

To: All Deputy Ministers

February 13, 2025  
512007

Re: **Expenditure Management Controls**

As we know, Ministries are required to make all efforts to reduce administrative and discretionary spending to manage operations, programs, and services within approved budget appropriations.

The purpose of this memo is to consolidate previous direction and provide information regarding further expenditure management controls. Deputy Ministers are to implement internal ministry spending controls that meet or exceed the updated expenditure management controls set out below.

The following updated expenditure management controls are effective immediately:

**STOB 50 (Salaries):**

- As communicated by the Deputy Minister to the Premier, all hiring in the BC Public Service is paused, including all in-progress hiring competitions. All hiring requests require approval from the Deputy Minister and the Deputy to the Premier. To be approved, positions must be clearly essential to delivering core government programs and services. The only exception is internship programs (Indigenous Youth Internship Program, Work-Able, Co-op and Youth Employment programs).
- STOB 50 budget allocations are maximum amounts. Deputy Ministers are responsible for ensuring the ministry remains within its STOB 50 budget.
- Ministries should address STOB 50 spending pressures through attrition, hiring lag, holding middle and senior management and executive positions vacant, managing down leave liability, reviewing the use of overtime, and/or redeployment of existing staffing resources within and across teams.
- Ministries must have an approval framework in place to manage ministry hiring and use of overtime.

**STOB 57 (Travel):**

- Discretionary travel (e.g. for non-essential conferences and meetings) must be restricted and alternative options prioritized (e.g. video conferencing).
- Ministries must have an approval framework to minimize travel costs, limit greenhouse gas emissions, and restrict discretionary travel and the number of ministry participants travelling to a meeting.

- Pre-approval by the Deputy Minister is required for in-province and out-of-province travel. Only approvals for essential travel related to the direct delivery of government services can be delegated to an Assistant Deputy Minister.
- Pre-approval by the Deputy Minister to the Premier is required for out-of-country travel.

**STOB 60/61 (Professional Services):**

- Where possible, provision of services that will assist in the development of policy and/or programs or to improve/change the delivery of programs should be delivered by internal staff or transitioned to internal staff instead of through consulting services.
- Deputy Minister approval is required for any new professional services contract and for the renewal of existing professional services contracts.

**STOB 65 (Office and Business Expenses):**

- Ministries must have an approval framework to minimize discretionary office and business expenses and must include the following:
  - Conferences
    - In general, conference attendance is not authorized.
    - Attendance is permitted where it is absolutely essential for job-required purposes and the number of ministry participants must be limited, ideally to one attendee.
    - Pre-approval by the Deputy Minister is required to attend a conference.
    - Pre-approval by the Deputy to the Premier is required for in-person attendance at Federal/Provincial/Territorial meetings or other out of province conferences.
  - Business meeting expenses
    - Meetings should be scheduled in government meeting rooms or facilities.
    - Pre-approval by the Deputy Minister is required for paid meeting facilities and related expenses.
  - Furniture and Equipment:
    - Ministries are restricted to purchases for critical business needs or health and safety requirements

**STOB 67 (Informational Advertising):**

- Ministries must obtain approval from the Deputy Minister of Government Communications and Public Engagement prior to spending funds from their STOB 67 allocations. Any requests to reallocate funding into STOB 67 must receive approval from the Deputy Minister of Government Communications and Public Engagement.
- The reallocation into STOB 67 must not create funding pressure in other areas of the ministry's budget.
- The ministry's Treasury Board Analyst should be made aware of this approval and informed of where savings are being reallocated from.

**STOB 68 (Statutory Advertising and Publications):**

- STOB 68 budget allocations are restricted to statutory advertising and publications only. Ministries are required to obtain approval from the Secretary to Treasury Board prior to redirecting STOB 68 funding to other ministry expenditures (e.g., to off-set other ministry pressures).

**STOB 73 (Amortization):**

- Surpluses in STOB 73 may not be used to offset pressures or overspending in other STOBs without prior approval from the Secretary to Treasury Board.

**STOB 75 (Tenant Improvements):**

- Tenant improvements are limited to health, safety, and security needs.
- Deputy Minister approval is required for tenant improvements of less than \$50,000.
- Ministries must ensure they have sufficient operating funding to pay for the related amortization costs prior to sign-off on these tenant improvements.
- All requests for tenant improvements more than \$50,000 must first be endorsed by the Deputy Minister prior to sending to the Real Property Division in CITZ for approval.

**STOB 77 (Transfers-Grants):**

- STOB 77 budget allocations are maximum amounts and for previously approved grants only.
- New STOB 77 grants must be approved by Treasury Board.
- Stipulations on grant agreements must include a report on results achieved and ministry staff must ensure due diligence is undertaken to confirm the recipients are bona fide organizations. Ministries must also ensure that all approved grants do not create ongoing fiscal obligations for government.

**STOB 80 (Transfers-Shared Cost Arrangements):**

- STOB 80 budget allocations are maximum amounts.
- New STOB 80 agreements must be approved by the Deputy Minister and only if the ministry can manage the costs from within approved budget and Contingencies allocations.
- Ministries must have an approval framework in place for the renewal or replacement of existing agreements for core government services, including at minimum, CFO approval.

**Reporting and Monitoring**

Starting with 2024/25 Q4 actuals, ministries will be required to provide Treasury Board Staff with detailed reports on spending, including travel, professional services, office and business expenses, advertising, tenant improvements, grants, and shared cost agreements. Treasury Board Staff will provide further guidance on reporting requirements in the coming weeks. The BC Public Service Agency will also provide regular reporting on hiring activity to the Deputy to the Premier.

Treasury Board Staff will continue to closely monitor ministry spending. Ministries must advise Treasury Board Staff, in a timely manner, of any material risks to budgets and provide mitigation strategies to ensure budget targets are met. This responsibility extends to the provincial agencies, Crown corporations and SUCH sector organizations for which ministries are accountable.

### **Fiscal Plan Management**

Deputy Ministers of ministries that report unmanaged pressures in quarterly reports will meet monthly with the Deputy Minister of Finance to outline the funding pressure and the steps being taken to manage those pressures until the pressure has been resolved.

Your Executive Financial Officer should seek further clarification as needed from the Treasury Board Analyst assigned to your ministry.

I recognize that these spending controls add administration and can restrict ministry operations in some ways. I want to thank you for your efforts to protect future public services by together addressing the fiscal challenges facing BC's public sector today.

Thank you.



Douglas S. Scott  
Deputy Minister and Secretary to Treasury Board