

Financial Management

In the realm of financial management, as in other areas, the Glassco Commission recommendations are being rapidly implemented. There are thirty-four major recommendations in Volume 1 of the Glassco Report concerned with financial management, personnel management, and a plan for management. All but five of these are being implemented. Of the remaining five, two relate to the duties of the Comptroller of the Treasury and it is hoped that in time these can be carried forward as well.

What has the Treasury Board Secretariat done on implementation of the financial management recommendations?

Initially, from November 1963 to June 1964, studies were undertaken by management consultants to test the validity of the Glassco recommendations. Urwick, Currie made a study of the Department of Transport; Peat Marwick Mitchell of Northern Affairs; Price Waterhouse of Agriculture; and Woods Gordon of Veterans Affairs. The studies were completed in June 1964 and all four departments were asked to proceed with pilot projects.

Subsequently, three other departments came in for study-- Public Works, Health and Welfare, and Citizenship and Immigration. In Citizenship and Immigration, particularly, the consultants moved into the implementation stage and achieved quite spectacular results. Certain principles began to emerge with profound effects on the relationships between departments and the Treasury Board.

Once the basic concepts were firm, the Treasury Board agreed (August 1965) that seven departments should move toward programme budgeting. The new Estimates Manual being prepared with the help of Urwick, Currie will be available for use in connection with the estimates of 1967-68.

The Glassco Commission recommended that estimates and general planning be developed on the basis of a five-year forecast of requirements for each department. This recommendation was accepted and this principle has been incorporated in the financial processes.

Previously, a standard procedure had prevailed. First a Treasury Board "call letter" was sent to all departments notifying them that it was estimates time again and urging them to be virtuous. The departments then asked for much more money than was available. A bargaining process between Treasury Board staff and departmental officials ensued out of which emerged the level of the estimates to be recommended to the Treasury Board.