

Office of the President
of the Treasury Board

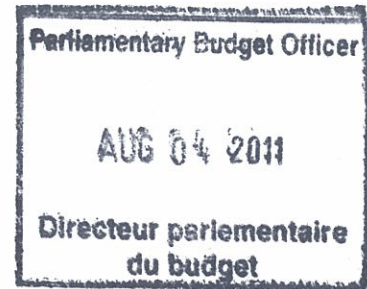


Cabinet du président
du Conseil du Trésor

Ottawa, Canada K1A 0R5

28/9/11

Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Parliamentary Budget Officer
Parliament Buildings
Ottawa, Ontario
K1A 0A9



Dear Mr. Page:

On May 2, 2011, Canadians gave our Government a strong mandate to complete our work on economic recovery and job growth. One of the cornerstones of that mandate is to return to a balanced budget by 2014-15. The June 6, 2011 Budget spelled out three steps to eliminating the deficit, including the commitment to complete, within one year, a comprehensive Strategic and Operating Review involving federally-appropriated organizations across government. The review is focused on generating savings from operating expenditures and improving productivity, while also examining the efficiency and effectiveness of programs. The goal is to achieve fiscal savings of at least \$4 billion by 2014-15.

As Chair of the Treasury Board Sub-Committee on the Strategic and Operating Review, I invite you to submit to me by September 12, 2011, your ideas on savings proposals, across federal organizations or within an organization, that are informed by your organization's unique knowledge, insights and experience of government operations and programs. To assist you in this regard, attached is a series of criteria that Review organizations must consider when developing savings proposals. You may wish to refer to these criteria when developing your ideas for possible savings.

I am confident that with your ideas and those of many others, we will fulfill our Government's commitment to return to fiscal balance by 2014-15.

Yours sincerely,

The Honourable Tony Clement, P.C., M.P.

c.c.: Mr. William R. Young, Chief Librarian, Library of Parliament

Canada

Review Criteria

In conducting their review, Ministers and Deputy Heads should review all program expenditures (operating, grants and contributions and capital) against the following criteria:

- **Operating Efficiency** – To what extent are results being achieved efficiently? Can this activity, service or program be delivered at a lower cost or through a more effective delivery instrument? How does it compare with the delivery of similar activities, services or programs in the private sector, other levels of governments, or internationally?
- **Internal Services** – Are internal services (e.g. communications, human resource management, financial management, etc.) as efficient as possible? Do they deliver results and value for money? Have standard business processes been adopted? Can improvements be made to reduce any overlap and duplication?
- **Effectiveness** – To what extent is this program, activity, or service achieving the expected results for which it was designed?
- **Affordability** – Is the program, activity, or service a government priority and is it affordable during a period of fiscal restraint?
- **Relevance and Need** – To what extent is there still a need for this program, activity, or service? Is it still relevant? Is it still a priority of government?
- **Federal Role** – To what extent is this program, activity, or service consistent with the federal government's roles and responsibilities? Are other levels of government, the private sector, or the not-for-profit sector better positioned to deliver the program, activity or service in this area?
- **Organizational Role** – To what extent does this program, activity or service have to be delivered by the organization? Would greater efficiencies be achieved if another department or agency, government service provider, or the private sector delivered the program, activity or service? Will net savings be achieved? If proposals include transferring responsibilities within the federal government, have affected organizations been consulted, and do they agree?
- **Capital Effectiveness** – Is the capital expenditure achieving value for money? Are processes and requirements overbuilt? Is the asset tied to the core mandate of the department? Is the organization better served to devolve or sell the asset? Are there opportunities to partner with the private sector to build, recapitalize, or manage the asset?

Note: In assessing potential savings, organizations are expected to focus on achieving efficiencies from their operations (including internal services), as well as to rethink business processes and service delivery platforms.