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MESSAGE FROM THE president

Jean Laporte

I was elected as your President at the annual general meeting held in Vancouver in June. I first want to thank you, the members, for your support and vote of confidence. I take on this mandate with enthusiasm and the firm belief that I can build upon the successes of my predecessors to help the Financial Management Institute continue to grow and prosper.

Over the past few years, we have held extremely successful Professional Development Weeks and Public Sector Management Workshops. The Journal continues to deliver high quality articles to a very satisfied audience. Overall, our Institute is doing quite well and operates with a sound financial position. However, very significant changes are taking place in our environment. Public sector resource management has been shaken by high profile scandals both within the public and private sectors. This has led all levels of government to introduce changes aimed at strengthening accountability, increasing transparency and disclosure, reinforcing controls and oversight mechanisms, as well as modernising policies and business practices. Greater emphasis is also being placed on the ¨enterprise¨ concept and shared services / systems are being introduced regularly. The FMI must therefore respond to these changes in order to remain relevant to its members and to remain at the forefront as a provider of choice for professional development activities.

Budget 2005 explicitly committed the Government of Canada to strengthening core competencies, including areas such as financial management, human resources management and values and ethics, for employees and managers across the public service. The Budget also specifically stated that: ¨*the government will invest in the sustained professional development of specialists - including working with accredited bodies on programs for procurement officers, HR professionals, finance managers and internal auditors*¨. I believe this represents an exceptional opportunity for the FMI. We can be a partner of choice to help the government deliver on this commitment.

In this context, I have identified three priorities for the FMI for 2005-2006. First and foremost, we must improve our communication and collaboration with our twelve regional chapters across the country. The chapters are the front line for our members and the main providers of services. It is therefore important to ensure the strength and vitality of all chapters. Secondly, we need to develop a new strategic plan that will define our goals and priorities for the next five years in the context of our changing environment. Finally, we need to review our internal operations / governance and to implement best practices within our own organization so that we can continue to lead by example within our community. This is an ambitious agenda. However, all three components are important and essential to the continued success of the FMI. I firmly believe that the Board of directors, with the collaboration of our numerous volunteers, can deliver good results on these priorities while also maintaining the on-going delivery of quality professional development activities and networking opportunities.

Win a Trip to St. John's Newfoundland & Labrador!

The Alan G. Ross Award for Writing Excellence is awarded annually to the individual(s) who contribute the best article (feature or column) to the *fmi journal* during the year. The award is a plaque and a complimentary trip to the FMI's annual Public Sector Management Workshop. If your article is printed in the Winter, Spring or Fall 2005 issue, you will become an eligible contestant for a trip to St. John's Newfoundland & Labrador in the Spring of 2006.

The *fmi journal* editorial team look after, at a minimum, the subject areas following their names:

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Gilles Vézina - *Management Issues* - (613) 952-1414

These editors welcome timely and relevant articles from you. Feature articles are generally 2500 to 4000 words. Other articles or input to a regular column are normally shorter (500 to 2500 words). Letters to the editor are also welcome.

Please address your correspondence to any of the team members or to Claire Kennedy, Managing Editor:

> *fmi journal*
> *Financial Management Institute*
> *P.O. Box 613, Station B*
> *Ottawa, Ontario K1P 5P7*

If you wish to be considered as an editor of the journal, please write to the Managing Editor, and indicate your area of expertise and the type of articles or column to which you wish to coordinate or to which you would like to contribute on a reasonably continuing basis.

The recommended form of input is in Microsoft Word or WordPerfect formats. It is preferable that the documents be in bilingual format. *Graphics must be kept separate (not inserted into the text). Advise what software was used to produce the graphic.* The author's photo and short biography are also requested.

The FMI can no longer supply quantities of additional copies to readers. Reprints, however, are available at a reasonable price. The minimum order is 50 copies.

Subjects of Interest to Our Readership

- Accountability
- Asset Management
- Audit Practices
- Banking & Cash Management
- Best Practices
- Business Planning
- Career Advice
- Community Profiles
- Electronic Commerce
- Expenditure Management
- Federal/Provincial/Municipal Reviews
- Government Accounting Policy
- Human Resource Management
- Humour
- Information Management
- Planning & Resource Allocation
- Precis of Recent Government
- Leaders' Publications or Speeches
- Public Service Renewal
- Revenue Management
- Salary Management
- Summary/Highlights of Conferences or Seminars
- Systems
- Technology Trends

managing editor

Claire Kennedy

elcome to the Fall issue of the *fmi journal*. I hope you all had a wonderful summer. Although most elevator conversations start with complaints about the weather, this summer certainly put a different flavour to our conversations!

It is a privilege for me to be your new managing editor. I was very fortunate to work under Bryn Weadon's tutelage for the past two years. Bryn's outstanding contribution to the Journal was recognized last May in Vancouver during the very successful PSMW 05 by our past president Nicole Campeau. I would like to point out that Bryn has been actively involved with the FMI for several years in different capacities and has accepted to be co-chair of the next PSMW 06 in St. John's to be held in June 2006.

I am very pleased to welcome Carolyn McDonald as the assistant managing editor of the Journal. Carolyn is a senior manager at the Supreme Court and her broad experience and insight will greatly contribute in bringing you articles covering relevant and diverse topics.

I would also like to acknowledge the outstanding contribution of our editorial board members that work very tenaciously at seeking articles that will capture your attention!

A number of events relating to accountability, contracting and competencies in the public service have dominated the front page of newspapers in the last several months. This issue of the Journal presents articles addressing these very important issues. One of the speakers at PSMW 05 in Vancouver, Dr. David Good, offers a

provocative point of view in his article dealing with "Accountability and Trust in Government." The accountability model proposed for deputy ministers is not without controversy! Linked to accountability is performance management. Only Bruce Manion could successfully associate the Rubik's cube with Performance Management. Last March 2004, the government announced its intention to produce audited

Bryn Weadon and Nicole Campeau

financial statements of all departments and agencies within five years. The journey to achieve this goal will be very challenging. The article "Audited Departmental Financial Statements: The Roadmap to Success" describes the eight-step auditability readiness to serve as a roadmap to organizations in this process. Succession planning appears as a top priority for many organizations.

The article "Sterling Silver" proposes a very unusual rich pool of talents to target for your next recruitment wave! Significant time and resources are dedicated to employee training. Do not miss our article that will offer you practical advice in applying general principles of adult education to your learning and development plans.

Public procurement is also examined in this issue from two different perspectives. First, a vendor shares with us suggestions on how managers and vendors can save time and money. A second article explores if the competitive Request-for-Proposals (RFP) process results in "Value for Canadians".

We also included a capsule of the events offered at the very successful PSMW 2005 last May in Vancouver. Last but not least is an update on recent and/or upcoming events organized by the Chapters.

This edition features several sponsors who greatly contribute to support the FMI mission.

As you know, the month of November is synonymous with "PDWeek". Once again the 4-day Program strives to offer you a wide spectrum of speakers and topics and will be held from November 22 to 25 in Ottawa. I look forward to receiving your comments and suggestions for upcoming issues of the Journal! I hope to see you at PDWeek. ■

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FMI Membership

Have you renewed your membership?

If you have not received your renewal information, contact your local Chapter. Do not delay! There is an exciting year planned. To be eligible for preferred member rates, your membership must be current. Remember the benefits FMI membership offers:

- Networking opportunities with over 2,000 professionals in the finance field across Canada;
- Professional development conferences, seminars, workshops at preferred rates;
- Eligibility for awards and recognition;
- Leadership participation in 12 FMI Chapters across Canada;
- *fmi journal;*
- And much, much more!

Contact your local Chapter President for information regarding mailing addresses and program activities.

Alberta	$30.70	Quebec	$25.00
Fredericton	$32.25	Prince Edward Island	$25.00
Halifax	$50.00	Regina	$25.00
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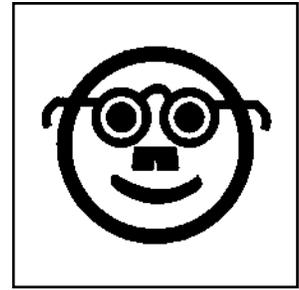
ROE VS. WADE: The decision George Washington made before crossing the Delaware.

FAMOUS QUOTE: I'd rather be rich than stupid.

PEN: He worked at the bank until he was fired for stealing pens.

GOOD NEWS / BAD NEWS: Moses came down from the mountain. "I have managed to talk the Almighty down from 15 to 10 commandments. Unfortunately, adultery is still on the list."

WORDS TO LIVE BY - 1: If you dance with a grizzly bear, let him lead."

BEER IN HEAVEN?: The preacher was winding down his anti-booze sermon. "I wish I could pour all the beer in the world

in the river. Amen." The choir began to sing "Shall We Gather By the River."

GOVERNMENT DESPITE THE PEOPLE: For every action there is an equal and opposite government program.

WORDS TO LIVE BY - 2: Never accept a drink from a urologist.

HERE HE IS, MR PRESIDENT: How come they choose from 2 people for President and 50 for Miss America?

WORDS TO LIVE BY - 3: Whatever hits the fan will not be evenly distributed.

WHAMM-O: He wondered why a frisbee got bigger the closer it got. Then it hit him.

CATFIGHT: The office femme fatale snarkily asked her unmarried colleague why

she hadn't married yet. "I am waiting until I get to be your age."

THE NUMBER YOU HAVE DIALLED...: If a 911 operator has a heart attack, who does he/she call?

AUTOPILOT DID IT: Headline: Something Went Wrong in Jet Crash, Expert Says (really?)

DISCONFECT: To sterilize the piece of candy you dropped on the floor by blowing on it, assuming this will somehow 'remove' all the germs.

MANAGEMENT 101-A: The first myth of management is that it exists.

PEPPIER: (Pronounced a la francais (pep-ee-YAY) The waiter at a fancy restaurant whose sole purpose is to walk around ask-

ing diners if they want ground pepper.
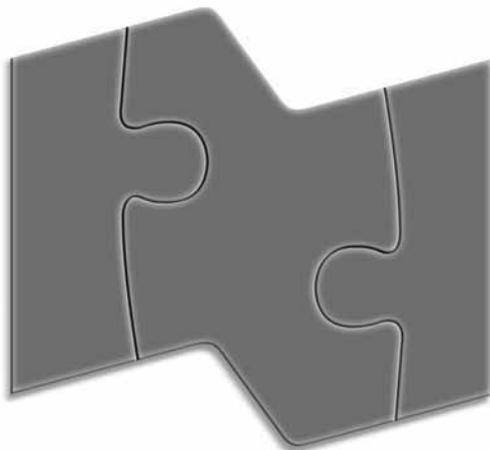
MANAGEMENT 101-B: Variables won't; constants aren't.

PHONESIA : Dialling a phone number and forgetting whom you were calling just as they answer.

WORDS TO LIVE BY - 4: People are always available for work in the past tense.

BEAN NO!: Headline: Astronaut Blamed for Gas in Shuttle (What's in those meals?)

THE REAL POOP: Some days you're the pigeon, and some days you're the statue.

DRIVE TO DISTRACTION: Big news story on TV about driving distractions (radio, cell phone, maps, etc). Part of the story was filmed from inside a cop-car. He apprehended several pre-occupied drivers. All the while he drove he was punching licence numbers into his computer.......

GOING GOING GONE: He went to an auction, saw a parrot. He opened bidding at $20 Bidding was fast and furious, eventually ending with him winning at $1000. He assumed it was a good deal - so many bids -until the bird said "Who do you think was bidding against you?"

WORDS TO LIVE BY - 5: If you drink, remember, you can't fall off the floor

WISE BEYOND YOUR YEARS: Maybe your sole purpose in life is to be a warning to others.

AUTONOTE: Never buy a car you can't push.

BLOW-UP: There are very few personal problems that can't be solved through a suitable application of explosives.

DRIVE THE POINT HOME: When everything's coming your way, you're in the wrong lane.

ARK-01: Did Noah's kids say "Are we there yet?"

ARK-02: Did Noah hear "Wasn't someone supposed to put two shovels on board?"

ARK-03: Did Noah say "Don't Make Me Pull This Ark Over And Come Back There!"

WHERE THERE'S A WILL: We want to be in it.

NSF: They stopped payment on his reality check.

CRAZY: Does the new Mangling Editor suffer from insanity? NO! She enjoys every minute of it.

AWKWARD: A hump on a camel.

DO-IT- YOURSELF JOKE: They have combined Prozac and Viagra

THEY SHOULD BRING BACK CAPITAL PUNISHMENT: For those who use their fingers to mimic quotation marks.

OR: For those who say "Yay big" when indicating dimensions.

OR: For those who use their thumb and little finger near the ears to mimic a phone call.

SECURITY: Don't you feel good to know that Martha Stewart is in jail and Osama is still free?

PICK SIDES: Our great-great-Uncle Chuck was dumb. During the Civil War he fought for the West.

THAT'S A SWITCH: Sitting in our office at fmij Towers and noticed a switch on the wall. Flipping it up and down seemed to have no result. We did it often and checked all around the building - nothing! Yesterday we got a letter from a woman in Sumatra saying "Cut it out!"

WALK ON BY: Ever been asked if a place was in walking distance? Everything is - if you have the time.

ONE OF THOSE DAYS: You know it is going to be a bad day if when you are getting dressed you lose a button-hole.

LISTEN: A friend of ours is a radio announcer. Any time he walks under a bridge you can't hear him.

FOR WHOM BELL TOILS: We bought a phone and after a while noticed that it had no "5" on the pad. When we tried to bring it back, they asked how long we had it. We couldn't tell because our calendar had no "3's" on it.

OVERHEARD AT PDW: "I'm a subliminal advertising salesman, I can only stay a second."

HOWCOME?: Why is there a "Permanent Press" setting on an iron? Somebody's not telling the truth.

SEE?: How do you know when you are out of invisible ink?

BYE: Bryn Weadon, a Mangling Editor, has left even though his serious stuff was funnier than ours.

LEAD A HORTICULTURE: If it wasn't for the bacterial infection she had, she would have no culture at all.

Accountability and Trust in Government

David A. Good*

David A. Good

David A. Good (Ph.D., University of California, Berkeley) is a professor of Public Administration at the University of Victoria. He has thirty years of experience as a public servant in the Government of Canada, with fifteen years as an Assistant Deputy Minister in a number of departments and central agencies. He was Assistant Deputy Minister, Human Resources Investment in Human Resources Development Canada, including responsibilities for strengthening the relationship with the voluntary sector. He was Assistant Deputy Minister, Policy in the Department of Fisheries and Oceans, and Assistant Secretary, Expenditure Management in the Treasury Board Secretariat. He has worked in the Privy Council Office with responsibilities for the development and implementation of policy and expenditure management systems.

Dr. Good's teaching and research interests are in the areas of public sector governance, policy analysis, public administrative reform, budgetary processes, values and ethics in government, and the voluntary sector. His most recent book, The Politics of Public Management: The HRDC Audit of Grants and Contributions (Toronto: University of Toronto Press, 2003) was awarded the 2004 Donald Smiley Prize by the Canadian Political Science Association for the best book in the field of politics and government in Canada. He is the author of the book, The Politics of Anticipation: Making Canadian Federal Tax Policy and author and co-author of various articles on public administration and the budgetary process.

Accountability in modern Canadian government is a complex business. No topic in Canadian public administration has elicited so much confused and partial discussion and yet so little realistic and concerted improvement. One increasingly important feature of governing in the 21st century is diffused responsibility, and diffused responsibility means diffused accountability. Our ideal notions of accountability in democratic Parliamentary government, while desirable in the abstract, are not fully obtainable in the real world. There are simply too many other features of Canadian governance that are important. Accountability in government can however be improved and there are improvements that might be feasible in the short term, effective in the long term, and even able to minimize the inevitable unintended consequences.

Accountability and Public Trust

One way to think about accountability in government is to consider it in relation to the important issue of trust in government. There is little doubt that accountability and trust go hand in hand. In fact, many have argued that without greater accountability and transparency in our government processes, governments will not be able to maintain or, perhaps more to the point, re-establish trust with the public. The underlying assumption is that improving government accountability will increase the public's trust in our public institutions of governance.

A recent poll indicates that 40% of Canadians think that politicians are less trustworthy today than they were in the past. Today, two thirds of Canadians have little or no confidence in our political leaders, up from 58% a year ago. Three quarters of Canadians do not expect politicians to keep their election promises once they are in power. Three out of four Canadians think that the system today is more open and more likely to expose wrongdoing than in the past.[1]

Let's examine accountability and trust a bit more closely. Come with me to a world of complete and total accountability. We will call this the "audit society." This is a society where nothing is trusted and no one trusts anyone. Checking up and the rendering of accounts are more or less continuous and constant. The watchword is "in God we trust, everything else we audit." The more you think about it, the more you realize that this is not a sustainable society. Nothing could be produced collectively, human and social relations would be intolerable, and society and government would not work.

Now come with me to another world, a world of complete trust. This is a society without any checking up, without any accountability. This is a society of pure trust, where all accounts are taken at face value, where nothing is ever questioned, where everything and everyone is simply "trusted." In this society, people carry on trusting each other and their institutions even in the face of continuous and serious mistakes. This is not a reasonable society and it unlikely that any rational person would want to live there.

In reality, we live in a world of some accountability and some trust. On the one hand, people are regularly checking up on one another and on their public institutions. These accounts are subject to explicit checking in situations of doubt, conflict, mistrust, and danger. Only in these situations do we review the video monitor to see if the puck went over the line, seek a second medical opinion, or check up to see if our children did their homework.

On the other hand, trust free us from the need for constant checking up and the obligation of continuously rendering accounts. When your friend buys you tickets for the theatre and charges them against her credit card, she does so with the trust and assurance that you will reimburse her. Ongoing friendship and trust binds the relationship, not continuous auditing and checking up.

Cleary what needs to be determined within any society and within its governing institutions is how best to combine checking up with trust. What kinds of activities should be checked up? Who should do it and how? How much explicit checking up is enough? How does the checking up effect those who are checked? Who checks up on the checker uppers? When and under what circumstances is it better to simply trust?

In matters of governance – that is, in relations between public servants and ministers, government and parliament, and government and citizens – getting accountability and trust to work together is a constant and ongoing challenge. It requires getting and maintaining the right balance and at times making some hard trade-offs. Some-

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times we have to sacrifice some things in order to get something else.

Experience has taught us that, when in comes to matters of public money, there is a great need for checking up. We also know that in the current climate of public mistrust of government, many events associated with government are not viewed as happenings that can be rationalized or explained away. Instead, they come to be seen as mistakes by politicians and/or public servants (sometimes mistakes by political party officials and private business operators). All this requires the rendering of accounts, the assumption of responsibility, the answering of questions, the assignment of blame, the correction of current errors, and the prevention of future mistakes.

Accountability in Government

Let's take a closer look at accountability in government. The most fundamental point to remember is this: the accountability process under our form of responsible parliamentary government is, by design, political. It is partisan and it is adversarial. It assumes that there is no technical substitute for democratic politics in the accountability process. In other words, public accountability cannot simply be turned into a professional management process of audits and results-based performance reports that speak only to technical, objective matters. In short, accountability in government is wrapped in politics.

Public accountability therefore requires check and balances – checks on the powers of the executive and administrative branches of government (that is, checks on the government and its ministers and on the public service and its officials). It also requires balances – balances in the competing requirements of efficient government on the one hand and meaningful democratic control over public administration on the other. In this context, trust and self-reporting is never sufficient. Independent audit and independent reporting are required. They will be used for administrative purposes, but also for political purposes.

Compared to other Parliamentary systems – the UK, Australia, and New Zealand – accountability in Canadian government has not been our strong suit. The fundamental nature of Canadian politics – the brokering of regional interests to maintain

national support, a history (until very recently) of single-party majority governments, weak and fragmented opposition parties, and a critical and probing media – all help make achieving accountability more difficult. Despite our efforts to change, many of our recent public management reforms and innovations have actually made accountability more complicated, more complex, and more confusing.

Ironically, this increased complexity and confused accountability have been the result of a number of the most recent and most highly lauded public management reforms:

• There has been delegation (some call it empowerment) to the front line as we have decentralized decision-making authority "down and out" in an effort to increase efficiency, flexibility and responsiveness. This has been done with the promise (perhaps the hope) that regular flows of timely and reliable information would be provided "up and in" in order to maintain accountability. As easy as it may seem, this has proved difficult.

• There is horizontal or shared decision-making across departments of government, which has become the mantra of modern governments in an effort to take a comprehensive and coordinated approach to the issues that go well beyond the boundaries of our stove-piped organizations. All this has been predicated on the assumption that individual organizational accountabilities can and will be clearly defined. Again, this has proved difficult.

• There are partnerships with private and voluntary sector organizations under way everywhere in the interest of improving efficiency, effectiveness, and responsiveness in program delivery and in project management. This is being undertaken on the assumption that, as risks are transferred and shared across these major sectors, accountabilities and responsibilities can be sorted out and clearly defined. Again, this has proved to be far more difficult in practice than it first seemed in theory.

When the Clerk of the Privy Council and Secretary of Cabinet appeared before the Gomery Inquiry, he did an outstanding job of explaining the critical but subtle distinctions between accountability, responsibility, and answerability that underlie the actual practice of accountability within our parlia-

mentary system. I understood what he said and I know that some professors and some public servants also understood it. But, my brother John in Toronto did not. Nor for that matter did Justice Gomery. If government accountability and public trust are to go hand in hand, I think we need to clarify the former in order to strengthen the latter.

Indeed, it is now all too common for elected officials to acknowledge that responsibility rests with them but then say that they are not personally responsible or accountable for what went wrong. They confess to nothing of any significance. And perhaps more importantly, they put the focus on career public servants who, under our conventions of accountability and ministerial responsibility, are less able to defend themselves in the public, be it to a parliamentary committee or in front of the media.

From my experience in government and my study of public administration, I have found that many public administrative reforms, often undertaken during times of crisis, are an overreaction to the problem at hand. I have also learned, perhaps the hard way, that each administrative reform carries the seeds of its own decay. This has given me a certain degree of circumspection about reforms in the area of public management and accountability. Nonetheless, at this time, change and reform are needed. And, as they say "if the public service doesn't do it itself, someone else (most likely Gomery) will do it for you."

In my view, righting the balance between trust and accountability requires change on at least two fronts. One is a subtle but important adjustment in the accountability relationship between deputy ministers and ministers, and the other is the need to strengthen the capacity of parliamentary committees to hold government to account. In what follows I will only deal with the former.

A "Made in Canada" Accounting Officer

The long-established British tradition of the principal accounting officer can provide some inspiration for improving accountability in Canada, but in my view it does not provide the precise model. The essential idea of this approach is to create some limited administrative space for deputy ministers for which they are accountable to Parliament while respecting the doctrine of ministerial responsibility. How would it work? As principal accounting officers, deputy ministers would have personal responsibility for the overall

organization, management and staffing of their departments. They would have to ensure that standards of financial management are high, that financial systems promote efficient and economical conduct of business and safeguard financial propriety and regularity, and that decisions on policy take financial considerations fully into account.

Accounting officers therefore would have a particular responsibility to provide appropriate advice to ministers on all matters of financial propriety and economical administration. Under the British system, if a minister considers an action that would infringe on these matters, the principal accounting officer (that is, the permanent secretary or deputy minister) would be required to object in writing to the minister. If a minister decided to proceed with the action, the accounting officer would be obliged to obtain a written instruction from the minister and then inform the Treasury and the Auditor General. If this procedure were followed, the Public Accounts Committee would hold that the deputy minister bears no personal responsibility.

This is hardly a new proposal for Canada. Similar proposals were put forward by the Lambert Commission in 1979 and in the McGrath report in 1985. However, I believe that, for the proposal to work in Canada, it will require some important adjustments.

At present in Canada, some argue that deputy ministers are not accountable to parliamentary committees. This line of thinking stems for the conventional view that only ministers are accountable to Parliament and the accountability of a deputy minister is between him or herself and the minister. In fact, parliamentary committees are holding deputy ministers accountable for certain actions. In my view this is as it should be, given that deputy ministers have personal assigned and delegated authorities and responsibilities from the Treasury Board and the Public Service Commission. Formal and explicit recognition of these assigned and delegated authorities and responsibilities would, I think, help to clarify accountability.

Aucoin and Jarvis in a recent article[2] suggest two principles for strengthening deputy minister accountability:

- deputy ministers should be held publicly accountable exclusively and solely for the authorities and responsibilities assigned by statute or delegated to them by the Treasury Board and Public Service Commission; and

- deputy ministers should not expect their minister to accept responsibility for decisions that fall within the deputy's sphere of authority and responsibility.

Under this formulation, the deputy minister's authority and responsibility – the deputy's space, if you like – does not include all of what we mean by "administration" or "operations." This "Canadian-made" concept of the principal accounting officer does not rest on the futile attempt to separate administration from politics, which history has demonstrated time and again cannot be done in Canada. Instead, it is defined by what is stated in law and in formal instruments of delegation from the Treasury Board and the Public Service Commission.

I do not think that Canada should adopt the British procedure that permits an accounting officer (the deputy minister) to request that her or his minister put an instruction in writing whenever the accounting officer disagrees with the minister on a course of action and the minister insists. In British practice (which is rarely ever used), a written instruction could be then sent to the Public Accounts Committee and the Auditor General as well as the Treasury. The use of this procedure in the Canadian context would invariably lead to distrust between a minister and a deputy. Instead, in the Canadian tradition, the deputy should be able to draw the line between the wishes of the minister and the deputy's responsibilities for prudent public administration. In addition, there is ultimate recourse by either or both the minister and deputy to the Clerk of the Privy Council and to the Prime Minister.

It will not be enough, however, for only deputy ministers and ministers to recognize deputy minister's accountability to Parliament for well-defined and legislative authorities. This arrangement must be accepted and respected by all players – ministers, senior public servants, parliamentarians (opposition and government), auditors, the media, and the public. This acceptance should be a condition for instituting the concept, and the space explicitly delegated and assigned to deputy ministers should be articulated in a set of protocols. The central idea is not to create a new and ill-defined space for deputies, but rather to set out explicitly what already occurs in law and in

practice, and to make deputies explicitly accountable for it.

Concluding Observations

There are, of course, several reasons why this concept of making deputy ministers directly accountable to Parliament for a limited and clearly designated set of responsibilities will not be adopted. First, there is NIH (not invented here). Second, there is the assumed negative effect on the trust relationship between deputy ministers and their ministers. Third, there is concern that all players (public servants, ministers, and parliamentarians) will not "play by the rules," that is, respect the distinctions between the limited responsibilities delegated to the deputy ministers for which he or she is responsible and directly accountable and all other areas, which are the responsibility of ministers.

NIH "not invented here" is, I think, a smokescreen for inaction. After all, the accounting officer concept has been used reasonably successfully in the UK for many years. What is suggested here is a "made in Canada" adaptation. On the key question of trust, giving deputy ministers clear, specific and limited space on defined matters of public administration would not reduce trust but would enhance it. This concept would make explicit what has regularly been the practice under normal circumstances. It could also help to identify and define what is or has been inappropriate practice, which seems to emerge in what is later described after the fact as unique or abnormal circumstances. Finally, developing and implementing the concept so that it is generally accepted and will actually work will require what is most urgently needed in Ottawa – honest and clear dialogue and discussion among ministers, senior public servants, parliamentarians, auditors, and the media on how they can better ensure that accountability and trust can work together for the benefit of Canadians. ∎

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Under the Big Top and in the Fishbowl - Does the Public Procurement Process Achieve its Intended Outcomes?

Cathryn Kallwitz

The demands placed on government managers in conducting public procurement are intensive. In addition to meeting legislative obligations and the fulfillment of operational requirements, contracts let by public entities must stand the test of public scrutiny and achieve a myriad of economic and social objectives. The competitive Request-for-Proposals (RFP) process similarly places increasing burden and risk on industry Bidders. At the end of the day, do government contracts awarded through this rigorous process result in Value for Canadians?

Cathryn Kallwitz

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You are a government manager. After months, of research, requirements definition and development, writing, translation, quality assurance, legal consultation and answering questions from potential Bidders, the closing date for your competitive tender – Request for Proposals (RFP) - has arrived. You are at once relieved and excited – the action of purchasing quality goods, services and construction has reached one of its milestones – the evaluation of Proposals received from industry may begin, and you are that much closer to awarding your contract and to the needed work getting underway.

Despite this, when your Contracting Authority arrives with the Proposals received, you are hesitant. In the coming weeks, the decisions you and your selected Evaluation Committee make will at once (hopefully) identify the successful Contractor who will undertake to fulfill your requirements, and, at the same time, by default will eliminate one or more other bidding firms/individuals. Whether you have engaged in the public procurement process before, or are new to its idiosyncrasies, you are doubtless aware of the implications these coming decisions will have.

You are fraught with concern – Did the RFP selection and evaluation criteria accurately and objectively identify the essential (mandatory) requirements of the work to be completed, and in sufficient detail that the responding Bidders will be able to demonstrate their compliance with these

requirements in written form? Will your Committee's outcome be challenged, whether at the Canadian International Trade Tribunal, in court, or in the media, – not, as often thought, for bias or error in the evaluation, but in the public questioning of the clarity of the published criteria or of the veracity of the qualifications of the Contractor to whom the contract is awarded?

And when the requirements of procedure are met, ultimately, will your RFP result in a good procurement outcome? That is, will the evaluation of Proposals based on the RFP issued result in the selection of an experienced Contractor, capable of fulfilling the requirements of the work? Or, will the rigors of the procurement process serve only to reward those who are able to cleverly dissect evaluation criteria, and craft a Proposal, that while technically compliant, is not necessarily indicative of the required capacity or qualifications of the firm that submitted it? Will the required work be done well? And will the government's objectives for this particular project, program, or service, be met in its completion?

In any procurement action, government managers walk a delicate tightrope, attempting to balance multiple and often competing objectives in the expenditure of public funds. In addition to compliance with obligations of the various trade agreements and the enabling legislation of the government department/agency, the process of letting and entering into public contracts must succeed in meeting the stat-

ed operational requirements in a manner that ensures fairness and transparency through competition while simultaneously fulfilling important socio-economic objectives (Treasury Board Secretariat 2003; *s.* 2). The latter include aboriginal economic development through the use of the *Procurement Strategy for Aboriginal Business*, encouraging research and innovation in domestic industries, sustainable development through *Green Procurement* and stimulating regional growth (for a discussion see McCrudden 2004). All this is to be achieved under increasingly intensive scrutiny, from a public rightfully intent on the responsible management and expenditure of government funds and from a supplier community vigilant for fair play and due diligence on the part of government purchasers.

One could add to the objectives of the *Contracting Policy* a fifth, albeit unwritten, aim – to reduce or mitigate risk both in the conduct of the procurement process itself and in the delivery of Programs and services to Canadians. It is possible to argue that the catalyst for the increased focus on process and the seeming formality of the competitive RFP exercise lies in the shifting nature of Crown Liability. Where previously, the Crown was indemnified from liability or harm arising from work completed by others, where the goods and services delivered are to be consumed by the public, jurisprudence and legislative decisions have increasingly placed the burden of responsibility for results on the originator of the

contract (the purchaser, being the Crown) (Worthington 2004).

Similarly, determinations made by the public purchaser to award or not to award a contract to a particular Bidder are increasingly subject to question based on the legal and economic implications of these decisions. With these realities, and the need to maintain fairness in competition, it is little wonder that the procurement process demands an objective selection of Contractors based on a written Proposal, rather than reliance on the purchaser's past experiences (whether positive or negative), or the judgment of a single evaluator.

Industry, government, and the Canadian public have all remarked on the expenditure of resources (both financial and human) associated with completing the procurement process each time a work requirement is identified for competitive tender. Are we asking these players (government and Contractor) to jump through too many hoops to achieve, what, at the end should be an honest day's work?

It is interesting to note that an entire industry has arisen, whose sole aim, arguably, is to assist private enterprise in successfully navigating the rules and regulations of the public procurement process. An internet search of the term 'proposal writing' yields hundreds of pages of tips, tools, training courses, and a slew of independent consultants whose services can be hired for a nominal fee, that will analyze the published government tender, and write a corporate proposal at once designed to maximize competitive advantage, and develop the firm's bidding strategy required to 'win' the Contract. Given that each bidding exercise costs firms an average of $25,000.00, this strategizing is understandable.

Similarly, the expertise and time required for the government manager to publish an effective RFP – both one that will result in a contracting mechanism that is legal, enforceable and usable, and a process that is designed to attract reputable and qualified firms to submit proposals, and experienced firms to win the contract, is nothing short of a full-time occupation.

All this may lead one to examine the nature of government action in the pure sense of the term, and to question whether or not this process has constrained both the ability of managers to effectively manage, and industry to operate in a truly competitive fashion. Does the procurement process result in quality work completed by experienced Contractors? Or are contracts awarded only to those who can skillfully navigate the requirements of procedure?

While this paints a bleak picture of the exercise in which government managers find themselves engaged at least once in their career, and for others, much more frequently, it is important, to remember, however, that the demands of the procurement process stem from the timeless and notably worthy principles of fairness and competition, among the other national goals. The question is not so much should government even attempt through the procurement process to achieve all of the objectives in the *Contracting Policy* - as there is more than one way to skin the government policies and priorities cat – important outcomes are achieved not just through the delivery of specific Programs and services, but are also attained and reinforced by the procedures under which government operates – the

question, however is, does the current procurement process effectively achieve any of its objectives? And, in any one procurement action, is the successful meeting of all four of these objectives even possible?

This being said, studies have demonstrated that the more a company bids on (and better still, the more that it wins) government contract opportunities, the better the position it is in to successfully deliver its particular goods/services in a competitive economy. That is – companies learn (Fu, Drew, and Lo 2002). The very act of going through the government procurement exercise has been shown to create smarter industries - who not only write better proposals resulting in their being awarded more contracts, but who simultaneously increase the quality of the goods and services delivered in the contracts they are awarded. The net result is an increase in the firm's experience and competitiveness within the global economy (or at the very least, in the domestic one). But what does this outcome mean for the public, government, and the managers conducting the exercise?

While it could be argued that this essentially reduces the government procurement process to a form of industry subsidy, that the IMF and World Bank would likely not look too favourably upon, not only do many governments do it (the 'if you can't beat 'em, join 'em' argument), but the fact is, the process appears to achieve results. Out of the over $7.5 Billion worth of requirements that are competed, resulting in thousands of bids evaluated and contracts awarded federally each year (Parliamentary Secretary's Task Force 2004), the overwhelming majority appear to result in work being completed, if not in excess of expectations, at the very least, to the letter of the contract being tendered. (This underlines the importance of the manager's development of a solid statement of work, aimed at the achievement of results). We may say that we have achieved some form of success. At the same time, industry grows and develops, and quality government Programs and services are delivered to Canadians.

Everyone can point to examples where the seeming unwieldiness of the process has led to both politically unpopular and even abusive outcomes. If nothing else this past year's inquiry emphasizes the importance of conducting a rigorous process. And yet, the problem does not seem to lie with the procurement process itself. The Auditor General has repeatedly observed that the rules are sound, but increased awareness of these rules is essential to undertake procurement that ensures the stewardship of public funds. The exception does not make the rule, and in general, however, the outcome of public procurement appears to be the successful delivery of government Programs and services – operational requirements are met, and achieved in a manner that, through competition, has acted to ensure Best Value, fairness, and all the other good stuff exhorted in the *Contracting Policy*.

So to return to our original premise, does the current procurement process – the planning, the definition and careful documentation of requirements, the development of objective and meaningful criteria designed to 'weed out' the inexperienced and disreputable and reward those capable of fulfilling government requirements – does it achieve the desired outcome set for it – an effective and usable contract, delivering quality goods and services at a reasonable cost? The answer appears to be yes.

The question which follows, and may be informed by recent events - can this process be improved? Undoubtedly. For one, the timelines associated with conducting a successful exercise have long been decried as being at odds with the need to fulfill operational requirements in a timely and responsive fashion. Public Works and Government Services Canada, under the *Way Forward* initiative, is continuing to explore how the public procurement process can be rationalized to increase efficiency, consistency, and overall user-friendliness. The foundation of it all, however, seems to be achieving what was set out for it to do.

So does the fact that an experienced company, known to a project manager as competent and qualified, is at risk of being eliminated from any one contract competition due to elements being overlooked or inadequately addressed in a technical Proposal, or simply poor writing, compromise what the procurement process can achieve? The answer here is clearly no. As evaluators of these competitive proposals astutely observe, when a company cannot take the time to spell check, review, properly photocopy, or otherwise QA a Proposal they are submitting in the hopes of obtaining $X Million through work on a government contract, what can the client (government and ultimately, the public) reasonably expect of the quality of the company's goods/services once the contract is in place?

In short, the apparent hoops created by the public procurement process, which industry and government managers must equally jump through, can likely be changed – their number, size, and difficulty – perhaps they should not all be ringed in fire – but in the attainment of important socio-economic objectives, increasing industry competitiveness, and ensuring contractual outcomes resulting in the delivery of quality Programs and services for Canadians, there appears to be some *value* obtained in having these hoops to begin with.

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Audited Departmental Financial Statements: The Roadmap to Success

Andrew C. Newman

In March 2004, the government announced its intention to produce audited financial statements of all departments and agencies within five years. Since the implementation of the Financial Implementation Strategy in fiscal year 2001-02, departments and agencies have been producing financial statements however the majority of these have not been subject to audit.

Issuing audited financial statements for the first time will be a monumental achievement for departments and agencies. The journey towards achieving this goal will be very challenging. There is much work to be done over the next three years.

Below I describe an eight-step auditability readiness project to serve as a roadmap for departments in their journey to audited financial statements. A successful project will require a fair amount of upfront planning and analysis. I encourage departments to start their auditability readiness projects now.

The Auditability Readiness Project

Focus on the department's financial statements

The departmental financial statements are the key reference point throughout the auditability readiness project because the final audit report will provide an opinion on these statements. The financial statement audit will concentrate on the operations of the department that initiate, approve and control financial transactions—the transactions that directly impact the financial statements. Therefore, in preparing for the audit, departments must focus on these transactions. Using the financial statements as the key reference point throughout the process will give departments this proper focus.

Identify significant accounts and balances

The identification of the department's significant accounts and balances can be completed based on a review of the departmental financial statements. For significant line items and balances in the financial statements, departments should assess whether the line items consist of routine transactions, non-routine transactions and/or management estimates. Routine transactions occur on an on-going (daily, weekly, monthly) basis. Common examples are the payment of employee salaries or the purchasing of goods and services. Non-routine transactions occur on an irregular basis and are often individually significant to the department. Examples are the purchase of a building or the transfer of operations, and the related assets and employees, between departments. Management estimates are amounts recorded in the financial statements for which there is uncertainty as to the actual amount. For example, allowances for doubtful receivables or inventory obsolescence are management estimates.

Identify key operational processes

Key operational processes initiate, approve and control the routine transactions of the department. Every department will likely have the key operational processes of Payroll (the hiring, termination and compensation of employees) and Procurement (the acquisition, receipt, and payment for, goods and services). Other examples of key operational processes are grants and contributions and cost recoveries.

Departments should have documented procedures for initiating, approving and recording transactions for each key operational process. Departmental employees should be consistently performing these procedures on an on-going, typically daily, weekly or monthly, basis.

Review detailed procedures and internal controls for each key operational process.

Departments must ensure that the detailed procedures and internal controls are accurately documented and that the documentation reflects what is actually happening in the department. Key questions to ask:

- Who performs the procedures/internal controls?
- What information systems are used in performing the procedures/internal controls?
- Where are the procedures performed? i.e. geographically, functionally (HR, Finance, Operations)
- Are there differences in the procedures depending on where they are performed or the type of transaction?

Management's assessment of the adequacy of the procedures

Once the above documentation is complete, management must assess whether they believe the detailed procedures and internal controls would result in the non-routine transactions being appropriately initiated, approved and recorded, if the procedures and internal controls were operating effectively.

During this step, management may identify gaps in procedures or weaknesses in internal controls that need to be corrected before progressing further through the auditability readiness project.

Testing the operational effectiveness of detailed procedures and internal controls

In this phase, the department tests that the detailed procedures and internal con-

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trols over routine transactions are consistently being performed as officially documented. These tests include system control tests and manual control tests.

Non-routine transactions are usually processed through information systems, including accounting, human resources, asset management and other systems. Many of the procedures and controls of the department are embedded in these systems. Therefore these systems will be audited as part of a financial statement audit. During the Auditability Readiness Project, departments should review the system controls, particularly change management and security controls.

Manual controls are performed by people, either on paper or electronically, and are an integral part of any process. Section 33/34 approvals are common examples of manual controls. Manual controls extend beyond the finance or accounting branches of departments. Key manual controls will rest in the human resource, asset management and operations branches. Manual controls will be audited during the financial statement audit. Therefore, departments should verify that these manual controls are working as documented throughout the department. By their nature, manual controls are likely performed outside of department headquarters. Verification of these controls will likely require visits to the locations where these controls are performed.

Routine transactions normally account for over 80% of a department's activity. Therefore, these tests of operating effectiveness will provide management with significant information on the department's readiness to be audited, and should identify any areas where significant procedural or control improvements are required.

Non-routine transactions:

In Step 2, we identified non-routine transactions that are likely to be significant to the financial statements. As part of their audit readiness project, departments should review the accounting treatment and verify that adequate supporting documentation is available for these transactions. Often, non-routine transactions will involve other government departments, such as the transfer of activities between departments. In these cases, the department should confer with the other government department and with

Treasury Board Secretariat to ensure that the transaction is accounted for consistently across the federal government.

The key to this step during the auditability readiness project is to create a methodology for dealing with non-routine transactions that can be used every year.

Management Estimates:

The key to management estimates is developing and documenting management's rationale for the estimated amounts. For annual estimates such as allowances, the best rationale is based on a consistent estimating methodology and approval process and on historical data as to how close past estimates have been to subsequent actual results. For one-time estimates, management's rationale should be documented and supported by non-financial professionals (i.e., actuaries, engineers, HR professionals) if possible.

The key to this step is to develop consistent rigor in the process of recording management estimates and to develop an environment of collaboration between operations and finance in support of the estimated amounts.

There you have it. An eight-step process for a successful auditability readiness project. Now let's consider some key success factors of the Project.

KEY SUCCESS FACTORS

Full Support of Upper Management

The most critical key success factor is that the auditability readiness project be fully supported by departmental management including the Deputy Minister. Management's statement of responsibility and the audit report both contain the phrase that the "financial statements are the responsibility of management"—not just financial management. Therefore all management bears some responsibility for the veracity of the department's financial information. To make this point, the auditability readiness project should be a regular agenda item of the department's executive committee.

Ensure Sufficient Resources are Available: Audit and Other

Departments must ensure that they have sufficient resources to complete the

Auditability Readiness Project and complete it well. Departments will require individuals with experience performing financial audits and information technology audits. Most departments will require a combination of finance/accounting staff, internal audit professionals, operations staff and external resources working on the Project. A successful project team will combine knowledge and experience of the department's operations with understanding and expertise of conducting financial audits in the federal government.

Departments should also engage in discussions with the OCG throughout their auditability readiness project. The OCG and particularly the Government Accounting Policy Directorate can provide advice on accounting policies, communicate good practices and provide overall support to the department.

Departments should also communicate with the OAG throughout their auditability readiness project. Departments should get an idea of the OAG's plan for auditing the department's financial statements including expected reliance on internal audit, high-level approach to key processes and timing of audit work.

Departments must understand though that, as the external auditor of the departmental financial statements, the OAG is very limited, by generally accepted auditing standards, in the assistance and advice that they can provide to departments for the auditability readiness project. Being ready for the financial statement audit is the responsibility of departmental management.

Involvement of Non-Financial Staff

It will be impossible to audit a department's financial statements without the involvement of non-financial branches particularly information technology, human resources and operations. The reason for this is quite simple. Many of the detailed procedures and internal controls to be tested during the audit are the responsibility of non-financial management. For example, stewardship of inventory and capital assets, the approval of grants and contributions, the hiring and promotion of employees are all performed outside of the finance/accounting branch.

Seek out the Value-Added Benefits

Departments should obtain value-added benefits from their Auditability Readiness Project. Through the eight steps, the department's procedures, internal controls, systems, accounting policies, and financial reporting will be reviewed, challenged and tested. This process should identify inefficiencies, duplication of efforts, unused reports etc. that the department can react to and implement improvements.

The greatest benefit of this process to departments should be a better understanding of departmental priorities, performance and operations throughout the department. Finance and accounting staff will gain knowledge of the workings of the operations branches. Operations staff will obtain a greater understanding and appreciation for the financial impact of their decisions. Operations and finance/ accounting staff will work together more effectively, which will benefit the department and improve the results achieved for Canadians. ∎
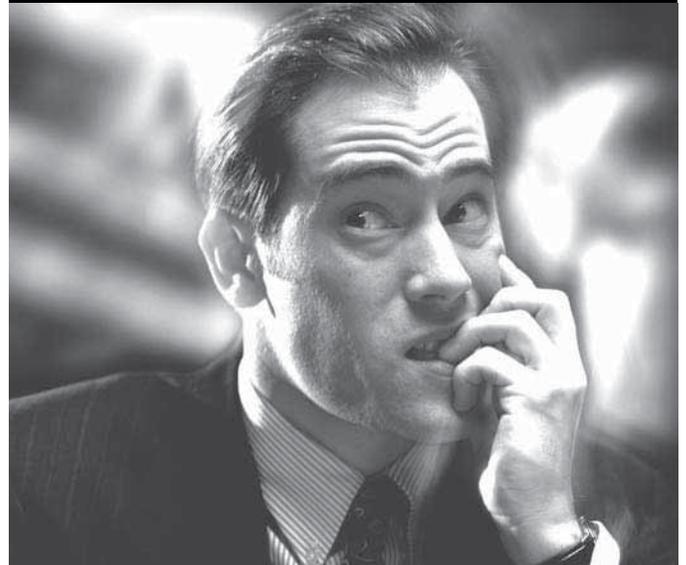
Employee Development Using Adult Education Principles

Rocky J. Dwyer

The paper provides theoretical background, general principles and practical components of designing employee training and development activities which reflect adult education principles. Furthermore, the paper suggests incorporating these principles into training sessions and events so that employees and organizations can achieve a win-win learning and development opportunity for the benefit of those involved and impacted by such sessions.

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Why do so many training sessions seem to waste everyone's time? Why do so many organizations remark on the invisible impact of employee development activities? In spite of the time, attention and resources an organization dedicates to employee development, managers are too often left with the uneasy feeling that these training efforts are not effective.

Adult education or "andragogy" is defined as the art and science of helping adults learn (Knowles, 1980). Oddly, there has been little overlap between the "development" areas (employee development, management development, professional development, even instructional development) and adult education principles. Professionals in these fields read different journals, attend different conferences, and even seem to speak different languages (try out "andragogy" with a trainer!). Yet, employee training is adult education - and it may well be that some of the shortcomings of the typical employee training session are caused by not paying attention to the nature of adult learning. The theoretical development and research in adult education can be traced to Dewey's writings in the early 1900s, followed by Lindeman in 1926. Knowles (1980) writings on adult education provided guidelines for practitioners on the nature of adult learning.

The intention of this paper is to provide theoretical background, general principles and practical components of designing employee training and development activities that reflect adult education principles.

What is Adult Learning?

According to Brookfield (1986, p.25) "… there can be few intellectual quests that, for educators and trainers of adults, assume so much significance and yet contain so little promise of successful completion as the search for a general theory of adult learning." Practitioners and researchers continue to reflect on, analyse and question these works. Simply accepting theories of learning or principles of adult learning as "givens" or as "laws" to be blindly acted upon is not the answer and may, in fact, impede further progress in the development of adult learning theories.

Dewey (1916, 1938) wrote about current approaches and thoughts in adult education. Dewey argued that education must be thought of as a lifelong process, rather than the shaping of young minds. He viewed learning as being based on life experience, and emphasized the importance of the scientific method of learning. That is, an individual faced with a problem will develop hypotheses about the problem and then collect evidence to confirm or deny these hypotheses. The "teacher" becomes a guide and facilitator, selecting experiences with the learner, considering the learner's need and past experiences, participating and utilizing the environment in mutual learning experiences.

Gagne's (1977) problem-solving cycle of learning has also contributed to adult education. Likewise, Mezirow (1977, 1981) proposed that individuals learn when their perception of reality is "not in harmony with" experience. For example, during a life "crisis" or dilemma (divorce, loss of job, promotion or relocation) an individual will experience this disharmony and therefore will be receptive to learning.

Finally, Rogers' (1969) insights into the learning process, which emphasize the self-actualization of the learner as a goal of education, and various characteristics of his experiential learning model are now incorporated into theories of adult education.

General Principles of Adult Education

The adult education literature (Brookfield, 1986; Brundage & Mackeracher, 1980; Knowles, 1980) is replete with the principles of adult education—whether it is an improvement in job skills or a desire for social contact, adult learners will expect the instructional situation to be relevant to their needs.

Generally speaking, mature learners have greater depth and a broader variety of life experiences when entering a learning situation. Thus, learning can be facilitated when the instruction is related to these experiences. Most adults have concrete immediate goals and when involved in a workshop addressing a specific skill or set of issues, have little patience with a facilitator's idea of what is "important" for them to learn.

Usually, adults prefer to be self-directed learners and have no desire to be treated like children or told what to do. Since they have their own goals and experiences, they want to explore activities and discover methodologies for accomplishing tasks that relate to them. Adults have established preferences for working alone, in groups, by listening, by reading, and by doing - however, in new learning situation adults, are anx-

ious or uncomfortable and likely to demonstrate dependent behaviours. Introducing self-directed learning will further increase such anxiety and discomfort. Knowles (1980) describes one role of the adult educator as a facilitator of independent self-directed learning. Adults need to have their values, opinions and thoughts respected. Accordingly, "instructors" must be facilitators rather than "experts." Individuals with a positive self-concept are likely to be better learners. As well, since educational settings may be perceived as threatening and have a negative effect on self-concept, the environment must be designed to foster a positive self-image. Adult learners have individual learning styles for effecting change in their behaviour and individual cognitive styles for processing information. The difficulty, with the general principles of adult education is that they may not be relevant to any one adult or group of adults. Adults are probably more different from each other than are children, by virtue of having lived longer and having undergone various experiences. Subsequently, it is most important for both the course designer and trainer to consider the target audience for which the training session is being planned.

Planning Staff Development Based on Adult Education Principles

Usually, most training programs have objectives — what participants can expect to learn or be able to accomplish after the development activity. Objectives need to be clear, measurable and specific so the participants and trainer can determine when they have been reached.

An apparent contradiction exists here between the classic training model and adult education literature. Trainers tell us that session leaders prepare, and sequence observable (behavioural) objectives, and select instructional and evaluation strategies based on the objectives. Adult educators tell us that learners must be responsible for their own learning experiences and that they are self-directed, have immediate problems to solve, and know what they want to learn. When these characteristics are present, it clearly is not appropriate to present a planned set of objectives and carry on with the agenda. However, it is essential that everyone in the situation, trainer and learners, know where the experience is going, and stated objectives are the most efficient way of communicating this intent. Conducting a needs assessment is one way of ensuring this will happen.

For example, when offering a ministerial briefing note workshop, the trainer could include a questionnaire with the registration forms, asking participants to describe their previous experience with ministerial briefing notes, their interest in the topic, their needs or any other relevant information that may be useful. The session could begin with a discussion of participants' interests, background, needs, and experience. The very fact that participants have chosen to attend the session provides the trainer with the necessary basic information. A session on dealing with harassment in the workplace may be attended by individuals who are experiencing harassment or those who feel they need information on harassment. Objectives should always be developed with the characteristics of the target audience in mind.
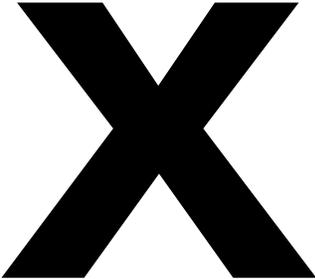
Learners should have input into the

objectives of the session. Even in a two-hour workshop, the first 20 minutes should be dedicated to a discussion of the objectives. The strategy that is used to obtain this input will determine the amount of input. For example, prepared objectives are handed out at the beginning of a session and the participants are asked to suggest changes, the amount of change will be relatively small. Most learners, in a new situation, are reluctant to make major changes in a prepared agenda. However, this can be appropriate - individuals who are new to a subject area, anxious or uncomfortable, and who lack confidence are not likely to initiate many changes. While, individuals with a more independent, mature experience, will seek opportunities for input into the objectives. Usually, if the trainer has collected adequate information in advance, learner expectations will match the planned objectives to a large extent, and any necessary modifications can be made – a flexible approach works best.

When working with a group that has extensive experience or background in an area, objectives can be written collaboratively with the group depending. It would ideal to work with the targeted staff in advance of a training session to prepare objectives. Participants might work in groups to generate topics of interest, presenting the results of their work to the larger group. Discussion among all participants could then lead to a list of topics or activities to be translated into objectives.

With an experienced, independent audience with a set of diverse interests or needs, objectives can be negotiated individually between the trainer and the participant leading to contracts or less formal agreements as to what activities or projects should be accomplished. The trainer then assumes a role of resource person.

Seeming contradictions between the use of objectives and the principles of adult education are resolved when one thinks of the employees as contributors to the design of the learning experience. Although not all adults are ready, willing or able to develop their own objectives, every adult learner should have some opportunity to say what they expect from the learning situation.

Techniques and Methods

Methods for helping adults learn can be described in four categories: instructor-centred, interactive, individualized, and experiential (Cranton, 1989). Choosing the most appropriate method is dependent on the characteristics of the specific group and the nature of the expected learning. No one will learn how to operate new office equipment by listening to a lecture, and no one will learn the components of a hard drive by using Lotus Notes. There is no "one" best method for facilitating learning.

Lectures, demonstrations and questions are elements of instructor-centred methodology and are efficient for low-level learning and a useful starting point for the adult group that is dependent, anxious or lacking in confidence or previous knowledge of the topic.

Interactive methods utilize communication among learners as well as between the trainer and learner. Discussion groups, group projects and peer teaching are examples of interactive methods. This type of methodology facilitates most cognitive and affective (value-based) learning and most adult learners will appreciate the opportunity to interact and share experiences. However, interactive methods are not an efficient methodology for learning basic facts, and may create anxiety for the "new" adult learner.

Individualized methods are based on the assumption that people learn at different rates. These require the trainer to provide participants with immediate and regular feedback to facilitate the learning process. Modular and computerized instruction is perhaps the most common individualized method and best used for lower level cognitive learning; however, when well-designed, individualized methods can be used for most types of learning. Since they are designed and pre-packaged without information about specific individuals, this methodology does not incorporate the adult learner's desire for interaction with peers nor does it utilize the learner's own experience.

Utilizing experiential methods, learning takes place in situations where the participant is actually involved in performing tasks or "learning by doing," and its theoretical foundation lies in the writings of Dewey. Role playing, simulations and games are one step further removed from the real situation, but still provide the opportunity for "learning by doing" in a safe environment. Experiential methods are particularly useful for higher-level cognitive learning and for affective and psychomotor learning - this methodology provides clear application for many of the adult learning principles.

Practical Tips

Research indicates the atmosphere in which learning takes place effects the amount of learning and the perceptions of the learners. The adult education literature emphasizes the importance of a relaxed and comfortable instructional environment. Much of what creates a comfortable environment is common sense, but trainers may overlook some details. Row upon row of chairs, for example, may conjure visions of an unhappy school life and curtail discussion. As well, trainers standing at the front of the room may be perceived as authority figures, an impression the trainer may not wish to create.

Even Trainers Have a Role to Play

According to Brookfield (1996, p. 123), the concept of learning facilitator now exercises something of a conceptual stranglehold on our notions of correct educational practice, and talk of the role of the teacher, or of teaching as a function, is unfashionable and distasteful to some educators of adults. Such talk calls to mind authoritarian classrooms, heavily didactic procedures, and overly directive instructors. Teaching is an activity inevitably associated by many with the world of elementary and secondary schooling; it conjures up images of an individual standing at the head of rows of desks and talking at a captive audience. Because adult educators and trainers usually strive to contrast the emotionally congenial aspect of their practice with what they regard as the rigid and conformist nature of schooling, they frequently avoid using the term teacher. This is partly why the terms facilitator and resource person are in such favour.

Whether we call ourselves facilitators, resource persons, instructors, developers, trainers, presenters or educators, we assume a distinctive role in working with employees as adult learners. If we set ourselves apart as formal authorities, we show a lack of respect for the experiences of our learn-

ers; if we employ only didactic methods, we deny the individual's desire to interact with others and share experiences. Brookfield (1986, Chapter 6) describes some characteristics of the facilitator's role, including: being courteous, good humoured, tactful, fair, energetic, articulate, imaginative and adaptable, as well as possessing great sensitivity, warmth and genuine regard for learners. Teachers of adults should love their subjects, be desirous of sharing the intellectual joys a subject brings, and be knowledgeable. Good facilitators should be good listeners, instil confidence in insecure learners, avoid punitive actions, establish a supportive learning climate, and use humour (Brookfield, 1986, pp. 133 - 134). Renner (1983) describes the role of the facilitator on a continuum, ranging from instructor-centred to completely participant-centred. The trainer must be prepared to move along that continuum dependent on the characteristics of the learner and the nature of the expected learning.

Evaluation of Outcomes

Evaluating outcomes is, in some form, a necessary component of every training activity. "Learning" is defined as any change in knowledge, skill or value system, and change can only be judged by some assessment or evaluation. "Evaluation" can include a wide array of activities, such as informal observation of participants' reactions, structured observations of performance, the use of discussions and anecdotal records or comments to provide feedback to the learner. Generally, the choice between formal and informal evaluation procedures is related to organizational requirements; however, most staff development workshops rarely include formal evaluation.

In the majority of adult education literature, evaluation of learning is most often described as a fairly informal process. Most authors recommend the adult learners evaluate their learning, or alternatively, that contracts be utilized wherein the facilitator and learner negotiate and agree upon work to be accomplished. Knowles (1980, p. 247) noted "…evaluation of learning consists measuring the changes that have occurred."

When developing an evaluation methodology to assess the impact of a training session on employee behaviour or performance, the general consensus is to involve participants in some way, allowing them to collect evidence of change, to set criteria and involve them in the evaluation process by identifying their own discrepancies with the trainer, or to have individual or group evaluations as appropriate.

If some or all of these guidelines were implemented, the anxiety associated with the evaluation process by participants may be eased to some extent. What is essential to the evaluation process is consistency, fairness and supportiveness with the adult learner who is threatened by the evaluation process.

Issues and Conflicts

"… practical expertise that exists in a moral vacuum can be a dangerous thing" (Brookfield, 1986, p. 285). The trainer will confront numerous issues and conflicts daily. Some commonly faced issues include: working within a prescribed set of topics; writing objectives with the inexperienced learner; working with dependent or self-

directed learners; promoting self-evaluation; and dealing with organizational constraints. Educators in a wide variety of disciplines are provided with prescribed curriculum, including objectives and even learning activities. Most often, this occurs when the program is based on a training model or where other standardized requirements exist. This issue can be "morally' resolved by understanding and accepting that learner who has entered a training program has agreed to participate in the training required. The learner, in a sense, enters a contract with the program. While there may be suggested activities, the self-directed trainer and the responsible participant learner can easily redesign any suggested or prescribed activities. Opportunities can be provided - learners can design their own activities to meet the objectives; people can work in groups on a variety of tasks; community and field resources can be brought into the learning environment; and, the trainer can negotiate a variety of contracts with individuals in the program.

Adult education literature tells us that learners should be responsible for setting their own objectives. Brundage and Mackerarcher (1980) point out that an adult learner in a new unfamiliar setting will revert to dependent, child-like behaviour and emotions - this would not be an appropriate time to suggest a learner should write his or her own objectives! The sensitive trainer would provide structure and direction for an inexperienced learner and would gradually, but continually, seek input from the learner until such time as the learner demonstrates sufficient confidence to make decisions. Even when course participants have experience with a subject area, they may lack experience with independent learning. The assumption that adult learners are self-directed has become a slogan of adult education, even though it has been questioned by some writers Brookfield (1986). Based on their previous learning experiences, participants may regard the training officer as the formal authority.

Individuals who simply have never had the opportunity to participate in self-directed learning are the easiest to work with. Most often, simply providing a training

opportunity will result in an enthusiastic audience. Such learners may question the trainers role, or see the session as "not really learning" (since it was enjoyable), but participants will inevitably react positively and seek other similar learning experiences.

The issue of evaluation of performance can be a torturous one for the adult educator. The literature advocates learner self-evaluation or self-diagnosis of learning need. Any trainer working within a training model must also deal with standards for that model.

Both participants and trainers alike have experienced: a two or three-hour training block that was not long enough or far too long; facilities with chairs bolted to the floor or a silent building with a closed coffee shop; or a locked photocopy room or closed library. According to Brookfield (1986, p. 234), it is "… absurd to presume that adults learn only during two-hour blocks of time that occur on the same evening, between the same times, each week, and yet the organization of many education programs into weekly, two-hour blocks of instruction suggests the implicit acceptance of this bizarre assumption."

While trainers may not have control over the time-table, the physical facilities or the resources available during a session, relatively small changes can create an environment that may encourage learning and overcome many organizational constraints. A three-hour training block may be fixed, but breaks can be taken at varying times, depending on the nature of the activities in the session. There is nothing wrong with finishing early or late. Chairs and tables can almost always be rearranged in a circle. Scheduling personnel or administrators often are not even aware of the needs of the adult learner; repeated requests with a solid rationale well gradually result in a change in these constraints.

Conclusion

Both the trainer and employees (learners) can participate in learning and development by using adult education principles. Employees benefit through taking responsibility for, and becoming involved in, their own development and the literature indi-

cates this is the most effective way for adults to learn. Trainers benefit by using adult education principles and engaging participants in the training process, rather than simply directing it. Changing from an authoritarian, or expert, to the role of facilitator, co-learner or resource person could be a difficult transition. It is often easier for the trainer to exercise control than to share responsibilities and work with participants. The benefits of using adult education principles, however, outweigh the temporary confusion such a change would bring. If there is a single theme underlying the strategy and tactics of using adult education principles, it's this: Training people are hired to prevent and /or solve human performance problems within an organization; the core of the training craft is the art/science of finding the right solutions and understanding them fully. This requires careful thought, a touch of subtlety and ingenuity, and use of teaching principles appropriate to the learning situation. Adult education principles have a simple elegance and grace that, make the learning process extremely rewarding for both the trainer and participant. ∎

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Sterling Silver:
Why you should be recruiting employees aged 50 and over

Merge Gupta-Sunderji

Lakewood, Ohio. By noon, the women of Line 2 have packed and boxed 10,800 tubes of Bonne Bell's swirled Lip Shake, a liquid lipstick popular among teenage girls who want their lips to both glisten and taste like whipped vanilla cream. Anything over 10,000 tubes is considered very good, and Ann Schnably, her white hair pulled back smartly in a knot on the top of her head, wonders aloud whether the afternoon shift will be able to top that. They gather their purses and sweaters and say their goodbyes. One woman grabs her cane. The average age of the 86 assembly line workers in this department is 70. The oldest just turned 90.

Merge Gupta-Sunderji

Merge Gupta-Sunderji helps turn managers into leaders. A professional speaker, author, radio commentator and training consultant, she gives people specific and practical tools to help them achieve leadership and communication success. With a unique blend of realism and humor, she inspires, entertains, and engages her audiences to take action! Merge spent over fourteen years in various positions of leadership with one of Canada's most recognizable oil and gas companies, as well as three years leading the Board of Directors at a Credit Union. Her column, Further than Figures, runs regularly in CGA Magazine in both English and French. Her work takes her to companies and conferences across Canada, the United States and the United Kingdom. Contact her at ww.mergespeaks.com or 403-605-4756.

On February 5, 2001, when this excerpt first appeared in a front-page article in the Wall Street Journal, not many companies in either Canada or the United States had embraced the "silver-collar" worker, people over the age of 50. In fact, even today, many organizations still see the mature worker as being too expensive, technology-phobic, and racking up huge medical bills. But as an increasing number of employers are slowly beginning to recognize the value in older workers, the wave of popular opinion has begun to shift.

A major force behind this wave of change in Canada is at the regulatory level. For many years, 65 has been the mandatory age of retirement, and for all practical purposes, public policy dictated that at the age of 65, you were done: ready to get the gold watch, take up the easy life, and be put out to pasture. Yet, for personal and financial reasons, many Canadians don't want to or are unable to retire. And public policy has begun to follow this reality. Next year, Ontario will be the seventh province/territory in Canada to abolish mandatory retirement, following Alberta, Manitoba, Quebec, Prince Edward Island, Yukon, and the Northwest Territories.

The numbers

The statistics also tell the story. According to the General Social Survey (2000), about 12% of working Canadians aged 45 to 59 did not know when they planned to retire, while another 18% said they did not intend to ever retire – either because of

need or desire. These two groups represented about 1.4 million people. It is expected that by 2030, one in four Canadians will be over 65. From a purely practical perspective, this unprecedented aging wave, combined with a predicted lower birth rate, means that there will not be enough younger workers to replace those who retire, even with increased immigration. So, for companies to continue to be successful, they will have no choice but to recruit or entice the older worker to remain on the job. And apparently, if they do the right things, the older worker will want to stay.

More recent research conducted by CARP, the Canadian Association for people aged over 50, supports the findings from the 2000 General Social Survey. It continues to be true that many people don't want to leave the workforce completely, and some simply cannot afford to do so. In November 2004, the Odette School of Business at the University of Windsor released the results from its landmark Aging Workforce Research Project. Two groups of people over 50 years in age were studied – those still employed, and those in that age group who were already retired. Some of the highlights from the study:

- Less than 25% of the employed group felt that organizations were effective in actively recruiting 50+ employees; however 47% of this same group believed that their organizations were doing a good job of retaining those 50+ employees that they already had.
- In contrast, less than 5% of the retired

group felt that companies were good at recruiting the older worker, and not that many more (less than 10%) felt that organizations were good at retaining the older workers already in the company.

- For both groups combined, the seven most important practices in either retaining 50+ employees or encouraging retirees to return to the workforce were:
  – Showing appreciation for a job well done.
  – Recognizing the experience, knowledge, skill and expertise of 50+ employees.
  – Ensuring that 50+ employees are treated with respect by others in the organization.
  – Recognizing the part that 50+ employees can play (e.g., serving as mentors).
  – Providing 50+ employees with useful feedback on their performance.
  – Educating managers about effective ways to utilize 50+ employees.
- Collectively, over 60% of the employed group and over 70% of the retired group identified these practices as important.
- Less than one-third of the employed respondents felt that organizations were effectively engaged in the above recognition and respect practices while 33% of the retired group believed this to be true.

The issue

So, in a nutshell, there's a lot of room between what companies *are* doing and what they *could be* doing when it comes to attracting and retaining a demographic that shortly (if not already) will be in high demand. And interestingly enough, the top seven factors that could narrow this gap are ones that aren't really that much different from what a good leader would use to improve employee retention and reduce turnover in employees of any age!

But yet, mature workers are still viewed by many organizations as a liability? Why is the "silver ceiling" a continuing fact of life in the job market? The reasons, mostly false, are many. A commonly held belief is that mature workers are inflexible. In fact, the reality is that they are as equally adaptable as their younger co-workers. More health problems? Records from companies that have actively recruited mature workers show that this group actually reports a lower rate of absenteeism than some younger age groups. How about the fact that many are overqualified for the available jobs? Perhaps, but they often know the history of the organization, and thus what works, and maybe more importantly, what doesn't. Less productive? Not true. In fact, the research shows that their workplace experience makes them better multi-taskers and thus more easily able to deal with stress. Too expensive! Studies conducted by AARP (the American equivalent of CARP) in the United States indicate that mature workers usually seek equity or fairness, rather than money itself. What about that classic problem – an older employee working for a younger boss? While exceptions always exist, the reality is that vast majority of mature employees serve as mentors for younger people in organizations.

The success stories

Some companies have separated the realities from the myths, and are already ahead of the game. In the United States, Troy MI Kelly Services employs 60,000 workers age 50 and older, who make up 14 percent of its national work force. Says the company's Steve Armstrong, "They understand business ethics, the importance of communication, how to deal with the public and work within a team environment." Similarly, major companies including Walgreens, Pitney Bowes, Volkswagen, and MetLife praise the virtues of older workers. Book-retailing giant Borders launched a recruiting initiative aimed at older workers after internal research discovered improved sales in stores staffed with people who reflected the demographics of the local community. Dan Smith, senior vice president of human relations, says, "Older workers have life experience, so their recommendations of books and music ring true with customers. They typically are working because they want to, so turnover rate is less than half of those younger than 50." Seven years ago, six percent of the Border's employees were older than 50. Today, that number has climbed to over 15 percent.

In Canada, RBC Royal Bank, pharmaceutical giant Merck Frosst, Avis Rent a Car, and Home Depot are just a few of the companies that are focusing efforts on recruitment, retention, skill development, compensation, benefits, education and retirement planning for their older workers. In fact, these four companies were honoured by CARP as the Best Employers for 50+ Canadians in 2004. In addition to the factors outlined above, these companies also offered good job and development opportunities, and flexible work schedules for their older workers.

Leading the edge of this change in Canada is Home Depot. In February 2005, Home Depot Canada entered into an exclusive hiring partnership with CARP to help them source new employees. The company's reasoning: in their search for skilled and dedicated workers, they wanted to tap into the growing 50+ age bracket. According to Annette Verschuren, the company's president, "… (50+ employees) hold such a wealth of knowledge, experience and passion. This group excels at customer service and possesses leadership skills that will prove invaluable to our store managers and associates on the floor."

The opportunity

While the success stories are to be celebrated, the unfortunate truth remains that many Canadian (and for that matter, American) organizations have not yet realized that in order to be successful in the next two decades, they need to attract and recruit the mature worker, starting *now*. There are three steps to this process. First, it begins with awareness. The demographics are clear: as the pool of younger workers continues to shrink, recruiting success will come from the ranks of older employees. Next, the myths have to be de-bunked. There is substantial evidence to demonstrate that the mature employee can be both a logical and cost-effective choice. Finally, the recruitment effort needs to be stepped up. "Silver-friendly" work environments and policies need to be consciously developed and implemented. Otherwise, in today's highly competitive world where the prize often goes to the one who gets there first, your organization will get left behind. The ultimate bottom line: if you don't focus on this demographic today, tomorrow may be too little, too late! ∎

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Public Sector Management Workshop 2005 in Vancouver, BC: A memorable experience

Tim Philps and Louise Breton, Co-Chairs PSMW 2005

The Vancouver Chapter of the Financial Management Institute was proud to host the PSMW 2005, from May 29 to 31. Under the theme of 'Thinking Forward' the workshop assembled experts in Public Sector financial management to share their perspectives on Financial Management and Reporting, Values and Ethics, Shared Services, Audit and many other exciting topics.

The variety and quality of the topics and speakers and the great location all contributed to making PSMW 2005 in Vancouver the best attended of any previous PSMW. A total of 570 delegates attended the two-day event, which represented 39 federal departments and agencies, eight provinces and many municipalities. The event was also made possible in part by the support of 25 sponsors and partners. In addition, over 20 exhibitor's booths filled the popular exhibition area.

The workshop opened with a reception Sunday evening. The Deputy Mayor of Vancouver, Sam Sullivan, welcomed those visiting Vancouver. He also provided his views on the importance of the work done by the delegates and their contribution to good government.

Monday morning the session was opened by FMI Vancouver Chapter President Arthur Mackenzie, which was followed by an address by FMI National President, Nicole Campeau.

It was a privilege to have Eva Plunkett, the Inspector General, Canadian Security Intelligence Service as the PSMW Honourary Chair. Ms. Plunkett, who is a past president of FMI, provided her thoughts on the role of the Inspector General and set the tone of the workshop by reminding us that learning is an unending journey.

The Comptroller General of Canada, Mr. Charles-Antoine St-Jean, provided the morning's keynote address. Mr. St-Jean shared his thoughts on the work his office is doing to strengthen financial management systems, comptrollership and audit across the federal government and put particular emphasis on his view of the role of the CFO in the federal administration.

Delegates had a choice of attending sessions from three concurrent streams that ran throughout the two days.

Amongst many other great sessions, delegates were treated to a panel discussion cleverly titled, Ethical Dilemmas and Conflicting Values: Modest Enlightenment for the Terminally Confused. The panel consisted of Rod Quiney, Assistant Commissioner, Regional Operations Pacific, Canada Revenue Agency; Philip Halkett, Former Deputy Minister of British Columbia; Professor John Langford, from the School of Public Administration at the University of Victoria; and Allan Tupper, Associate Vice President, Government Relations, University of British Columbia. The panel had a lively discussion exploring the various ways to prescribe ethical behaviours, whether by rule setting and enforcement, or by establishing common values.

Another very popular session had Ron Salole, the Vice President, Standards of the Canadian Institute of Chartered Accountants, discussing the future of Canadian accounting standards in the global village. A panel that featured Arn van Iersel, Comptroller General of British Columbia, Charles-Antoine St-Jean, Comptroller General of Canada, Tim Wiles, Controller

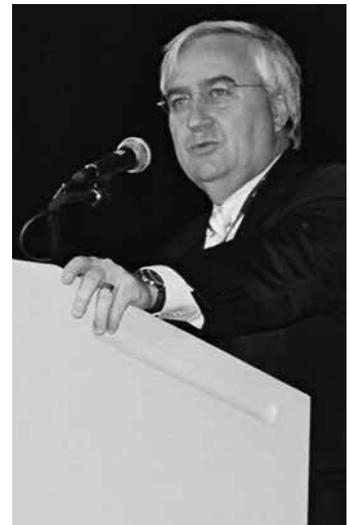Vancouver Deputy Mayor Sam Sullivan & Co-Chairs Louise Breton and Tim Philps

Ethics Panel: Allan Tupper, John Langford, Rod Quiney, Philip Halkett

PSMW 2006 Co-Chairs Bryn Weadon and Gary Snow accepting Challenge Trophy from PSMW 2005 Co-Chair Tim Philps

Nicole Campeau

Keynote speaker Charles-Antoine St-Jean

of Alberta; and Wayne Strelioff, Auditor General of British Columbia complemented Mr. Salole's presentation. The group shared their views on private vs. public sector accounting standards, what Canadian standards will look like in the next 10 years, and how they will adapt to international trends.

The first day concluded with a keynote address from Brian Burke, the former President and General Manager for the Vancouver Canucks and now the General Manager of the Anaheim Ducks of the NHL. Mr. Burke was truly a highlight of the PSMW as he presented his seventeen attributes of great leadership.

In the evening, delegates were invited to network, renew acquaintances and establish new ones while enjoying a wonderful West Coast dinner and the dancing that followed. Special entertainment was provided by an amazing magician. He left us with a most memorable souvenir when he staged with genius the disappearance of our outgoing FMI National President Nicole Campeau to replaced her by incoming President Jean Laporte.

Day two started with the presentation of the Alan G. Ross Award for Writing Excellence to Major Michael Lionais. The award is given to the individual who contributes the best article to the FMI Journal during the year.

FMI President Nicole Campeau then made a special presentation to Bryn Weadon. Bryn was recognized for his contribution to the FMI Journal in the capacity of Assistant Managing Editor for two years and Managing Editor for an additional two years.

The morning's keynote address was provided by Frank Fowlie, the Ombudsman for the Internet Corporation for Assigned Names and Numbers. Mr. Fowlie discussed the evolution of the Internet and the approach used in resolving conflicts in this international environment.

Some of the highlights of the second day included Peter Strum, the Senior Director, Internal Services Modernization Program at the Treasury Board of Canada Secretariat speaking on strengthening and modernizing Public Sector Management; Carman Lapointe-Young, the Auditor General at The World Bank discussing the accountability and controls that are vital in the process of international assistance; and Cairine MacDonald, the Deputy Minister, Ministry of Management Services, Province of British Columbia, providing her views on the BC government's experience with Shared Services.

The final keynote address of the event was provided by John McLaughlin, the Vice President and Comptroller of the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games. Mr McLaughlin discussed the challenges of building an organization that will manage the Olympics as well as the financial controls necessary for such a large undertaking.

The event concluded with the exchange of the Challenge Trophy. The Co-Chairs of PSMW 2005 passed the trophy to PSMW 2006 Co-Chairs Gary Snow and Bryn Weadon who will be hosting the PSMW in St. John's, Newfoundland & Labrador, June 4-6, 2006.

The St. John's team have themed the workshop 'Leading Edge', where speakers will be assembled to discuss leading edge practices in public sector financial management, innovation, change management, and many other issues. Their slogan is 'come for the program….stay for the experience' and we know that will be an event well worth attending.

We are very thankful for the tremendous effort contributed by the organizing team of the PSMW 2005 in Vancouver. Their creative ideas, hard work, dedication, and attention to detail truly made this PSMW a special experience. We also thank everyone who attended and we look forward to meeting you again at the next workshop.

See you in St. John's. ∎

Saving Money on Public Sector Procurement – A Vendor's View

Chris F. Jones

Chris Jones

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Vendors of professional and other services to governments spend a great deal of time and money writing their proposals. Then the buyers spend a lot of time and money reviewing the proposals and picking the winners.

A simple management consulting proposal can cost a vendor some $3,000 to $5,000 to write and produce. Major proposals can cost many times this. Three recent RFP/RFQs for management consulting services in government produced several hundred proposals each. Even a conservative estimate of their cost is over $1.0 million. Another RFQ attracted some 300 responses but was cancelled after submission because the evaluation workload exceeded the agency's available resources. The vendors' investment was totally wasted. The time and effort involved in these routine procurements of professional (and some other) services is sometimes unnecessarily large and largely unnecessary.

Here are ten tips to improve the vendor solicitation, evaluation and selection processes to reduce the costs to both vendors and buyers. Greater specificity, explicitness and transparency are introduced into the expression of buyer needs and the consequent evaluation of proposals. These tips are aimed at buyers for two reasons. First, the buyers must initiate and control the procurement process. Second, a day expended on improving an RFP can save weeks of combined effort by vendors and proposal evaluators. By using these tips, buyers can save time in the assessment of responses; build vendor trust and credibility from their innovative approach; and facilitate an improved, more transparent process to the procurement of professional services.

All of the tips noted here have been used and they have been successful in saving buyers and vendors time and money. They have also been successful in providing posi-

tive, auditable evidence and support to the procurement decision and in increasing accountability to vendors.

1. Mandatories are valuable tools. Use them – but carefully!

Proposal evaluation criteria are either mandatory or qualitative. If a vendor does not meet a mandatory criterion, the proposal should be excluded from further consideration immediately. If you really know what you want to buy, you can probably think of a number of mandatory criteria which describe your ideal candidate. Don't use flowery phrases like "must have extensive relevant experience". These are not appreciated by most vendors because they are not explicit.

For example, if the buyer chooses to use "project manager experience" as an evaluation criterion, he/she has to find a way to evaluate the responses. This means *the buyer has to know exactly what he/she wants by way of experience.* One option is to make the criterion mandatory.

Not this:

"Desirable" criterion - *"The project manager should have "strong experience" in managing projects of this type."*

But this:

"Mandatory" criterion - *"Does the project manager have five or more years' experience in managing projects of this type." Yes/No*

This very simple translation from the

general to the explicit can save hours in head scratching.

2. Use "mandatory criteria" instead of "requirements"

Anything that is actually "required" by an RFP is essentially "mandatory". So "requirements" can often be restated as "mandatory criteria" and used to reduce the pool. A little careful thought can make the conversion. Here are some examples of the conversion of "information requirements" to "mandatory criteria".

With a mandatory criterion you are *not* looking for any qualitative response and you are *not* looking for any evidence (yet). If necessary, these can be addressed later in the evaluation. If you don't want these criteria to be mandatory, you can still include them as "qualitative criteria" as described below.

Information Requirement	Mandatory Criterion
Year established	Must have been in business 5 years or more (yes/no)
Size of company	Must have a minimum of 100 employees, and a minimum of 50 located in this province (yes/no)
Services and markets	Must have done $xx in business with this government in the last yy years ending March 31 2005 (yes/no)
Geographic coverage	Must maintain a project office in the capital city or be willing to establish one within 30 days of signing the contract (yes/no)

3. Put your mandatories front and centre

The nice thing about mandatories is that if a vendor can't meet them, he/she doesn't have to write a proposal and you don't have to read it. So ask the vendors to respond to them all on the front page, on a form you have provided for the purpose. If any are not explicitly met, go no further.

If a vendor can't meet your carefully crafted mandatories, and knows you are serious about them, he/she will probably not submit a proposal in the first place. This should save time and effort for both of you.

4. Only cost those proposals that will meet your requirements

When asked the purpose of an RFP, many government buyers would talk about "selecting a winner from the proposals submitted". This is only partly true. There are really three questions:

1. Can any of these vendors do the job?
2. Which of them can do it best? and
3. Which of them gives the best value?

Note that the cost is not considered until last. If your evaluation of the criteria shows that a vendor *can't* do the job, you wouldn't hire the vendor at any cost, so the first question *deals only with whether or not they can meet your requirements*. Later, you can see who can do it best, and then consider the cost.

This has implications for the questions you ask in the RFP. Since the comparative cost is the last thing you should be thinking about in evaluating proposals (but see "budgets" in Tip 10), it is only important to those vendors who have proven beyond all doubt they can do the job, *according to the evaluation criteria you yourself have set.* So focus on these explicit criteria and questions to determine whether or not they can do the job. The comparative evaluation comes next, and the cost comparison last.

You should never need to evaluate the cost for vendors who cannot meet your explicit performance requirements, so address the cost issue separately and *don't include cost as a component in your evaluation matrix.*

5. Don't use "fuzzy language" such as "desirables". Use qualitative criteria instead

I sometimes think that "fuzzy" language

QUALITATIVE CRITERION XX – PROJECT MANAGER EXPERIENCE - CIRCLE A, B, C or D[3]		
Step A - Does not meet requirement	This project manager has three years' or less experience in managing projects of the size and scope of this one	A
Step B - Meets some requirements	This project manager has four or five years' experience in managing projects of the size and scope of this one	B
Step C - Meets all requirements	This project manager has six or more years' experience in managing projects of the size and scope of this one	C
Step D - Exceeds requirements	This project manager has six or more years' experience in managing projects of the size and scope of this one and has managed similar projects and/or applications in other jurisdictions	D

QUALITATIVE CRITERION XX, VENDOR APPRECIATION OF ENGAGEMENT NEEDS AND OBJECTIVES- CIRCLE A, B, C or D		
Step A - Does not meet requirement	This proposal shows a limited appreciation of the needs and objectives of the engagement. It fails to meet most requirements	A
Step B - Meets some requirements	This proposal shows a good appreciation for the needs and objectives of the engagement but fails to meet some requirements	B
Step C - Meets all requirements	This proposal shows an excellent appreciation for the needs and objectives of the engagement and meets all requirements	C
Step D - Exceeds requirements	This proposal shows an excellent appreciation for the needs and objectives of the engagement and, in addition, provides an insight beyond what would normally be expected	D

such as "highly desirable", "significant", "strong", "prefers" and "extremely", is included in RFPs merely to enable the buyer to *avoid* the responsibility for explicitness in an effort to retain the high ground in the evaluation! Avoid these words and others like them. There is no way to evaluate the responses explicitly or to compare the responses between bidders. You can only do this by using explicit and qualitative evaluation criteria.

Anything "desirable" prompts the question "how desirable is desirable?" and thus points to the need for a qualitative evaluation of the responses (see below). So replace the concept of "desirables" with the term "qualitative criteria", which is exactly what they should be.

6. Use explicit, qualitative decision/ selection criteria

After the mandatories, the remaining RFP criteria for the delivery of professional services are essentially *qualitative*. Barring costs, there are few numbers available and those there are aren't likely to tell you very much.

The acid test of an RFP's evaluation criteria is this - *is there sufficient evaluable information in a proposal for the buyer to be able to decide whether or not it is acceptable, even if it is the only one received?* Your RFP should not be designed to see who can jump the highest. It should be designed first to see *who can jump over a bar whose height you have set yourself* – an important distinction. This means *you* have to set explicit qualification rules before you issue the RFP

Use a set of explicit and objective benchmark criteria which can show whether the single proposal, or indeed any proposal, can meet them[1]. For example, instead of asking vendors to cite their experience, ask them to respond to specific questions about their experience which will enable you to evaluate its relevance to your project.

Here's a simple example of how to evaluate "project manager experience" using *explicit qualitative criteria* with a "Language Ladder™" evaluation table[2].

In the example which follows, the buyer needs to know how well the vendor understands the engagement needs and objec-

tives. This is clearly *qualitative* and neither *quantitative* (numbers) nor *mandatory* (yes/no). The evaluation table might look like this:

There may still be room for some misinterpretation and variance in the proposal evaluators' opinions, but the range of possible variance is narrow.

7. Use a two-phased RFP process

Two-phased RFPs are sometimes used for major projects. The first phase qualifies the vendors and the second phase selects the winner from those who qualify. Some buyers don't like two-phased RFPs for smaller projects because it takes longer to put the contract in place. Vendors don't like them either because they usually have to duplicate some of their effort. However, if you follow the logic of points 4 and 6 above, by using explicit evaluation criteria, you can use a two phased process with a single RFP and a single set of proposals. Phase 1 evaluates the qualifications and approach ("can

they do this job; do they have the characteristics we are looking for?") and phase 2 evaluates the rest ("of those who can do it, who is best to do the job; what is the cost?").

The approach is sometimes criticised in government on account of its apparent complexity and elapsed time. But when done correctly, using explicit criteria for each phase, to which the vendors explicitly respond, it can be simpler, less time consuming for both buyers and vendors, and more accurate. "Apples and oranges" comparisons are more likely to be avoided.

8. Use "closed-ended" proposal forms

Properly designed closed-ended proposal forms, designed by the buyer, can be significant time savers. They can be specified according to the buyer's explicit needs and exclude information not needed in the evaluation. A closed-ended format gives the vendor plenty of opportunity to express his/her qualifications. But the vendors don't

have to write superfluous "boiler plate" and the buyers don't have to read it.

The tighter the buyer can make the qualitative evaluation criteria (see 6 above), the more successful this can be in saving time and effort. So once you have established the criteria, build them into the closed-ended proposal form *as a component of the RFP* and limit the number words you want in response. The vendors then respond only to the questions you have asked. Again, "apples and oranges" comparisons can be avoided.

9. Don't ask for information unless you are prepared to evaluate it

Buyers sometimes ask vendors for information which might be interesting, and perhaps useful, but which is not included in the proposal evaluation process. For example, an RFP might ask for a copy of the vendor's financial statements "to evaluate financial responsibility". The buyer has two questions to consider:

1. Are they provided? (A *mandatory* criterion – yes or no. If they are not provided the proposal is disqualified).

2. What do they say about "financial responsibility"? *(A qualitative* criterion which needs proper analysis and evaluation according to some pre-determined criteria).

If the buyer is not prepared to evaluate the financial statements correctly using properly qualified staff to arrive at a conclusion as to their relevance to the proposal evaluation, the financial statements should not be requested by the RFP. If the information they contain is crucial, the question should be restated as a mandatory and/or qualitative criterion.

And last, but certainly not least…

10. Be accountable to your vendors!

This topic covers a number of points, but here are some of the more important:

- *If you know it, give the vendors a budget to work with.* Some buyers won't do this on the grounds that "all the bidders will cluster just under the maximum". So what? Fair competition, even with a given budget, will provide the greatest likelihood that you will get what you want for the price you want to pay and the vendors will respond with the best value they can for the money. This might

even make your decision easier because it can reduce the complexities of widely variable costs from the equation.

- *Release the names of the vendors who have expressed interest in your RFP.* This enables vendors to form alliances which might well be to your benefit. State your intent in the RFP and ask their permission if you wish.

- *Don't distribute vendor Q&As unless they have the effect of changing the terms of the RFP and are required by law.* Distributing commercially sensitive Q&As discourages vendors from asking relevant questions, which means they have to make educated guesses. Their proposals probably won't be as compliant or effective as they might otherwise be.

- *Send the vendors a Vendor Evaluation Report*[4]. This explains *why* the proposal in which they (and you!) have invested so much time and effort has been successful or unsuccessful. The report should illustrate for each vendor, in simple graphics:
  - How their proposal compared overall with all the other proposals (anonymously);
  - How the vendor's own assessment of the proposal compared with the reviewers' assessment of the proposal, in respect of each explicit performance criterion;

  - Where on the list of proposal rankings their proposal stood;
  - Reviewers' comments on how the proposal could have been improved; and
  - Reviewers' comments and/or advice on the specific positive and negative features of their proposal which they took into account.

Needless to say, not all of these thoughts will apply to every RFP. But many will apply to most of them. And don't forget - that day spent improving your RFP can save weeks of combined effort by the vendors who respond and by the evaluators who evaluate their proposals. ■

Notes

1. It might be that none can. If you have the confidence you should have in your evaluation criteria, you should be prepared to take this risk.
2. Language Ladder™ evaluation tables are increasingly used in business and government to evaluate qualitative criteria. Commercial decision support software is available to manage them. See, for example, *"A Pilot Project in Automated Services Procurement"*, by Chris F Jones, Journal of the Financial Management Institute of Canada, Spring, 2005.
3. Note that this addresses length of experience but not its quality. Quality would be covered in a separate table.
4. Commercial decision support software is available which will produce Vendor Evaluation Reports in graphic form.

CAPITAL CHAPTER
news

On September 29th, the Capital Chapter celebrated its 20th anniversary at its Annual General Meeting and Season Opener. The afternoon was a great success for two reasons: one, a fabulous keynote speaker and two, the enthusiasm of the attendees. The Capital Chapter, via the National Speakers Bureau, invited Jeffrey Simpson, the national affairs columnist of the *Globe and Mail*, as the keynote speaker. Mr. Simpson's speech on "big ideas" was thought provoking and generated several questions from the attendees.

After our keynote speaker, the Capital Chapter hosted a 20th anniversary celebration complete with food and cake. This celebration gave the attendees a chance to "catch up" with friends and meet new acquaintances. Many Capital Chapter former presidents were in attendance.

Thank you to all those who attended and shared a piece of cake with us to celebrate our 20th anniversary. Hope to see you at the six Capital Chapter PD Days this year!

QUEBEC CITY CHAPTER
news

Our annual general meeting, followed by the release of our 2005–06 schedule for our 18th operating year, took place on September 14 at Le Parlementaire restaurant.

A guided tour of the National Assembly, a reception and a performance by the vocal ensemble Polyphonie de Québec added to the event.

In addition to the hundred-strong members at the meeting, many governors and partners involved in our activities were also in attendance. We are always happy to have them with us.

Each participant received a fabulous pen in the IGF-QC colours bearing our logo and our Internet address on their way out. The marketing committee, chaired by Mr. Ubald Gagné, was responsible for choosing this promotional item, as well as all past and future items. The event was organized by Mr. Richard Gagnon, the Director.

Anyone interested in reading our 2004-05 report can view it on our Web site at www.igfquebec.com under "Publications -

Jeffrey Simpson

From left to right: Claire Kennedy (1994-1995), Cherilyn Montminy (2004-2005), Karen Robertson (2005-2006), William Pascal (1986-1987) and Germain Tremblay (1996-1997)

Back row (from left to right): Steven Coaker, Cathy Sparling, Dan Maloley, Allan Richards, and Philip Mostert. Front row (from left to right): Viola Hennessey, Evelyne Verner, Anik Lapointe, Cindy Bourdeau, Sye Mincoff, Karen Robertson, Cherilyn Montminy and Ken Campbell. Missing: Ann Biron, Gail Somers, Barbara VanderNoot

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Michel Turner, Administrative Director
Treasury Board Secretariat

Launch of the 2005 Activities Program at Le Parlementaire in the Quebec National Assembly building

2005 Activities Program Launch, by Vice-Chair Mr. Richard Couture

Autres Publications."

Further to our AGM, I am pleased to announce the members of our board of directors and board of governors for 2005–06.

Thanks to the work of the program committee, chaired by Mr. Richard Couture, we are pleased to offer our members the following events this year:

Four luncheon conferences on:
- corporate intelligence, or the what, why, how, who of an organization.
- managing differences in a team environment
- Quebec's youth: a valuable asset
- sustainable development concerns you too: a practical guide

In addition, two other current issues will be discussed during the themed half-days:
- spotlight on Quebec's major projects
- demystifying the role of governance

We took advantage of the launch to distribute our 2005–06 schedule of activities, which has been updated in terms of format and the useful addition of our mission and vision.

We would like to point out that this year, like many before, our activities relate to a variety of resource management topics, not just financial management, so as to generate as much interest as possible among our members and future members.

Our canvassing period runs from the launch of our activities program to our first luncheon conference. We put all our effort into making the year a success and ensuring our guest speakers have a good-sized audience.

If you would like to know more about our chapter, I encourage you to visit our Web site at www.igfquebec.com.

Serge Boisseau, President
IGF-QC

VANCOUVER CHAPTER
news

We were very pleased with the great success of the PSMW in Vancouver.

The co-chairs, Tim Philps and Louise Breton, the organizing committee and the event volunteers did an excellent job, Thank you. It was a great opportunity to host the event and we look forward to hosting a PSMW in the future.

The Chapter is working with the other Western Chapters, the Western Liaison and FMI National to arrange for speakers that would visit each chapter.

The first event in Vancouver this year was held on October 20th and combined the Chapter AGM with a presentation from Superintendent Ward Clapham, from the RCMP, entitled "Breaking All the Leadership Laws - Life and Leadership Lessons from one of Canada's Top Cops".

Please refer to our website for a complete listing of Chapter events: http://www.fmi.ca/vancouver/events_e.html ■

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Performance Management: A Rubik's Cube for the 21st Century?

Bruce Manion

An eighty-seven year-old man walks into a confessional in a catholic church on a sunny Sunday morning. The priest slides open the confessional window and the man blurts out: 'Father, last night, I made wild, passionate love to a beautiful 25 year-old!' The priest is a little taken aback by the man's abruptness and lack of confessional etiquette and reminds the man that, even in his great excitement, there is a protocol to be followed in the confessional. To this the man answers that he is sorry and that he did not know about that stuff as he was not a catholic. 'Not a catholic?' The priest responds. 'Then why are you here telling me this? 'Father, the man responds, today I'm telling everybody!'

Bruce Manion

Mr. Manion was born in Ottawa, Ontario in 1959 and graduated form the University of Ottawa with a Bachelor of Commerce degree. He was accepted into the Society of Management Accountants of Ontario in 1986. In April 2004, Bruce has been appointed Assistant Deputy Minister, Planning and Corporate Affairs Sector at PCH. His main objective is to promote Excellence in management at PCH.

This is a story about performance. The old guy above had performed beyond anyone's normal expectations and he wanted to tell the world. Who could blame him? But he was lucky. His was a very simple performance feat in a realm that most people get rather naturally. But what if your organization's performance isn't so easy to get people to understand?

I submit to you that the private sector is just as lucky as the old guy above. They have a relatively simple performance construct…they create wealth for their shareholders or owners! An over-simplification, I know, but most people get the idea of percentage increases in quarterly profits or earnings per share.

Where I live, in the public sector, things are a lot murkier when it comes to explaining how well you performed. That's the topic of my column this time around.

If you know a mathematician, you know that they take huge delight in solving puzzles. They even compete with each other to see who can solve the hardest puzzle or who can do it the fastest. 25 years ago, a mathematician-come-inventor by the name of Rubik foisted a wonderful little 'game' on an unsuspecting world. It was a little 3X3 cube with different colours that you turned and twisted as fast as you could so that you could boast that you did it to all of your friends. That's all it did! You solve it and you're in the club. You solve it really fast and you're a leader in the club. And it sold millions and millions of copies! Now that's a true performance story unto itself!

It's the early eighties and everybody's getting blisters on their thumbs trying to show that they are not inadequate in some part of their brain. I'm sitting at a friend's cottage in front of a bonfire after a few beers and someone tosses me the darling 'Cube'.

Now I am a very competitive person on every front and I did not want to be bested by anyone around that fire, especially the owner of the cube as he was not the fastest thinker in the West. He solved the damn thing over and over and got his time down below 3 minutes!

I now plan on just leaving you hang with your thoughts of me and that …Cube and my rapidly growing feeling of inadequacy. Like a mathematician at a blackboard furiously scribbling equations, there is method to my madness…you just gotta trust me on this.

A healthy citizenry is one that holds its decision-makers to account. Citizens have more information resources than ever at their disposal, particularly with the Internet and with Access to Information, to learn about how public funds are spent. As we witness increasing expectations among the public for transparency and accountability, we can feel encouraged by what this might say about civic engagement.

In my view, helping citizens to understand *where* and *why* their money is being publicly invested is the most important goal of performance management in the public sector. However, while citizens have access to the most information they have ever had on what the government is doing and why, I submit that they are not any more knowledgeable on what all of this means for them. Instead, most citizens opt to defer to the opinions of others, mainly the media, to form their own opinions about the going's-on of government. The quality of debate around the Sponsorship Program and Gomery Enquiry is an excellent case in point.

In my view, the governing party is the key actor player in our little performance story. For the most part, they drive the public policy choices and resource allocations that make the big federal machine turn. They should be the ones steering the ship. But are they really the captains on the bridge of the ship? Do they need on-line real time information about the operations of government? Aren't they more like the admirals in Headquarters, plotting out broad strategy and tactics? If so, do they really need to know the oil pressure reading on the third engine on the battleship in the seventh fleet steaming across the Atlantic?

They do need to now about the indicators that drive social, economic and foreign policy and the outcomes of programs that they set in motion to achieve their policy aims. But how do they get this? In some areas, the measures are fairly clear. GDP, Inflation-CPI, unemployment rates, balance of trade… can all be used to assess the progress of the mighty ship of state. Sounds a little like the private sector, eh?

But governments also rely a lot on public opinion polls to know where people's minds are. Given my earlier comments about citizens and how their opinions are formed, this could be risky. What about using more objective research on these issues? Well governments do in fact use

research but are usually too short sighted in this regard due to their political lifespan.

The tools we use for performance management are imperfect and always will be. Responding by adding greater and greater complexity to our systems often serves more to muddy our grasp of what's going on rather than clarifying the picture. Indicators are great. But anyone will tell you that fundamental human experiences can't be broken down into simple measures. What should be the definitive package of indicators for trust, pride, compassion, respect?

In my everyday life, I deal with things like art and creativity, identity, civic engagement, understanding across diversity, social cohesion, national and civic pride. Research can show us the correlations across a range of factors that affect these, but it's not like having a goal, say to generate employment. If you open a new factory, there will be new jobs. Cause-and-effect.

There is no formula that says if you do X, it is guaranteed that person Y will feel more attached to their neighbours, or more inclined to volunteer, or more apt to attend the symphony. The outcomes we seek rely on so many factors, many of which are outside of our control. We can never really claim that any of our actions directly and singularly produced a particular cultural outcome.

Linked to this challenge of attribution is the one of inter-connectedness. Results-based management systems like linearity; they attempt to capture sequential relationships. The Federal Government's new Program Activity Architecture is a good example. It moves from broad strategic outcomes and breaks them down to activities, sub-activities and sub-sub-activities. The exercise has been helpful for many of us to get clearer on the primary reasons why we do something but it fails to capture the basic reality that good public interventions often accomplish multiple objectives at once. Do we support festivals because they provide venues for artists to develop and share their works, or because they celebrate distinctly Canadian experiences, or because they bring communities together and help us to understand each other better?

There also appears to be a desire to track policy decisions, investments and outcomes almost by the second. Unfortunately, the kinds of profound impacts we aim to have on the cultural fabric of Canadian life can take at least a generation to show real results.

When Canadian Content regulations were introduced in 1971, there wasn't a sudden appearance of hundreds of new Canadian musicians that year to fill the airwaves that now had to meet a 20% Canadian requirement. The decision was contro-

versial then, and it took time to build the strong Canadian recording industry we see today with many Canadian musical artists enjoying domestic and international acclaim. It is only now, looking back, that we can assess the extent of the impacts that those earlier actions may have had.

And this is only the tip of the iceberg when discussing the complexity of public sector performance. If we are going to go forward with meaningful performance measures, they must not be turned into a quest for the magical solution to a puzzle. If so, they run the risk of becoming just a Rubik's Cube for the 21st Century.

Going back to my story about my friend's cottage, I spent three hours trying to solve that damn cube. Then I was struck by a brainwave…I asked a new question to solve the puzzle. The object was to get cube lined up so that each side was wholly of one colour. What if I made every side the same colour? With beer-influenced insight, I threw it into the fire. The next morning, my problem was solved.

The cube's owner was not impressed as he had been given the cube by his eighty-seven year-old grandpa who was celebrating some amazing achievement one day… ∎

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