

Waste and Mismanagement

To cut down on the number of employees that were engaged from temporary help agencies, Treasury Board last year instituted a new policy whereby such employees cannot be hired for more than eight weeks and all contractual arrangements with the agencies would be conducted by the Department of Supply and Services. These policies have resulted in a much better utilization of existing public service staff while reducing government expenditures on outside help by millions of dollars.

Whereas newspaper articles last year quoted figures of \$25 million for temporary help, these expenditures for the first nine months of the current fiscal year were \$6.6 million for the national capital region and about \$4 million for federal offices elsewhere in Canada.

First class air travel by public servants has been reduced by 90 per cent since 1975.

With respect to electronic data processing, government expenditures, expressed in 1974 dollars, have remained virtually constant at a level of some \$210 million per year. In keeping with government policy, the services of the private sector are used extensively and are expected to reach \$49 million in 1979-80 out of total expenditures of about \$380 million.

New policies and more stringent reporting mechanisms have been introduced with respect to such expenditures as hospitality, conference travel and essential membership fees, with the result that the newly established expenditure codes for these items will enable close scrutiny and year to year monitoring.

In keeping with our general determination to improve administrative practices throughout the public service, Treasury Board has implemented over the past year new policies on the management of large capital projects, improved reporting requirements for contracts with individuals, more stringent guidelines on permissible fees and stricter control on contracts with retired public servants.

In addition to this broad range of administrative measures, Treasury Board has given new impetus to the government-wide program of incentive awards to reward those employees who make specific suggestions to improve the efficiency or effectiveness of their programs. I am pleased to report that the net effect of this rejuvenation has been demonstrated by savings of \$9.7 million during 1978. These savings constitute a 300 per cent increase over the average annual savings of past years. These initiatives have brought about a sharply increased awareness among public servants of the importance of administrative restraint. This has resulted in a saving of some \$75 million through these measures during the past fiscal year.

This is not the only area where public servants have shown a greater awareness for economy and efficiency in their departmental activities. Another obvious one relates to the office of the Comptroller General of Canada. Not long after the appointment of the Comptroller General the government announced that his office was undertaking a project with the acronym IMPAC—"Improvement in Management Practices and Controls". The objective of IMPAC is to work with departments to identify needed improvements in the area of

management practices and controls and to develop action plans to implement these improvements. IMPAC would also provide government with an overview of the current state of management practices and controls across the public service and thus provide the basis for fact-based statements about the quality of such practices and controls.

Initially the IMPAC survey was to include the 20 largest departments of government and cover 70 per cent of the budget and 84 per cent of person-years. Subsequently a further 11 organizations have been added to the survey and the totals are now 76 per cent and 90 per cent respectively.

The IMPAC survey is being conducted by teams composed of more than 40 experts from the office of the Comptroller General and is co-ordinated by a small secretariat of five persons. The survey covers the major portion of the management cycle, from planning through the various administrative and control mechanisms to audit. It is based on a questionnaire prepared by the office of the Comptroller General prior to the start of the survey. The findings of the survey form the basis of discussions between the Comptroller General and the deputy minister of the department involved. The result of the survey and these discussions will be an action plan prepared by the department to bring about improvements in its management practices and controls, where the need for improvement has been identified in the survey.

At the present time the surveys of 13 departments are completed; the remaining seven of the first group are more than half finished. Action plans are being concluded in three departments. It is expected that all the action plans of the first group of 20 departments will be agreed to by December, 1979, and those of the other group of ten departments by April, 1980.

There are already visible results from the IMPAC survey. Often when the teams arrive at a department they find that the major needs have already been identified and corrective action is under way. Some of the action plans resulting from the IMPAC survey will take a number of years to implement fully, and although there should be an immediate improvement in management practices and controls across government, some major projects will not be completed for a number of years. The Comptroller General will be reporting progress to Treasury Board and ensuring that the momentum now under way is maintained.

● (1630)

Finally Mr. Speaker, I would like to draw attention to the government restraint program. The government announced its restraint policy in 1975 as part of the anti-inflation program. Spending is linked to growth in the GNP. This policy is applied to all spending including budgetary outlays, loans, investments and advances. Furthermore, the government committed itself to a target in advance of the fiscal year. In every year beginning with 1976-77, the first full year of the program, the targets have been set at or below the growth of the GNP. In every year the government has held actual spending well below the targets.