IMPROVING SERVICES FOR QUEBECERS

A new Management Framework for the Public Service

POLICY PAPER ON GOVERNMENT MANAGEMENT

Québec
Since the Quiet Revolution, the Québec government has played a decisive role in Québec’s economic, social, cultural and political development. Whether as regulator, support or engine of development, the state, through its initiatives, has been a source of progress for Québec society.

The environment in which Québec finds itself is changing at an accelerating pace and our ability to adapt to these changes is another factor that bodes well for the future. The current social and economic context, with open markets and strong competition facing our economy, prompts us to review our approaches and methods. The state is concerned in the same way as the society and, in addition, it must give the example. Other states have reached the same conclusion and, within recent years, have started to modernize their government management.

The state’s primary mission is to ensure that the public receives services of the highest quality, at the lowest cost. Accordingly, the reform must result in a more modern administrative apparatus that can adapt to short and long-term challenges, and is focused on the needs and expectations of various components of society.

The public expects its elected representatives to concentrate their efforts on priorities such as the prospects for young people, promoting a vibrant culture, economic development and job creation, improving conditions for the disadvantaged, and challenges like those raised by the ageing of the population. Consequently, the government must be able to rely on a public service that is properly equipped to carry out its dual role, namely, first, to provide support and advice, and second, as the entity primarily responsible for implementing the government’s decisions.

Over the years, Québec has developed a competent, loyal and honest public service which has proven its ability to innovate and adapt. At the same time, it has grown increasingly complex in response to ever-increasing needs. Today, it remains bound by rules and procedures that impede the performance expected of it at the dawn of the next millennium.

Substantial progress has been made. The Act respecting the accountability of deputy ministers and chief executive officers of public bodies invites senior public officials to discuss their management before the Commission de l’administration publique of the National Assembly. Management has been improved through the introduction of strategic planning and closed budget envelopes. With the advent of autonomous service units, it has been possible to test management focussed on results, and accountability to the minister responsible based on performance indicators.
This policy paper proposes a new management framework for the apparatus of
government. It does not question the role of the state, but rather considers its opera-
tion or how it implements guidelines and policies, as well as the laws of the National
Assembly. The new management framework will take new values into account, such
as more responsibility for managers, it will encourage performance and facilitate
management focussed on results.

The government management framework must be grounded in legislation. The
debate which the policy paper and the proposed legislation will give rise to is essen-
tial in order to arrive at shared solutions which meet the new requirements of an
effective Administration and secure the transparency that parliamentarians need
and the public demands.

The proposed reform includes all the elements of a renewed mission for the public
service, enabling it to develop and adopt a new vision to face, today and tomorrow,
the challenge of delivering better public services.

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Context of the reform: Québec has new expectations for its public service

The state occupies and will continue to occupy a strategic place in Québec society. Accordingly, it is of primary importance that government departments and agencies be managed ever more efficiently and that high quality public services be delivered at the lowest cost. This is the government’s view and this is its objective in proposing a thorough re-examination of government administration.

For a number of years now, Québec’s public administration has been involved in changing its management framework to adapt it to the new realities of the 21st century: accelerating social change, trade globalization, scarcity of resources and budgetary rigour, the ubiquitous presence of new information technologies, etc.

In such a context, to provide the high-quality services the public seeks, it is no longer enough to simply adhere to standards and follow established procedures. More is required. The Administration has to be simpler, more efficient, faster and, increasingly, its actions have to be assessed against results to be achieved rather than rules to be followed. Québec’s situation is not unique. Other governments have faced a similar challenge and have undertaken to reform their management.

The experience of other governments is characterized by:

- an approach centred on service to the public;
- the implementation of management focussed on results and performance measurement;
- the exploitation of opportunities offered by new technologies.
We have already taken many steps in this sense. Successful experiments have been carried out. It is now time to go further: that is the goal of this policy paper.

Québec society is in the midst of profound change

As a result of the Quiet Revolution, Québec society entered the modern world and, since then, it has changed radically:

- Québec’s economy has become more robust by gearing itself to the “new economy” based on knowledge; a business class has emerged that can compete at the international level;

- new forms of economic activity have appeared, such as the social economy, self-employment, e-commerce, etc.;

- women have gradually increased their presence at every level of economic and social activity;

- the state is no longer seen as the sole engine of development and the role of other players has branched out and taken root in every sector of public life. The state has wished to work with society’s leaders and act in partnership with them;

- Québec has been enriched by newcomers who wish to play a part in its institutions and, to an increasing degree, are fluent in French.

Markets are opening to international trade

The private sector was the first to adapt to free trade and open markets. It had to in order to survive. But neither is the public administration sheltered from these changes. It also faces the same challenges of competitiveness and productivity, as many countries (the United Kingdom, the United States, France, Canada, etc.) have acknowledged, so much so that the performance of a society like Québec that is open to the world depends on the ability of society and the state together to adapt to these new realities.

- In Québec, the entire public sector, including all three levels of government, accounts for 48.7% of GDP, of which 25.4% is attributable to the Québec government alone.¹

¹ INSTITUT DE LA STATISTIQUE DU QUÉBEC. Comptes économiques des revenus et dépenses du Québec, 1998 edition
Québec has become one of the world’s most open societies. In 1992, 41.3% of its GDP was exported beyond its borders; that percentage now stands at 56%.\(^2\)

Within the economic space it shares with the rest of Canada, Québec has actively contributed to the reciprocal opening of public procurement through the commercial agreements it has signed.

The competition Québec faces from its neighbours (especially the United States and Ontario) depends increasingly on factors such as the tax burden, quality of education, the condition of transportation infrastructures, the regulatory burden, the presence of higher learning and research institutions, the extent of computerization, the vitality of cultural institutions, etc. Whether we like it or not, the cost and efficiency of public services have an impact on the price of goods and services.

All government departments maintain foreign relations. Openness to the world is part of the new challenges facing the Québec state as a whole and each member of the public administration.

**Order has been restored to our public finances**

Restoring order to Québec’s public finances was a difficult undertaking and the efforts required were painful, but the objective has been achieved. All partners in society contributed to this success, which was achieved a year earlier than the target date agreed on at the 1996 Economic Summit Conference. Our task now is to consolidate these gains and manage the state accordingly, with the challenges that implies.

In four years, a deficit of close to $6 billion has been eliminated, in spite of a reduction in federal transfers. During the same period, federal transfers have fallen from 20.3% to 17.5% of the Québec government’s total budgetary revenue. However, past deficits have left an accumulated debt of almost $100 billion, one of the largest in Canada.

The interest on this debt accounts for 16% of total expenditure, restricts the government’s room to manoeuvre and to some degree explains the heavier tax burden in Québec compared to our neighbours in Canada and the United States.

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\(^2\) Idem.
To permanently maintain a balanced budget, the National Assembly unanimously passed the Act respecting the elimination of the deficit and a balanced budget. The state must now be managed in this context, ensuring that limited resources are administered as efficiently and effectively as possible.

Information technologies open up new possibilities

Traditional ways of managing are no longer an option. Increasingly, in the economies of developed countries, information is the strategic resource that offers a competitive advantage to those who can use it to best advantage. A significant number of people and enterprises expect to deal with their government using these new methods of communication.

New information and communications technologies have transformed methods of production, especially in the services sector. They have generated new forms of work organization and created new value-added functions. Up to now, the impact of these new technologies has not been as great in the public sector as in the private sector.

A growing number of people use information and communications technologies on a daily basis in their dealings with various suppliers of services (banks, e-commerce, correspondence, etc.). Just over one million Quebecers 16 or over use the Internet each week.3

Already, new information and communications technologies are playing a key role in government management. For instance, it would have been impossible to set up such a complex program as the prescription drug insurance plan as quickly and economically without the help of these new technologies. The Québec government has already indicated that it intends to take full advantage of this technological revolution in how it produces and delivers services, in particular by means of the government information highway. It has developed a policy on the information highway4 and a government action plan: Pour mieux servir les citoyens et les entreprises – l’inforoute gouvernementale (better service for the public and business – the government information highway).

The strategic importance of the public service

All these changes are of direct concern to our public service. To be able to meet the expectations of the public and political leaders, it must be able to deal with these new realities, use these new management methods, become more efficient, and produce at lower cost. If Québec is to be counted among the most advanced modern societies, its public service must rank among the world’s best.

But it must have the means to do so.

The public administration itself does not determine the framework of its action. That is the job of the state (Parliament and government) which, in response to the public’s expectations, frames its action and determines how it can and must act. The management framework of the public administration is set by statute. Consequently, the National Assembly is responsible for revising this framework to adapt it to new ways of managing and to give public servants the means they need to better manage the programs entrusted to them so that they can fully utilize their ability to do so.

The immediate goal of the reform

The goal of the reform proposed in this policy paper is the revision of the public service management framework. To do so, changes will be needed to the statutes, regulations, rules and instructions that frame how the public service carries out its duties, particularly the delivery of public services.5

The government is clearly aware that the public service management framework as such is only one of the many facets of an overall undertaking whose ultimate goal must be the modernization of the entire public sector. However, this reform is sufficiently complex and broad in scope to be carried out separately.

Reforms have already been undertaken in education and in health and social services, and they will continue. Their management frameworks are governed by other statutes. For this reason, the management of these networks is not directly covered in this policy paper.

5. The policy paper is accompanied by a proposed legislation on government management (Appendix 1).
The same also holds true of government corporations and public enterprises which lie outside the scope of the public service, and of new ways of delivering services that involve outside partners.

Of course, the progress achieved in the public service can be used as a model for other sectors of the Administration, and vice versa.

It is also worth emphasizing, to avoid pointless debate, that the proposed reform does not cover the role of the state, but rather its operation. The issue here is not one of discussing what the state should or should not do (what), but rather the way in which the state should do what it has to do (how). Accordingly, this paper will not examine whether certain services should be brought into the public sector or others privatized. Instead, it will focus on how public services can be better managed, produced and delivered.

**Comparison with the private sector**

Lastly, it must be pointed out that the formulas and methods of private enterprise will not be indiscriminately imported into the public sector. While there are similarities between the two sectors, there are also major differences.

One such difference concerns the status and legitimate expectations of the acquirer of public services or goods. By virtue of his status as a citizen, he has rights, duties and privileges when he deals with the state apparatus, whether the service is provided by right or on an elective basis. In addition, the public service is required to protect citizens’ rights and even to promote and encourage their exercise in accordance with the laws governing them.

Another major difference concerns the measurement of results. The private sector has a simple and effective measurement of the results of its management: profit. However, there is no equivalent in the public sector. Prior definition of objectives that are both significant and measurable continues to be the main challenge of management by results in the public administration.

Lastly, because it administers public funds, the Administration will always be subject to certain basic rules of impartiality and transparency which will remain particularly stringent. Public organizations that exercise adjudicatory functions will always have to observe restrictive rules of procedure.

However, these differences should not prevent the Administration from using the best management techniques available to provide the public with the best quality services possible at the lowest cost. This transformation is under way.
A broad-based project

Citizens, parliamentarians, ministers, public servants, the media, unions and other associations must all take part in this reform because they are all concerned and interested in one way or another.

The effort is worthwhile because Québec needs a strong and energetic public administration if it is to flourish as a modern society. Our public service has played just such a leading role in Québec’s development since the Quiet Revolution. And this is the role it is called upon, once again, to play as Québec enters the third millennium.

The modernization of public administration is an international movement

Other Western governments face challenges similar to Québec’s. Other countries, particularly our major trading partners, have already begun to reform their governmental management.

Examples from other countries

United States: Government Performance and Results Act

United Kingdom: Next Steps Initiative, Citizen’s Charter, Modernizing Government

France: Délégation interministérielle à la réforme de l’État, Charte des services publics

Sweden: Many management reforms in the 1980s and 1990s affecting, among others, the autonomous service units and the public service
The origins of the reform: Québec’s public administration since the Quiet Revolution

Background

In reaction to the arbitrariness and favouritism of the 1950s, our existing public service was built on the basis of fundamental principles such as political neutrality, fairness, integrity and equal access, principles that shall be preserved. Practices were introduced such as recruitment by competition, awarding of contracts through calls for tender, and delivery of services through standards-based programs. Over time, these practices became entrenched in a rigid and cumbersome framework. As in the public sectors of other democratic societies, the result was an approach under which adherence to procedures and control over factors of production had a deep impact on the management framework.

The Public Service Act was revised in the early 1980s. The revised act reaffirmed the same fundamental principles by adding new concerns: efficient management and quality of public services, as well as the mobilization and development of human resources. This was the first step towards a system focussing on public services rather than on internal processes. While flexibility was added to the framework, it nonetheless continued to be restrictive for managers. In addition, the provisions covering financial management, management of goods and services and computer systems were not revised, so that the public administration was subject to two contradictory approaches.

First, the need to severely control spending prompted the government to strengthen central control over the action of government departments: funding freezes, proliferation of prior authorizations, limitation of administrative leeway, etc.
As a consequence of this situation, the management framework of our public service became increasingly centralized and focussed on *a priori* control over personnel and factors of production (financial, material and information resources).

Second, in view of the limited success of this approach and its negative effects on management, other experiments were carried out to find ways of doing things that more effectively met the needs of the public, in which the emphasis would be placed on results, managers would have more freedom of action and be more accountable.

The challenge, given these two approaches, was substantial: modernize the public administration without sacrificing its principles and its most positive aspects, without running the risk of either exhausting or eroding the government apparatus.

**Initial components of the reform**

Some of the innovative steps taken that deserve mention were: replacement of funding freezes with closed envelopes, giving managers more latitude; introduction of multi-year strategic plans and department expenditure management plans published in volume III of the Expenditure Budget. These plans enable departments to describe their budget choices in the context of their strategic orientations and identify the results targets for the budget period. Year by year, departments have set out their objectives in greater detail and succeeded in improving the integration of their management plan with their internal planning process.

At the same time, the Conseil du trésor eliminated many *a priori* administrative controls on all kinds of particular expenditures: hiring of casual personnel, purchase of goods and services, transfers within the operating budget.

Along with making a substantial contribution to efforts to eliminate the deficit from 1995 to 1999, this way of doing things fostered habits of responsibility and autonomy in all government departments and agencies.

In this regard, mention must be made of the many initiatives that originated in government departments and agencies as well as their employees. Most of these organizations undertook a re-examination of their products and services. The focal point was normally the customer or, more accurately, service to the citizen. Many initiatives were taken in the organizations to introduce total quality, pare structures, revise product and service delivery processes, benchmark and compare. Some units have improved their team performance and some have even obtained ISO certification, confirming that their activities comply with international quality standards. All

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these successes achieved by public organizations are indicative of the willingness and commitment of a great number of public servants to improve public services and increase productivity.

Three promising developments deserve to be examined in greater detail: accountability of senior public servants, the creation of autonomous service units, and concerted action regarding the organization of work.

Accountability of deputy ministers and heads of agencies

During the 1980s, the idea gained currency among some parliamentarians that a minister cannot know of all the administrative actions taken by his department. While the minister remains ultimately responsible before the National Assembly, it seemed increasingly unrealistic to hold the minister responsible for smallest details of the management of his department. He defines the broad policy stances and vouches for the quality of public services. By force of circumstances, he must share responsibility for administrative operations with the deputy minister or the head of the agency.

In December 1990, the Lemieux-Lazure report recommended that the Public Service Act be amended to “stipulate that deputy ministers be required to render account by direct testimony before parliamentary committees, in the absence of the responsible minister, of actions arising from delegated power.”

On June 15, 1993, the Québec National Assembly passed a bill submitted by Henri-François Gautrin, instituting a formal accountability regime. This act, which became the Act respecting the accountability of deputy ministers and chief executive officers of public bodies, would substantially alter the traditional relationship between senior public servants and the National Assembly. It enables a parliamentary committee to hear deputy ministers or heads of agencies on their management, particularly the follow-up to the recommendations of the Auditor General in his annual report. In 1995, the act was amended to include the observations of the Public Protector.

This form of accountability became solidly entrenched in 1997 with the creation of the Commission sur l’administration publique of the National Assembly. This commission has been particularly active, having held 41 public sessions since its creation, on April 14, 1997, until May 20, 1999.

Autonomous service units

Beginning in 1995, the government encouraged the formation of autonomous service units, based on the model of the executive agencies set up in the United Kingdom, to assess how this formula could be adapted to the situation in Québec. At first, three autonomous service units, or ASUs, were formed. Since then, their number has grown to fifteen.

Autonomous Service Units

An autonomous service unit (ASU) can be defined as an agency that applies the model of management by results. This concept applies to government activities whose products and services are measurable. Accordingly, this management framework is particularly applicable to operational units. The concept focuses on two fundamental management components: service quality and productivity. Management by results also relies on giving responsibility to the entity’s manager as the one primarily responsible for its performance. Assuming greater responsibility is also the primary concern of professionals and public servants, since they are often in the front line of service delivery. Targets are set and resources allocated at the beginning of the year. The entity must account for the results obtained in relation to these targets. Management by results is framed within a document which is made public: a management agreement between the minister or deputy minister and the head of the unit. An action plan and a management report are also released annually.

As at May 1, 1999, there were 15 ASUs. Over the next three years, depending on departmental planning, 23 new ASUs could be formed. It is important to note that up to now, the ASU concept has been developed without significant legislative or regulatory changes.

In general, ASUs help to mobilize personnel, develop initiative and improve access for customers and partners. Some examples:

- over the last two fiscal years, the Centre de perception fiscale has exceeded its revenue and collections forecasts by reducing its unit production costs;
- the Direction du service gouvernemental de courrier has become self-financing for the first time in its existence;
- the Centre de recouvrement en sécurité du revenu has achieved a reduction of about 20% in justified complaints filed against it in addition to allocating about 3% of its staff’s work time to training.
The ASUs experience is encouraging and this policy paper proposes that it be made a key component of the modernization of our public service. To date, to improve their results, ASUs have had to operate within a management framework that allowed them little new leeway. Objectives were well defined, but the means to achieve them were mostly unchanged. The proposed reform aims to correct this.

**Concerted action regarding the organization of work**

Just like on-going improvements in quality of service, major changes cannot be implemented without the willing participation of staff. Since employees are in the front line, their view of problems is an essential source of information. Management within government departments and agencies accordingly has become gradually more participatory. Employees are informed of objectives and priorities, and are asked for their views and participation. Accordingly, there was a rapid expansion in the number of multi-sectorial teams to carry out revisions of processes and programs. The individuals directly concerned work on solutions in concert with various experts, both at the design and the implementation stages.

Since 1995, departmental work organization committees have been formed in each government department and agency; these committees include representatives of management and representatives of unionized employees. They study various issues relating in particular to internal communication, sub-contracting, work time arrangement, tele-commuting, as well as problems affecting the work environment such as the arrangement of premises or air quality.

In 1998, the government and its union and association partners decided to continue this collaborative effort. This shows that the parties immediately concerned are willing to work together and find solutions. In addition, there is a recognition of the need to come up with solutions adapted to particular situations rather than falling back on generic or blanket solutions.

There are limits to this concerted action mechanism, but it holds promise. It will reach its full potential in the proposed new management framework.
**Towards a new management framework**

Having incorporated these changes, our public service is now at a crossroads. The bases are in place for a change of outlook: institute an outward-looking (provide quality public services in compliance with established rules) rather than inward-looking (be sure to comply with the rules, standards and procedures that govern resource management) management framework; emphasize results rather than means.

However, the management framework itself has remained unchanged. The statutes have not been changed. The result is a growing gap between intentions and reality. This becomes manifest, for instance, when the head of an ASU is held accountable to a very exacting standard, but is not given all the means to achieve his objectives and remains subject to *a priori* controls and scrutiny regarding compliance with administrative rules and procedures. Under such conditions, for a manager, trying to improve performance can sometimes resemble an obstacle course.

Accordingly, it must be acknowledged that the existing management framework, which essentially dates back to the early 1970s, has become a hindrance to improving performance and quality of public services. The rules of the game have to be adapted to the new reality and the challenges of the 21st century. A new management framework is needed.
The reform of the government’s management framework that is proposed in this policy paper can be summarized in a few words: it entails the implementation of a management method focused on the very purpose of the public administration, i.e. service to the public. To this end, emphasis will be placed on results. Managers will enjoy broader leeway in the use of various means and they will be made more accountable for the attainment of measurable objectives. Emphasis is also being placed on greater responsibility for all players.

This reform encompasses three complementary sections: first, a general reform of the administrative framework of the public service; second, the gradual adoption of performance and accountability contracts specific to each unit, which, over time, will allow management by results to produce its full impact. Third, the reform will bolster accountability.

GENERAL FRAMEWORK

A comprehensive review of the general administrative framework applicable to the public service can be carried out fairly rapidly.

The reform covers government departments and budgetary agencies, and will extend to any other agency designated by the minister with responsibility for it.8

First, we must resolutely emphasize public service and, to this end, place greater emphasis on the attainment of objectives by a management focused on results.

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8. See section 2 of the proposed legislation on government management (Appendix 1).
This shift in emphasis affects government departments and agencies that deliver public services and central organizations that oversee their initiatives. The general reform of the administrative framework will affect all of them.

**Government departments and agencies**

The new approach will be reflected in the initiatives of government departments and agencies, above all through the factors indicated below.

**Public commitment to the quality of service**

Each government department and agency that directly delivers services to the public must elaborate and publicize its objectives in terms of level of services and quality of those services. A number of departments, such as the ministère du Revenu, and agencies, such as the Régie des rentes du Québec, have adopted this method. This practice will become increasingly widespread.

**Formulation of a strategic plan**

Each government department and agency must make public a multi-year strategic plan that takes available budget forecasts into account. This plan will stipulate the department’s or agency’s mission, the context in which it evolves, strategic orientations, areas of intervention and objectives selected, targeted results, and performance indicators used to measure the achievement of objectives. While such planning, whose content is, above all, political in nature, exceeds the framework of administrative management in the strict sense of the word, it nonetheless serves as a backdrop to it and is necessary to put administrative management into a broad context. The key components of such planning will, therefore, be made public.

**Publication of an annual expenditure management plan**

In conjunction with the presentation of the estimates, government departments and agencies will continue to publish an annual expenditure management plan, which must present as accurately as possible the choices made in allocating resources and the actions planned to achieve the objectives set in the strategic plan, in light of the financial resources available. The plan will serve as a yardstick by which to judge the department’s or the agency’s performance.
Reformulation of the annual report as an annual management report

At present, the annual reports of most government departments and agencies describe, above all, the programs managed and the structures established. This formulation will be revised so that the reports focus, by and large, on the results attained in light of the objectives stipulated in the strategic plan. Already, certain departments have oriented their reports towards results and this practice will become increasingly widespread. The annual management report will serve as the basis for accountability. For this purpose, it will have to give an account of steps taken to ensure the reliability of controls and the quality of management.

Central organizations

To support this policy direction, central organizations will have to review their initiatives and reduce, as much as possible, *a priori* central controls. They will have to allow government departments and agencies as much latitude as possible in day-to-day management.

In this perspective, the Conseil du trésor will complete a detailed examination of its regulations in order to streamline them as much as possible and simplify to the utmost the rules and procedures governing the delivery of services. When controls are necessary, they must be imposed *a posteriori* rather than *a priori*, in order to avoid hindering various initiatives.

The very management of budgetary appropriations will be relaxed in order to allow, when appropriate, the transfer of appropriations between programs, the carrying over of unspent appropriations, the voting of appropriations for more than one year, or the voting of net appropriations in order to take revenues into account. In addition, government departments and agencies will have more leeway in managing the size of their staff levels.

A number of measures could be adopted to foster the attainment of greater efficiency notably in respect of the process of hiring and promoting staff, and the management of contracts, in keeping with the principles of fairness, accessibility and impartiality.

Generally speaking, central organizations will confine their initiatives to major issues, to prevent any possible loss of control in a specific sector, or to ensure the interdepartmental coordination of certain government-wide administrative questions; they will also ensure consistency throughout the government.

If government departments and agencies obtain an appreciably greater degree of management flexibility, they will have to directly exercise control over their operations. While *a priori* control reduces risk, it carries a high administrative cost. Choosing *a posteriori* control introduces a risk factor which must be methodically
managed. From the standpoint of good management, government departments and agencies must adopt the necessary management tools, such as internal audits and program evaluation. They must be in control and will be monitored from now on with regard to the manner in which they perform this function.

In this perspective, the Comptroller of Finance is reviewing his methods in order to adapt them to the government’s new management approach. However, this review takes into account the role of the Comptroller of Finance, who is the government’s chief accountant, and of his needs with respect to control in order to fulfil this function adequately.

All of these measures have only one objective: to broaden the accountability of public servants and focus their initiatives on the attainment of results. Moreover, the measures will make it possible to enhance the control methods of officials who oversee the use of public funds.

THE PERFORMANCE AND ACCOUNTABILITY CONTRACT

The second phase of the reform centres on the performance and accountability contract\(^9\), which makes it possible to further alter the management framework, from management focused on results to management by results. Under the circumstances, results become sufficiently restrictive, because they are measurable and are actually measured, to serve as true management control tools. Monitoring of results can replace most existing central controls over production processes and factors. This completes the transformation of the management framework.

The notion of “control”

It is impossible to manage properly without exercising proper control. Indeed, control is an essential component of management.

What must be controlled? Under the existing management approach, control focuses, above all, on production processes and factors, e.g. human, financial, material and information resources. Within the proposed framework, control focuses primarily on the results obtained. Controls are not abolished but, instead, are shifted.

Management by results is not management without controls. To the contrary, it is a better-controlled form of management since control centres directly on the quality of the services delivered to the public.

To this end, it is essential that results be measured with sufficient accuracy to be restrictive and thus serve as management controls. Management by results is, to be more precise, a management controlled a posteriori by its results.

\(^9\) Appendix 3: The performance and accountability contract.
Experience reveals that it is not easy to define in respect of each administrative unit sufficiently precise, measurable objectives to serve as a framework for control and accountability. Moreover, it is not easy to assemble the management statistics needed to measure the attainment or non-attainment of the objectives. Until these instruments have been implemented and validated through experience, it would be presumptuous to speak of genuine management by results.

However, once the instruments have been put in place, it will be possible to benefit fully from the reform and eliminate a number of controls that focus on production processes and factors. It will then be possible to grant managers greater leeway in deploying their staff and resources. This is the purpose of the management agreement that can be concluded with the Conseil du trésor by the minister responsible for the unit. This management agreement defines a management framework that is specific to the unit and confers all of the powers that managers need to attain the objectives set.

The difficulty of defining objectives and measuring instruments, the need to verify past experience, and the diversity of the administrative units concerned are all factors that explain why performance and accountability contracts must be introduced gradually. In the United Kingdom, where a similar experience was undertaken, it took 10 or so years to complete the reform. Given the smaller size of Québec’s public administration, the operation is expected to take from three to five years.

The autonomous service units already established will lead the way. They will be given a new impetus primarily through a legal framework focused on results, which will confer on them a new legitimacy and provide an even more elaborate framework for management by results.

The performance and accountability contract is concluded between an administrative unit and the minister responsible. In keeping with their responsibilities, the minister, the deputy minister or agency head and the most senior officer in charge of the administrative unit sign the contract. The administrative unit can be an agency or part of a government department or agency. It’s worth noting that the concept of a performance and accountability contract applies more readily to operational activities. The contract contains the following components, which are made public:

- a definition of the unit’s mission and strategic orientations, the responsibilities of its principal manager and his relations with higher authorities;
- an annual action plan describing the objectives for the fiscal year, the means adopted to achieve them, and the resources available;
the key indicators that will make it possible to give an account of the results attained;

an undertaking to produce at the end of the fiscal year a management report on the attainment of the results and, as far as possible, a comparison of these results with the results achieved by similar agencies.

**The performance and accountability contract and the annual department expenditure management plan**

It should be noted that the performance and accountability contract concern more directly the administrative sphere, while the strategic plan and the annual department management plan, which is part of the strategic plan, fall more within the political sphere.

The strategic plan sets the objectives of programs and pinpoints the results indicators pertaining to the economic, social, cultural or environmental impact of the programs. The annual expenditure management plan places budgetary choices within the framework of strategic orientations.

The performance and accountability contract focuses on the implementation of the annual strategic plan, specifically on the efficient delivery of products and services, and sets quality and productivity objectives.

The performance and accountability contract is rounded out by the management agreement, concluded between the minister responsible and the Conseil du trésor, which defines a human, financial, material and information resource management framework specific to the unit.

The components of the performance and accountability contract clearly reflect the overall framework that applies to the entire public service. The approach is the same, although it goes further. An attempt will also be made to introduce more flexibility into the application of general rules in order to adapt them, if need be, to particular situations.

**ACCOUNTABILITY**

This new management method, under which objectives are set in advance, the results attained are measured and information is made public in a timely fashion, will enable officials responsible for overseeing the use of public funds, especially
parliamentarians, to better play their role in relation to all stakeholders. The accountability of ministers will be more significant and the accountability of managers more tangible.

At present, the main instruments of parliamentary control over the use of public funds are the examination of the estimates, the Auditor General’s report, the examination of financial commitments, and the obligation respecting the accountability of deputy ministers and the heads of agencies.

Overall, the commitment concerning the quality of services, the strategic plan, the annual expenditure management plan and the annual management report, should normally provide parliamentarians with all of the information that they need to fully play their role from the standpoint of oversight and control. Moreover, the administrative units that conclude a performance and accountability contract will be accountable to the minister responsible, an obligation that will be more exacting because it is more precise and better measured.

To make this happen, departments and agencies will be equipped with information systems of results, assuring management follow-up with the help of valid and credible data, and permitting the refinement or performance indicators which will enhance accountability.

All these changes should also be reflected not only during the examination of the estimates but also when the accountability of deputy ministers and the heads of agencies is scrutinized.

In order to assume more effectively their new responsibilities concerning oversight and control, parliamentary committees may decide to allocate more time and resources to this function. It will undoubtedly be possible to do so by setting aside for control over accountability some of the time now allocated to the examination of financial commitments, thus reflecting parliamentarians’ desire to henceforth place greater importance on monitoring results rather than means.

The sectorial parliamentary committees should unquestionably find it increasingly advantageous in their deliberations to use the strategic documents available to them, including the annual management reports, as well as the management reports of the units that have concluded a performance and accountability contract.
Implementation of the reform: the participants

The modernization of the public service is a demanding undertaking and one that will take time.

Admittedly, some facets pertaining to the overall framework can and will be implemented fairly rapidly, but only after study and discussion in a parliamentary committee and examination of relevant foreign experience.

However, the completion of the most promising aspects of the reform, especially the creation of the conditions needed to achieve genuine management by results, can only be achieved gradually as the administrative units demonstrate their ability to manage within this new framework. As noted earlier, this process could take several years.

From the outset, the implementation of this new management framework, centred on the delivery of services to the public and the responsibility and accountability of public servants, will have numerous repercussions, especially on the traditional role of the key players in our parliamentary democracy.

Parliamentarians

Through new procedures to ensure transparency (access to strategic plans, the performance and accountability contract, a more relevant annual report, and formal exchanges with public servants concerning their management), the members of the National Assembly will be better informed on the issues, the choices made and costs, and will be in a better position to carry out the control function that they are called upon to play in our democratic institutions.
With more effective means at their disposal to oversee public funds, parliamentarians will be able, from one year to the next, to monitor progress from the standpoint of the initiatives of government departments and agencies and to contribute to the enhancement of public services.

It should be noted that parliamentarians, to whom managers will report directly, will have a crucial role to play in the smooth operation of the new management framework. Accountability must be public and parliamentary committees are the appropriate forum for such accountability.

For this reason, it is important that the National Assembly devote the necessary resources and time to this function.

The minister

From the standpoint of management, the minister will always be politically responsible for all of his department’s initiatives, by virtue of the constitutional principle of ministerial accountability. However, while political responsibility lies entirely in the minister’s hands, administrative responsibility will be shared with the managers. The minister will have a pivotal role to play in this regard. The performance and accountability contracts will be concluded with the minister, who will conclude the attendant management agreement with the Conseil du trésor. For this reason, it is incumbent upon him, with the support of his department, to assess the results of the agreement.

Each minister will fully exercise his real authority in respect of the policy directions of his ministerial portfolio, i.e. the department and the agencies that report to him, since it is the minister who will approve the strategic plan and the annual management plan. In order to ensure a certain coherence within his portfolio, the minister will be able to constitute and preside over a management committee, bringing together his deputy minister and agency heads.

The application of certain rules, for which the Conseil du trésor is now responsible, could, in most situations, be delegated to the minister under a management agreement.
The deputy minister

Deputy ministers will continue to play their twofold role, i.e. as advisors to the minister and heads of the departmental administration.

The deputy minister’s advisory role should normally encompass all of the responsibilities assigned to the minister. Consequently, this role can exceed the scope of the department itself and extend to the agencies that report to the minister. This is particularly important during the elaboration of the department’s and the agencies’ strategic plans and when budgets and annual expenditure management plans are established.

The deputy minister remains fully responsible for all components of his department. However, his management role will change when he signs performance and accountability contracts with entities of his department. Over time, this managerial role may more closely resemble the management of a group of entities than direct hierarchical management.

The deputy minister will have to devote more time to reporting to the minister, central organizations and parliamentarians on the control of performance and accountability, particularly within the framework of the Act respecting the accountability of deputy ministers and chief executive officers bodies.

Heads of agencies

The role of the head of an agency will continue to cover all of the responsibilities assigned to the agency. However, he will have to participate more extensively in the management of common facets of the ministerial portfolio in order to achieve the necessary consistency. Moreover, he will have to attach greater importance to the control of performance and accountability with respect to the minister, central organizations and, if need be, parliamentarians, within the framework of the Act respecting the accountability of deputy ministers and chief executive officers bodies.

Public servants

The managers, professionals and public servants who make up the Québec public service will continue to provide public services, free from political and administrative arbitrariness. They will continue to embody the meaning of the state that is expected of them and which has been highlighted, especially in the wake of the deliberations of the socio-economic summit conferences.
In the future, we will rely more extensively on managers’ sense of responsibility. They will have more precise objectives to attain and more flexible means at their disposal, above all with respect to performance and accountability contracts. In return, managers will be more accountable for the quality of their actions and the management of their teams in delivering public services.

The government’s professionals and public servants will be given more responsibility. They will work towards clear objectives, expressed in terms of results. Since they are often in the front lines of service delivery, they will have a stake in the definition and application of quality objectives.

First and foremost, public servants will be called upon to continue to fulfil their role as defined in the Public Service Act: “The role of the public service is to provide the public with the services of quality to which it is entitled, implement the policies formulated by constituted authority and ensure the attainment of the other objectives of the state.”

Pride in serving, respect and recognition will grow with the attainment of objectives centred on measurable results, with innovation in the definition and enhancement of standards pertaining to quality of service, and with fulfilment of their commitments.
5. Implementation of the reform: the means

Rules of sound management

Shifting management controls from means to results does not imply abandoning the principles of integrity, loyalty and impartiality and values inherent in public management. Government employees must continue to be subject to a system of recruiting and promotion free of favouritism, and goods and services must continue to be purchased at the lowest cost. However, rules must be elaborated in such a way that it is possible to take into account the specific constraints that administrative units encounter in delivering goods and services or in exercising control. The rules will once again become what they should be, i.e. rules of sound management. More extensive reference will be made to principles and values in order to allow managers greater leeway in pursuing results.

From the standpoint of a priori control, adherence to rules takes precedence over results. In a system centred on a posteriori control, the manager must have flexibility to choose the means that enable him to attain the desired results while respecting the rules of good management.

Public servants are already subject to a stringent code of ethics. It goes without saying that the rules of ethics on which the code is based will be maintained. Their application in light of the new management framework might require a review of this code to guide public service personnel in carrying out their new responsibilities in this new environment.

Public management will be carried out with even greater transparency. A manager must be able to account for his initiatives in light of the leeway attributed to him. The initiatives must be justifiable, which gives full meaning to the notion of assuming responsibility.
Budgeting, an *a priori* control that will be maintained

Every year, the allocation of resources is subject to a governmental financial framework that establishes the level of public spending, bearing in mind macroeconomic factors. The budget envelope is, therefore, limited, which sets competitive conditions for the apportionment of available budgetary resources.

The proposed reform of the management framework does not seek to alter this situation.

However, the reform will make available to decision-makers and parliamentarians quality information that will enable them to ascertain the impact of budgetary choices on anticipated or actual results. Budgetary investments can be presented not only in terms of absolute figures, programs to be developed or measures to be implemented, but also in terms of objectives to be attained in light of the resources available.

Use of resources

It is helpful to make a distinction between the allocation and use of resources. Political authorities, in keeping with government priorities, determine the resources available for each program. Public servants apportion resources within the allocated envelope in order to use them effectively.

The objectives set and the means available to attain them are obviously inextricably linked. Often, the objectives could be more ambitious if the resources were more abundant. However, the accountability of public servants focuses solely on the use of resources, not on their amount.

Personnel management in the public service

The public service of the future will differ significantly from the public service of today as regards its composition and work methods.

Over the past decade, staffing levels in the public service have been reduced by roughly 12%, which has led to a striking reduction in the hiring of new public servants and to an increase in the average age of government employees. The situation has already started to change, since the needs of government departments and agencies should reach 1 000 employees per year in the coming years, compared with 300 employees per year in recent years. The Québec public service is thus regaining its ability to integrate new vitality and skills.
The appeal process with regard to promotion competitions has occasionally elicited comment, especially concerning delays in filling positions. Such delays can have a significant impact on the efficiency and efficacy of the public administration. Under the circumstances, consideration is being given to a review of the right of appeal, either with a view to altering it or replacing it with another procedure that would provide public servants who believe they have been wronged with equivalent protection.

The need for new skills will also enable the government, in its capacity as an employer, to hire young people, take advantage of their vitality and critical sense, and attract the top graduates from our educational institutions. The Québec government also wishes to better reflect the diversity of contemporary society in its personnel.

Furthermore, the government intends to vigorously pursue its policy of promoting women in management positions, including senior public service positions.

Aside from these changes in its composition, the Québec public service will also face a new challenge concerning its work methods, that of establishing an extensive team, each member of which will immediately or ultimately serve the public, whether on the front line or in higher echelons.

From now on, each employee will be more aware of the importance of working for the public good and of the satisfaction and recognition that such awareness may engender.

**Recognize performance**

A key measure to enhance performance prevalent in the private sector consists in rewarding the attainment of objectives, usually through remuneration. Other methods are also used, for example with respect to career prospects.

The new management framework stipulates oversight mechanisms and, in the case of the performance and accountability contract, penalties that can go as far as replacement of a manager who fails to achieve his objectives. In return, however, it should make it possible to adopt performance recognition measures that are compatible with the nature of the public administration.
Implementation of the reform: the means

Information, a strategic resource

The public administration has entered the information age, which means:

- bringing the state closer to citizens, i.e. simplify public services, make them more accessible without constraints related to time and distance and, from the standpoint of business, reduce the cost of the transactions imposed by government departments and agencies;

- reinforcing the security and protection of personal information, which will permit individuals and enterprises to deal in strict confidence with the government;

- supporting management by results through an advanced management information system,¹⁰ which makes it possible to ascertain in real time the results of each program, calculate actual costs, assess the results, and make informed strategic decisions.

The state and the individual are entering an era in which the latter will be less subject to the complexity of the former. Public servants are invited to participate in this revolution and will be better equipped than ever. Together, they will establish, through the information highway, this new relationship between citizens and the state. Individuals will be more autonomous, public services will be more accessible, businesses will be more competitive, procedures will be simplified, and delays and transaction costs with government departments and agencies will be reduced.

Support

The implementation of the new management framework will necessitate in several respects a change of culture in the public service and the acquisition of new skills. New technologies must be mastered if we are to benefit fully from them. Moreover, we must engage in risk management, establish measurable objectives, and learn how to measure them. We must mobilize government employees with respect to this new management method and provide on-going training and skills upgrading.

All of this requires a sound training strategy. The government, with the École nationale d’administration publique (ÉNAP) and other training institutions and in collaboration with the Association des cadres du gouvernement du Québec and other organizations representing employees, will implement intensive training measures to facilitate the implementation of the new management framework.

¹⁰ The government’s integrated resource management system (GIRES), currently under development, will integrate data on human, financial and material resources management. Government departments and agencies will be able to use the system to process their results data.
Implementation of the reform: the means

This also assumes that central agencies allocate the resources needed to plan the transformation, support government departments and agencies, develop expertise, produce management manuals, etc. Lastly, the new management framework stipulates that the Chairman of the Conseil du trésor shall report annually to the National Assembly on the application of the Act respecting government management.
CONCLUSION

Québec needs a public administration that excels, is efficient and motivated. In recent years, the Québec public service has served Québec well. To continue doing so under changing conditions on the eve of the 21st century, it must have the appropriate means at its disposal.

To this end, we must enable it to fulfil its mission, i.e. to provide Quebeckers with services of the highest quality at the lowest cost. The public administration must be provided with a modern management framework that allows it to fully carry out its mission and makes it more responsible and accountable. It must be remunerated in light of its performance and the results it achieves.

All stakeholders in our political system are affected by this reform and all of them must contribute actively to it. All of them will gain satisfaction and a sense of a job well done.

Ultimately, it is Quebeckers who stand to benefit the most from the reform.
# Appendix 1  Proposed legislation respecting Government management

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**Main matters that would form the subject of amending or transitional provisions**
CHAPTER I

OBJECT

1. The object of this Act is to establish a framework for the management of the human, budgetary, material and information resources of the government that is centred on the provision of quality services to the population while making optimum use of the resources.

   A resource organization method is instituted focusing on
   (1) the achievement of results in relation to previously determined objectives;
   (2) an effective and efficient use of resources that is consistent with the principle of transparency;
   (3) greater flexibility within departments and bodies or agencies by the adaptation of the rules of management to their situations;
   (4) accountability based on performance in achieving results;
   (5) the accountability of the government to the population;
   (6) access by the National Assembly to relevant information regarding the activities of the government.

CHAPTER II

APPLICATION

2. This Act applies to the government.

   The government consists of
   (1) the departments of the Government of Québec;
   (2) budgetary bodies or agencies, namely bodies or agencies for which all or part of the expenditures are provided for in the appropriations appearing in the expenditure budget tabled in the National Assembly otherwise than as a transferred appropriation.

   A body or agency other than a budgetary body or agency whose personnel is appointed and remunerated in accordance with the Public Service Act (R.S.Q., chapter F-3.1.1) or whose members or directors are in the majority appointed by the Government or by a minister and at least half of the expenditures of which are borne directly or indirectly by the consolidated revenue fund, also forms part of the Government if it is so designated by the Minister responsible therefor. Notice of the designation must be published in the Gazette officielle du Québec.

   However, Chapters IV to VII apply, in addition to departments, to bodies or agencies to the extent provided in those chapters.

   A person designated or appointed by the National Assembly, the Government or a minister, together with the personnel directed by the person within the scope of the functions assigned to the person by law, the Government or the Minister, is considered to be a body or agency.
CHAPTER III
GENERAL RESPONSIBILITIES FOR GOVERNMENT ADMINISTRATION

3. A department or a body or agency that provides services directly to the population shall publish a declaration containing its objectives with regard to the level and the quality of its services.
   The declaration shall relate in particular to the time frame within which the services are to be provided and shall provide clear information on the services accessible and the requirements to be met to have access to them.

4. A department or a body or agency that provides services directly to the population must
   (1) endeavour to simplify as much as possible the rules and procedures governing the delivery of services;
   (2) have employees assume responsibility for the quality of the services provided and have them participate in achieving the results fixed by the department or the body or agency;
   (3) where the department or body or agency considers it appropriate, make users aware of the cost of the services they use.

5. Each department and each body or agency must adopt a strategic plan covering a period of not less than one year.

6. A strategic plan must contain
   (1) a description of the mission of the department or the body or agency;
   (2) the context in which the department or agency is evolving and the main challenges that confront it;
   (3) the strategic orientations, the areas of intervention and the objectives selected;
   (4) the results to be attained;
   (5) the performance indicators used to measure the achievement of results.

7. The Conseil du trésor established by section 67 may determine, in addition to the items set out in section 6, the items to be included in the plan.
   The Conseil du trésor may also prescribe the form of the plan, the information it is to contain, the period it is to cover, and the intervals of the reviews to which it is to be subject.

8. Each minister shall table the strategic plan of his or her department and the strategic plan of each body or agency for which the minister is responsible in the National Assembly.

9. Each minister shall transmit the draft strategic plan of his or her department and the draft strategic plan of each body or agency for which the minister is responsible at least 60 days before the plan is tabled in the National Assembly.
CHAPTER IV
HUMAN RESOURCES MANAGEMENT

DIVISION I
PUBLIC SERVICE

10. The Conseil du trésor shall establish human resources management policies applicable to all of the departments and bodies or agencies whose personnel is governed by the Public Service Act, in a manner that is consistent with the objectives of that Act.

11. The Conseil du trésor shall determine the classification of positions in the public service. The classification of positions includes the minimum conditions of eligibility for classes of positions or grades.
   The Conseil du trésor shall define the staffing methods that may be used to fill positions.
   The Conseil du trésor shall determine the conditions and procedures for the placing of public servants in a new class of positions and the conditions and procedures for the identification, placing on reserve and assignment of public servants having permanent tenure who are surplus to the requirements of a department or a body or agency.

12. The Conseil du trésor shall fix the remuneration and other conditions of employment of public servants.
   No remuneration may be paid to public servants over and above the regular salary attached to their duties except in accordance with a decision of the Conseil du trésor.

13. The Conseil du trésor shall set up affirmative action programs to remedy the situation of persons belonging to groups discriminated against in employment.

14. The Conseil du trésor shall negotiate collective agreements with the certified associations of employees of the public service.
   The Conseil du trésor shall sign the collective agreements and supervise and coordinate their administration.

DIVISION II
PUBLIC AND PARAPUBLIC SECTORS

15. The Conseil du trésor shall exercise the powers of authorization conferred on the Government with regard to the determination of the remuneration and other conditions of employment of the personnel of the bodies or agencies required by law to obtain such authorization.
   An authorization referred to in the first paragraph may concern several bodies or agencies and may be subject to conditions. The Conseil du trésor may limit required authorizations to matters it considers to be of governmental interest, or exempt a body or agency from obtaining an authorization. It may also make an exemption subject to conditions.

Act (R.S.Q., chapter C-29) and section 487.2 of the Act respecting health services and social services (R.S.Q., chapter S-4.2) in respect of the conditions of employment of the members of the personnel who are not represented by a certified association within the meaning of the Labour Code (R.S.Q., chapter C-27), to matters it considers to be of governmental interest. It may also attach conditions to an authorization.

17. The Conseil du trésor may consult associations representing personnel members not represented by a certified association in respect of the conditions of employment for which it considers it appropriate to hold such a consultation for the public and parapublic sectors.

18. The Conseil du trésor may establish group insurance programs for the personnel of the public and parapublic sectors and the bodies or agencies it designates, fix the terms and conditions applicable to them, in particular the premiums and assessments payable, and enter into agreements for that purpose.

19. The Conseil du trésor shall exercise the powers conferred on the Government under an Act that establishes a pension plan applicable to the personnel of the public and parapublic sectors, except
   (1) the powers conferred by section 2, paragraph 7 of section 4 and section 10.1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);
   (2) the powers of appointment and the power to establish the conditions of employment of the appointees.


CHAPTER V
BUDGETARY MANAGEMENT OF EXPENDITURES

DIVISION I
EXPENDITURE PLANNING

21. This chapter applies to budgetary bodies or agencies.

22. The Conseil du trésor shall submit a draft of the expenditure budget to the Government each fiscal year. For such purpose it shall consider the budgetary implications of the proposals of the departments and of the bodies or agencies.
   The Conseil shall determine the procedure for the preparation of the expenditure budget.

23. The chair of the Conseil du trésor shall table the expenditure budget of the Government in the National Assembly. The expenditure budget shall set out the expenditures to be incurred and the investments to be made during the fiscal year.
The expenditure budget may cover a period of more than one year, without exceeding three years.
The Government may determine, on the joint recommendation of the Minister of Finance and the chair of the Conseil du trésor, the proportion of the expenditure budget that may cover more than one year.

24. The chair of the Conseil du trésor shall also table the annual expenditure management plans of the departments in the National Assembly. The plans shall present, for the fiscal year concerned, the choices made with regard to the allocation of resources, and the actions planned to achieve the objectives fixed in the strategic plan.

25. The expenditure budget shall indicate separately the permanent appropriations already authorized by law that do not require an annual vote by the Parliament, and the amounts for which an expenditure must be authorized by a vote of the Parliament.

The expenditure budget shall also indicate the amount of amortization of capital assets.

DIVISION II
BUDGETING OF EXPENDITURES

26. The expenditures chargeable to each appropriation or included in the expenditure budget submitted to the National Assembly must be limited according to the division of such appropriation as shown in the expenditure budget.

The Conseil du trésor may, to the extent provided by law, authorize the transfer of part of an appropriation of a department or of a body or agency to another appropriation of the department or of the body or agency.

The Conseil du trésor may change a division and subdivide it. The Conseil du trésor may also, in the cases and circumstances and on the terms and conditions it determines, authorize a department or a body or agency to transfer any portion of an appropriation voted between divisions or subdivisions of that appropriation.

Amounts received during a fiscal year, as repayments of advances or loans granted during the same year out of the appropriations voted, shall be returned to the same appropriations and may be used again.

27. Where the law provides that an appropriation is a net appropriation, the amount of the expenditures chargeable to the appropriation is equal to the total of the amount of the net appropriation and the amount of the estimated revenues. A net appropriation is the amount by which the estimated expenditures exceed the amount of the estimated revenues as shown in the expenditure budget.

If the revenues are less than those estimated, the amount of the expenditures chargeable to the appropriation is reduced accordingly.

If the revenues are greater than those estimated, the amount of the expenditures chargeable to the appropriation may exceed the total amount referred to in the first paragraph up to the amount of the surplus revenues.

The Government may determine, on the joint recommendation of the Minister of Finance and the chair of the Conseil du Trésor, the nature of the revenues other than revenues from levies or taxes that may be the subject of a net appropriation, and the terms and conditions applicable to the utilisation of a net appropriation.
28. No contract obliging a minister or a body or agency to pay a sum of money shall be made or be valid unless there is available, in an appropriation, a balance sufficient to carry out the commitments resulting from such contract and maturing in the fiscal year in which it is made.

29. Payment of a sum of money by a minister or by a body or agency under a contract is conditional upon the availability of an uncommitted appropriation for the fiscal year in which it falls due.

30. When the National Assembly is not sitting by reason of an interruption of its proceedings that is scheduled to last for at least 20 days, upon the report of the chair of the Conseil du trésor that there is no legislative provision under which the payment of an unforeseen expenditure may be authorized, and the report of the minister responsible attesting to the urgency of the payment and of its necessity in the public interest, the Government may order a special warrant to be prepared for the authorization of payment of the amount estimated to be required; the warrant shall be signed by the Lieutenant-Governor and the amount thereof shall be placed by the Minister of Finance in an account established for that purpose.

31. A special warrant issued under section 30 shall be an appropriation for the fiscal year in which it is issued.

32. The Conseil du trésor may order the suspension, for such period as it fixes, of the right to commit any appropriation or part thereof.

The first paragraph shall not apply to the salaries, indemnities or contingent and other expenses of the National Assembly.

33. Where the personnel or a position of an administrative unit or any part thereof is transferred from one department or body or agency to another, the appropriations voted for the personnel or position shall be transferred to the department or to the body or agency taking charge of the personnel or position, if the latter is a budgetary body or agency.

34. Where a department or a body or agency provides a service to another department or to another body or agency, the appropriations for payment of the service may be transferred from the department or the body or agency that receives the service to the department or the body or agency that provides it, in the cases and according to the conditions determined by the Conseil du trésor.

35. Any balance of an appropriation remaining unexpended at the close of a fiscal year shall lapse, except to such extent as may be provided by law.

36. The Government may, by regulation, determine the cases in which the awarding of grants shall be subject to authorization by the Government or by the Conseil du trésor, and require the filing of a report by the recipient of a grant.

The Government or the Conseil du trésor, as the case may be, may attach conditions to its approval.
CHAPTER VI
CONTRACT MANAGEMENT

37. This chapter applies to
   (1) bodies or agencies whose personnel is appointed and remunerated in accordance with
       the Public Service Act;
   (2) budgetary bodies or agencies;
   (3) bodies or agencies whose members or directors are in the majority appointed by the
       Government or by a minister and at least half of the expenditures of which are borne directly
       or indirectly by the consolidated revenue fund.

38. The Government may, by regulation, upon the recommendation of the Conseil du trésor,
   (1) determine the conditions of contracts
       (a) made in the name of the Government by a minister;
       (b) made by a body or agency;
   (2) specify the cases in which such contracts are subject to authorization by the
       Government or the Conseil du trésor.

39. The conditions of contracts and the cases in which they are subject to an authorization
    pursuant to section 38 may vary in respect of all contracts, certain categories of contracts or
    certain contracts made by a minister or by a body or agency designated in the regulation
    referred to in that section.

40. A department or a body or agency, with the authorization of the Government upon the
    recommendation of the Conseil du trésor in the case of a contract which cannot be entered
    into without the authorization of the Government, or with the authorization of the Conseil
    du trésor in any other case, may enter into a contract according to different standards from
    those applicable to it under section 38. Upon giving authorization, the Government or the
    Conseil du trésor, as the case may be, may set the standards applicable to the contract.

41. The powers conferred on the Government or the Conseil du trésor by section 40 shall,
    in respect of persons designated by the National Assembly to perform duties that come
    under the National Assembly and in respect of the Commission de la représentation, be
    exercised by the Office of the National Assembly.

42. Each public body or agency described in paragraph 1 of section 5 of the Auditor
    General Act (R.S.Q., chapter V-5.01) must adopt a policy governing the conditions of its
    contracts. Such a public body or agency shall in addition file that policy with the Conseil du
    trésor and make it public not later than 30 days after its adoption.

43. The Conseil du trésor shall establish directories listing categories of property or goods,
    categories of services, and specialities under which suppliers may be registered for purposes
    of selection of suppliers by means of a register. Those directories shall be published in the
    Gazette officielle du Québec.

        Suppliers are called upon to register in the directory by answering a call for tenders for
        selection. Notice of the call for tenders shall be published by the chair of the Conseil du
trenor in an electronic tendering system. The notice shall contain at least the following information:

1. the categories and specialties in which suppliers may register;
2. the place where the tender documents may be obtained or consulted and information may be obtained.

The tender documents must set out
1. the conditions suppliers must satisfy to be registered in the directory;
2. the rules relating to the preparation of lists of names of suppliers registered in the directory;
3. the rules relating to the transmission of the names of suppliers to departments or to bodies or agencies for the purpose of the awarding of contracts.

44. The provisions of sections 38 to 40 take precedence over any inconsistent provision of any earlier general law or special Act or of any later general law or special Act unless the latter expressly states that it applies notwithstanding the said provisions.

CHAPTER VII
INFORMATION RESOURCE MANAGEMENT

45. This chapter applies to bodies or agencies whose personnel is appointed and remunerated according to the Public Service Act, and to budgetary bodies or agencies.

46. The Conseil du trésor may adopt measures to ensure government consistency in information resource management.

Such measures must be consistent with the accessibility and simplicity objectives for services to be provided to the population.

47. The Conseil du trésor may adopt security standards with regard to information resource management, including standards for the protection of confidential information.

48. The Conseil du trésor may also adopt measures for the pooling of information resource infrastructures and services and determine a method for the management thereof.

49. The Conseil du trésor may determine the cases in which an information resource investment project must be submitted to the Conseil du trésor for authorization, and the procedure for obtaining such an authorization.

50. A decision of the Conseil du trésor under this chapter is binding on the department and the bodies or agencies concerned, which are required to comply with it.

CHAPTER VIII
PERFORMANCE AND ACCOUNTABILITY CONTRACT

51. Each minister and each administrative unit for which the minister is responsible may enter into a performance and accountability contract.
The performance and accountability contract determines what constitutes an administrative unit within a department or agency.

52. A performance and accountability contract must contain
   (1) a definition of the mission and strategic orientations of the unit, the responsibilities of the person holding the highest authority within the unit and the person's relations with higher authorities;
   (2) the management agreement, if any, entered into with the Conseil du trésor;
   (3) an annual action plan describing the objectives for the first year of the contract, the measures taken to achieve them and the resources available, and containing an undertaking to produce such a plan on an annual basis;
   (4) the main indicators to be used to account for the results achieved;
   (5) an undertaking to produce, at the end of each year, a management report on the achievement of results and, as far as possible, a comparison of those results with the results of similar bodies or agencies.

A performance and accountability contract may also provide for the formation of an advisory committee to enable client representatives or specialists from outside the Administration to give their opinion on the implementation of the contract.

53. The performance and accountability contract, including the management agreement, is a public document which the minister responsible shall table in the National Assembly.

54. The performance and accountability contract shall be entered into by the most senior officer of the administrative unit. The deputy minister or the chief executive officer may intervene in the contract of the administrative unit that is under his authority.

   The action plan of the unit is approved each year by the minister responsible.

55. The person who exercises the highest authority within an administrative unit having entered into a performance and accountability contract shall see to the furtherance of the unit's mission and ensure compliance with the strategic orientations determined for the unit. The person who exercises the highest authority shall ensure that the unit achieves its annual objectives within the management framework applicable to it using the resources allocated to it.

56. The minister responsible shall exercise a power of supervision and control with regard to the achievement of the objectives that an administrative unit has undertaken in its performance and accountability contract to achieve.

   The power of supervision and control is also exercised by the deputy minister of the department or the chief executive officer of the agency.

57. Where the person who exercises the power of supervision and control in an administrative unit considers that the unit has not achieved its objectives or has not complied with its performance and accountability contract, that person may replace the person exercising the highest authority within the unit or, if the appointment of the person exercising the highest authority is not within that person's authority, recommend to the competent authority that the person exercising the highest authority be replaced.

   The person who exercises the power of supervision and control in an administrative unit may also suspend or cancel the performance and accountability contract of the administrative unit, including the management agreement. That person shall so notify the Conseil du trésor forthwith.
58. A management agreement is entered into by the minister responsible for the administrative unit to which a performance and accountability contract applies, and the Conseil du trésor. The agreement shall define a framework for the management of the human, budgetary, material and information resources that is specific to the unit, the conditions attached to it and the administrative policies governing it.

A body or agency may intervene in the management agreement that applies to it, if any.

59. The Conseil du trésor may, within the framework of a management agreement,
   (1) delegate the exercise of any power, other than a regulatory power, conferred on it or on the chair of the Conseil du trésor by this Act, the Public Service Act or any other Act governing the activities of the department or the body or agency, and authorize the subdelegation of that power;
   (2) exempt an administrative unit from the application of a directive or a policy.

60. At the request of a department or of a body or agency, the minister responsible for the administration of the Act respecting government services to departments and public bodies (R.S.Q., chapter S-6.1) and the General Purchasing Director may intervene in a management agreement for the delegation and exercise of the powers conferred on them by the Act respecting government services to departments and public bodies and the Act respecting the Service des achats du gouvernement (R.S.Q., chapter S-4), respectively, and which they may not otherwise delegate.

The same applies to the minister responsible for the Act respecting the Société immobilière du Québec (R.S.Q., chapter S-17.1) in respect of the powers conferred on the Société immobilière du Québec under that Act.

Any other minister or any body or agency may intervene in a management agreement to exempt the administrative unit from certain procedures or from the obligation to provide information.

61. A management agreement may contain suppletory measures, terms and conditions of application or items pertaining to accountability in respect of an administrative unit, in particular in cases where
   (1) the law provides for the transfer of the balance of an appropriation to a subsequent fiscal year;
   (2) the law grants appropriations for a period exceeding one year;
   (3) a budget overrun may be made in accordance with section 27;
   (4) the administrative unit benefits from a delegation or an exemption pursuant to section 59 or 60.

A management agreement may also set out terms and conditions of application or items pertaining to accountability where the Government has enacted, by regulation pursuant to sections 38 and 39, specific conditions in respect of all contracts, certain categories of contracts or certain contracts made for the benefit of the administrative unit.

62. The Conseil du trésor may, if it considers that the administrative unit has not complied with the management agreement, recommend to the minister responsible for the unit that the performance and accountability contract be suspended or cancelled.
CHAPTER IX
ACCOUNTABILITY

63. Each minister and each body or agency must prepare an annual management report. The report must contain
   (1) the results obtained in relation to the objectives fixed in the strategic plan referred to in section 5 and in any annual expenditure management plan required under section 24;
   (2) the actions taken to guarantee the reliability of the controls and the quality of the management;
   (3) any other item or information determined by the Conseil du trésor.

A separate report must be prepared for every administrative unit that has entered into a performance and accountability contract the content of which is determined in the contract or, where applicable, in the management agreement.

64. Each body or agency shall transmit to the minister responsible, within 45 days after the end of its fiscal year, its annual management report and the annual management report of each administrative unit of the body or agency that has entered into a performance and accountability contract.

65. Each minister shall table the annual management report of his or her department and the annual management reports of the bodies or agencies and administrative units under the minister’s responsibility in the National Assembly within 60 days after the end of their fiscal years or, if the Assembly is not sitting, within 30 days of resumption.

66. The chair of the Conseil du trésor shall table a report concerning the administration of this Act in the National Assembly every year.

CHAPTER X
CONSEIL DU TRÉSOR

DIVISION I
ESTABLISHMENT OF THE CONSEIL DU TRÉSOR

67. The Conseil du trésor is established.

68. The Conseil du trésor shall be composed of a chair appointed under the Executive Power Act (R.S.Q., chapter E-18) and of four other ministers appointed by the Government.

   The Government may appoint, from among the members of the Conseil, a vice-chair to preside at sittings of the Conseil if the chair is absent, and ministers to act as substitutes for the other members of the Conseil.

69. Three members of the Conseil du trésor shall constitute a quorum.
DIVISION II

FUNCTIONS

70. The Conseil du trésor shall exercise the functions and powers conferred upon it by this Act, by another Act or by the Government.

In the exercise of its functions, the Conseil shall encourage the adaptation of the management framework to the situation of each department and each body or agency and take the necessary actions to ensure that the expenditure objectives fixed by the Government are met.

71. The Conseil du trésor shall advise the Government on the use of resources and on the impacts which the strategic plans of the departments and the bodies or agencies will have on resource allocation and management; upon the Government’s request, the Conseil shall also advise it on any other project of a department or of a body or agency.

72. The Conseil du trésor may adopt orientations on the principles or practices to be preferred with regard to the management of human, budgetary, material and information resources.

Such orientations shall serve as references for the departments and the bodies or agencies concerned and indicate the objectives pursued by the Government.

In addition, orientations may be adopted to assist a department or a body or agency in achieving specific objectives.

73. The Conseil du trésor shall adopt the accounting policies to be used in the departments and in the bodies or agencies, and the rules respecting the issuing of warrants for payment and the collection and administration of public moneys.

74. In addition to exercising the powers conferred upon it by this Act, the Conseil du trésor may, where it considers a matter to be of governmental interest, adopt a directive on the management of human, budgetary, material or information resources in the Administration or in a department or a body or agency.

Such a directive must be submitted to the Government for approval and shall come into force on the date fixed therein. Once approved, the directive is binding on the departments and the bodies or agencies concerned, which are required to comply with it.

This section also applies to a body or agency referred to in the third paragraph of section 2 even if the body or agency has not been designated in accordance with that paragraph.

75. The Conseil du trésor may establish control mechanisms to ensure that the objectives set out in this Act are achieved.

Such control mechanisms may include an evaluation program, an internal audit program or a comparative cost study.

DIVISION III

CHAIR

76. The chair shall preside at sittings of the Conseil du trésor. The chair shall see that the decisions of the Conseil are implemented.

The chair shall exercise the functions conferred on the chair by this Act or by another Act.
In addition, the chair shall assume any other responsibility entrusted to the chair by the Government.

77. More specifically, the chair of the Conseil du trésor shall
   (1) in the preparation of the expenditure budget, conduct the required analyses and, together with the Minister of Finance, ensure that the expenditure budget is consistent with the Government’s budgetary policy;
   (2) develop indicators or other management tools to facilitate management by results;
   (3) ensure the coordination and follow-up of negotiations relating to the determination of the conditions of employment of the personnel in the public and parapublic sectors;
   (4) establish interdepartmental coordination mechanisms with regard to information resources and encourage partnership projects in that regard;
   (5) see to the implementation of the government policy relating to the information highway;
   (6) propose to the Government the general public procurement policy and coordinate its implementation;
   (7) coordinate the implementation of agreements entered into by Québec concerning the opening of public procurement;
   (8) at their request, assist departments and bodies or agencies in drawing up their strategic plans and in any other aspect of their management;
   (9) support departments and bodies or agencies in the implementation of government policy with regard to human, budgetary, material and information resources.

78. Each department and each body or agency must provide, at the request of the chair of the Conseil du trésor, any information relevant to the exercise of the functions of the chair or of the Conseil.
   The chair of the Conseil may also require, for the same purposes, the preparation of documents.
   This section applies to every public body or agency whether or not it forms part of the government.

79. The chair of the Conseil du trésor may, as provided by law, enter into an agreement with a government other than the Government of Québec, a department of such a government, an international organization, or a body or agency of that government or organization.

80. The chair of the Conseil du trésor may also enter into an agreement with any person, association, partnership, body or agency concerning any matter coming under the chair’s authority.

DIVISION IV
SECRETARIAT OF THE CONSEIL DU TRÉSOR

81. The secretariat of the Conseil du trésor is under the direction of the chair of the Conseil.

82. The secretariat shall support the activities of the Conseil du trésor and assist the chair in the exercise of the functions otherwise assigned to the chair.
83. The Government shall appoint a person as secretary of the secretariat of the Conseil du trésor in accordance with the Public Service Act. The secretary shall exercise as regards the personnel of the Conseil such powers as the Public Service Act confers upon a deputy minister.

84. Under the direction of the chair of the Conseil du trésor, the secretary shall administer the secretariat. The secretary shall, in addition, perform any other function assigned to the secretary by the Government, the Conseil or the chair of the Conseil.

85. The secretary of the Conseil du trésor has, in the exercise of the functions of secretary, the authority of the chair except with regard to the sittings of the Conseil.

86. The secretary may delegate in writing the exercise of the functions of secretary to a public servant or to the holder of a position. The secretary may, in the instrument of delegation, authorize the subdelegation of the functions indicated by the secretary, and, in such a case, the secretary shall identify the public servant or holder of a position to whom they may be subdelegated.

87. The personnel of the secretariat is made up of the public servants necessary for the exercise of the functions of the Conseil du trésor or its chair; the public servants are appointed and remunerated in accordance with the Public Service Act. The chair of the Conseil shall determine the duties of the public servants where they are not determined by law or by the Government.

88. The management of the secretariat is subject to the provisions of this Act and any other Act applicable to the management of a department.

89. The signature of the chair of the Conseil du trésor, the secretary or the clerk gives authority to any document emanating from the Conseil or from the secretariat. An act, document or writing is binding on or may be attributed to the chair only if it is signed by the chair, the secretary, the clerk, a member of the personnel of the secretariat or the holder of a position, and in the latter two cases, only to the extent determined by the Government.

90. The Government may allow a signature to be affixed by means of an automatic device to the documents it determines, on the conditions it fixes. The Government may also allow a facsimile of the signature to be engraved, lithographed or printed. The facsimile must bear the countersignature of a person authorized by the chair of the Conseil.

91. A document or copy of a document forming part of the records of the Conseil du trésor or the secretariat is authentic if it is signed or certified true by a person referred to in the second paragraph of section 89.

92. An intelligible transcription of a decision or other data stored by the secretariat on a computer or on any other data storage medium is a document of the secretariat and is proof of its contents where certified true by a person referred to in the second paragraph of section 89.
MAIN MATTERS THAT WOULD FORM THE SUBJECT OF AMENDING OR TRANSITIONAL PROVISIONS

Harmonization of existing legislative provisions concerning bodies or agencies already subject to control by the Conseil du trésor with regard to the conditions of employment of their personnel, so as to relax or abolish that control.

Harmonization of the Public Service Act with the new philosophy of management focussed on results as concerns the aspects related to human resources management.

Easing of the mode of control currently exercised by the Conseil du trésor over staff levels in the public service and in bodies or agencies outside the public service.

Possible review of the appeal process in matters respecting competitions for promotion in the public service.

Establishment of a particular promotion process as part of certain manpower development programs approved by the Conseil du trésor.

Authorization to be given the chair of the Conseil du trésor for the delegation of the powers of the chair with regard to promotions without competitions in the public service.

Standardization of the method for determining the conditions of employment of nonunionised personnel in the education and the health and social services sectors.

Harmonization of the Financial Administration Act with regard to budgetary aspects.

Integration of annual management reports and the current annual reports of departments and of bodies or agencies.

Coming into force on the dates to be determined by order of the Government.
Appendix 2 Initiatives taken since 1994 to adapt the government management framework

Within the last few years, initiatives have been taken to adapt the government management framework to a management method focusing on results rather than on control over means and compliance with rules and procedures.

To increase the freedom of action available to government departments and agencies and to encourage managers to assume greater responsibility, adjustments were made to the budget process and controls over administrative action were eased starting in 1994. For instance, the Conseil du trésor eased controls, and each government department and agency was allocated a closed budget envelope, as well as receiving more leeway in allocating its resources according to its priorities.

Each department and agency was also invited to submit a strategic plan to the Secrétariat général du gouvernement du Québec and an annual expenditure management plan to the Conseil du trésor, providing the overall context for its budgetary choices. The department expenditure management plans are made public when the estimates are tabled.

Strategic plans

Since 1997-1998, the government’s secretary general has asked government departments and agencies to prepare a strategic plan. While these strategic plans have not been tied to the budget process, their preparation timetables have been harmonized and exchanges of information during the process have been encouraged between the Secrétariat du Comité des priorités and the Secrétariat du Conseil du trésor. Until now, it has been left to the minister responsible to decide whether or not to publish the strategic plans.

Department expenditure management plans

The department expenditure management plans are consistent with a management approach focusing on results. These plans make it possible for the departments and agencies to relate choices made in the allocation of resources and planned actions to reaching fixed objectives concerning their strategic orientations and assess them more easily by means of measurable indicators. The yearly follow-up to the departmental plan and performance indicators is the first step in the accountability process. Since 1995-1996, the Conseil du trésor has published all these plans each year along with the Expenditure Budget.

Each department expenditure management plan includes the following components:

→ a mission statement defining the reason for the existence of the government department or agency, its main characteristics and customers;

→ follow-up to the preceding year’s plan;

→ a description of the context and challenges referring to the socio-economic climate, including customer needs;

→ the strategic orientations stating the priorities and areas of intervention;

→ a description of the program assessment plan for the coming year;
a description of the budget plan, stating the choices and means adopted, for remaining within the budget envelope allocated for the coming year, through an analysis of budget changes from one year to the next;

identification of performance indicators to assess the progress made compared to a target, or impact indicators to measure the results sought in the social or economic fields, or the protection of resources.

The plans can also contain data obtained regarding these indicators or regarding other indicators illustrating the context, implementation or management of the activities stipulated.

Closed envelopes

Since 1995-1996, the departments have received a closed budget envelope each year. Bar- ring exceptional, unforeseen circumstances, the envelope cannot fluctuate during the year. The closed envelope includes all the departments and budgetary agencies that come under the authority of one minister. This provides them with greater budget stability for planning purposes, as well as more flexibility for allocating resources within their envelope. However, they are responsible for the measures to take to remain within their envelope and absorb any overruns.

Government departments and the agencies concerned are informed of budgetary targets as they prepare their budget forecasts. They are then invited to submit plans and measures to achieve their target and estimate their impact over a three-year period. This period makes it possible to consider developmental measures, to more thoroughly examine the operation of programs, assess the medium-term impact of measures and ensure consistency across programs. In this process, the government retains the option to make allocations between departments and agencies.

Internal accountability of senior officials

In addition to external accountability, which is exercised before the National Assembly and stems from the Act respecting the accountability of deputy ministers and chief executive officers of public bodies, the government has introduced internal accountability. In late 1996, it adopted a policy concerning the management of senior officials. The policy stipulates the terms and conditions of how deputy ministers are accountable to the secretary general of the government, and how heads of public bodies are accountable to the responsible minister. This accountability covers the internal activities of its organization, inter-organizational and inter-governmental responsibilities, and its support and advisory role.

Easing of administrative controls

Controls have been gradually eased. In 1994, the Conseil du trésor eliminated numerous minor controls affecting the management of human, financial, material and information resources. In 1995, controls were streamlined regarding human resources management, the information resources management framework and the property management framework.
In 1996, controls regarding financial management were eased. Other streamlining measures have since been added.

In practical terms, the first target was the elimination of numerous controls relating, among other things, to telephony and various office and computer supplies. Other measures involved raising the amounts requiring prior authorization from the Conseil du trésor for expenditures on goods or services or for granting certain subsidies. Moreover, required prior authorization has been eliminated, in particular for certain budget transfers within the same envelope or for certain property improvements.

In addition, other measures concerned personnel management, in particular the length of casual employment, the transfer of employees between government departments or agencies and lists of skills used for recruiting new public servants eligible for jobs in the public service. To improve internal mobility, job classification was also revised to make it simpler. The information resources management framework was also thoroughly revised to emphasize interdepartmental concerted action and management focussing on results. Lastly, the regulatory framework relating to contracts for goods and services was also simplified.

This easing of control has considerably reduced the number of demands processed by the Conseil du trésor, passing from 2 130 in 1994-1995 to 1 555 in 1998-1999, i.e. 575 fewer dossiers processed by the Conseil.
Appendix 3 The performance and accountability contract

The performance and accountability contract is concluded between the manager exercising the highest authority in an administrative unit of a government department or agency and the minister responsible. The deputy minister or head of agency to whom the manager reports is also a signatory of the contract. The performance and accountability contract is a public document which the minister responsible tables in the National Assembly.

Administrative unit covered by the contract

In light of the experience gained regarding management by results, notably by the autonomous service units, the administrative unit can consist of an agency, or a part of a department or an agency. Concluding a performance and accountability contract is easier when the following characteristics are found:

- the activity sector covered delivers specific products and services for a well-defined clientele;
- the products and services are measurable and their production can be assessed using indicators;
- the unit has a clear and specific mandate. The nature of its responsibilities sets it apart from the other parts of the same organization;
- the unit’s existence and its mission are not called into question in the short term;
- the unit is in control of the greater part of its production process.

Components of the contract

The performance and accountability contract includes the following items:

- a description of the unit and the basic parameters of its contractual undertaking;
- a management agreement with the Conseil du trésor;
- an annual action plan;
- an annual management report;
- identification of follow-up, control and performance evaluation measures.

1. Description of the administrative unit

The performance and accountability contract contains complete information relating to the following:

- a description of the unit (its mission and orientations), its products and services and its customers;
- a statement of objectives concerning the level of services and the quality of these services;
- a definition of the responsibilities of the minister, the deputy minister or agency head, the head of the unit, as well as their chain of authority and accountability;
indicators that enable follow-up and accountability on the basis of results;

if necessary, the formation of an advisory committee to enable customer representatives or outside experts to give their views on the application of the performance and accountability contract as a whole.

2. MANAGEMENT AGREEMENT WITH THE CONSEIL DU TRÉSOR

The management agreement is concluded between the minister and the Conseil du trésor to define the management framework applicable to the human, financial, material and information resources allocated to the unit to achieve its objectives. To provide the unit with more latitude in choosing means and greater leeway in decision-making, this agreement includes:

streamlined management rules, in particular the following possibilities:

- appropriations voted for a period of more than one year;
- carry-over of unexpended appropriations to a subsequent fiscal year;
- voting of net appropriations;
- the transfer of appropriations between government departments or agencies to enable the supplier of a service to have the beneficiary cover its cost.

delegation of non-regulatory powers or the authorization to sub-delegate these powers, or exemption from the application of either policies or instructions of the Conseil du trésor, or of procedures or obligations, issued by another government department or another agency, to provide information.

Depending on the easing of controls, delegations and exemptions granted to the administrative unit, the management agreement may include special accountability items regarding auxiliary measures and application procedures put in place by the unit.

3. ANNUAL ACTION PLAN

The formulation of a strategic plan by sector of departmental responsibility is designed to set out orientations and priorities within the closed budget envelopes. The preparation of an annually updated action plan for each unit involved in a performance and accountability contract flows from this process.

Based on the strategic orientations and amounts of resources determined by the responsible authorities, each unit presents, for each of its products and services, its medium-term objectives and annual targets for performance, quality of customer service and productivity. It must be possible to measure the achievement of these objectives using the indicators stipulated in the performance and accountability contract. The objectives and targets are approved by the minister and the action plan is tabled in the National Assembly.

The annual action plan must pay particular attention to planning of activities and the means to be developed to achieve the expected results, as well as to contingent factors that may have an impact on the unit’s performance. The primary role of the unit is to produce and deliver the products and services for which it is responsible.
4. **ANNUAL MANAGEMENT REPORT**

Soon after the end of each year of operation, the unit must prepare and submit a management report to the minister describing and explaining its results. This report includes:

- complete and relevant information on the products and services delivered as well as the resources used;
- a comparison between actual results and the targets of the action plan, and an explanation for the differences between the two;
- if possible, a comparison between the results of the unit and those of similar agencies, in the public sector or the private sector, in Québec or elsewhere.

This annual report is tabled by the minister in the National Assembly.

5. **FOLLOW-UP, CONTROL AND ASSESSMENT OF THE UNIT’S PERFORMANCE**

A unit that has concluded a performance and accountability contract must set up a management information system to monitor its activities. The system has the following objectives:

- measure the achievement of the results targets set in the action plan;
- assess the cost of programs managed, optimize the use of resources, carry out activities at lower cost, and contribute to continuous improvement in productivity;
- carry out rigorous follow-up of the unit’s operations and undertakings;
- assess the satisfaction of users of the goods and services supplied.

The minister exercises control and supervisory authority regarding the achievement of the results objectives that the unit has undertaken as well as the actions taken and the means it has used to do so. This authority is also exercised by the deputy minister, when the unit is part of a government department.

The minister may, at any time, suspend or cancel the performance and accountability contract if he considers that the unit has not adhered to it or has not achieved its results targets.

When the unit is part of a government department, the deputy minister may also suspend or cancel the performance and accountability contract or recommend that the minister do so if he considers that the unit has not adhered to it or has not achieved its objectives.

If a performance and accountability contract is suspended or cancelled, the Conseil du trésor is advised.

The Conseil du trésor holds the power to supervise the management agreement it has entered into with a minister. If it considers that the agreement has not been adhered to, it informs the minister so that he can take corrective action or cancel the agreement. It may, if appropriate, recommend that the minister suspend or cancel the unit’s performance and accountability contract.