Treasury Board of Canada Secretariat
Secrétariat du Conseil du Trésor du Canada

# Reduction of administrative overhead and paper burden related to Treasury Board submissions - TB Circular 1995-3 (Archived)

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**Circular No.**: 1995-3

**Date**: July 13, 1995

**To**: Deputy heads of departments and heads of agencies

**Subject**: Reduction of administrative overhead and paper burden related to Treasury Board submissions

## Summary

This circular outlines new initiatives to improve management and accountability by decreasing the administrative overhead and paper burden of departments, including a reduction in minor and technical submissions to the Treasury Board.

## Background

The changes announced in this circular reflect the ongoing commitment of the Treasury Board and its Secretariat to reducing overhead and paper burden. The Secretariat is working to make sure that policies take into account the potential savings in removing unneeded controls. It recognizes that, in addition to savings, better service can result from giving departmental management more flexibility. The Board will introduce more changes like those in this circular as its policy review progresses.

## Application

It applies to all departments as defined in the *Financial Administration Act*, Section 2: (a), (b), and (d) and to the National Capital Commission regarding items 2(iii) and (iv) in the appendix to this circular.

## Implementation

These changes are effective June 8, 1995.

## Details

The details appear in an appendix to this circular.

## Treasury Board Manual

These policy changes and new authorities will be incorporated into the appropriate volume of the Manual.

## Enquiries

Please direct requests for more information or clarification about the topics in this circular to the following organizations of the Treasury Board Secretariat:

- on contracting and government contracts policy and regulations to the Contracting Management Group, Financial and Information Management Branch, (FIMB);
- on capital projects and major Crown projects to the Projects, Procurement and Risk Management Group, FIMB;
- on cash management to the Financial Management Policy Division, FIMB;
- on blanket authorities for the approval of pension benefits and on the *Public Service Employment Act* to the Human Resources Branch;
- on materiel management, real property, grants, contributions and other transfer payments, non-controversial items in a Supplementary Estimates submission,

handling of Orders in Council, the remission of taxes and penalties, the *Prairie Farm Rehabilitation Act*, Vote 5 paylist shortfalls, and Treasury Board policy rationalization to your department's program analyst in the Program Branch; and
- on the Treasury Board Secretariat's strategic policy and program monitoring system to the Evaluation, Audit, and Review Group, FIMB.

R. J. Giroux

Secretary of the Treasury Board and Comptroller General of Canada

Attachment Lists: T004,T005,T006,T007,T008,T009,T010,T011,T012,T013,T022,T023,T024,T161, TBO5, TBO6, TBO7, TB10

This appendix provides a description of the changes effective June 8, 1995.

## 1. Policy amendments

**The Board approved the following nine policy amendments.**

1. **It raised contracting thresholds in three departments, the Canadian International Development Agency (CIDA), National Film Board (NFB), and Revenue Canada, to signal that the government supports more open competition.**
    1. CIDA: for competitive aid contracts: "entry into" from $4 million to $10 million, and "amendments to" from $2 million to $5 million.
    2. for contracts for producer services in making films from $100,000 for "entry into" and $25,000 for "amendments to" to $250,000 for "entry into and amendments to" combined.
    3. for competitive contracts for printing using the Open Bidding Service for "printing": "entry into" from $400,000 to $1 million, and "amendments to" from $200,000 to $500,000.
2. **It increased departmental approval authorities for capital projects below an appropriate limit.**

This removes the requirement for departments to seek Treasury Board authority, except when the Board specifically requests them to do so for capital projects below an appropriate limit. For departments with separate capital votes, this should generally be around $20 million or 10 per cent of their capital budget, whichever is smaller; for departments that do not have separate capital votes, the threshold would be $3 million.

The Board will examine authorities department by department at the first opportunity with a view to approving a long-term capital plan or reviewing a Business Plan.

To give the Treasury Board the opportunity to request submissions below these levels, departments must briefly describe prospective capital projects costing above an appropriate floor (i.e., generally $2 to 5 million for departments with capital votes and $1 million for others) in an annex to their Business Plans. Based on this information, the Secretariat will recommend to the Board which, if any, projects require a submission seeking preliminary, or some other form, of approval. The following criteria will have major influences on the Secretariat's recommendations: whether a department has a sufficiently viable and accurate long-term capital plan; whether it has an appropriate internal approval process; and whether the project entails significant government-wide risks or touched on the interests of other departments.

If a department did not identify a prospective project in its Business Plan and the project cannot wait until the next Plan, it must ask the Secretariat to determine whether a submission is required.

3. **It has delegated authority to the appropriate ministers to approve certain technical changes and exceptions to the terms and conditions governing grants, contributions, and other transfer payments.**
    1. Authority to amend terms and conditions previously approved by the Treasury Board except for:
        - the program objectives of the grant(s) or contribution(s);

        - the identification of the recipient or definition of the class of eligible recipients;
        - basic financial parameters (e.g., the total amount payable under a class of contributions if applicable or the total amount payable annually if applicable);
        - the maximum amount payable to any recipient;
        - all conditions under which a contribution is repayable; and
        - any conditions that the Treasury Board specifies may not be changed without its approval.
    2. Authority to extend the applicability of terms and conditions for up to one year as long as the fiscal consequences stay within the department (i.e., no adjustments to reference levels required).
    3. All amendments to terms and conditions made under authorities delegated to the appropriate ministers must be consistent with government and Treasury Board policies.
    4. Authority to approve exceptions to the maximum amount payable to any recipient up to 25 per cent in excess of the maximum amount approved by the Treasury Board as long as any such exceptions are consistent with government policies and Cabinet policy decisions and the fiscal implications stay within the department.
    5. Departments must:  consult the Secretariat about whether Treasury Board approval is needed before implementing changes under these delegations; and inform the Secretariat in writing of any amendments or exceptions approved under these provisions within one month after the appropriate minister has approved them.
4. **Departments may seek approval for Vote 5 paylist shortfalls by a letter from their senior financial officer to the director of the Estimates Division of the Treasury Board Secretariat, which would then seek approval annually from the Treasury Board through an aide-m�moire.**
5. **Departments may include non-controversial technical items (e.g., year-end vote transfers, increases in appropriations required solely to comply with the policy on accounting for non-monetary transactions ) in a**

**Supplementary Estimates submission without the Board's prior authorization if a Secretariat official at the director level or above has agreed to it beforehand.**

6. **The Treasury Board Secretariat must ensure that current procedures in the Treasury Board Submissions Guide (part of the *Treasury Board Manual*) for handling Orders in Council authorizing federal-provincial agreements are carried out in order to limit the Board's involvement to substantive issues or to where it has to make recommendations before the Order may go to the Privy Council Office.**
7. **The Board amended its Materiel Management Policy as follows.**
    1. **It amended the policy statement to include the following:**
       "Departments provide employees with materiel required to carry out their work in an efficient, economic, productive, and safe manner."
    2. **It amended the policy requirements to include the following:**
       "Automated information systems and supporting technology must be used to manage materiel resources and materiel management functions when investments are cost-effective and can improve the materiel management function.

       The full cost of inventories (purchasing and holding costs) must be visible and distributed to the end-user.

       Furniture, materiel, and equipment must be provided to employees in an equitable manner consistent with the services being provided."
8. **It directed the Treasury Board Secretariat to ensure, as specified in the policy, that progress reports on major Crown projects are submitted only at key events or milestones.**
9. **The annual submission of the cash management report by Treasury Board Secretariat is discontinued, and correspondingly, departments are no longer required to submit cash management information annually to Treasury Board for that purpose.**

## 2. Legislative and regulatory amendments

**The Treasury Board invites the appropriate ministers, if the opportunity presents itself, to put forward the following legislative and regulatory amendments.**

1. **Change sections 23 (1) and 23 (2) of the *Financial Administration Act* (FAA) dealing with the remission of taxes and penalties as follows:**
   1. amend section 23, as appropriate, to remove the requirement for the Treasury Board to recommend the approval of Orders in Council authorizing the remission of premium payments into the Unemployment Insurance Account, the Canada Pension Plan, or any similar government program; and
   2. introduce, pending an opportunity to amend the Act, streamlined procedures for seeking the Board's approval of these Orders in Council -- specifically, to process these submissions in the routine way (i.e., only the front page of the submission and the Order itself would be included in ministers' books; there would be no pr�cis) and that departments use a very brief form for these submissions.
2. **Change the *Prairie Farm Rehabilitation Act* to remove anachronistic requirements for the Board's approval of threshold limits as follows:**
   - amend section 9 to remove the requirement for the Treasury Board to approve any project or scheme under the Act involving an expenditure of more than $15,000 in any fiscal year by deleting the sub-section that reads "No single project or scheme under sub-section (1) involving an expenditure in excess of fifteen thousand dollars in any fiscal year shall be undertaken without the consent of the Treasury Board."
3. **Amend the *National Capital Act* and *Government Contracts Regulations* to give the NCC comparable flexibility to other Crown corporations.**
   **Alternative 1**: Introduce legislative change and a consequential amendment to the *Government Contracts Regulations* as follows:

   - eliminate subsection 15(3) of the *National Capital Act* (NCA) and make a consequential amendment to the Regulations (i.e., remove the NCC from the definition of "contracting authority" on page B-3). As a result the NCC would no longer be subject to the Regulations and would not have to seek the Board's approval to enter into, or amend, any of its contracts.

**Alternative 2**: Introduce new regulations under the NCA and FAA and a consequential amendment to the *Government Contracts Regulations* as follows:

- introduce regulations under subsections 15(3) of the *National Capital Act* and 41(1) of the FAA with a consequential amendment to the Regulations (i.e., remove the NCC from the definition of "contracting authority"). As a result the NCC would be subject to its own contracts regulations.

4. **Amend the *National Capital Act* (Real Property) to give the NCC the latitude to enter into real property transactions without the approval of the Governor in Council as follows:**
    - amend section 15 to eliminate the requirement for Governor-in-Council approval of real property transactions and to delegate to the Treasury Board the power to establish thresholds beyond which transactions would require the Board's approval.
5. **Amend section 46 of the *Public Service Employment Act* (PSEA) to allow the Public Service Commission to authorize persons to administer oaths and to take and receive affidavits, declarations, and solemn affirmations for any purposes of the PSEA or regulations made under it:**
6. **Amend the *Harbours Commissions Act* (Real Property) to give the Minister of Transport the authority to approve all land leases as follows:**
    Amend section 15 (2) to remove the requirement to seek Governor in Council authority to lease land for a term of more than 25 years.

    An amended section 15 would delete sub-section (2)(b) and amend sub-section (a) to provide the Minister of Transport with the authority to approve all leases.

7. **Amend section 27 (1) of the *Public Harbours and Ports Facilities Act* (Real Property) to remove the requirement for the department to seek the authority of the Governor in Council to lease land for a term of more than 25 years.**

## 3. Blanket authorities for approving pension benefits

**The Board has granted the following blanket approvals under the *Public Service Superannuation Act*:**

1. **payment of pension benefits in misconduct cases;**
2. **validating elections for prior pensionable service; and**
3. **authorizing the President of the Treasury Board to enter into reciprocal pension transfer agreements.**

Contentious or unusual situations will continue to be referred to the Board to prevent an individual's rights from being prejudiced.

## 4. Policy rationalization

**The Board has approved the continuation of the review of its policy instruments to ensure that they focus on results, give departments more flexibility, and clarify the scope of the Board's accountability.**

The initial review has resulted in the cancellation of the following:

- the Furniture and Furnishings Policy;
- the Works of Art Policy; and
- the directive on Increased Ministerial Authority and Accountability (IMAA).

## 5. The Treasury Board Secretariat's strategic policy and program monitoring system

The Board approved the following three elements of the system:

1. a proactive risk-based monitoring capacity in individual policy areas to ascertain whether the policy is the most cost-effective instrument for achieving favourable results, and to determine the extent to which those results are achieved;
2. an evaluation, audit, and review function that analyses the effectiveness of high-risk, strategically important programs and that ascertains the effectiveness of existing monitoring systems; and
3. government-wide studies, when necessary, to examine urgent government priorities such as the issue of year-end spending.

Date modified: