



Canada School
of Public Service

École de la fonction
publique du Canada



Decision-Making in the Federal Government

The Actors and Processes

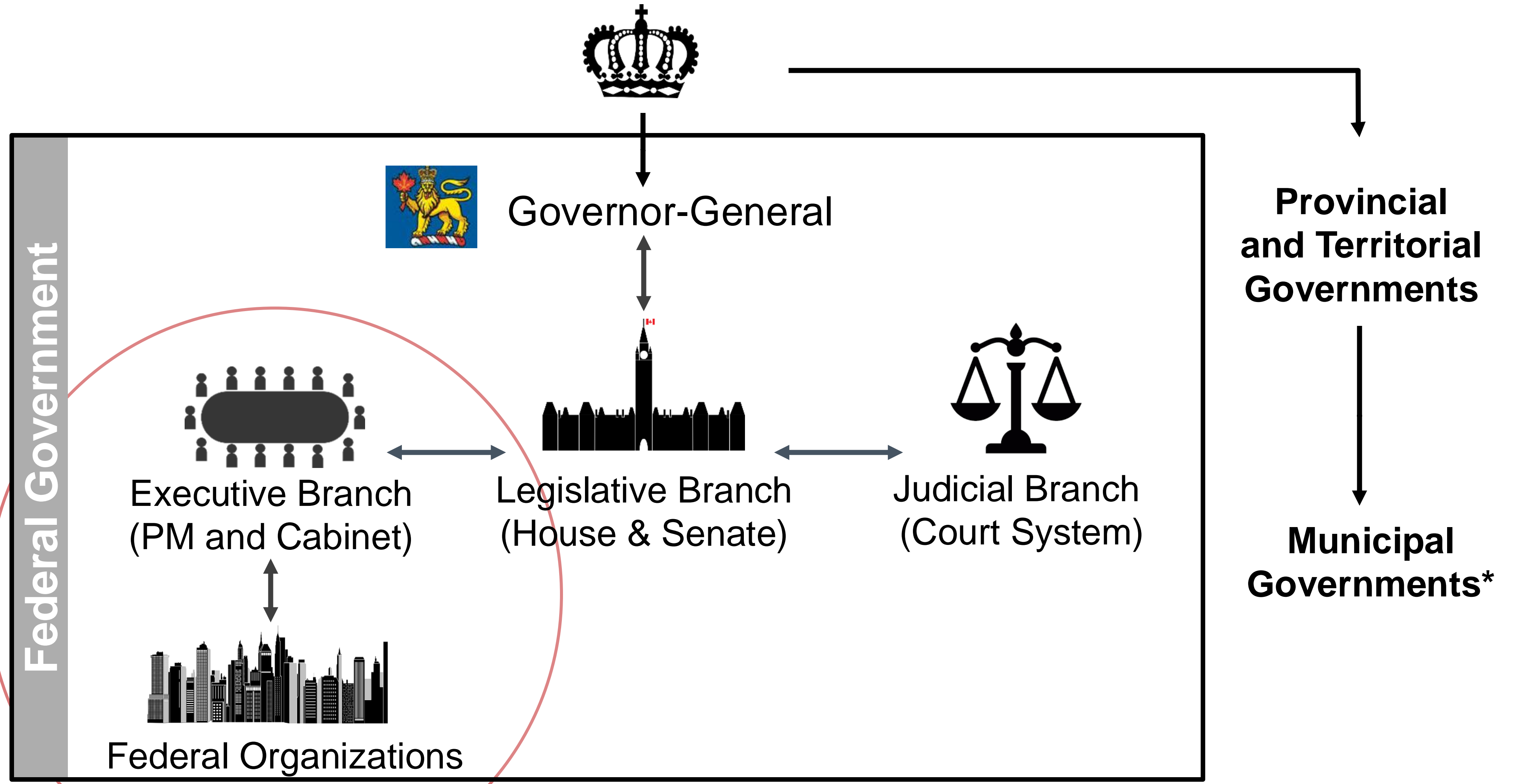
How Are We Governed?

Governance decisions in Canada involve the complex interactions of several major actors

Indigenous Governance



First Nations, Inuit, and Métis govern themselves through a variety of arrangements and have a nation-to-nation, Inuit-Crown, and government-to-government relationship with federal and provincial governments. These arrangements are further defined in treaties, self-government agreements, and federal legislation



* As set out in the Constitution Act, 1867, provincial governments are responsible for municipal governments

1a. Political Actors

The Prime Minister

MANY ROLES

- Head of government
- Chair of cabinet
- Party leader
- Member of Parliament



MANY RESPONSIBILITIES

Sets the government's agenda (e.g. Speech from the Throne, Mandate Letters, monitoring results)

Organizes Cabinet and Committees, **selects** ministers, and **assigns** portfolios and mandates

Establishes and oversees the process to appoint individuals to key government positions

Requests the Governor-General to **summon, prorogue, and dissolve Parliament**

Exercises prerogative to **change the machinery of government**

Special responsibilities for foreign policy and national security

The Prime Minister is at the centre of government decision-making

Cabinet

Cabinet builds consensus and directs the business of government; it is the **executive decision-maker**



A body for
collective
decision-making

Chaired by the PM

Not just a set of individual
ministers

Forum for **deliberation** and
building consensus



**Institutions:
Principle of
Cabinet Solidarity**

Inside: speak
openly; debate and
disagreement are integral

Outside: speak as
one voice; unity



**Ministers are
collectively
responsible**

...for the **decisions of
Cabinet**

...for **supporting fellow
ministers**

It is **collectively accountable to Parliament** (and thus Canadians)

Ministers

As members of both the executive and legislative branches, Ministers are:



Assigned a portfolio of responsibilities

- **Grounded in legislation***
- Described in a **mandate letter** given by the PM
- **Purpose:** to carry out the government's larger agenda



Accountable for their department and portfolio**

- **Diligence and competency** must be demonstrated when carrying out responsibilities
- **Appropriate oversight** depends on the nature of the organization and Minister's role
- **Examples:** making appropriate appointments or approving plans



Individually accountable

- to Parliament
- to the Prime Minister
- to fellow Ministers

Ministers “wear many hats”: Member of Parliament representing a constituency, liaison with portfolio stakeholders, member of government caucus and ruling party, and member of Cabinet

* This includes departmental legislation and other acts that confer responsibilities to Ministers (e.g. *Official Languages Act*)

** From *Open and Accountable Government*

The Prime Minister's Office (PMO)

The PMO provides **political advice and support** to the Prime Minister

Office of the
Prime Minister



Cabinet du
Premier ministre



- Provides political advice to the PM on major issues and policy initiatives
- Monitors, develops and advances the Government's agenda
- Responsible for communications, schedules and logistics
- Coordinates and liaises with Ministers' Offices
- Liaises with government caucus and party office
- Provides advice on appointments
- Staffed with political appointees ("exempt staff"), not public servants
- Senior staff include chief of staff and principal secretary
- A quasi-central agency; supported by the Privy Council Office

The PMO is the **steward** of the Prime Minister's political agenda

Source: [The Canadian Encyclopedia](#) website

The Minister's Office (MINO)

The Minister is supported by “political” or “exempt” staff who **offer political advice** to the Minister. While not part of the public service (PS), the MINO works with the PS (via the Deputy Minister* and senior officials) **to support the Minister**



Chief of Staff

Acts as **executive advisor** to the Minister and **manages the office**



Policy Advisors

Conducts research and **advises** on various policy issues; also **engages with stakeholders**



Communications and issues management

Provides communications support (e.g. liaising between offices, speechwriting); **detects and responds** to emerging trends or change in the political environment

Guidelines for Exempt Staff

- Provide political advice** to the Minister, complementing the professional, non-partisan advice of the Public Service
- Do not have a role in departmental operations** and are **not authorized to exercise the delegated powers** of their Ministers
- Exempt staff in the Minister's office **need to respect the Department's accountability structure, non-partisanship** of public servants and **not seek to engage them in work** that is outside their established role

Sources: Privy Council Office (2015) *Open and Accountable Government*

* A Minister may have more than one Deputy Minister/Deputy Head

1b. Public Service Actors

Public Service Actors

Public service actors are non-partisan actors that advance the agenda of the government of the day without compromising the non-partisan status needed to provide continuity and service to successive governments



Central Agencies

Provide administrative support and non-partisan advice to Cabinet, to Treasury Board and for the budget process



Deputy Minister

Deputy Ministers, the most senior non-partisan public servants, provide advice to the Minister and are accountable for the management of the department



Other Government Departments

Particular government policies and programs are developed and implemented by a large number of program departments

Privy Council Office

The Privy Council Office helps the government **implement its vision, goals, and decisions**



Supports the Prime Minister

- **Setting and executing an agenda** (e.g., supports development of Mandate Letters)
- **Coordinates major communications across government**
- Manages federal-provincial-territorial engagement
- Keeps track of departmental initiatives
- Supports interactions between PM and Finance Minister in the Budget process
- Assists the PM and possibly other ministers (e.g., House Leader) carry out portfolio responsibilities



Acts as Secretariat to Cabinet

- **Supports meetings of Cabinet and Cabinet Committees**
- Manages agendas and briefings to chairs and maintains minutes
- Records decisions



Convener and Coordinator

- **Coordinates policy and horizontal initiatives**
- Maintains regular contact with DMs
- Ensures proper consultation
- Ensures fluid communication between PMO, PCO, MINO and DMO / departmental officials

Department of Finance

As guardians of the fiscal framework, **Finance examines requests for new funding**, and make recommendations to the Minister of Finance on the level of funding to provide to organizations



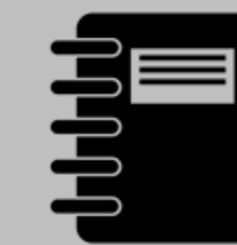
Main responsibilities

- **Prepares Budgets and Economic and Fiscal Updates**
- Develops tax and tariff policy
- Manages federal borrowing
- Administers transfers to provinces and territories
- Develops financial regulatory policy
- Represents Canada at international financial institutions



Interactions with other departments

- Consults when developing Budget and Budget Implementation Act
- **Scrutinizes funding proposals**
- **Works with TBS on funding pressures, spending cuts, re-profiling funding**
- Works with Canada Revenue Agency on tax measures, compliance
- Works with PCO during Budget formation



Core Product: The Budget

- Presents a macroeconomic assessment
- Sets out revised fiscal framework before new measures
- **Announces major policy changes (tax, social and fiscal) that have major financial implications**
- Includes costs of these changes to derive fiscal projection

Treasury Board Secretariat (TBS)

TBS provides integrated advice to Treasury Board (TB) on how government spends money on programs and services, how it is managed, and federal regulations



Responsibilities

- Provides support and advice to TB
- Acts as the administrative arm of TB
- Provides leadership to departments to effectively implement government priorities by:
 - Overseeing and reporting on how departments spend money
 - Developing policies and setting the direction for government administration
 - Developing policies and setting the direction for people management
 - Developing and overseeing policies to promote good regulatory practices



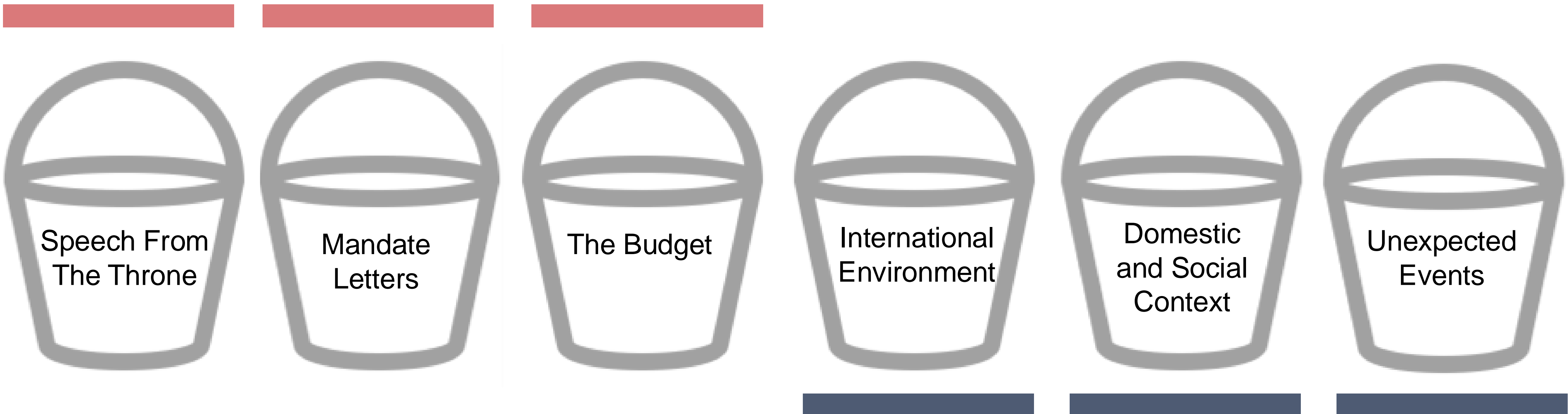
Main interactions with departments

- Reviews TB submissions and challenges proposals
- Produces the Estimates (Main and Supplementary)
- Manages the Departmental Plans and Results reports
- Performs regulatory analysis and approval
- Provides leadership in the areas of:
 - Comptrollership (financial management, management of property, internal audit, etc.)
 - Human resources (compensation, pensions and benefits, central labour relations, EX talent management)
 - Information management (IM/IT, government security, ATIP)

2. Processes and Instruments

Catalysts for Decisions

The **Government's agenda** is articulated in multiple ways. Throughout its mandate, it will also evolve in response to the international environment, domestic and social context or unexpected events. Where there is a gap between your authorities and these new imperatives, a decision is required



Authorities Within or Beyond Your Department

Your Minister has the authority to make decisions within certain thresholds.
Beyond those thresholds, they must seek approval from Cabinet and/or Parliament

Within Department



- Daily operations
- Issues management*
- Personnel management
- Internal governance
- Approved military deployments
- Procurements**

Cabinet / Treasury Board



- New policy (e.g. *Strong, Secure, Engaged*)
- Large-scale, complex military deployments with diplomacy and/or new funding implications
- New and complex projects
- Procurements**

Parliament



- Increases to appropriations to reflect Cabinet decisions
- Legislative changes

The Government and/or your Minister may prefer to bring certain decisions to Cabinet, even if they are within your Minister's authority

* If an issue has an impact beyond the department domestically or internationally, the Prime Minister's Office, supported by the Privy Council Office, may lead the response

** Some factors that may require a procurement decision to move to a higher level include financial scale, political contention or sensitivity and complexity of the issue

The Phases of the Executive Decision-Making Process

While policy and program development is generally led by departments, **central agencies are closely involved**, playing vital **roles that shift** from phase-to-phase

Policy Cover

Memorandum to Cabinet

A Memorandum to Cabinet (MC) is used when a Minister is seeking a Cabinet decision on a policy proposal



Lead: Privy Council Office

Funding Source

Funding Proposal

Funding proposals (both Budget and off-cycle) are subject to approval by the Minister of Finance, in consultation with the Prime Minister



Lead: Department of Finance

Authorities to Implement

Treasury Board Submission

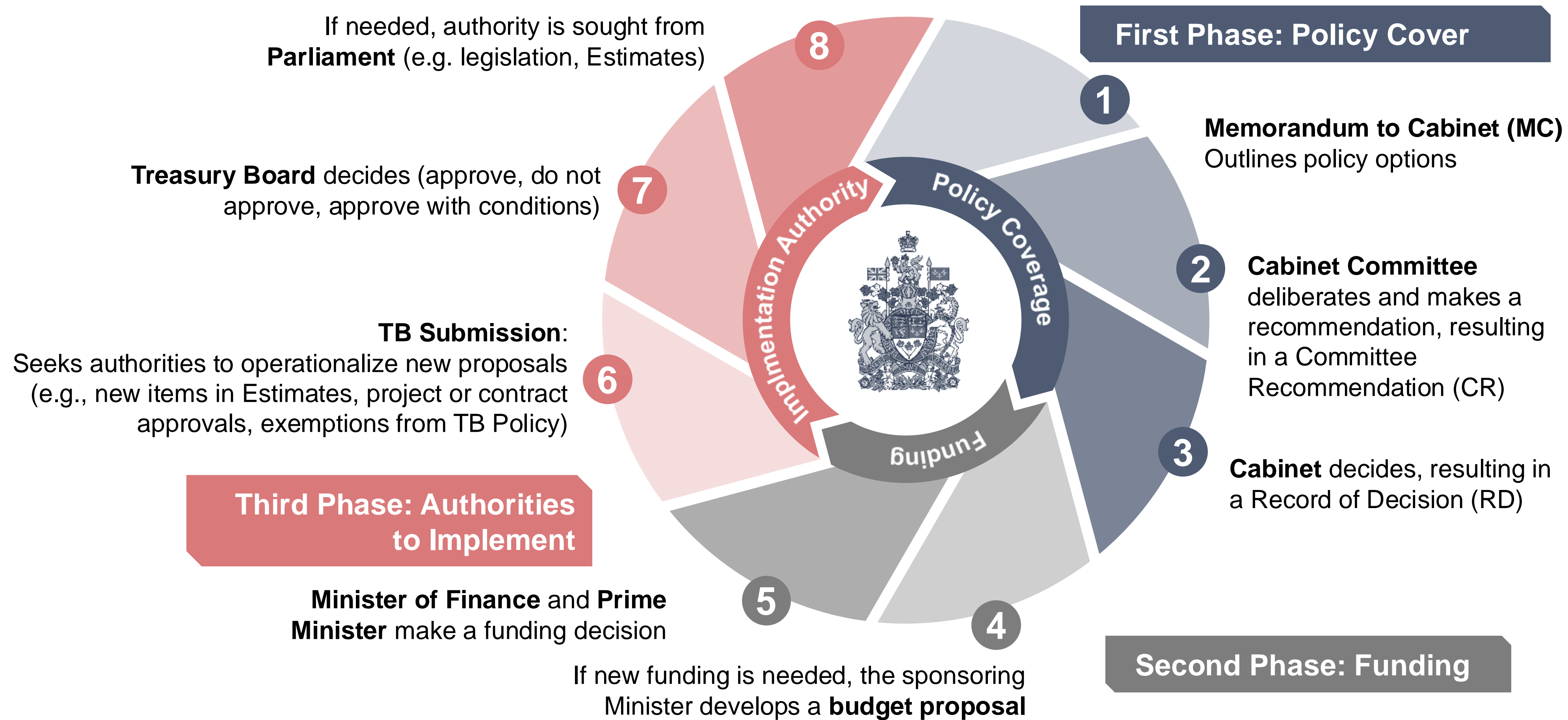
Ministers seek the Treasury Board's authorization to implement their initiatives through Treasury Board Submissions



Lead: Treasury Board Secretariat

Policy Cycle and its Points of Decision

Executive decision-making can feature three phases, each involving a **distinct decision point**



First Phase: Policy Cover

**Lead agency:
PCO**



Works with departments on MC by providing a challenge function to ensure information meets the needs of Cabinet and that proposals align with government objectives

**Primary vehicle:
Memorandum to
Cabinet (MC)**



When Do You Need Policy Cover from Cabinet?

- Is your Minister implementing a Speech from the Throne or other Government commitment?
- Is your Minister advancing a new policy or altering an existing policy?
- Does your Minister's proposal impact the fiscal framework?
- Is your Minister introducing legislation?
- Does your Minister's initiative impact other Ministers' responsibilities?
- Is your Minister advancing Canada's position at an international meeting or otherwise representing Canada?

Involvement of other central agencies



TBS

- ✧ Challenge function on MCs, highlights implementation considerations, how to achieve results, costing, how TB policies would impact initiative
- ✧ Programs Sector acts as departmental liaison as it prepares for the TB Submission



Finance

Reviews and challenges policy proposals with respect to their fiscal and economic implications (e.g. affordability, source of funds, economic impacts) and policy alignment

Source: Privy Council Office, *A Drafter's Guide to Cabinet Documents*

Second Phase: Funding Source

Lead agency: Finance



Provides advice to departments on developing funding proposals, scrutinizes their proposals and gives recommendations to the Minister of Finance. This supports the Minister in developing the Budget

Primary vehicle: Budget



What is the Rationale Behind Your Funding Request?

- How does the proposal respond to the government's mandate and priorities?
- Why is new funding required, as opposed to internal reallocation or cost recovery?
- If applicable, are on-going funding amounts justified?
- Have you considered and proposed a range of viable and scalable options at various costs?

Costing:

- In developing costs estimates, show the underlying methodology and data, and fully consider all direct/indirect costs and as well as risks/exposure
- As cost estimates drive expenditure forecasts, accurate estimates are integral to good fiscal management

Involvement of other central agencies



TBS

- ✧ Provides input and advice for the Budget (e.g. new proposals, renewal of programs winding down)
- ✧ Consulted to ensure implementation considerations are identified



PCO

- ✧ Provides advice to the Prime Minister on the Budget
- ✧ Supports engagements between Minister of Finance and Prime Minister
- ✧ Monitors progress of government's policy commitments stated in the budget

Source: Department of Finance, *Budget / Off-Cycle Proposal Template Guidance*

Third Phase: Authorities to Implement

Lead Agency: TBS



As your primary point of contact, TBS Program Sector analysts guide departments in drafting submissions and provide overall support. They are responsible for providing comments on submissions on behalf of all TBS.

Primary vehicle: Treasury Board Submission



What information should be in a TB Submission?

- Submissions seek authorities related to funding, transfer payments, procurement, projects (amongst others)
- Detailed plan to carry out the department's initiative, including its costs, source of funds, design and implementation plan
- Expected impact between the proposed initiative and results metrics, and alignment with the government's policy goals
- Risks associated with the initiative and its degree of complexity, including the risk of not implementing the initiative

Involvement of other central agencies



Finance

- ✧ Confirms funding decisions, including source of funds and associated conditions
- ✧ Reviews and manages approval of requests for funding re-profiles



PCO

Consulted to determine that the TB Submission is consistent with Government policy as approved by Cabinet (e.g., Record of Decision)

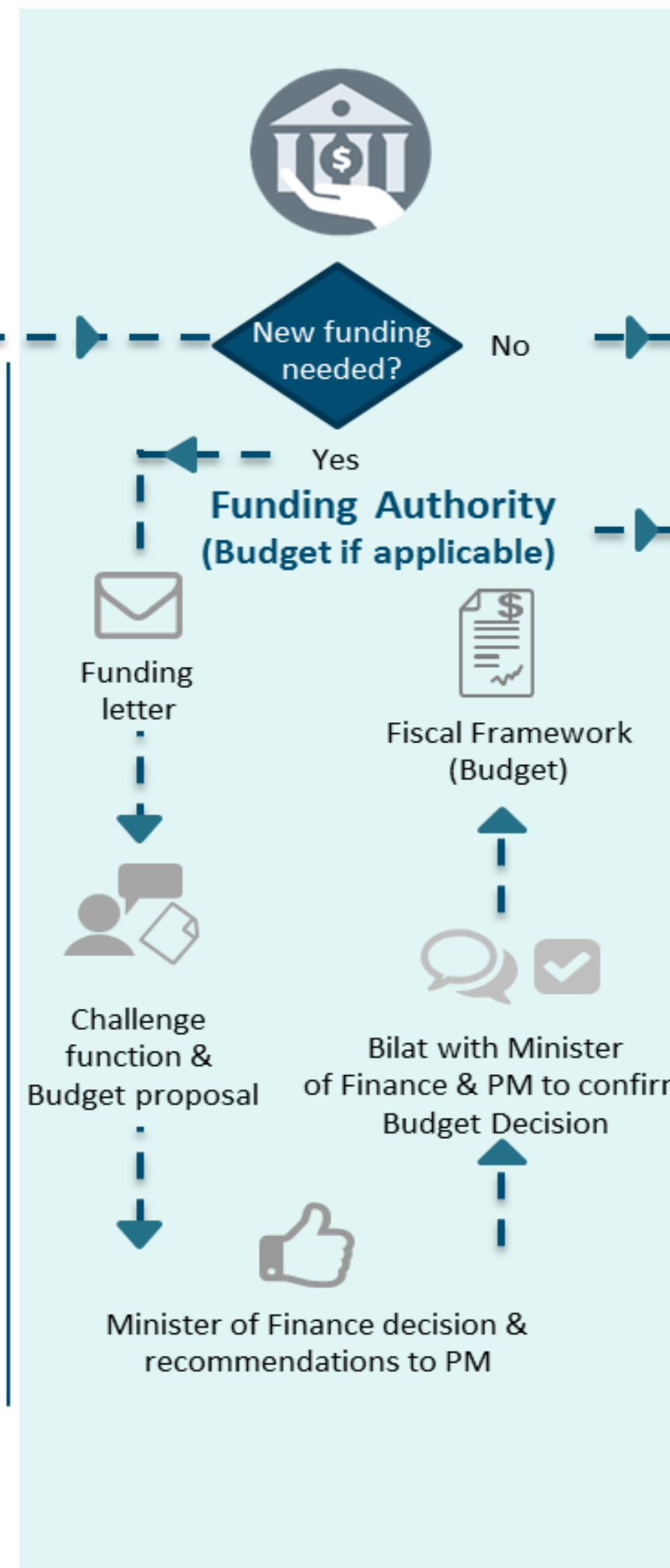
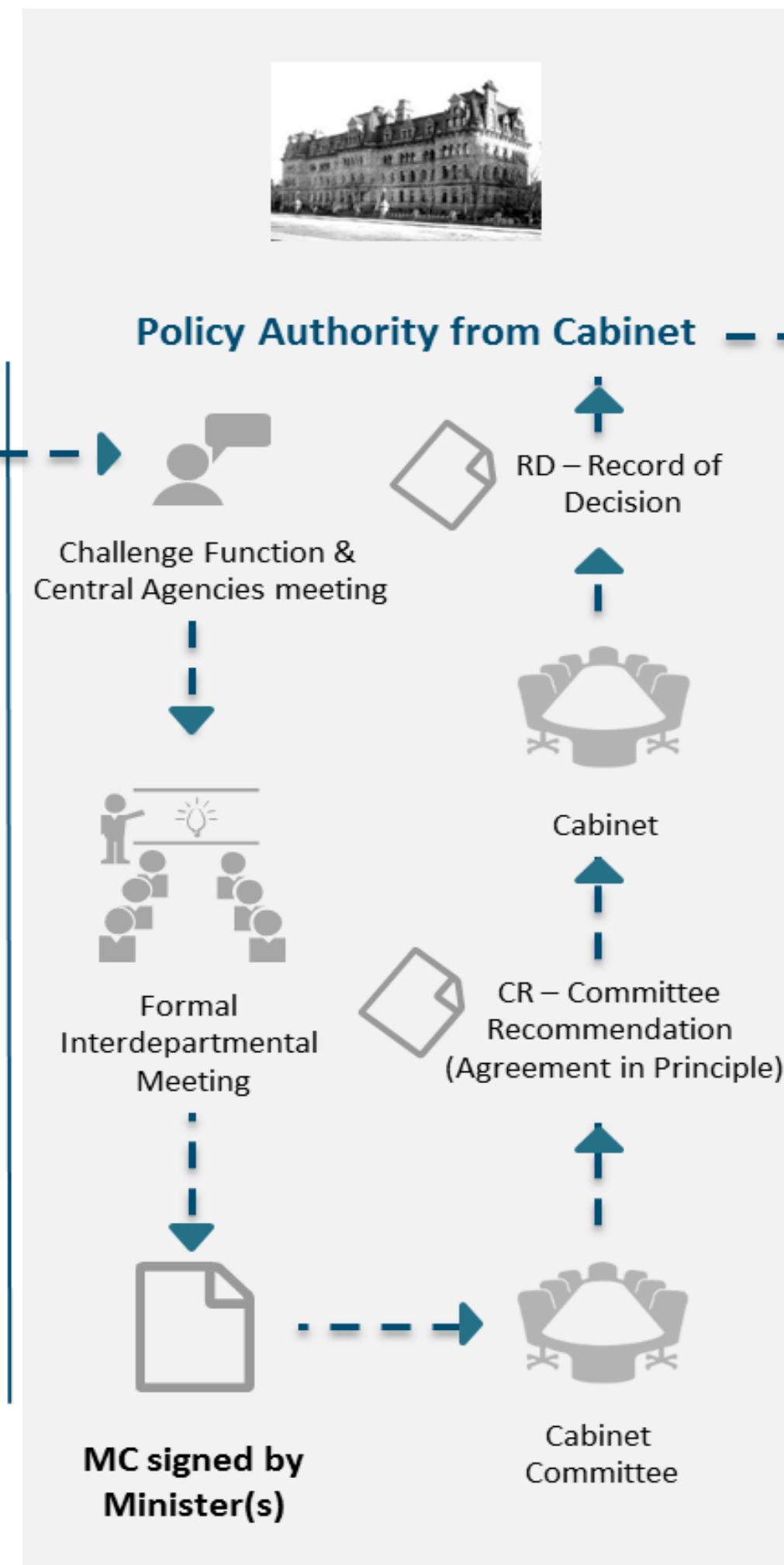
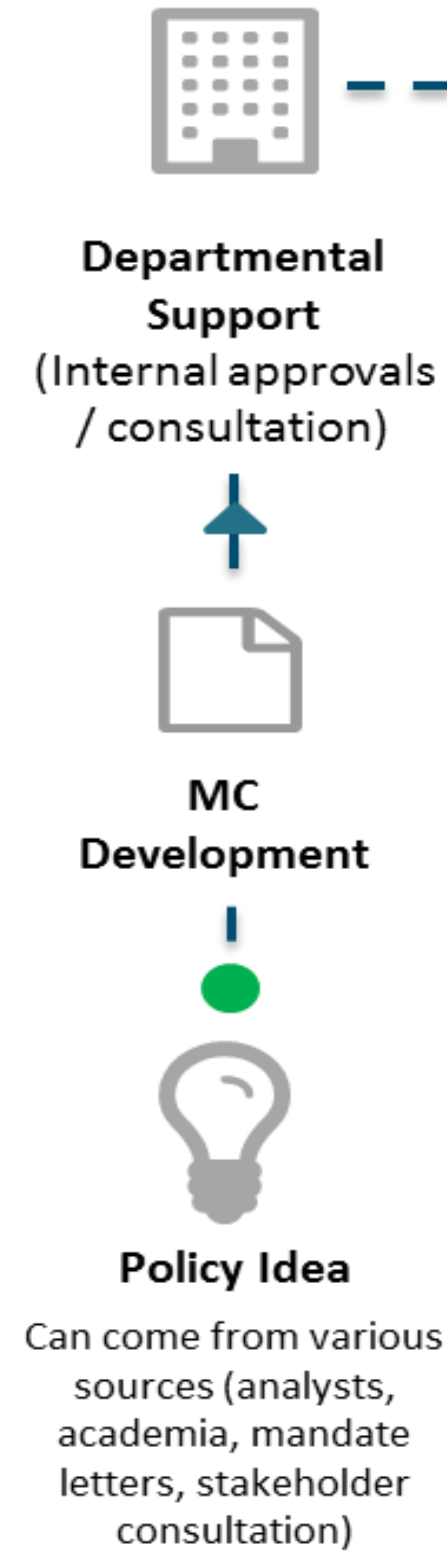
There are typically four outcomes from any given TB Submission: approve as proposed, approve with conditions, defer the decision, do not approve

From Idea to Implementation – The Ideal Path

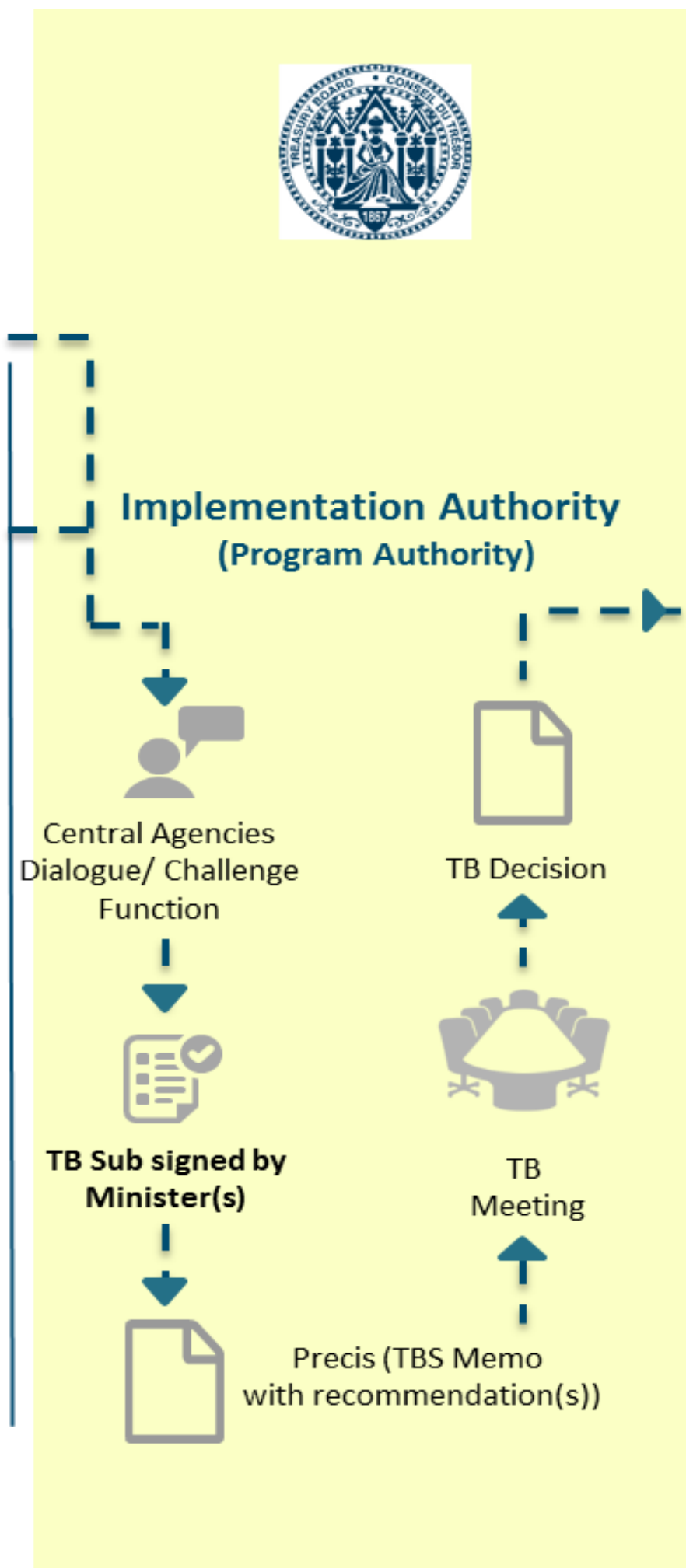
This is a map of a simplified linear process

In practice, you may need to go through parts of the process, or even the whole process, several times to reach a specific decision, depending on the issue's complexity and political contention

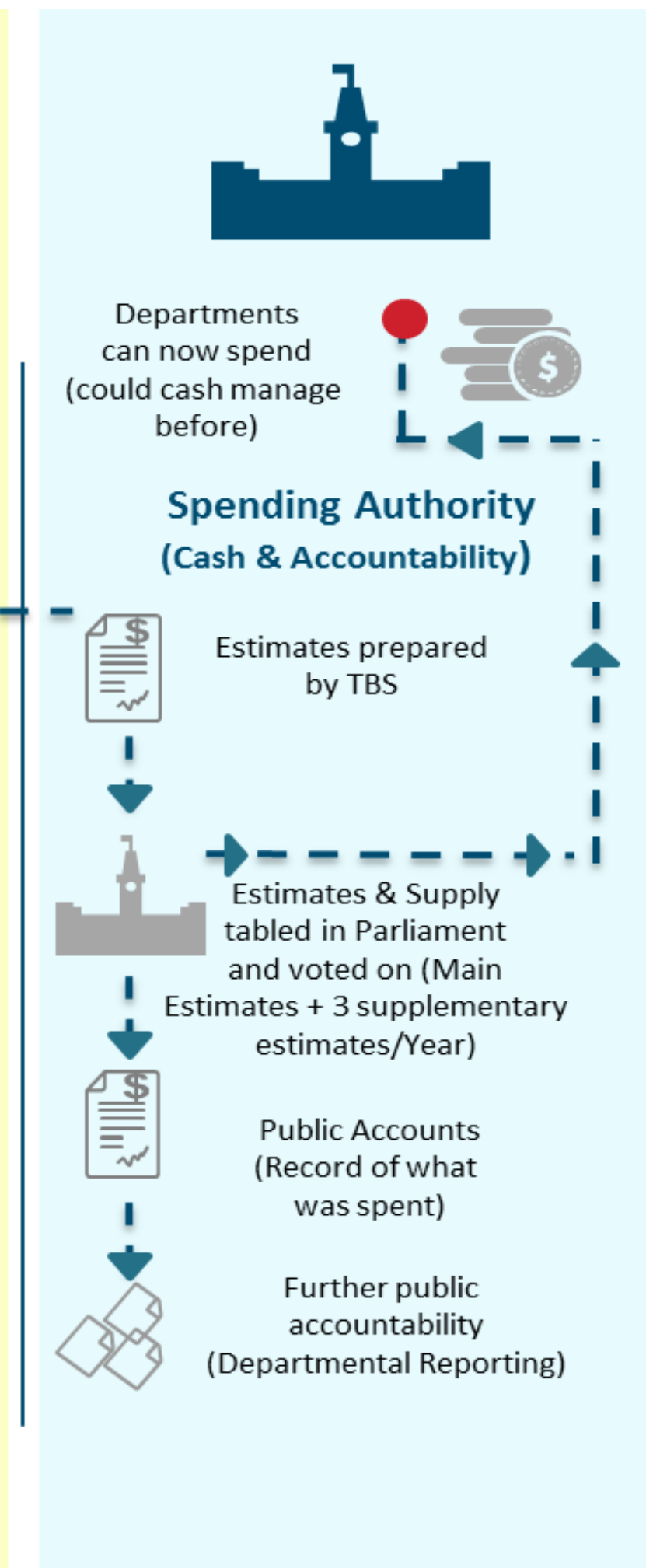
The specific sequence of decisions may also vary



Funding authority can also be provided "off-cycle". While the process is similar, it ends with a funding decision by the PM or the Minister of Finance.



Regulations also go to TB + TBS with a different process that involves pre-publication, public consultation, and cost-benefit analysis



If no new funding the program may be considered "within existing spending authority". Regardless, estimates are updated annually.

Annex

Five common questions when developing decision-making instruments

PCO: Memorandum to Cabinet

Finance: Budget Proposals

TBS: Treasury Board Submission

1.	Is a new policy being advanced or is an existing policy being altered?	What is the objective(s) of the funding proposal and its desired outcomes?	What are the authorities being sought (e.g., project approval, acquisition of real property, GiC approval, etc.)?
2.	Does this proposal impact the fiscal framework?	What is the range of options to achieving this objective and which ones are more cost-effective?	What is the total cost of this initiative?
3.	Does this initiative impact the responsibilities of other Ministers?	What type of costs are involved (operating, grants and contributions, and capital costs) and what will they be used for?	How will this initiative be implemented?
4.	Is this initiative a commitment in the Speech from the Throne or Mandate Letter?	What is the methodology and data behind the cost estimates? Do they fully consider all direct and indirect costs, as well as risk exposure?	What are the intended results of this proposal?
5.	What are the trade-offs, option spaces and off-ramps?	Why should this proposal be not funded through internal reallocation of existing resources?	What is the level of risk associated with this initiative?