PP+G REVIEW

Vol. 1, No. 1, Fall 2009

Interview

Public Policy & Governance Review

In Conversation with Michelle d'Auray, Secretary of the Treasury Board

By Lindsey Harrold

University of Toronto

Lindsey Harrold is a second year student in the Masters of Public Policy program at the University of Toronto's School of Public Policy and Governance, where she is focused on urban policy. In the summer of 2009, Lindsey was an intern at the City of Toronto where she undertook research on natural gas conservation and energy security. Prior to enrolling at U of T, Lindsey obtained her Chartered Accountant designation while working at KPMG, LLP. Lindsey holds a Bachelors degree in Business Administration from The Richard Ivey School of Business at the University of Western Ontario.

Undoubtedly one the best things about attending policy school is the nearly endless opportunities to hear from notable people working in government. Is there a better way to learn about the real world of policy than to hear from the people who are actually out there making decisions?

Fifteen Master of Public Policy students at the University of Toronto recently had an opportunity to spend an hour in conversation with Michelle d'Auray, Secretary of the Treasury Board, to talk about her current role, past experiences, and share advice with students. Michelle began her career with the federal government at the National Film Board. From there she has gone on to work in a range of areas, including Intergovernmental Affairs and the Department of Fisheries and Oceans. On the diversity of positions she has held throughout her career, she noted "it's been an interesting journey and I've had the opportunity to do things I've really liked and to go to places where I've been really passionate about things. I've also been thrown into situations, jobs, and issues, where I knew nothing and so that is a bit scary, but it also expands your horizons and gives you a perspective in ways you would not necessarily know and dreamed of."

Students (S): *What is the role of the Treasury Board in the federal government?*

Michelle d'Auray (MD): The Board itself is a Cabinet Committee that requires Ministers to review and approve expenditures of the government. The Secretariat, of which I am the Deputy Minister, is the department that supports the Board. As an organization it has three key responsibilities: it operates the Budget Office and the Management Board, and is responsible for people management as the employer of the public service.

As the Budget Office it oversees and makes sure that all of the expenditures of the government are being done appropriately. It prepares all the information for Parliament to vote [on appropriations] so that departments get the money they need in order to be able to spend. It tracks and makes sure that the expenditures are aligned with what departments said that they would be spending on. It also looks at overall spending patterns of the government and brings forward any special issues that departments encounter. For example, if a building falls apart and there is a need for increased expenditure, the requests for funds go through the Budget Office process of the Treasury Board.

The Treasury Secretariat's Management Board role is changing quite significantly. It used to be the rule-making part of the organization, with 260 rules and directives in all areas of management from information technology, to financial controls, to performance management. Now, the Board has moved to a principle-based approach. Rather than telling the 60 or so departments that it works with how to do things, it gives general direction about what they should be achieving.

The third component is probably one of the biggest expenditures of the government - people management. In this role, the Treasury Board manages compensation and the conditions of employment. It determines the rules and responsibilities around being a public servant. Also, it holds the recently rejuvenated function of understanding what it takes to attract, recruit, retain, develop leadership and manage people within an organization where individuals are increasingly accountable publicly for what they do. There has been a big change in the way in which public servants are playing a role, often behind the scenes, but now increasingly accountable. So if you are a deputy minister, an assistant deputy minister, or a senior official, your expense account is public and the contracts you've issued are public. So the role and function that you play and your accountability directly to citizens has also changed quite significantly.

S: *What are the major issues facing your organization in the current political and economic environment?*

MD: The one big issue that we will be facing as an organization is a transition to the post-stimulus environment. The role of governments has shifted quite significantly and we have been spending money on infrastructure, on improving universities and their buildings, improving federal labs. We have been putting quite a bit of money out on projects and initiatives, getting people to work and getting money circulating in the economy. And so after that period, after March 2011, the whole set of initiatives are supposed to grind to a complete halt and we have to get back into a non-deficit situation. This means that we will have to start looking at program spending. How we encourage reduction of spending in a way that actually make sense and gets at efficiencies and effectiveness? Being smart about how we manage expenditures in that environment is going to be probably the biggest issue that we have to deal with.

S: *Do you think the shift to public accountability of civil servants (as opposed to strict ministerial responsibility) is a good thing?*

MD: I think it's a good thing and it does not take away from ministerial responsibility. Every public servant is accountable for the work that they do using taxpayer dollars. The degree of accountability has changed but I personally have not had an issue with being responsible for the decisions that I have taken. I think to be accountable for what I'm spending is a good thing, to be accountable for the decisions that I'm making is a very good thing. It doesn't take away from my Minister's responsibility because my Minister's responsibility is for the policy direction and I'm responsible for the implementation. On the contrary, I think it makes clearer what the responsibilities and the roles are.

S: *The federal government has gone through recessions and times of deficit spending before, is there something about where we are now that is unique in how you manage public funds?*

MD: The speed. We were in surplus situations 18 months ago and now we are in deficit. Also, the uncertainty. Nobody has a crystal ball or some divination mechanism, or even some evidence-based mechanism, that will be able to give us a projection of where, when, or how the recovery will come. So, while we are conscious that we've made these expenditures and we know we are going to have to get out of the deficit, the speed, rhythm, and nature of getting out of that deficit is also a question mark. So that is the main difference, the speed and the unpredictability.

S: *You mentioned that the Treasury Board is undergoing a transformation from a rules-based approach to a principle-based approach. Does this impact the type of people you need to have working in government? If so, what stage is the cultural transformation at within the organization?*

MD: From an organization that is at the centre of government, it has always been easy for people in those organizations to tell other people in departments and agencies what to do and how to do it. Getting out of that mode and saying, "here are the general principles, here are the things you should be achieving, I'm not in the business of telling you how," is about having that ongoing discussion about what is the best way. [We need to] bring in the expertise that is in departments and recognize that the centre is not the only area with expertise. We don't hold all the troops, we don't hold all the evidence, and there are different ways of doing things that are just as successful. We should be interested in the results and the basic principles that underlie how you should be achieving those results. We should be clear about the areas in which we have to be clear, for example, that [departments] are only supposed to be using the money for these purposes because that's what you've been appropriated for. So, it does take a different approach. It means a lot more negotiation. It means a lot more facilitation, bringing people together, having more discussion. And when you're crunched for time, unless you've had a lot of discussions prior to and have changed your way of working, it's very easy to fall back on "No you have to do it this way and I'm not going to take your stuff unless you do it that way." So, it does take a change in approach. We are recruiting with those different competencies and those skills sets - the negotiator, the facilitator, the knowledge broker rather than the rule maker and the enforcer.

Has it started to change? Yes, we are part-way through. I'm not sure it's cultural [change] as much as behavioural. I know it might be a bit of a semantic issue here but "cultural" implies [changing] just about everything and we're looking specifically for a change in the behaviour in the interaction with colleagues in different departments.

S: *What are some the major strategic leadership challenges which you face on a day-to-day basis?*

MD: We face complexities - everything converges, everything is inter-linked. It used to be that when we were looking at domestic issues we could just focus on domestic issues. Expectations of speed are there as well. I think that fast decisions are really what people are looking for. [The public expects] accountability or an ability to demonstrate that the decisions that we have supported actually brought the results. So, there is a lot more focus on performance and, therefore, an ability to bring information together to understand what performance is and how you would measure a result. That is a very different approach [compared] to "have I met the rule, have all the steps been taken," it means also that the information is not held by one individual. You have to go and get it. You have to broker it. You have to bring a different level of understanding and consensus to a perspective. So that takes different types of people.

***S:** What initiatives are being taken by the federal government to recruit and retain, and at what level of priority is this at?*

MD: I was looking at the numbers the other day, and we have a workforce overall of about 240,000 people. Just under half have been recruited or changed jobs in the last five years. So the cycle of retirement and changes is well underway. We're in constant recruitment mode, so yes, it is a priority. We constantly recruit to bring people in. We also know that people do not stay for the same length of career as they would have been in the past. That's not true though in all areas. Some people who come in to a scientific activity tend to come in and stay in the public service in those areas. People who, interestingly enough, come into the Canada Revenue Agency as auditors tend to stay for a very long time. So we're now getting a better understanding of our workforce and what keeps people.

We are also interested in bringing people at different points in their career and taking advantage of different levels of experience. We have not been very good at bringing people in at a mid-career point. [Recognizing that], the next step is to put in the mechanisms so that people who are coming mid-career are supported. Because it is a very complex organization, it has all kinds of expectations some of which are unstated. To encourage people to meet those expectations [we have to] be able to communicate them, be clear about them, and give people the tools that they need to succeed. It is a pretty big priority because after this economic situation we will be in a very tight labour market. We are on a high right now in terms of our ability to recruit because of the stability of [public sector] jobs and because other sectors and industries are not recruiting. We know that after [the economic recovery] we will be competing.

There are retention programs in each department and organization. Each organization does its own training, development, and learning to keep people and to continue to improve the knowledge base of their employees. There is also an onus on the individual to see what other opportunities exist within the organization.

***S:** What do you think about the shift in information culture and how you bridge a generation used to vertical hierarchy with a generation who are used to horizontal communication?*

MD: Oh, badly, we bridge that very badly (laughter). I'm going to address your question by answering differently. We're having a discussion right now about something which we call the Public Service genome. It's predicated on [questions such as] how public is a public servant? And, what does it mean to be a public servant today? Can I be an advocate as well as a public servant? Communication tools, internet, Twitter, Facebook, and the interconnectedness [they promote] are part of who we are. They are an extension of who we are professionally but also who we are personally. Is there still this dividing line between what I consider to be my personal views that I cannot carry into my function? We asked those questions many years ago but we were not quite in the same situation of having Facebook pages where people could display their views. [If] someone is an ardent environmentalist in their personal sphere, can they translate that into a work environment where Ministers give you the direction and they are the implementers?

Part of that is around the hierarchy and the communication and the interaction. In think in terms of getting access to people, knowledge, sharing information, and networking those barriers are pretty much broken. People send me emails at all levels of the organization and I send them back. We have those conversations. The decision-making is hierarchical, yes, because it has to go to a Minister and the Minister makes that determination.

S: *As potential future public servants, is experience in line departments a pre-requisite or something that is essential to working in a central agency as a career move?*

MD: Not necessarily, no. There used to be a view that you had to work in a region, you had to work in a line department, you had to work in an operation, you had to do policy, and you had to work in a central agency, you had to have all that package. Now, I say go where your passion is. Go where your interests are because that's where you'll be the most productive. If you like what you're doing you will generally be pretty good at it.