Memo

DISMANTLING OTTAWA'S COSTLY WEB OF RULES:

How to Build a Functioning Federal Accountability Regime

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SUMMARY

- The federal government's internal accountability regime continues to grow more complex. Public service leadership is detached from policy implementation and socialized to avoid risk.
- Public servants should be evaluated on the rules they remove and services delivered. Those with delivery experience should be rotated periodically into roles that establish internal processes and policies.
- Improving the federal accountability regime requires simplifying the existing rule set and transparently reporting on the costs and impacts of internal red tape.

CONTEXT

To publish one 4,000-word Government of Canada web page, a former federal public servant had to generate nearly 40,000 words of internal documentation proving adherence to compliance requirements (Craig, 2021). Likewise, the contracts, amendments, supporting documentation and performance reports associated with Employment and Social Development Canada's Cúram platform to modernize the Old Age Security benefits total 7,486 pages (Fournier, 2026). Cost overruns brought the project's estimated price tag to $6.6 billion.

These examples embody the federal internal accountability regime in a nutshell: a dense web of rules, sign-offs and reporting that slows the public service down far more than it holds it to account for results. Government never measures the effort spent complying with processes against the effort spent doing the actual work.

This is not a new complaint. A 2016 government review found overly complex rules to be a serious problem in every department and region, but that working-level public servants felt powerless to fix them (Blueprint 2020 Internal Red Tape Reduction Tiger Team, 2016). A 2015 briefing binder for an incoming Treasury Board president used a picture of a turtle to capture the pace of internal process (Tunney, 2016). The Royal Commission on Government Organization (the Glassco Commission) flagged the same burden in 1962 (Privy Council Office, 1962). That's six decades of the same diagnosis.

The scholarship concurs: the system rewards compliance over results (Aucoin & Heintzman, 2000; Aucoin & Jarvis, 2005; Jarvis, 2014). A much-derided "web of rules"

and long approval chains pour time into reporting and risk-management, punish experimentation and leave government slow to give citizens and front-line staff what they need (Clarke, 2019; MacEachern et al., 2024; Roberts, 2024; Robson, 2024). The effect is an accountability system that is demoralizing to staff and corrosive of the capacity it claims to protect.

Currently, the pressures line up in reform's favour. Public services are visibly strained (Government of Canada, 2023); trust in institutions is thinning (Wesley & Boyd, 2025); the government is cutting the cost and size of the public service; and the Clerk of the Privy Council, as well as Budget 2025, name overly complicated internal processes as a priority to fix (Department of Finance Canada, 2025; Sabia, 2025). Fiscal pressure, political will and leadership rarely align like this.

How can the Carney government do what other governments have failed to do before, and institute meaningful, effective and, importantly, durable reforms to the internal accountability regime that has long undercut capacity in the federal government?

CONSIDERATIONS

Streamlining rules without diluting democratic accountability

Rules and process guardrails are not inherently problematic. They discipline the discretion public servants exercise in the handling of public funds and in their management of essential policies and services. They provide predictability and a clear chain of command and accountabilities. Some rules also carry real legal and constitutional weight, ensuring the Charter, and privacy and accessibility rights, amongst a host of others, are protected in implementation. Slower decisions are a fair price for those things, especially when the regime really delivers.

The issue is that Canada's rule set no longer makes good on this trade-off. By putting compliance where judgment should be, the rule set contributes to the failures it exists to prevent. This was true of recent headline-grabbing cases, including the failure of the Phoenix pay system and the contracting irregularities associated with the ArriveCAN application, both of which resulted from a mix of ineffective internal rules and processes, and a public service culture that attempts in vain to eliminate all risk through process, rather than promoting ethical judgment and openness about failures.

The role of public service culture in rule proliferation

How has the rule regime governing public servants developed to its current dysfunctional state? The usual answer is political scandal: when something goes wrong, ministers and parliamentarians demand that additional controls be imposed on the public service to show action and prevent a recurrence. Accountability for probity and rule compliance grows, while accountability for results gets far less attention.

This diagnosis tells part of the story, but it obscures the far more influential role that public managers themselves play when interpreting and operationalizing these political pressures.

The federal public service has a life of its own, a culture, set of instincts and daily rhythm that drive and sustain the federal accountability regime in ways that cannot strictly be explained as the product of political directives. Ironically, one of the places that the public service expresses its most obvious discretion is in designing and sustaining the elaborate rule sets that seek to limit its discretion.

Take, for example, the Treasury Board Secretariat's vast and dizzying set of internal policies, directives and guidance documents. These are directly penned, managed and justified as appropriate by public servants. Opposition members are not in the weeds of the *Policy on Communications and Federal Identity* asking for sub-section 4.1.3.1.6 to be added to what is already an overwhelming and farcical attempt to help public servants make good choices. In other cases, public servants invent and enforce imaginary constraints, internalizing a "web of rules" that exists more in the collective bureaucratic psyche than in actual policy or demands from political leadership.

Senior leaders we have spoken to, including veterans of the federal government with experience in other jurisdictions, call this a distinctly "Ottawa problem": an insular culture where no one wants to rock the boat. Ineffective rules and processes persist because calling them out as such costs you, socially and professionally. As one former senior leader remarked candidly, "in Ottawa, it's rude to call out bad management."

Recent moves will only reinforce the Ottawa bubble: a four-day-a-week return-to-office mandate (Treasury Board of Canada Secretariat, 2026), plus the concentration of senior jobs in the National Capital Region, shrinks the talent pool to those who can be in Ottawa or Gatineau and drives out fresh perspectives from outsiders more willing and able to see and call out costly rules and processes.

These ineffective rules and processes also persist because of the gap between those who design and enforce these compliance measures and those who are subject to them. Canadian public administration scholar Donald Savoie (2024) recently argued that the federal public service privileges the perspectives of "poets," the policy workers detached from delivery questions, while downplaying the role and insights of "plumbers," the implementers who need to turn these ideas into reality. Rule and process proliferation is the predictable outcome of a system where overseers add requirements without ever paying their cost (Behn, 2001).

Many of those who audit, assure and approve program and service delivery in the senior-most ranks of the federal public service have never delivered anything themselves (Flack & Wallace, 2026). This becomes particularly costly in the digital age, where senior leaders lack basic fluency with the technology they sign off on, despite the immense impact these approvals have on the cost and likely success of a policy or program. Controls built without an understanding of delivery requirements and dynamics are crude by default: they police process, because process is all their authors can see.

In short, federal public servants often rise through the senior ranks by mastering process and avoiding visible error because candour about failure is a career risk (Privy Council Office, 2023). Reform run by the leaders the system selected only rebuilds the same controls under new names, and the people who push back are worn down or pushed out.

RECOMMENDED ACTION

Budget 2025 squarely calls out excessive internal processes and rules as barriers to state capacity. But the response it offered to this problem fell short, promising only to launch an internal review and report back with suggestions for reforms by 2026. By now, the window of opportunity for real reform has passed as new issues have hit the agenda. More importantly, an internal review run by the leaders the system selected would have left that system untouched.

If the current government wants to finally reform its ineffective internal rule regime, it needs to directly target the political and managerial culture that sustains this regime.

1. Change who gets promoted and hired to reward judgment, delivery and openness about failure

Past initiatives to cut red tape left the people who oversaw its initial proliferation untouched, which is why the rules always grew back.

Break that cycle first. The clerk of the Privy Council and departmental deputy heads should revise the government-wide and organizational priorities that inform individual executive performance agreements so that a real share of every senior assessment turns on rules removed, services delivered (with metrics on user satisfaction) and candour about failure (Androsoff, 2022). The latter, openness about failure, is often promoted in the abstract but can be concretely measured through things like anonymous surveys that evaluate how psychologically safe employees feel to report upward on errors made, underperformance and other operational failures.

Other metrics to pull on include failure reports that candidly describe what went wrong in a given case and how it will be addressed moving forward, references to errors made within annual Departmental Performance Reports and executive self-assessments. Promotion boards should evaluate and reward judgment and delivery, not the avoidance of visible error.

Hiring practices that privilege internal, Ottawa-based employees should be rethought (Boots, 2023). If the government wishes to attract technologically adept talent with implementation expertise and leaders from outside the public sector with fresh perspectives, taking this action is unavoidable.

2. Freeze the pile of rules and start cutting them

The clerk of the Privy Council, publicly backed by the prime minister, should demand an immediate moratorium on new internal rules and set a radical subtraction target. The

machinery already exists for streamlining business regulation via the one-for-one rule and the Red Tape Reduction Office, situated in Treasury Board Secretariat (*Red Tape Reduction Act*, 2015). These levers could be turned inward to force a much-needed triage of existing rules, rather than just tinkering at the edges of existing rule sets and compliance processes. This effort should focus on trimming the Treasury Board Policy suite, while also making red tape reduction the responsibility of all public service executives. Departments should report regularly on their progress, making internal red tape reduction part of deputy heads' accountability under the federal government's annual risk and compliance process.

Rule reduction should also be guided by the principle of proportionality: lower-risk activities, based on factors such as budget and communities affected, should face lighter governance requirements than activities where the stakes are higher.

The clerk's office should also initiate an internal consultation in which public servants can candidly and anonymously call out the rules and processes that undercut their efficiency, morale and effectiveness. This would be accompanied by a public commitment by the clerk and deputies to remove the rules that public servants flagged as most damaging. The impact of those cuts should be measured in a way that has not been done before: the time public servants spend clearing approvals against the time they spend on delivering and improving the actual services and programs under their authority.

3. Rebuild the centre with delivery fluency

A durable fix is to change who writes the rules. Cut the rules once and the people who work in the centre of government will simply rebuild them. Change who sits there, and what gets written is different from the start.

With this in mind, positions within central units that dictate and enforce cross-government rule sets (especially the Treasury Board Secretariat, Privy Council Office, Public Services and Procurement Canada, Shared Services Canada and newly formed Digital Transformation Canada) should be filled by people who have first-hand experience delivering services, especially those with expertise in modern digital delivery competencies, not just knowledge of and experience administering processes. These individuals can be rotated into internal policy roles from delivery roles for fixed terms, rather than building a permanent cadre of people who oversee rules and processes.

As part of professional development, executives in policy roles should regularly shadow working-level public servants who are subject to the web of rules and processes. This way, rule-making stays tethered to the reality of delivery, and the invisible costs of adding more process are illuminated across the system.

4. Cut governance layers aggressively

Rules do their real damage where they are enforced — specifically, in internal committees. Time spent preparing for, attending and following up on these committee meetings is a delivery tax. It is time not spent designing, building, testing or improving programs and

services. Returning to the website example we began with, a 12-page public-facing website required review by some eight committees before it could be published (Craig, 2021).

Changing outcomes requires changing the conditions people work within, not simply asking people to work harder (Dacanay, 2020). Every committee that cannot demonstrate that it directly improves delivery should be eliminated. Performance agreements of deputies and the executives reporting to them should account for committee streamlining as an essential metric of effective management.

All remaining committees should be held to the same risk test as the rules they oversee. Low-risk work should never require heavy governance. Every rule should be tested by the people who must work with them. This goes beyond just the wording of rules and involves how committees interpret and apply them in practice. The results of these tests should be published, leading to some committees being eliminated, rules retired and hours returned to delivery.

5. Work in the open to maintain political investment

Unless the extent and costs of internal red tape are exposed and connected to salient outcomes that occupy space in the policy agenda, the sustained investment required for meaningful reform will likely remain elusive (Robson, 2024). With this in mind, the clerk's office should create a public-facing dashboard that presents data it has collected on the cost of the existing internal accountability regime and the impact of revising its rules and processes. Public servant testimonies collected via the clerk's consultation and evaluations that track the "time on compliance" to "time on delivery" ratio should be released as open datasets and visualized so that the costs of the status quo are evident, and the impacts of reform are tracked over time.

In the short term, the data may inspire political scrutiny and even diminished confidence among voters. Seeing how the sausage is made in Ottawa will justifiably invite backlash and complaints about bureaucratic waste. As long as this information is hidden from view, there will not be sustained pressure to make the required reforms.

Insight into the detrimental effects of multiplying rules and compliance processes on the efficiency and effectiveness of the public service will ideally raise public administration literacy among political leaders and the general public. If, historically, a limited understanding of these effects has created political pressure to pile on new controls, we now need unmediated insights into the perverse effects of these controls so that they are no longer the default reaction to governance failures.

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