

# 2021-2022 **ANNUAL REPORT**



**Treasury Board Secretariat**



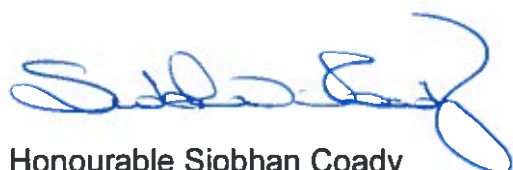
## Message from the President of Treasury Board

As President of Treasury Board, I am pleased to present the Treasury Board Secretariat's Annual Report for 2021-22. The report outlines accomplishments and progress made toward realizing the objectives set by the Secretariat for the 2021-22 fiscal year.

In 2021-22 Treasury Board Secretariat priorities included examining departments, agencies, boards and commissions to optimize efficiencies and ensure that the size of government reflects the appropriate staffing levels required. The Secretariat also expanded its mandate to include the functions for accountability, continuous improvement and evaluation. With this, there will be an accountability framework developed for departments, agencies, boards, commissions, as well as community agencies and all those that receive public monies. An accountability framework defines purpose, intended results as well as monitors and evaluates performance.

As the Minister responsible for the Secretariat, which is a Category Three Provincial Government entity under the **Transparency and Accountability Act**, I am accountable for the results contained within this report.

I would like to thank all employees for their professionalism and commitment in delivering high quality programs and services while dealing with the challenges presented by the COVID-19 pandemic. Your hard work, dedication and adaptability during this difficult time have been much appreciated.



Honourable Siobhan Coady  
President of Treasury Board

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## Departmental Overview

The Treasury Board Secretariat (TBS) supports the role of the Treasury Board Committee of Cabinet, whose responsibilities are derived from the **Financial Administration Act**, the **Public Service Collective Bargaining Act**, and the **Executive Council Act** and **Regulations**. These responsibilities are primarily achieved by providing timely analysis and advice to government departments and agencies, Cabinet, and the Committees of Cabinet, particularly Treasury Board, for which the Minister serves as President. TBS also provides leadership and support for effective human resource (HR) management across government, focusing on supporting the specific HR needs of employees and departments. This includes: the centralized oversight and interpretation of HR and compensation policies; the maintenance and administration of position classification processes; and supporting HR planning and decision-making. In 2021-22, TBS also became the lead department on government's commitment to enhanced accountability, evaluation and continuous improvement which includes responsibilities as outlined in the **Transparency and Accountability Act**. The Secretariat provides government-wide oversight on horizontal issues to ensure that all public funds are used to deliver programs and services in the most effective and efficient way possible.

## Mandate

The mandate of TBS is to prudently manage government spending and examine departments, agencies, boards, and commissions to optimize efficiencies, and ensure that the size of government reflects the appropriate staffing levels required. For further information regarding the mandate and lines of business please refer to the following link: <https://www.gov.nl.ca/exec/tbs/department/>.

## **Staff and Budget**

TBS had a staff complement of 257 (192 female and 65 male) and an estimated budget of \$154,335,300 in 2021-22.

## **Highlights and Partnerships**

### **Highlights**

TBS worked in conjunction with internal and external partners during April 1, 2021 – March 31, 2022 to:

- coordinate with departments in the implementation of various COVID-19 support programs such as the artist support program, with a focus on enhancing the electronic application and verification processes;
- continue to develop and enhance online payment options in consultation with departments for the collection of fees, including Environmental Assessment Registration, Reporting Issuer Certificate and Prepaid Funeral fees;
- lead and support departments and entities with the implementation of the Public Sector Accounting Board's new Asset Retirement Obligations (PS 3280) accounting standard which had an effective date of April 1, 2022;
- ensure the security of our applications and systems;
- enhance the effectiveness of government's audit committee, including the approval and implementation of the annual audit plan designed to identify and test the effectiveness of various internal controls and policy compliance;
- manage and support the temporary transition of staff to working remotely during the implementation of public health restrictions due to COVID;
- establish a new Evaluation and Accountability function within TBS responsible for the implementation of a renewed accountability framework within departments, agencies, boards, commissions and organizations in receipt of public funds; and

- ensure government-wide efforts to embed evaluation and continuous improvement across the public sector;
- respond to over 119,281 points of contact during 2021-22, consisting of over 21,507 calls and 97,774 emails; and
- process 80 matters referred to arbitration (of these, 12 were settled without a hearing, two were withdrawn, and five required a hearing before an arbitration board).

As of March 31, 2022 Government of Newfoundland Labrador, with the support of TBS officials, has successfully negotiated the following Memoranda of Agreement:

- a six year agreement with the Newfoundland and Labrador Medical Association; and
- a four year agreement with the Newfoundland and Labrador Dental Association.

## **Partnerships**

In conjunction with Office of the Chief Information Officer, TBS facilitated the transition of pension payroll administrative services for the Public Service Pension Plan to Provident10, as well as arranged for an interim agreement on the provision of services and exchange of information between government and Provident10.

## **Report on Performance**

The following sections provide a report on the outcomes of the indicators that were identified by TBS for 2021-22, as per the following three strategic issues:

- Prudent Management of Government Spending;
- Human Resource Oversight; and
- Capacity Development across the Public Sector.

# Issue One - Prudent Management of Government Spending

TBS’s mandate includes the prudent management of government spending. As part of this mandate, TBS has been directed to examine departments, agencies, boards and commissions to optimize efficiencies and ensure that the size of government reflects the appropriate staffing levels required. Ensuring appropriate processes are in place to effectively monitor and evaluate government spending will continue to enable fiscal prudence in our expenditures. During 2021-22 TBS continued to ensure the prudent management of government spending. Work on this initiative was in support of the strategic directions of government, specifically supporting a more efficient public sector.

The following reports on the indicators as set out for 2021-22 objective.

## Goal

By March 31, 2023, the Treasury Board Secretariat will have identified strategies to improve upon the prudent management of government spending by departments, agencies, boards and commissions.

## 2021-22 Objective and Indicators

Objective: By March 31, 2022, the Treasury Board Secretariat will have further developed the support mechanisms needed to examine government spending.
Indicator 1: Continued with program evaluation in select areas
During 2021-22, TBS continued to provide value-added internal audit services to departments and entities. The internal audits provided recommendations to enhance controls over spending and to improve processes to make them more effective.  TBS also continued to perform regular compliance monitoring of high dollar and targeted accounts payable invoices as well as reviews of suppliers, purchasing cards and financial authorities configured within the financial management system.



Further supports in the areas of evaluation and continuous improvement have been embedded into the department with the addition of a focused team.

Indicator 2: Continued to engage entities in regard to monitoring and evaluation of performance

During 2021-22, TBS continued to work with entities to ensure prudent management of government funds. Work toward a renewed accountability framework has started in partnership with other key initiatives focused on transformation and modernization of government services.

Indicator 3: Continued to develop structure, processes and policies

During 2021-22, TBS continued work to review structures, processes and policies to ensure the appropriate mechanisms are in place that are needed to examine government spending.

When necessary, memos were sent to departments to advise of proper policy application and interpretation. As policies and processes were updated, additional guidance and increased communications were led by TBS to ensure consistent application across departments and entities.

TBS, in partnership with other departments, completed significant audit work around government travel cards. As a result of this, improvements to internal controls over card use have been implemented which will help reduce exposure for government. A directive was issued stemming from the audit.

TBS also made changes to the audit committee structure and mandate which will greatly enhance the effectiveness of the committee in supporting the internal audit function.

## **2022-23 Objective and Indicators**

### **Objective**

By March 31, 2023, the Treasury Board Secretariat will have identified strategies to improve upon the prudent management of government spending by departments, agencies, boards and commissions.

### **Indicators**

- Continued with program evaluation and process improvement in select areas
- Continued to engage entities in regard to monitoring and evaluation of performance
- Continued to develop structure, processes and policies

## **Issue Two - Human Resource Oversight**

TBS is focused on ensuring effective and efficient human resource oversight and the delivery of human resource services across the public sector. During 2021-22, TBS assisted clients in meeting and realizing their human resource needs and goals, while ensuring compliance with policies and procedures. There are multiple, intersecting, oversight requirements and processes that provide direction related to various human resource areas. Continuing to identify and address any inefficiencies within these areas will allow for better controls, better information and reporting, thereby freeing resources to focus on the strategic human resources needs. Continuously improving the coordination and consistency of consulting and advisory services is critical to ensuring proper human resource oversight. Work on this initiative was in support of the strategic directions of government, specifically supporting a more efficient public sector.

**Goal**

By March 31, 2023, Treasury Board Secretariat will have implemented continuous improvement processes resulting in more effective and responsive human resource management support to the core public service.

**2021-22 Objective and Indicators**

Objective: By March 31, 2022, Treasury Board Secretariat will have continued to identify and address areas requiring process improvements.
Indicator 1: Continued to review key processes
During 2021-22, the processing of pensioner payroll was transitioned to Provident10 for public service pension plan members. As a component of this transition, Provident10 and TBS have engaged in a review of business processes and information exchanges between both parties to ensure pension, group insurance and financial reporting practices are continued in an efficient and effective manner.  There continued to be a significant volume of discussion and consultation with TBS clients and internal HR divisions with respect to policy application and processes across various areas, including staffing activities and flexible work arrangements.
Indicator 2: Continued Quality Improvement Working Group meetings
During 2021-22, divisions within TBS continued to meet regularly to ensure that advice provided to departments was consistent and compliant with policies and procedures, and that client departments and individuals were receiving consistent information and responses.

**2022-23 Objective and Indicators**

**Objective**

By March 31, 2023, Treasury Board Secretariat will have continued to implement internal process improvements.

## Indicators

- Continued to review key processes and enhanced technology enablers
- Continued with internal divisional meetings
- Upgraded the PeopleSoft payroll system

## Issue Three - Capacity Development across the Public Sector

TBS's role is to ensure strong financial management, human resources, and accountability within government departments, as well as in agencies, boards and commissions. Following the immediate COVID-19 response, a key departmental focus during 2021-22 was to build upon the financial and human resources capacity across the public sector. Providing effective guidance to departments, agencies, boards and commissions pertaining to financial and human resource matters ensures sound management in all areas of government spending. Connecting professionals across the core public service, agencies, boards and commissions will increase access to up-to-date information and tools and improve financial and human resource management across the entire public sector. Work on this initiative was in support of the strategic directions of government, specifically supporting a more efficient public sector.

## Goal

By March 31, 2023, the Treasury Board Secretariat will have improved financial management in departments, agencies, boards and commissions.

## 2021-22 Objective and Indicators

Objective: By March 31, 2022, Treasury Board Secretariat will have continued to improve financial and human resource management and build financial capacity.

Indicator 1: Continued to hold regular update meetings for financial and human resource professionals

During 2021-22, TBS held a meeting with departmental controllers to discuss various current matters of interest pertaining to financial management, accounting, budgeting and other financial administration matters. The primary objective of the meeting was to share information and provide direction on financial matters of common interest. Human Resource divisions continued to support client departments and employees, as issues arose.

Indicator 2: Continued to provide professional development opportunities to financial professionals in core departments

During 2021-22, TBS arranged the following professional development sessions to assist in building financial capacity in the public sector:

- Planning, Budgeting and Forecasting Learning, delivered by Deloitte, with 103 attendees;
- Payment Modernization Update – Focus on ISO 20022 and Real-time Payment, delivered by CIBC, with 109 attendees;
- Cyber Security and Payment Card Industry Data Security Standards, delivered by Control Gap, with 134 attendees.

All sessions were delivered in partnership with TBS.

TBS also provided support to individuals working through the Chartered Professional Accountant Training Office Program. These individuals have worked in various areas of the department to strengthen overall financial capacity.

## **2022-23 Objective and Indicators**

### **Objective**

By March 31, 2023, Treasury Board Secretariat will have continued to improve financial and human resource management and build financial capacity across the public sector.

### **Indicators**

- Continued to hold regular update meetings for financial and human resource professionals

- Continued to provide professional development opportunities to financial professionals in core departments
- Offered support to employees across government who wish to pursue a professional finance/accounting designation

## Opportunities and Challenges

During 2021-22 work continued on the restructuring of TBS with the creation of a new Information Management Division which uses enhanced technology enablers to ensure continuous improvement for all TBS Divisions.

In addition, an Evaluation and Accountability team has been established within TBS to support initiatives across government as well as to the agencies, boards, and commissions, community-based organizations and other entities in receipt of public funds. With this team in place, there are opportunities to partner with departments to continue to drive improved outcomes across the public sector.

As seen in other departments and sectors, TBS continues to encounter challenges in the recruitment and retention of qualified staff. TBS is addressing this challenge by working with the Public Service Commission to explore new ways to attract and retain people to the public service.

As the majority of the current public sector collective agreements have expired as of March 31, 2022, TBS has negotiated, or will be entering into negotiations, for our provincial collective agreements with Newfoundland Labrador Association of Public and Private Employees, Canadian Union of Public Employees, Registered Nurses' Union of Newfoundland Labrador, Association of Allied Health Professionals, Professional Association of Interns and Residents and Newfoundland and Labrador Teachers' Association during the upcoming year.

Given the province's current fiscal situation, TBS will continue to ensure the prudent management of public funds. A key component of this monitoring will be to provide clear direction and oversight of the province's human resource and financial functions.

## **Financial Statements**

## REPORT ON THE PROGRAM EXPENDITURES AND REVENUES OF THE CONSOLIDATED FUND

## DEPARTMENT OF EXECUTIVE COUNCIL (CONTINUED)

	Actual	Estimates	
		Amended	Original
	\$	\$	\$
<b>TREASURY BOARD SECRETARIAT</b>			
<b>TREASURY BOARD SECRETARIAT</b>			
<i>CURRENT</i>			
<b>3.1.01. OFFICE OF THE PRESIDENT OF TREASURY BOARD</b>			
01. Salaries	147,044	186,400	186,400
Operating Accounts:			
<i>Transportation and Communications</i>	262	400	1,000
<i>Supplies</i>	-	500	500
<i>Purchased Services</i>	220	600	-
02. Operating Accounts	482	1,500	1,500
<b>Total: Office of the President of Treasury Board</b>	<b>147,526</b>	<b>187,900</b>	<b>187,900</b>
<b>3.1.02 EXECUTIVE SUPPORT</b>			
01. Salaries	1,192,559	1,775,200	1,775,200
01. Salaries (Statutory)	134,182	137,200	137,200
Operating Accounts:			
<i>Employee Benefits</i>	1,095	1,100	-
<i>Transportation and Communications</i>	250,367	295,500	296,600
<i>Supplies</i>	2,772	12,200	12,200
<i>Professional Services</i>	-	2,500	2,500
<i>Purchased Services</i>	3,760	13,500	13,500
02. Operating Accounts	257,994	324,800	324,800
	1,584,735	2,237,200	2,237,200
02. Revenue - Provincial	(148,385)	(151,800)	(151,800)
<b>Total: Executive Support</b>	<b>1,436,350</b>	<b>2,085,400</b>	<b>2,085,400</b>
<b>3.1.03. SECRETARIAT OPERATIONS</b>			
01. Salaries	15,303,209	16,937,400	17,041,900
Operating Accounts:			
<i>Employee Benefits</i>	84,064	87,100	72,100
<i>Transportation and Communications</i>	130,595	203,600	218,600
<i>Supplies</i>	109,703	121,400	121,400
<i>Professional Services</i>	436,129	678,100	573,600
<i>Purchased Services</i>	191,248	348,100	348,100
<i>Property, Furnishings and Equipment</i>	8,164	24,900	24,900
02. Operating Accounts	959,903	1,463,200	1,358,700
	16,263,112	18,400,600	18,400,600
02. Revenue - Provincial	(653,479)	(1,012,000)	(1,012,000)
<b>Total: Secretariat Operations</b>	<b>15,609,633</b>	<b>17,388,600</b>	<b>17,388,600</b>



## REPORT ON THE PROGRAM EXPENDITURES AND REVENUES OF THE CONSOLIDATED FUND

## DEPARTMENT OF EXECUTIVE COUNCIL (CONTINUED)

	Actual	Estimates	
		Amended	Original
	\$	\$	\$
TREASURY BOARD SECRETARIAT			
TREASURY BOARD SECRETARIAT			
<i>CURRENT</i>			
<b>3.1.04. GOVERNMENT PERSONNEL COSTS</b>			
01. Salaries	-	41,257,400	41,257,400
Operating Accounts:			
<i>Employee Benefits</i>	<b>73,706,028</b>	77,156,700	77,156,700
02. Operating Accounts	<b>73,706,028</b>	77,156,700	77,156,700
	<b>73,706,028</b>	118,414,100	118,414,100
02. Revenue - Provincial	<b>(255,196)</b>	(325,000)	(325,000)
<b>Total: Government Personnel Costs</b>	<b>73,450,832</b>	118,089,100	118,089,100
<i>CURRENT</i>			
<b>3.1.05. FINANCIAL ASSISTANCE</b>			
Operating Accounts:			
10. Grants and Subsidies	<b>5,800,000</b>	14,686,700	27,066,300
	<b>5,800,000</b>	14,686,700	27,066,300
<b>Total: Financial Assistance</b>	<b>5,800,000</b>	14,686,700	27,066,300
<i>CAPITAL</i>			
<b>3.1.06. FINANCIAL ASSISTANCE</b>			
Operating Accounts:			
08. Loans, Advances and Investments	-	100	100
02. Revenue - Provincial	-	(10,482,100)	(10,482,100)
<b>Total: Financial Assistance</b>	-	(10,482,000)	(10,482,000)
TOTAL: TREASURY BOARD SECRETARIAT	<b>96,444,341</b>	141,955,700	154,335,300
TOTAL: TREASURY BOARD SECRETARIAT	<b>96,444,341</b>	141,955,700	154,335,300

