evidence of any strategy to help the Secretariat meet its Part VII obligations during the SOR. For instance, the Secretariat's official languages action plan did not include any SOR-related measures or activities.
- There was a lack of clarity and some internal confusion regarding who was responsible for ensuring compliance with Part VII during the SOR. A clear official languages accountability framework would help the Secretariat to define these roles and create specific accountabilities.
- During the SOR, the Secretariat provided no specific guidance to federal institutions on their obligation to analyze and mitigate the potential negative impacts on official language minority communities. Its guidance referred to official languages only in a general manner.
- During the SOR, the Secretariat had sufficient capacity, with respect to the number of analysts, to ensure that potential impacts on official language minority communities were taken into full account during the analysis of proposals. Analysts were provided with clear information on official languages to assist with their analyses and received sufficient support from specialists. However, this information was not provided early enough in the process to help analysts when they were interacting with institutions in the proposal-drafting phase.
- We were not able to gain access to certain documents, including institutional proposals, because the Secretariat claimed that they were protected under Cabinet confidence. We were therefore unable to conclude as to whether the Secretariat took measures to ensure that federal institutions participating in the SOR took the needs of official language minority communities into account in their own analysis. We were also unable to conclude as to whether the Secretariat took the institutions' analysis into account when preparing recommendations to the Treasury Board.

The Commissioner of Official Languages has made three recommendations to the Secretariat to help it meet its Part VII obligations during expenditure reviews.

We are satisfied with the measures proposed for recommendations 1 and 2. However, we are only partially satisfied with the measures proposed in response to recommendation 3. These recommendations, the Secretariat's comments and action plan for implementing the recommendations, and the Commissioner's comments all appear in Appendix B of this report. We maintain that the Secretariat must implement all of the recommendations to meet its obligations under Part VII of the Act.

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INTRODUCTION

The Treasury Board of Canada Secretariat (the Secretariat) is the administrative arm of the Treasury Board. The Treasury Board is a Cabinet Committee of the Queen's Privy Council of Canada. It is composed of six ministers and includes the President of the Treasury Board, who chairs the board, and the Finance Minister. The Secretariat supports the Treasury Board by making recommendations and providing advice on regulations, management policies and directives, as well as program spending. In this way, the Secretariat helps to ensure value for money in government spending and results for Canadians.

This audit focused solely on the Secretariat's roles and responsibilities, and especially its central agency role to provide leadership in launching government-wide horizontal initiatives and its role of challenge and oversight. The audit examined these functions in terms of the 2011–2012 Strategic and Operating Review (SOR).

OBLIGATIONS OF THE SECRETARIAT UNDER THE *OFFICIAL LANGUAGES ACT*

Under subsection 46(1) of Part VIII of the *Official Languages Act* (the Act), "the Treasury Board has responsibility for the general direction and coordination of the policies and programs of the Government of Canada relating to the implementation of Parts IV, V and VI in all federal institutions." The Secretariat supports the Treasury Board in these functions.

As a federal institution, the Secretariat has obligations under Parts IV, V, VI and VII of the Act. This audit focused solely on its obligations under Part VII of the Act. Under subsection 41(2) of Part VII of the Act, federal institutions are required to take positive measures that support and assist the development of official language minority communities and that foster the full recognition and use of English and French in Canadian society. This audit focused solely on the requirement to take positive measures that support and assist the development of official language minority communities. The obligation to take positive measures means that institutions must adopt a proactive and systematic approach that takes into account the needs and interests of official language minority communities. It also means that if an institution sees the possibility of its decisions or activities having a negative impact on official language minority communities, it must take measures to mitigate this impact.

For example, as federal institutions develop spending proposals and submissions, review their policies and directives, or assess their programs, they need to conduct these activities in accordance with the obligation set out in subsection 41(2) of the Act. This obligation applies to the Secretariat during all activities or exercises it is responsible for administering, including updating directives and policies or overseeing and providing support, guidance and advice during budgetary expenditure reviews or operational reviews.

The Secretariat would therefore be expected to do the following during expenditure reviews in order to take into account its obligations under Part VII of the Act in the context of the role and responsibility accorded to it as the administrative arm of the Treasury Board:

- Provide federal institutions with guidance and support, including the information they need to help them determine whether their proposals have an impact on the vitality of official language minority communities in Canada and on the full recognition and use of both English and French in Canadian society;
- Analyze and challenge federal institutions' proposals to determine whether the program changes suggested in the proposals could have potential repercussions on the vitality of official language minority communities;
- Inform the Treasury Board or the Strategic and Operating Review Committee (SORC) of the results of this analysis and present the options provided by the institutions that could mitigate or eliminate any potential negative impact of SOR-related decisions on the vitality of official language minority communities;
- If the implementation of decisions is being monitored, analyze whether there have been negative effects on the vitality of official language minority communities and report any potential negative impact to the Treasury Board. (Note that this action was not examined during the audit.)

It is important to note that the obligations the Secretariat must fulfill as the administrative arm of the Treasury Board during the oversight of government-wide initiatives, such as expenditure reviews, do not diminish or negate other federal institutions' obligations under the Act. All federal institutions are responsible for ensuring that the proposals they submit during expenditure reviews comply with the Act.

It is also important to make the distinction between the responsibilities of the Secretariat and the responsibilities of Canadian Heritage in relation to Part VII of the Act. Under Part VII, the Minister of Canadian Heritage is required to encourage and promote a coordinated approach to federal institutions' implementation of the commitments set out in section 41 of the Act. Generally, Canadian Heritage has a coordination role under Part VII that is characterized by awareness-raising and monitoring, whereas federal institutions, including the Secretariat, are responsible for meeting their own Part VII obligations in the course of their activities, as previously stated.

CONTEXT

Since the beginning of his mandate in 2006, the Commissioner of Official Languages has intervened three times with the Secretariat regarding expenditure reviews. In his 2012–2013 annual report, the Commissioner commented on the potential negative impacts that might arise as a result of cutting or changing programs in reaction to expenditure reviews. In that report, he committed to monitoring issues related to budget cuts very closely over the coming years. This audit is one of the initiatives included in this ongoing monitoring. As well, the Commissioner wrote to the Secretary of the Treasury Board in May 2010 to ensure that obligations under Part VII of the Act would be factored into the decision-making process for the upcoming expenditure reviews. The Secretary at the time responded in July 2010, stating that while the current round of expenditure reviews was well underway, the Secretariat would consider ways to adjust the expenditure review process in the next cycle of reviews, which would begin in 2011. The Commissioner also recommended in his 2007–2008 annual report that the Secretariat (the lead federal institution for expenditure reviews) take the necessary steps to ensure expenditure and similar reviews within the federal government are designed and conducted in full compliance with the commitments, duties and roles prescribed in Part VII of the Act.

AUDIT OBJECTIVE

The main objective of this audit was to verify how the Secretariat complied with Part VII of the Act during the SOR, also known as the Deficit Reduction Action Plan. The audit examined the planning and analysis phases of the SOR. It specifically sought to determine how well the Secretariat met its language obligations during the SOR in terms of confirming that federal institutions took concrete measures to ensure that they did not adversely affect the vitality of official language minority communities under Part VII of the Act.

More details about the audit methodology are in the “About the audit” section at the end of this report. Appendix A provides information on the audit objectives and criteria.

ANALYSIS OF FINDINGS AND RECOMMENDATIONS

OBJECTIVE 1: TO DETERMINE WHETHER THE TREASURY BOARD OF CANADA SECRETARIAT HAD A PLANNING STRATEGY FOR THE STRATEGIC AND OPERATING REVIEW THAT TOOK INTO ACCOUNT ITS OBLIGATIONS UNDER PART VII OF THE OFFICIAL LANGUAGES ACT.

- a) Verify that the Treasury Board of Canada Secretariat had planned and developed a strategy, an official languages action plan and an official languages accountability framework, as well as policies, guidelines and standards that ensured that it would have taken its Part VII obligations into account during the Strategic and Operating Review.

OFFICIAL LANGUAGES ACTION PLAN

An official languages action plan is a key document that helps an institution to ensure that it is making progress toward meeting its obligations under the Act. An action plan is expected to include specific measures to comply with all parts of the Act under which the institution has obligations, as well as specific measures for all of its programs and activities. An action plan is also expected to include specific timelines, performance indicators that will help the institution to evaluate the success of its measures, and areas of responsibility, including the individuals or units accountable for the measures listed.

The Secretariat developed its *Official Languages Action Plan for 2012-2015*, which includes measures to ensure compliance with Parts IV, V and VI of the Act. Appendix A of the plan contains the *Results-Based Action Plan: Implementation of Section 41 of the Official Languages Act 2011-2014* (Section 41 Action Plan), which is the Secretariat's plan to achieve compliance with Part VII of the Act. For the purposes of this audit, the analysis focused primarily on the Section 41 Action Plan, as it includes the Secretariat's proposed measures to comply with Part VII of the Act.

The audit found that the Section 41 Action Plan has activities planned for each of the following categories: awareness, consultations, communications, coordination and liaison, funding and program delivery, and accountability. The document also lists expected outputs, performance indicators and expected results for these activities. The analysis of the Section 41 Action Plan revealed that it does not include specific measures relating to expenditure reviews or the Secretariat's obligations under Part VII of the Act. We also identified shortcomings regarding accountabilities and the potential for executing the plan. Despite the numerous activities

listed, the plan does not specify who is responsible for each activity, nor does it provide clear timeframes for completion. In addition, there is no evidence to suggest that the plan is updated on an annual basis to take into account items such as important changes in government and institutional priorities.

Interviews with Secretariat representatives revealed the importance placed on the SOR exercise and highlighted that it was a departmental priority in 2011 and 2012. In its *2011-2012 Report on Plans and Priorities*, the Secretariat also stressed the importance accorded to this exercise, listing expenditure reviews as part of its plans to support one of its three strategic priorities for the 2011 to 2014 period. While the Section 41 Action Plan also covers the same period, there is no mention of this key institutional priority in the plan.

Furthermore, despite the Commissioner's two interventions with the Secretary, requesting that official languages factor into the expenditure review process, there is no mention of expenditure review activities in the plan, nor is there any mention of measures or commitments stemming from the Secretary's July 2010 response.

RECOMMENDATION 1

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat develop an official languages action plan that includes:

- a) specific measures and activities to ensure that obligations under Part VII of the *Official Languages Act* factor into the decision-making process during expenditure reviews, which measures include providing guidance and support to institutions during expenditure reviews; and
- b) clear timeframes, performance indicators and accountability mechanisms for the measures and activities listed.

OFFICIAL LANGUAGES ACCOUNTABILITY FRAMEWORK

An official languages accountability framework establishes the guiding principles for the effective management of an institution's official languages program. It also establishes and defines the roles and responsibilities of the official languages champion, senior executives, managers, team leaders and all employees who have obligations under the Act. The Secretariat does not have an official languages accountability framework. It submitted an excerpt from its *Official Languages Action Plan for 2012-2015* as a substitute for an accountability framework. This document outlines the roles related to official languages for members of the Secretariat's Executive Committee, managers, employees and members of the Departmental Advisory Committee on Official Languages.

The analysis of this document showed that it does not include all the information that would be expected in an official languages accountability framework. There are no references to roles such as an official languages champion or a national coordinator for the implementation of section 41 of the Act. Interviews revealed that the Secretariat has named individuals to fulfill these two roles. The document does not contain information related to the coordination of the official languages program or how the various individuals with responsibilities will be held accountable.

An official languages accountability framework would be expected to include references to obligations under all parts of the Act under which the institution has responsibilities. The information on roles and responsibilities provided in the *Official Languages Action Plan for 2012-2015* primarily references responsibilities that deal with the internal official languages program, such as duties under Part V of the Act. The only reference to responsibilities under Part VII of the Act relates to promoting awareness of the two official language groups among the Secretariat's employees. There are no references to other responsibilities under Part VII of the Act, such as taking positive measures that support and assist the development of official language minority communities.

An official languages accountability framework would also be expected to cover official languages responsibilities related to all of the institution's key activities. During this audit, it was a challenge to understand which part of the Secretariat was accountable for ensuring that official languages were part of the decision-making process during the SOR. After a number of interviews, it was still unclear as to which part of the Secretariat was responsible for providing institutions with the necessary guidance and support during the SOR to be able to determine whether the initiatives in their proposals would have an impact on the vitality of official language minority communities.

The challenges related to clarifying official languages accountabilities at the Secretariat were compounded by the fact that the institution is responsible for supporting the Treasury Board in meeting its obligations under Part VIII of the Act. Under this part of the Act, the Treasury Board is responsible for the general direction and coordination of the federal government's policies and programs relating to the implementation of Parts IV, V and VI of the Act. This responsibility primarily consists of two roles: helping federal institutions to understand and meet their obligations, and monitoring federal institutions and reporting on the results. Interviews confirmed that the Official Languages Centre of Excellence (OLCE) is the part of the Secretariat responsible for administering the official languages program as it relates to supporting the Treasury Board in its responsibilities under Part VIII of the Act. However, interviews also revealed that the OLCE does not have any responsibilities related to the administration of Part VII of the Act in support of the Secretariat's programs, activities or exercises.

Given the OLCE's role to provide advice and support to all federal institutions in terms of Parts IV, V and VI of the Act, some Secretariat representatives who were interviewed stated that official languages-related guidance for institutions, including Part VII of the Act, would have been provided by the OLCE during the SOR. However, the OLCE representative repeatedly maintained that the OLCE was responsible only for providing ongoing guidance to institutions with respect to Parts IV, V and VI of the Act. Although Part VIII of the Act sets out the Treasury Board's responsibilities, the roles outlined in the *Official Languages Action Plan for 2012-2015* make no mention of which part of the Secretariat, as the administrative arm of the Treasury Board, is responsible for administering the program related to the obligations under Part VIII of the Act, nor does it mention any of the OLCE's other responsibilities. To clarify the various roles and responsibilities within the Secretariat, a full and complete official languages accountability framework at the Secretariat would be expected to make a clear distinction between the roles and responsibilities for administering the Treasury Board's obligations under Part VIII of the Act and its obligations as a regular federal institution under all parts of the Act, including Part VII.

During the audit, we received a draft copy of the Secretariat's *Official Languages Roles and Responsibilities* to be included in its 2015–2018 official languages action plan. In this document, the Secretariat included responsibilities related to the OLCE as well as the division responsible for the official languages program within the Secretariat. This is a positive first step; however, we believe accountability mechanisms and further clarifications on roles related to official languages in all Secretariat activities are required to ensure that Part VII obligations are met.

RECOMMENDATION 2

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat develop and implement an official languages accountability framework that clearly defines all of its obligations. This framework must:

- a) clarify the role and responsibilities of the various sectors and individuals responsible for the administration and implementation of all parts of the *Official Languages Act*, including Part VII;
- b) include coordination mechanisms and indicate how those responsible for the various programs and activities will be held accountable; and
- c) be approved by senior management and clearly communicated to all employees.

POLICIES, GUIDELINES AND STANDARDS

During interviews, representatives of the Secretariat stated that no specific policies, guidelines or standards had been developed to help ensure that the Secretariat takes its Part VII obligations into account during expenditure review exercises. When guidance for each expenditure review process takes Part VII obligations into full account, separate policies and guidelines are not necessarily required. However, without an overarching policy, guideline or accountability framework that sets out obligations during expenditure reviews, there is a risk that institutions will not consistently ensure that their Part VII obligations are taken into account in every exercise. We encourage the Secretariat to create guidelines on proposal writing for expenditure reviews that include information, guidance, advice and explanations on applying Part VII of the Act during an expenditure review process.

- b) Verify that the Treasury Board of Canada Secretariat, when assisting institutions in preparing their Strategic and Operating Review proposals, had developed and provided institutions with policies, tools and directives that provided specific guidance on the institutions' obligation to analyze the potential impact on official language minority communities.

GUIDANCE PROVIDED TO INSTITUTIONS

In July 2011, the Secretariat provided several documents to federal institutions, the purpose of which was to help institutions draft their proposals and ensure consistency across organizations. The documents included *Drafting Guidance for the Strategic and Operating Reviews* (Drafting Guidance), an SOR reporting template called *Presentations to the Ministers of the Treasury Board Strategic and Operating Review Committee* and an Excel template that included information required for the reporting template. In the Drafting Guidance document, under section 1.3 related to overall considerations and impacts, official languages are provided as an example of legal risks or *Canadian Charter of Rights and Freedoms* implications. They are mentioned again in section 4.1 on the nature of the impact (under impact assessment) as an example of potential legal impacts. Official languages are also one of the “nature of the impact” selections that can be made in the drop-down menu in the Excel template when looking at impact assessments. In this section of the template, federal institutions are required to provide a summary of the impact and a risk rating for each of the proposals submitted. There is no indication that the Secretariat provided specific guidance to institutions during the SOR in order to help them take official languages into account and analyze potential impacts.

The program sectors, which are responsible for interacting with institutions and analyzing proposals during the SOR, were provided with additional official languages guidance, including a template called *Analysis of Initiative's Impact on Official Languages*. The grid provided clear questions to help determine the potential impact on all parts of the Act, including Part VII. It also provided clear direction on the steps to take if a potential impact on official languages is identified.

The preamble to the grid states that “this grid should be completed in collaboration with the person in charge of the initiative and the person responsible for official languages within the targeted institution. It could be advisable to consult the legal services of the institution.” While it appears from the wording in this preamble that the grid was developed with the intention of its being completed together with federal institutions, it was never included in the initial package of information sent to the institutions. We also learned that the grid was sent by e-mail to the Secretariat's program analysts on September 15, 2011, which was too late in the proposal-drafting process for the program analysts to complete the grid together with the institutions. Several program analysts who were interviewed assumed that this grid had been shared with the institutions and stated that it was information that would typically be provided to institutions for other exercises. When asked why the grid had not been shared with the institutions, the sector responsible for creating the grid responded that the objective of the grid was to inform the Secretariat's analysts and not to provide guidance to institutions.

Although the Secretariat did not provide the grid to institutions nor complete the grid together with institutions during the SOR, we learned that the Secretariat does provide more specific information to institutions for other exercises that it coordinates. For instance, when a federal institution prepares a submission for funding of a new program, the Secretariat guides and supports organizations during all phases of the Treasury Board submission process. As part of the support it provides to institutions, it has created detailed guidance for submission writers that includes a section on official languages requirements. This section of the Treasury Board submission guidance provides very clear and specific information on what is necessary to determine whether there is a potential impact on official languages. This information covers all pertinent parts of the Act, including Part VII. The guidance for Treasury Board submissions also requires institutions to complete and submit a checklist that helps them to consider all of their official languages obligations. A Treasury Board submission is considered incomplete if this checklist is not provided. When asked why specific guidance similar to this was not provided to institutions during the SOR, the Secretariat said that it will sometimes coordinate its activities with Canadian Heritage (which is responsible for the oversight of Part VII of the Act) to provide assistance to institutions and to ensure that the information they provide is as complete as possible. However, the analysis found that the information provided to institutions for the SOR was not nearly as complete as that provided for Treasury Board submissions.

RECOMMENDATION 3

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat provide detailed official languages requirements in the drafting guidance for federal institutions during expenditure review exercises. This drafting guidance must:

- a) include specific guidance for the systematic and mandatory analysis of the impact of the institutions' expenditure review proposals on all of their official languages obligations, including Part VII obligations; and
- b) be shared with federal institutions along with the general drafting guidance for the exercise so as to allow federal institutions to take the information into account during the proposal-drafting phase.

OBJECTIVE 2: TO DETERMINE WHETHER THE TREASURY BOARD OF CANADA SECRETARIAT CAN DEMONSTRATE THAT IT TOOK ITS OBLIGATIONS UNDER THE OFFICIAL LANGUAGES ACT INTO ACCOUNT WHEN CONDUCTING ANALYSES IN VIEW OF PROVIDING RECOMMENDATIONS ON PROPOSALS DURING THE STRATEGIC AND OPERATING REVIEW.

- a) Verify that the Strategic and Operating Review analysis process and analyst capacity were sufficient to ensure that potential impacts on official language minority communities were taken into full account.

ANALYST CAPACITY

Interviews revealed that program analysts (including senior advisors, advisors and analysts) were the key liaison with client institutions responsible for submitting SOR proposals. The role of these analysts during the SOR process was twofold: providing guidance and support to institutions during the summer of 2011 before the institutions submitted final proposals on October 5, and analyzing and challenging proposals. The analysts were also responsible for drafting recommendations for senior management to bring to the SORC following receipt of the final proposals. We were told that the institutions had one point of contact—their analyst—and that there was a great deal of back-and-forth communication between the institution and the analysts before final proposals were submitted.

Our examination of analyst capacity during the SOR was based on two factors. To determine whether the capacity was sufficient, we verified whether there were enough individuals to perform the duties and whether the individuals had sufficient knowledge or access to knowledge about official languages obligations in order to effectively analyze proposals in terms of potential impacts on official language minority communities.

With regard to the first factor, that of sufficient numbers, we learned that, depending on the size of the institution or file, there might be one or several analysts in the program sector responsible for analyzing proposals in a given portfolio. We also learned that two individuals in the OLCE were assigned to provide specialized assistance and answers to official languages-related questions. Interviews with Secretariat representatives revealed that, although timelines were tight and the workload was often heavy, there were enough analysts to provide assistance to institutions and to conduct a full analysis of the proposals received. The OLCE program specialist also told us that there were few questions on official languages and that the workload was acceptable for the two official languages specialists assigned to the task.

With regard to the analysts' ability to ensure that potential impacts on official language minority communities were taken into full account, interviews with program analysts confirmed that they have a general understanding of official languages. They have acquired this knowledge primarily through experience, as analyzing Treasury Board submissions falls under their usual responsibilities. As stated previously, Treasury Board submissions require institutions to complete an analysis of the impact on official languages, and part of the role of the Secretariat's program analysts is to challenge the institutions on their analysis.

The program analysts also acquired some generalized knowledge on official languages through training they received in September 2011. The main objective of this training—which was provided by the OLCE, but whose content reflected advice from Canadian Heritage—was to help the analysts assess potential impacts on official languages when reviewing proposals they had received. From our analysis of the content of the training and from interviews with those who had taken it, we believe that it sufficiently prepared the analysts for reviewing proposals. Along with the training, the analysts also received the template called *Analysis of Initiative's Impact on Official Languages*, which, as previously mentioned, provided clear questions to help determine the potential impacts on all parts of the Act, including Part VII. Although it falls outside the scope of this audit, it is important to note that the Secretariat has also developed, in 2015, a workshop for program analysts to improve their understanding of the Secretariat's role and obligations under the Act as they pertain to Treasury Board submissions. Our review of this workshop was very favourable, and we commend the Secretariat and Canadian Heritage for this positive initiative.

Although program analysts are generalists and received training on official languages to help them in their role, they are also adequately supported by specialists in various fields who can assist with answering more specific questions. Interviews revealed that specific questions on official languages that analysts could not answer were routed to two specialists from the OLCE, which is located within the Secretariat. The analysts felt that they were well supported by these specialists.

Given the information, training and support provided to analysts, we feel that analysts had sufficient knowledge or access to knowledge to be able to ensure that potential impacts on official language minority communities were taken into account during the analysis of SOR proposals.

SOR ANALYSIS PROCESS

Our review of the process used during the SOR was based primarily on information received during interviews with analysts, managers and senior executives involved in the file. Although we did not receive a process map for the SOR, we did receive several documents and e-mails that supported the timelines and information provided during the interviews. The information gathered helped us to analyze, to varying degrees, the following key steps during the SOR:

- June 6, 2011: Tabling of Budget 2011 and announcement of the SOR
- July 5, 2011: Guidance provided by the Secretariat to all institutions
- July–October 2011: Series of exchanges between Secretariat representatives and institutions while proposals are drafted
- October 5, 2011: Deadline for submission of proposals to the Secretariat
- Fall 2011: Analysis of proposals by the Secretariat and drafting of recommendations for the SORC
- Fall and winter 2011: SORC deliberations and decisions based on the Secretariat's recommendations
- March 29, 2012: Decisions announced in Budget 2012

Although the program analysts were provided with sufficient tools and training to take official languages into account during the analysis of the proposals, the audit revealed that the tools and training were not provided until September 15, 2011. Therefore, this information came too late to benefit the Secretariat's analysts in the series of exchanges with the institutions in the summer of 2011 when proposals were being drafted. The information could have helped during these exchanges, as the analysts were the key contact with the institutions and provided them with guidance and support, including advice on factors to consider when drafting their proposals. During the interviews with the analysts, our understanding was that official languages were not the most important factor or impact to consider for some institutions and were sometimes overshadowed by other risks or priorities. When official languages are not a priority for an institution, there is a risk of their not getting the necessary

attention. We believe that if the tools on official languages had been provided to the analysts at the beginning of the process, they might have helped the analysts to emphasize the importance that needed to be accorded to official languages during the proposal-drafting phase.

- b) Verify that the Treasury Board of Canada Secretariat took measures during the analysis of proposals to ensure that institutions considered the needs of official language minority communities by analyzing any potential impacts of budget reductions on these communities.**

ANALYSIS OF POTENTIAL NEGATIVE IMPACTS ON OFFICIAL LANGUAGE MINORITY COMMUNITIES

In the interviews conducted during the audit, the Secretariat confirmed that it had taken measures to ensure that institutions considered the impact of budget reductions on official languages, including potential impacts on official language minority communities. For instance, institutions were asked to provide information on risk-mitigating measures if their proposed initiative was deemed to have a potential negative impact on official languages. Also, part of the role of the analysts during the SOR process was to challenge the institutions' analysis and proposals. If the analysts deemed the proposed measures insufficient or if they felt that there were potential impacts that had not been identified, part of their role during the process was to challenge the institutions' analysis.

Although verbal confirmations were received during interviews that the Secretariat ensured institutions took official languages obligations into account, a verbal confirmation is insufficient for the purposes of an audit to fully validate whether the Secretariat took measures to ensure that institutions considered the needs of official language minority communities or whether it took into account the institutions' analysis of potential impacts on these communities. During the audit, we submitted requests to access and review any elements of proposals or any analysis related to proposals that made reference to official languages. The Secretariat, citing Cabinet confidence, denied us access to documents and analyses prepared by the analysts during the audit. We were therefore unable to obtain the information and analysis collected, drafted or prepared by the Secretariat for the SOR with regard to the proposals presented to the SORC. This denial of access applied equally to documents in their entirety and excerpts of documents that refer to official languages. The Secretariat also informed us that employees would not be allowed to discuss details of the content of any documents or analysis related to the SOR, stating that it also considers this to fall under Cabinet confidence.

Because of the lack of documentation and information received, we were unable to fully validate the second criterion of Objective 2 during this audit.

Interviews revealed that the Secretariat's Expenditure Management Sector was responsible for coordinating the SOR. Its responsibilities included tagging and tracking impacts in the proposals received from the various departments. The Secretariat explained that organizations would include an overall assessment of the risks associated with their proposals in the SOR reporting template and that this document was submitted to the ministers. It was verbally confirmed that the Secretariat tracks the cumulative impacts of all identified risk factors, including official languages. However, we also learned that no additional analysis was conducted on these cumulative impacts by either the institutions or the Secretariat, and that the information was instead presented to the SORC as is. Although this type of analysis falls outside of the scope of this audit, we believe that analyzing these types of cumulative impacts would provide another important opportunity to determine whether official language minority communities could be adversely affected by the proposed initiatives. Simply tagging and tracking the incidents might not highlight the same concerns.

c) Verify that, when preparing recommendations to the Treasury Board, the Treasury Board of Canada Secretariat took into account the institutions' analysis on potential impacts to official language minority communities.

In the interviews conducted during the audit, the Secretariat confirmed that it was part of the SOR process for the Secretariat to consider all institutional analysis on potential impacts, including impacts on official languages, when preparing recommendations to the SORC. However, we were denied access to documentation or proof to validate these verbal statements. We were therefore unable to fully validate the third criterion of Objective 2 during this audit.

CONCLUSION

The information provided by the Secretariat revealed significant weaknesses regarding its compliance with Part VII of the Act during the SOR. The Secretariat needs to take several concrete steps to comply with Part VII of the Act during expenditure reviews, such as listing specific measures in its official languages action plan, clarifying the roles and accountabilities with respect to Part VII of the Act, and providing clear, specific and timely guidance to institutions on how they should take official languages obligations into account during expenditure reviews. The conclusions drawn in the context of this audit and the resulting recommendations made to the Secretariat are limited by the information we received and the Secretariat's claims of Cabinet confidence.

The Commissioner has made three recommendations to improve the ways in which the Secretariat meets its Part VII obligations during expenditure reviews. We are satisfied with the proposed measures for recommendations 1 and 2. However, we are only partially satisfied with the measures proposed in response to recommendation 3. These recommendations, the Secretariat's comments and action plan for implementing the recommendations, and the Commissioner's comments all appear in Appendix B of this report. We maintain that the Secretariat must implement all of the recommendations to meet its obligations under Part VII of the Act.

ABOUT THE AUDIT

This audit was carried out in compliance with the standards set forth in the Office of the Commissioner of Official Languages' external audit policy.

SECRETARIAT ACTIVITIES VERIFIED

The Secretariat has a dual mandate of supporting the Treasury Board and fulfilling its responsibilities as a central agency.

When working with federal departments, agencies and Crown corporations, the Secretariat plays three central agency roles:

- A leadership role in driving and modeling excellence in public sector management and in identifying and launching government-wide horizontal initiatives that target administrative efficiencies;
- A challenge and oversight role that includes reporting on the government's management and budgetary performance and developing government-wide management policies and standards; and
- A community enabling role to help organizations improve management performance.¹

The audit focused primarily on the Secretariat's first two central agency roles, specifically on those functions in the context of the SOR. The purpose of the SOR was to improve the efficiency and effectiveness of government operations and programs so that the federal budget could be balanced in 2014–2015. The SOR was announced in Budget 2011, and the results of the SOR were presented in Budget 2012. Budget 2011 also announced that the SOR would be led by the President of the Treasury Board, who would chair the committee responsible for assessing departmental proposals. As the administrative arm of the Treasury Board, the Secretariat was responsible for the administration and organization of the SOR.

SCOPE AND APPROACH

This audit of the Secretariat was conducted from March 2014 to December 2014. Although the initial meeting with the institution, including the presentation of objectives and criteria, took place in March 2014, the Office of the Commissioner had initiated exchanges with the Secretariat as early as August 2013 in order to determine what types of information it might be able to access in the context of the audit.

The audit sought to evaluate the Secretariat's obligations under Part VII of the Act during the SOR. During the audit, we examined the information and documents that had been developed and used in the context of the SOR. In particular, SOR-related guidelines, templates, action plans and other documents and processes were reviewed, as well as processes related to official languages. We also planned to review documents referring to the Secretariat's analysis process, such as file notes, meeting minutes, analysis grids and any portions of proposals that referred to official languages in the context of the SOR. However, this information was not provided, because the Secretariat cited Cabinet confidence. During the audit, we met with more than a dozen Secretariat representatives, including executives, managers, analysts and specialists, who were involved either in the SOR analysis process or in the Secretariat's official languages program.

We would like to thank the Secretariat's internal audit unit for its ongoing cooperation and assistance during this audit.

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¹ Treasury Board of Canada Secretariat, *2014-15 Report on Plans and Priorities*, www.tbs-sct.gc.ca/rpp/2014-2015/tbd/tbd02-eng.asp#sec1_2_2.

APPENDIX A

AUDIT OBJECTIVES AND CRITERIA

OBJECTIVES	CRITERIA
<p>1) To determine whether the Treasury Board of Canada Secretariat had a planning strategy for the Strategic and Operating Review that took into account its obligations under Part VII of the <i>Official Languages Act</i>.</p>	<p>a) Verify that the Treasury Board of Canada Secretariat had planned and developed a strategy, an official languages action plan and an official languages accountability framework, as well as policies, guidelines and standards that ensured that it would have taken its Part VII obligations into account during the Strategic and Operating Review.</p> <p>b) Verify that the Treasury Board of Canada Secretariat, when assisting institutions in preparing their Strategic and Operating Review proposals, had developed and provided institutions with policies, tools and directives that provided specific guidance on the institutions' obligation to analyze the potential impact on official language minority communities.</p>
<p>2) To determine whether the Treasury Board of Canada Secretariat can demonstrate that it took its obligations under the <i>Official Languages Act</i> into account when conducting analyses in view of providing recommendations on proposals during the Strategic and Operating Review.</p>	<p>a) Verify that the Strategic and Operating Review analysis process and analyst capacity were sufficient to ensure that potential impacts on official language minority communities were taken into full account.</p> <p>b) Verify that the Treasury Board of Canada Secretariat took measures during the analysis of proposals to ensure that institutions considered the needs of official language minority communities by analyzing any potential impacts of budget reductions on these communities.</p> <p>c) Verify that, when preparing recommendations to the Treasury Board, the Treasury Board of Canada Secretariat took into account the institutions' analysis on potential impacts to official language minority communities.</p>

APPENDIX B

LIST OF RECOMMENDATIONS BY OBJECTIVE, THE TREASURY BOARD OF CANADA SECRETARIAT'S COMMENTS AND ACTION PLAN AND THE COMMISSIONER'S COMMENTS

In its response to the preliminary audit report, the Secretariat stated that “the Treasury Board, and by extension [the Treasury Board Secretariat], has no authority over the general direction and coordination of Part VII of the [Official Languages Act]. More specifically, the Treasury Board has no power to establish or recommend policies or directives, offer guidance and support to federal institutions or exercise a formal oversight role in regard to Part VII of the [Act]”. The Secretariat also said that it “does not have a centre of expertise on the implementation of Part VII similar to areas in which [the Treasury Board] has responsibility, such as financial management and human resources management. Such roles would not be consistent with the [Secretariat's] mandate or with the framework provided by the [Act].”

As mentioned in the introduction of this report, in the section entitled “Obligations of the Secretariat under the *Official Languages Act*,” there is a distinction to be made between the responsibilities of the Secretariat and the responsibilities of Canadian Heritage in relation to Part VII of the Act. Although the Secretariat is not responsible for coordinating or overseeing Part VII, it must, like all federal institutions, comply with subsection 41(2) of the Act. Therefore, in any activities or exercises that it is responsible for administering, including budgetary expenditure reviews and operational reviews, the Secretariat must comply with the requirements of Part VII of the Act. This is not just a good practice, but rather an obligation that must be met.

OBJECTIVE 1

RECOMMENDATION 1

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat develop an official languages action plan that includes:

- a) specific measures and activities to ensure that obligations under Part VII of the *Official Languages Act* factor into the decision-making process during expenditure reviews, which measures include providing guidance and support to institutions during expenditure reviews; and
- b) clear timeframes, performance indicators and accountability mechanisms for the measures and activities listed.

THE TREASURY BOARD OF CANADA SECRETARIAT'S COMMENTS AND ACTION PLAN

The Treasury Board Secretariat's Official Languages Action Plan covers Parts IV, V, VI and VII of the *Official Languages Act* and includes specific activities, timeframes and expected outcomes to ensure that it meets its official languages obligations.

This Plan will be modified by December 31, 2015, to reflect the Secretariat's intention to continue with the good practices noted in the audit report during future expenditure reviews.

COMMISSIONER'S COMMENTS

We are satisfied that the Secretariat will modify its action plan to reflect activities relating to expenditure reviews.

Although the action plan does not specify the modifications the Secretariat plans to make, we expect to see the items listed in the recommendation.

RECOMMENDATION 2

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat develop and implement an official languages accountability framework that clearly defines all of its obligations. This framework must:

- a) clarify the role and responsibilities of the various sectors and individuals responsible for the administration and implementation of all parts of the *Official Languages Act*, including Part VII;
- b) include coordination mechanisms and indicate how those responsible for the various programs and activities will be held accountable; and
- c) be approved by senior management and clearly communicated to all employees.

THE TREASURY BOARD OF CANADA SECRETARIAT'S COMMENTS AND ACTION PLAN

The Treasury Board Secretariat will build upon existing roles and responsibilities within its official languages action plan to develop an official languages accountability framework by March 31, 2016, which will clarify its obligations, the roles and responsibilities of various sectors and individuals, and the coordination mechanisms in place within the Secretariat.

The official languages accountability framework will be approved by senior management and communicated to all employees.

COMMISSIONER'S COMMENTS

We are satisfied with the measures proposed for implementing this recommendation.

RECOMMENDATION 3

The Commissioner of Official Languages recommends that the Treasury Board of Canada Secretariat provide detailed official languages requirements in the drafting guidance for federal institutions during expenditure review exercises. This drafting guidance must:

- a) include specific guidance for the systematic and mandatory analysis of the impact of the institutions' expenditure review proposals on all of their official languages obligations, including Part VII obligations; and
- b) be shared with federal institutions along with the general drafting guidance for the exercise so as to allow federal institutions to take the information into account during the proposal-drafting phase.

THE TREASURY BOARD OF CANADA SECRETARIAT'S COMMENTS AND ACTION PLAN

During the Strategic and Operating Review, the Treasury Board Secretariat provided explicit guidance on the responsibility of federal institutions to consider the official languages impacts of savings proposals on official language minority communities.

While this was a good practice and not a statutory obligation, as part of striving to improve its processes and practices, the Secretariat will consult and engage with Canadian Heritage by December 31, 2015, to seek feedback on the effectiveness of the Secretariat's guidance on conducting impact assessments related to savings proposals, including those impacts related to official language minority communities, and will revise its guidance, if warranted. The Secretariat will ensure that, in cases where it provides such guidance, it be disseminated to federal institutions early in the process.

COMMISSIONER'S COMMENTS

We are partially satisfied with the measures proposed for implementing this recommendation. We recognize that the guidance provided by the Secretariat regarding the responsibility of federal institutions to consider the impact of official languages is specific. However, it is incomplete, because it does not require the federal institutions to conduct a systematic analysis of the impacts of expenditure reviews on official language communities. The response provided does not enable us to conclude that the Secretariat will take these aspects of the recommendation into consideration. However, we have observed that the Secretariat already has tools that could be used to develop appropriate drafting guidance for expenditure review exercises.

We are satisfied that the Secretariat intends to provide all of the information to federal institutions early in the process.

Consultations with Canadian Heritage constitute a good practice because of its coordination role under Part VII.

OBJECTIVE 2: NO RECOMMENDATIONS