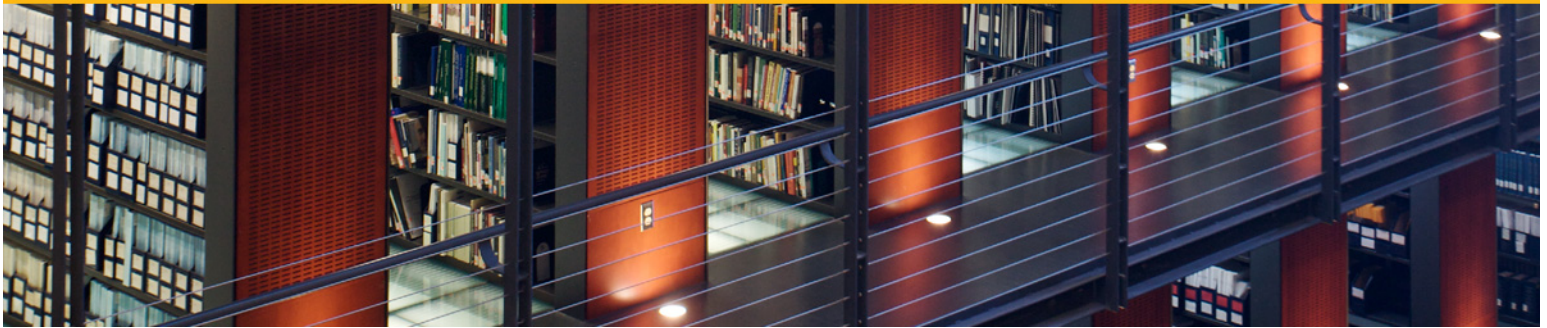




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BACKGROUND PAPER



The Roles and Responsibilities of Central Agencies

Publication No. 2009-01-E
23 April 2009
Revised 22 April 2015

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Parliamentary Information and Research Service

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The Roles and Responsibilities of Central Agencies
(Background Paper)

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Ce document est également publié en français.

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THE ROLES AND RESPONSIBILITIES OF CENTRAL AGENCIES

1 INTRODUCTION

The Canadian federal government is composed of approximately 150 departments, agencies, Crown corporations, commissions and other organizations.¹ The mandates of these organizations is usually set out in founding legislation, and the general roles and responsibilities of the organizations can often be inferred from their name; for example, Health Canada and Environment Canada have overall responsibility for the federal role in health and the environment respectively.

In order to try to manage this large and diverse set of organizations, the federal government has four central agencies: the Prime Minister's Office, the Privy Council Office, the Treasury Board of Canada Secretariat and the Department of Finance Canada.² The term "central agency" has no formal definition and does not reflect a definitive classification. Instead, the term is generally used to designate organizations that have a central coordinating role. These organizations work across government departments to provide advice to the prime minister and Cabinet, and to ensure policy coherence and coordination on their behalf. Central agencies have either formal or informal authority over other departments and often direct their actions. Line departments, on the other hand, provide services directly to Canadians and do not have the authority or mandate to direct other departments in their operations.

The goal of this paper is to explain the key roles and responsibilities of each central agency and to discuss issues facing each of them.

2 PRIME MINISTER'S OFFICE

2.1 INTRODUCTION

The Prime Minister's Office, often referred to as the PMO, serves the political interests of the prime minister. It is staffed by partisan loyalists who hold their position at the pleasure of the prime minister.³ The PMO assists the prime minister in fulfilling his or her roles as a member of Parliament, head of government and leader of a political party.

The size and structure of the PMO change with each prime minister. Originally, the PMO was a small group of exempt political staff who served the prime minister personally. Under Lester Pearson, the PMO had approximately 40 employees, and under Brian Mulroney it had almost 200 employees.⁴ As of April 2015, the PMO had 94 employees, and in 2013–2014, its expenditures were approximately \$8.1 million.⁵

2.2 ROLES AND RESPONSIBILITIES

The precise role of the PMO depends upon the wishes of the prime minister. Generally, the PMO assists the prime minister by:

- providing advice on priorities, the political implications of policy initiatives, and political strategy and tactics;
- planning and coordinating new policy initiatives of interest to the prime minister;
- monitoring emerging issues;
- organizing the prime minister's time, travel and scheduling;
- managing communications with the media;
- advising on personnel and appointments;
- screening and responding to correspondence;
- liaising with ministers and their offices, caucus members and the political party apparatus across the country; and
- preparing the prime minister for question period in the House of Commons and other public engagements.

2.3 DISCUSSION

The PMO does not have independent statutory authority of its own; instead, it derives its authority from the prime minister, who has considerable power. The prime minister is responsible for recommending the appointment of ministers, secretaries of state, parliamentary secretaries, deputy ministers, heads of agencies, and other senior public service personnel.⁶ The prime minister also has significant authority as the head of his or her political party. The prime minister's authority provides senior PMO staff with a great deal of influence when dealing with ministers, senior public servants or members of the prime minister's party. However, as these staff members are not elected, there is some debate about whether these individuals have too much influence and what their appropriate relationship with the public service should be.⁷

Nonetheless, in order to implement effectively the prime minister's agenda, the PMO must work closely with the Privy Council Office, which is the public service organization that serves the prime minister.

3 PRIVY COUNCIL OFFICE

3.1 INTRODUCTION

The Privy Council Office (PCO) is sometimes called the prime minister's department because it reports directly to the prime minister.⁸ Unlike the PMO, the PCO is staffed by public servants who offer non-partisan, but politically sensitive, service and advice. The PCO is headed by the Clerk of the Privy Council and Secretary to the Cabinet. The clerk is the head of the public service and is appointed by the prime minister.

The size and structure of the PCO is generally stable, but some changes may be made to suit the needs of the government. For example, the PCO adjusted when, in 1975, the Federal–Provincial Relations Office became a separate department, and again in 1993, when the office was reintegrated into the PCO. Also, if the Cabinet committee structure changes, then the PCO must change to best serve that structure.

The PCO's planned spending for 2015–2016 was approximately \$121.9 million, and it had the equivalent of 844 full-time employees.⁹

3.2 ROLES AND RESPONSIBILITIES

The PCO has three main roles, each of which will be discussed in turn:

- to provide non-partisan advice to the prime minister and ministers whose functions lie within the prime minister's portfolio;
- to support the Cabinet decision-making process; and
- to act as the principal link between the prime minister and the public service.¹⁰

3.2.1 ADVICE

To support the prime minister's responsibility for the overall policy direction of the government, the PCO assists the prime minister in strategic policy planning, ensuring coordination of the government's policy objectives, and managing major issues. For example, the PCO assists the prime minister in writing the Speech from the Throne and works closely with the Department of Finance Canada when it prepares the budget to ensure that the budget reflects the priorities of the prime minister and Cabinet.

The PCO provides policy advice to the prime minister in specific areas where direct public service support for the prime minister is required. These areas include foreign affairs, defence, national security and intergovernmental affairs, as well as other policy issues of particular concern to the prime minister.

The PCO advises the prime minister on machinery-of-government issues (e.g., whether to create new departments or to restructure current ones), Governor in Council appointments (e.g., deputy ministers and heads of agencies) and constitutional matters.

Additionally, the PCO provides support to the other ministers within the prime minister's portfolio, including the Leader of the Government in the Senate, the Leader of the Government in the House of Commons, and the Minister of Intergovernmental Affairs.

3.2.2 SUPPORT TO CABINET

The PCO acts as the secretariat for Cabinet as a whole and the committees of Cabinet (except Treasury Board, which has a separate secretariat that is discussed below). As the secretariat, the PCO arranges meetings, proposes and circulates

agendas, distributes documents, provides advice to committee chairpersons, and records Cabinet minutes and decisions.¹¹

The PCO works with departments on their proposals to Cabinet, called Memorandums to Cabinet, or MCs, and transmits subsequent Cabinet decisions to departments. This role means that PCO “challenges” departmental submissions to Cabinet to ensure that they meet the information needs of Cabinet and that submissions are consistent with the government’s overall policy direction. The PCO ensures that all ministers and their officials who ought to be interested in a policy proposal are given an opportunity to consider it in advance and to express their views. The PCO also makes sure that departments coordinate their efforts with respect to issues to be presented to Cabinet that cut across departments.

Once Cabinet has made a decision, the PCO generally does not take an active role in its implementation; putting the decision into effect is left to line departments. The PCO does, though, monitor progress against the government’s broad policy commitments as stated in the Speech from the Throne and other policy statements, such as the budget.

Because the PCO is primarily involved in issues that are before Cabinet or are of interest to the prime minister, it tends not to coordinate issues without Cabinet or prime ministerial direction. For example, while issues with respect to Canada’s Aboriginal peoples involve many different departments, the PCO is not responsible for ensuring coordination and collaboration among the many related government programs, unless Cabinet or the prime minister directs it to become involved. In other words, while the PCO is a central agency, it is not centrally involved in all issues.¹²

3.2.3 LINK TO THE PUBLIC SERVICE

The Clerk of the Privy Council and Secretary to the Cabinet is the head of the public service. As such, he or she is responsible to the prime minister for the overall performance and effective management of the public service. The clerk advances the government’s public service management agenda, provides advice on the appointment of senior public service personnel, serves as the spokesperson for the public service and prepares an annual report on the state of the public service.

3.3 DISCUSSION

The PCO does not have formal authority over line departments, but its roles in assisting the prime minister and Cabinet give it substantial influence. Line departments must consider the advice of the PCO very carefully because it generally reflects the wishes of the prime minister or Cabinet. In addition, because the PCO acts as a gatekeeper for the information that is made available to Cabinet, departments must ensure that their submissions reflect the PCO’s guidance. The PCO often filters or summarizes information provided by departments to ensure that the prime minister and Cabinet have adequate supporting information to make informed decisions.

The PCO strives to maintain an independent, non-partisan perspective that allows it to balance serving successive governments and working closely with the prime minister, the PMO and Cabinet in order to assist them in implementing their agenda. However, some have questioned how effectively the PCO maintains that balance, asserting that sometimes senior public servants in the PCO become too close to the prime minister of the day and his or her political staff.¹³

4 TREASURY BOARD OF CANADA SECRETARIAT

4.1 INTRODUCTION

The Treasury Board is a committee of Cabinet composed of the president of the Treasury Board and four other ministers appointed by the prime minister. The Treasury Board is often called the government's management board and has diverse responsibilities for government administration, as outlined in the *Financial Administration Act* and other Acts.¹⁴

The Treasury Board is assisted in fulfilling its responsibilities by a department called the Treasury Board of Canada Secretariat. The Secretariat is headed by the secretary of the Treasury Board, who is the equivalent of a deputy minister. In 2015–2016, the Secretariat had planned expenditures of approximately \$6.9 billion (of this amount, \$6.6 billion was for government-wide funds and public service employer payments and \$247 million was for the Secretariat's program expenditures) and the equivalent of 1,844 full-time employees.¹⁵

The Secretariat also includes the Office of the Comptroller General of Canada, which is responsible for providing government-wide direction and assistance on financial management and the internal audit function.¹⁶

4.2 ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Treasury Board and its Secretariat can be grouped into three broad areas, which will be discussed in turn:

- setting management policies and monitoring management performance;
- overseeing expenditure management and performance information; and
- acting as the principal employer of the public service.¹⁷

4.2.1 MANAGEMENT POLICIES AND PERFORMANCE

The Treasury Board, based on advice from the Secretariat, sets mandatory policies in relation to ministers' and deputy ministers' use of their authorities to manage their departments. These policies ensure that there is a government-wide approach to managing selected administrative issues. The Secretariat groups the policies into seven categories: people (human resources); employee compensation; financial management; service delivery; information management and information technology; official languages; and assets and acquired services.¹⁸

The Secretariat provides departments with advice on the interpretation of policies and supports practitioners in the various policy areas. It also oversees adherence to Treasury Board policies.

The Secretariat monitors management performance through its Management Accountability Framework (MAF). The MAF is a set of management expectations for deputy heads, with associated indicators and measures of performance. Each year, the Secretariat conducts MAF assessments of departments' success in fulfilling the Treasury Board's expectations.¹⁹ These assessments form a part of the evaluation of deputy ministers' performance.

4.2.2 EXPENDITURE MANAGEMENT

The Treasury Board oversees expenditure management within the federal government. The Treasury Board fulfills this role by reviewing submissions from ministers for funding for policy initiatives, conducting an ongoing review of existing programs, and presenting financial and performance information to Parliament.

On behalf of their departments, ministers submit proposals to the Treasury Board seeking approval to allocate resources to policy initiatives previously approved by Cabinet or included in a budget.²⁰ These proposals could include funding for new initiatives or additional funding for existing initiatives.²¹ A submission to the Treasury Board provides detailed information about how the initiative will be funded, how it will be designed and implemented, what results the department expects the initiative to achieve, and how the department will monitor and assess results. The Secretariat reviews and challenges submissions to ensure that they: identify a cost-effective use of resources; incorporate appropriate safeguards to protect public funds; identify a suitable program design that conforms with relevant legislation, regulations and Treasury Board management policies; and identify a sound plan to measure and evaluate program performance. The Secretariat also provides advice to the Treasury Board ministers on submissions, including an overview of related issues and recommendations.

The Treasury Board reviews government spending through the Expenditure Management System.²² A key component of this system is the ongoing review of programs to identify opportunities for reallocations to higher priority programs.²³ Using financial and performance information supplied by departments, the Treasury Board and its Secretariat examine existing programs to determine whether they are achieving their intended results, are economically and effectively managed, and are appropriately aligned with the government's priorities and federal responsibilities.

The president of the Treasury Board presents the government's spending plans, called the estimates, to Parliament for approval as part of an appropriation bill.²⁴ The Secretariat prepares the main and supplementary estimates and provides guidance to departments for the preparation of their reports on plans and priorities (RPPs) and their departmental performance reports (DPRs), which link financial and performance information. In coordination with the Department of Finance Canada, the Secretariat establishes how the Public Accounts, which details the government's actual spending in the previous fiscal year, should be kept and recorded.

4.2.3 PRINCIPAL EMPLOYER

The Treasury Board acts as the principal employer for the federal government. Consequently, it is responsible for labour relations, collective bargaining, and pension and benefits across the core public administration.²⁵ The Secretariat assists the Treasury Board by developing policies on human resources management in such areas as compensation and pay administration, occupational health and safety, and employee entitlements and leave.²⁶

In 2003, certain human resources responsibilities – such as human resources planning and accountability, classification, employment equity, values and ethics, and official languages – were moved from the Secretariat to the Canada Public Service Agency. In February 2009, these responsibilities were consolidated back into the Secretariat, under the authority of the Chief Human Resources Officer.

4.3 DISCUSSION

A key issue for the Treasury Board and its Secretariat is the degree to which they exercise central control over government administration and spending or provide more discretion and flexibility to departments, what might be called “letting the managers manage.” The Treasury Board has a mandate to ensure appropriate administration and financial management within the federal government, but it needs to balance its mandate with due regard for ministerial responsibility and accountability for departmental administration. Additionally, the need to set general rules and guidelines for administration must be balanced with the ability of managers to have sufficient flexibility to innovate and take risks.

The current model of Treasury Board as a management board is fairly decentralized, and the Secretariat exercises selective oversight based upon risk. However, this approach has led some to question how effective the Secretariat is at ensuring that departments and agencies adhere to Treasury Board policies and thereby follow good management practices.²⁷

5 THE DEPARTMENT OF FINANCE CANADA

5.1 INTRODUCTION

The Department of Finance Canada reports to the minister of Finance and assists the minister in developing the government’s financial framework in which overall spending takes place, and it advises the minister on economic, fiscal, tax, social, security, international and financial sector policies and programs. While the Department of Finance Canada does not have the same coordinating role as other central agencies, it is a central entity in virtually all policy decisions, as the allocation of funds from the fiscal framework is almost always required to proceed with a policy initiative.

The Department of Finance Canada is established under the *Financial Administration Act* and is provided authorities under numerous other Acts, such as the *Customs Act*, the *Excise Tax Act* and the *Income Tax Act*.²⁸ The department's planned spending in 2015–2016 was approximately \$89.6 billion (of this amount, \$63.8 billion was for transfers to the provinces, territories and Aboriginal governments and taxation programs, \$25.7 billion was for management of the debt, and \$111 million was for economic and fiscal policy and internal services), and it had the equivalent of 749 full-time employees.²⁹

5.2 ROLES AND RESPONSIBILITIES

The Department of Finance Canada is the federal government's leading source of economic analysis and advice. It tracks the economic situation of Canada as a whole, of the provinces and territories and of other countries, and it provides advice to the minister of Finance through its various branches, which include: economic and fiscal policy, tax policy, economic development and corporate finance, federal–provincial/territorial relations and social policy, financial sector policy, and international trade and finance.

The most prominent role of the department is to assist the minister in developing the annual budget, which is usually presented to Parliament in February or March, although there is no requirement to do so. The budget is a statement of the government's fiscal plan in light of its current and expected financial situation. It outlines the government's projected revenues, incorporating any changes in taxation and spending, and announcing new spending plans.

In order to develop the budget, the Department of Finance Canada must undertake detailed analyses of the country's current and projected economic and financial conditions. Using its analyses, as well as private-sector analyses, the department prepares a forecast of the growth rate of the economy.³⁰ This forecast guides the department when it predicts the government's revenues, expenditures and debt requirements for the coming years. In addition, the department must examine the potential effects of proposed government policies on the economy. Within the context of these projections and analyses, the department sets out the government's fiscal framework; that is, the fiscal room available to consider new tax measures, new spending initiatives or the enhancement of current programs. At the same time, the department sets guidelines for reallocating or reducing spending on programs or transfers to individuals and provinces.

Based upon the Speech from the Throne, policy statements or priorities of the government, departments develop and submit proposals to the Department of Finance Canada to be considered for inclusion in the budget. Officials at the Department of Finance Canada closely examine the proposals to ensure that departments are being economical and fiscally responsible when making requests for new or additional funding. The department also reviews proposals that may be recommended for funding and announced outside of the budget. In addition, the department prepares proposals on tax policy for the minister of Finance to consider for inclusion in the budget or to be announced when it is deemed appropriate.

The minister of Finance, in close cooperation with the prime minister and supported by the deputy minister of Finance and the Clerk of the Privy Council and Secretary to the Cabinet, decides which proposals to include in the budget. Once measures are announced in the budget, departments must provide detailed submissions for Treasury Board approval in order to receive funding, as discussed above, and then seek Parliament's approval for funding through the estimates process.

While the most recognized document prepared by the Department of Finance Canada is the annual budget, the department prepares several other notable publications, such as the Annual Financial Report of the Government of Canada, the Fiscal Monitor, and the Update of Economic and Fiscal Projections statement.

The Department of Finance Canada is also active in a number of other areas:

- developing tax and tariff policy and legislation;
- managing federal borrowing on financial markets;
- administering major transfers of federal funds to the provinces and territories;
- developing regulatory policy for the country's financial sector; and
- representing Canada within international financial institutions and groups, such as the International Monetary Fund, the World Bank and the Organisation for Economic Co-operation and Development.

The Department of Finance Canada maintains a broad socio-economic analytical capacity, conducting studies in such areas as labour economics, industry-specific issues, monetary policy, financial institutions, income security and productivity.

5.3 DISCUSSION

The Department of Finance Canada has considerable authority and earns its place as a central agency within the federal government through its role in developing the budget. Line departments must go through the Department of Finance Canada in order to be given room within the fiscal framework to launch new spending initiatives or to increase funding allocated to ongoing programs. Efforts to have broader Cabinet involvement in the budget process – the Policy and Expenditure Management System in the mid-1980s and Program Review in the mid-1990s – appear to have been short-lived, as they involved considerable time, cost and administrative effort.³¹ Consequently, the minister of Finance's control over the allocation of spending makes him or her one of the most powerful ministers in Cabinet.

6 CONCLUSION

The central agencies of the federal government – the Prime Minister's Office, the Privy Council Office, the Treasury Board of Canada Secretariat and the Department of Finance Canada – play a key role in the government's decision-making processes and administration. They work to ensure policy coordination, good administrative practices and prudent fiscal management. Their status as central agencies gives them considerable influence and authority, though, with the exception of the Treasury

Board of Canada Secretariat, this influence is owing to their proximity to the prime minister and Cabinet or control over the “purse strings,” rather than their having formal authority to direct line departments. Nonetheless, each of these organizations must balance the centralization of control and authority with sufficient flexibility and autonomy to allow line departments to manage issues effectively, innovate and take risks within their domains of responsibility.

NOTES

1. This number is derived from Treasury Board of Canada Secretariat, [Population Affiliation Report](#).
2. The Department of Justice Canada and Public Works and Government Services Canada are sometimes referred to as central agencies because they provide services to all government departments. However, they usually provide these services in the course of their normal business, rather than as part of a coordinating or directive role. Consequently, the Department of Justice Canada and Public Works and Government Services Canada are usually classified as line departments.
3. Staff in the Prime Minister’s Office [PMO] are appointed under section 128 of the *Public Service Employment Act*. They are sometimes called “ministerial staff” or “exempt staff” because they are exempt from the public service hiring rules. More information about ministerial staff can be found in Alex Smith, [Ministerial Staff: Issues of Accountability and Ethics](#), Publication no. 2006-02-E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 17 May 2012.
4. Michael S. Whittington and Richard J. Van Loon, *Canadian Government and Politics: Institutions and Processes*, McGraw-Hill Ryerson Limited, Toronto, 1996, p. 575.
5. The number of employees was compiled using the [Government Electronic Directory Services](#) [GEDS] as of 17 April 2015. The cost comes from Receiver General for Canada, [Public Accounts of Canada 2014: Volume III – Additional Information and Analyses](#), Ottawa, 2014, p. 10.41. The PMO does not have a separate estimates vote or a report on plans and priorities; thus, spending information is only available after the fiscal year has been completed.
6. The Clerk of the Privy Council and Secretary to the Cabinet provides advice to the prime minister regarding the appointment of deputy ministers, heads of agencies, and other senior public service personnel.
7. For more discussion, see Smith (2012).
8. The Privy Council Office derives its name from the Queen’s Privy Council for Canada, which was established by the *British North America Act* to advise the Governor General. The Queen’s Privy Council is largely a ceremonial body comprised primarily of current and former ministers of the Crown. The Cabinet is a committee of the Privy Council.
9. Privy Council Office [PCO], [2015-16 Report on Plans and Priorities](#), Ottawa, 2015, p. 10. These numbers were forecasted to decline to planned spending of \$119.2 million and the equivalent of 832 employees in 2017–2018.
10. A more detailed description of the PCO, its activities and secretariats can be found on its website, [About the Privy Council Office](#). See also PCO, [The Responsibilities of the Privy Council Office](#).

11. The Cabinet decision-making process is described in Mark Schacter, [Cabinet Decision-Making in Canada: Lessons and Practices](#), Institute on Governance, April 1999. The current Cabinet committees and their membership can be found at Prime Minister of Canada, [Cabinet Committee Mandates and Membership](#).
12. Nonetheless, for horizontal initiatives, two or more government organizations establish a formal funding agreement (e.g., Memorandum to Cabinet or Treasury Board submission) to work towards the achievement of shared outcomes. These initiatives usually have a lead department. The Treasury Board of Canada Secretariat maintains a [Horizontal Initiatives Database](#).
13. See, for example, Donald J. Savoie, *Court Government and the Collapse of Accountability in Canada and the United Kingdom*, University of Toronto Press, Toronto, 2008.
14. The Treasury Board is established under section 5 of the [Financial Administration Act](#), R.S.C 1985, c. F11. Section 7 of the Act gives the Treasury Board several responsibilities, including general administrative policy, financial management, human resources management, internal audit, and public service pensions and benefit programs. The powers of the Treasury Board are also specified in other sections of this Act and more than 20 other Acts, such as the *Public Service Employment Act*, the *Official Languages Act*, the *Access to Information Act* and the *Employment Equity Act*.
15. Treasury Board of Canada Secretariat, [2015–16 Report on Plans and Priorities](#), pp. 16 and 20. Program expenditures include both voted and statutory expenditures. These numbers were forecasted to decline in 2017–2018 to planned expenditures of \$6.5 billion, planned program expenditures of \$229 million and the equivalent of 1,760 employees.
16. The role of the Comptroller General of Canada was separated from the position of the Secretary of the Treasury Board in 2004. More detailed information can be found at Treasury Board of Canada Secretariat, [Office of the Comptroller General of Canada](#).
17. This categorization of roles is based upon Treasury Board of Canada Secretariat, *Document Prepared by the Treasury Board of Canada Secretariat for the Commission of Inquiry into the Sponsorship Program and Advertising Activities*, Ottawa, September 2004, p. 13.
18. Treasury Board of Canada Secretariat, [Foundation Framework for Treasury Board Policies](#), 2008. Each category has a policy framework that explains why the Treasury Board sets policy in a particular area. Under these frameworks are policies, standards and directives. Policies explain what deputy heads and their officials are expected to achieve. Directives explain how deputy heads and their officials must meet the policy objectives. Standards provide information on how managers are expected to conduct certain aspects of their duties. The Secretariat also issues guidelines and tools, which are not mandatory and are intended to provide advice and examples of best practices for managers.
19. For more information about the Management Accountability Framework, see Treasury Board of Canada Secretariat, [Management Accountability Framework](#).

20. Ministers may also seek Treasury Board authority to:
- make grants and contributions or to amend the terms and conditions of these programs;
 - recommend approval of orders in council that have resource or management implications;
 - carry out a project or initiative, the cost of which would exceed a minister's delegated authority;
 - enter into a contract above or outside a federal organization's or minister's authority;
 - obtain an exemption from a Treasury Board policy; or
 - obtain approval of a business plan.
- See Treasury Board of Canada Secretariat, [Treasury Board Submissions](#).
21. The Secretariat also deals with funding for existing programs through the Annual Reference Level Update, whereby the Secretariat works with departments and agencies to update their overall funding levels for the upcoming fiscal year, as well as the following two years. This exercise is largely technical and does not involve a detailed review of program performance. It is completed in the late fall, and forms the basis of the main estimates.
22. For more information, see Treasury Board of Canada Secretariat, [Expenditure Management System of the Government of Canada](#).
23. The government outlined how it is conducting an ongoing review of existing program spending in Department of Finance Canada, "[Annex 3: Responsible Spending](#)," *The Budget Plan 2008: Responsible Leadership*, 2008. The strategic operating review outlined in Government of Canada, "[Annex 1: Responsible Spending](#)," *Economic Action Plan 2012: Jobs Growth and Long-Term Prosperity*, 2012, was a one-time exercise. Additionally, section 260 of the *Federal Accountability Act* amended section 42.1 of the *Financial Administration Act* to require departments to conduct a review every five years of the relevance and effectiveness of each ongoing program of grants or contributions. Section 6.1.8 of the Treasury Board [Policy on Evaluation](#) requires departments to ensure that all direct program spending is evaluated every five years.
24. More information about appropriations and the supply process can be found in Jean Dupuis, [Appropriations and the Business of Supply](#), Publication no. 04-05E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 1 May 2004.
25. Some federal organizations, such as the Canada Revenue Agency, have separate employer status and thus are able to set compensation levels and to engage in collective bargaining with their employees.
26. It should be noted that, under section 11.2(1) of the *Financial Administration Act*, the Treasury Board may delegate any of its human resources responsibilities to separate agencies, such as the Canada Revenue Agency. In addition, under section 29(1) of the *Public Service Employment Act*, the Public Service Commission has the exclusive authority to make appointments to the public service (i.e., staffing). This authority is usually delegated to deputy heads under accountability agreements.
27. See, for example, House of Commons, Standing Committee on Public Accounts, [The Roles and Responsibilities of the Treasury Board Secretariat and the Tenure of Deputy Ministers](#), 1st Session, 39th Parliament, June 2007.
28. See *Financial Administration Act*, s. 14, for the establishment of the Department of Finance.

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29. Department of Finance Canada, [*Report on Plans and Priorities 2015–16*](#), Ottawa, p. 12. These numbers were forecasted to be \$98.7 billion for planned expenditures and the equivalent of 732 employees in 2017–2018.
30. For more information about economic forecasts see André Léonard, [*Economic Forecasts Used for the Federal Budget and Adjustment for Risk*](#), Publication no. 2015-15-E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 9 March 2015. The level of accuracy of the Department of Finance Canada's revenue and expenditure forecasts has been the subject of discussion. In 2004 and 2005, the House of Commons Standing Committee on Finance conducted a study on federal fiscal forecasting, and the Minister of Finance commissioned a study on the federal government's fiscal forecasting accuracy. See Tim O'Neill, [*Review of Canadian Federal Fiscal Forecasting: Processes and Systems*](#), Ottawa, June 2005. This debate may have contributed to the creation of the position of Parliamentary Budget Officer. For more discussion, see Guy A. Beaumier, [*The Accountability Act and the Parliamentary Budget Officer*](#), Publication no. 06-03E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 29 June 2006.
31. Schacter (1999), pp. 24–27.