

AUDITOR GENERAL OF BRITISH COLUMBIA
DEPUTY MINISTERS' COUNCIL
SPRING 1997



ENHANCING ACCOUNTABILITY
FOR PERFORMANCE IN THE
BRITISH COLUMBIA PUBLIC SECTOR

A PROGRESS REPORT TO THE
LEGISLATIVE ASSEMBLY



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a progress report to the Legislative Assembly**

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OF THE SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS,

JANUARY 31, 199661

AUDITOR GENERAL'S COMMENTS

AUDITOR GENERAL'S COMMENTS

In 1996, the Auditor General and the Deputy Ministers' Council issued their second joint report to the Legislative Assembly. Entitled *Enhancing Accountability for Performance: A Framework and an Implementation Plan*, the report set out general direction and timelines for bringing about improved accountability and, with it, enhanced performance across government. It also contained a commitment to report back to the Legislative Assembly, in one year's time, on the progress that the Council had made in carrying out its implementation plan. As promised, the Deputy Ministers' Council has prepared its assessment of the *Enhancing Accountability for Performance* initiative for the Legislative Assembly. The report sets out the status of the accountability for performance initiative as of Spring 1997. The information was compiled and produced over the summer and fall of 1997.

The assessment of progress which follows in this report is a representation by the Deputy Ministers' Council of the initiative's accomplishments and shortcomings. While I believe the Council has given a reasonable accounting of progress achieved, I have not subjected to audit examination the quality of the information presented.

I know it is difficult to report, in a public way, one's successes and one's failures. In doing so, the Council has set an example for ministries and Crown corporations to follow: it has not only reported on progress in bringing about improved performance and public reporting, it has reported that progress in the context of what was planned. And it has gone further—in assessing its achievements, the Council has clearly identified the steps it must take next to advance the initiative.

I believe the key to success is leadership. In this past year of uncertainty and turmoil, the leadership that is so essential to bringing about significant and widespread change did not truly materialize; other more pressing and immediate matters took centre stage. As a result, neither the Deputy Ministers' Council nor the public sector in general was able to take the systematic and aggressive approach to bringing about accountability for performance outlined in the implementation plan.

Nonetheless, several ministries and Crown corporations were able to move ahead with various aspects of the initiative, and I applaud them for doing so. However, I believe much more can happen if stable, ongoing leadership across government in this area is evident. While more visible political support for the initiative would go a long way to encouraging this, a positive, distinguishing feature of the reform effort in British Columbia has always been its non-partisan nature—an element I would not like to see disappear. Enhancing accountability for performance in the British Columbia public sector is, I believe, a goal we all must share—equally, and at face value. It is something we owe the citizens of British Columbia.

Doubtless there were many circumstances—and most prominently among them, the deficit—that detracted from the planned and deliberate approach that was promised for the accountability for performance initiative in fiscal year 1996/97. While I understand this, I also know that governments are often faced with unexpected problems of fiscal management. In many jurisdictions faced with these problems, the response has been to push ahead, often aggressively and usually successfully, with performance management and accountability reforms. Instituting reform during periods of uncertainty can be done and, some might argue, is all the more necessary when times are difficult. It is my hope that in 1998, whether the environment is one of prosperity or one of adversity, the initiative will be more forcefully adopted.

George L. Morfitt, FCA
Auditor General of British Columbia

January, 1998

DEPUTY MINISTERS' COUNCIL COMMENTS

DEPUTY MINISTERS' COUNCIL COMMENTS

DEPUTY MINISTERS' COUNCIL

Doug McArthur
Deputy Minister to the Premier
and President of the Executive
Council and Ministry
Responsible for Youth

Jack Ebbels, DM
Ministry of Aboriginal Affairs

Catharine Read, DM
Ministry of Agriculture,
Fisheries and Food

Maureen A. Maloney, DM
and Deputy Attorney General,
Ministry of Attorney General
and Ministry Responsible
for Multiculturalism, Human
Rights and Immigration

Robert Plecas, DM
Ministry of Children
and Families

Don Avison, DM
Ministry of Education,
Skills and Training

Charles Kang, DM
Ministry of Employment
and Investment

Cassie Doyle, DM
Ministry of Environment,
Lands and Parks

Gerry Armstrong, DM
Ministry of Finance and
Corporate Relations and
Ministry Responsible for
Intergovernmental Relations

John Allan, DM
Ministry of Forests

David Kelly, DM
Ministry of Health and Ministry
Responsible for Seniors

Sharon Manson Singer, DM
Ministry of Human Resources

Margaret Arthur, DM
Ministry of Labour

Suzanne Veit, DM
Ministry of Municipal Affairs
and Housing

— continued

In July 1995 and April 1996, the Auditor General and the Deputy Ministers' Council published joint reports on accountability to the Legislative Assembly and the public, and on improving performance in government. The first joint report was a commitment to action; the second provided a framework and a broad implementation plan for accountability and performance management.

This progress report is the next step, and it can be viewed on two levels. At one level, the report details the progress of the accountability for performance initiative overall. At another, it conveys to ministries, Crown corporations and other public sector bodies the need to anticipate and engage in constructive evaluation of their own performance. Not only must performance be judged by internal and external entities independent of the program area, but program managers themselves must undertake regular self-evaluation of their performance.

Bringing about the change anticipated in this initiative will take time and the results will not be realized immediately. We emphasize this theme in order to further the shift in the way public sector employees manage the delivery of services and the way legislators and the public judge that service delivery.

During our research and writing of this report, we were impressed by the significant efforts and progress of a number of ministries and Crown corporations. We congratulate the executives, program managers and staff of these organizations, especially in view of the challenging times for government. We also acknowledge the co-operation and extensive contributions of all ministries and Crown corporations during the research, analysis and completion of this report. Their participation was invaluable in providing us with information about the status of issues and suggesting improvements to the draft.

Finally, we return to two important ideas. First, this is only one step in the continuum that is the accountability for performance

**DEPUTY MINISTERS'
COUNCIL**

– continued

Lyn Tait, DM
Ministry of Small Business,
Tourism and Culture

Blair Redlin, DM
Ministry of Transportation
and Highways

Valerie Mitchell, DM
Ministry of Women's Equality

Tom Gunton
Cabinet Policy and
Communications Secretariat

Lawrie McFarlane, DM
Crown Corporations
Secretariat
Secretary to Treasury Board

Sheila Wynn, DM
Environmental
Assessment Office

Philip Halkett, CIO
Information, Science
and Technology Agency

Robin Ciceri, ADM
Intergovernmental Relations
Secretariat

Russ Pratt, CEO
Public Sector Employers'
Council Secretariat

John Mochrie
Public Sector Employee
Relations Commissioner

initiative. The implementation of the initiative was always expected to be lengthy, and the change in culture of the public sector will take time. There will be setbacks, and public sector employees at all levels must be prepared for critical evaluation. We hope this review will assist in fostering a performance mind-set in government. Second, there is no “best” approach for achieving sound performance management. Each ministry and Crown corporation has flexibility to proceed at a pace and in a manner consistent with its strategic approach and operational requirements (provided the ultimate goals and timeframe of the initiative are respected).

Applying this longer term perspective, we trust we will achieve improved program performance and accountability, value for money and increased public confidence in government operations. The results of this progress review indicate we are moving in the right direction.

Doug McArthur
Chair, Deputy Ministers' Council

January, 1998

**IMPLEMENTING ACCOUNTABILITY FOR PERFORMANCE:
A PROGRESS REPORT OF THE DEPUTY MINISTERS' COUNCIL,
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SPRING 1997**

INTRODUCTION

For the last few years, the Auditor General of British Columbia and the Deputy Ministers' Council have been working closely together to bring about improved accountability and performance across government. This collaboration, begun in 1995, led to the first joint report, *Enhancing Accountability for Performance in the British Columbia Public Sector (1995)*. The report, in essence a call to action, served as a catalyst for encouraging a results focus in the way that government (including its ministries and Crown corporations) manages, measures and accounts for its performance. We refer to this broad set of accountability and performance management goals as the accountability for performance initiative.

The second joint report, *Enhancing Accountability for Performance: A Framework and an Implementation Plan*, was issued the following year. It set out an accountability framework—a guide to government and its organizations in reporting publicly on what was achieved compared to what was intended—as well as an implementation plan for reforming the performance management system of government. In the report, the Auditor General and Deputy Ministers' Council also sought to have the accountability for performance initiative extended to funded agencies, recognizing that much of what government provides is delivered through entities such as school districts, colleges and universities.

I also want to commend the senior public service in British Columbia... they've generated a lot of ideas around how we can better measure ourselves.

G. Clark, Premier

Both the 1995 and 1996 joint reports were tabled in the Legislative Assembly and subsequently referred to the Select Standing Committee on Public Accounts, a committee of Members of the Legislative Assembly. As part of its review, the Committee explicitly endorsed both the principles upon which the accountability framework was based and the general direction contained in the implementation plan of the Deputy Ministers' Council. Moreover,

in two reports to the Legislative Assembly, the Committee suggested ways in which the Assembly could better use the information government provides. It made a number of recommendations for restructuring the Estimates process in the Assembly and for reforming the legislative committee system. The reports of the Committee, although formally adopted, have not yet been acted upon.

I compliment the deputy ministers, the government, the Public Accounts Committee and the Auditor General for the work they're doing on trying to establish a more accountable, more effective system of governing our various services and providing our various services across the province.

G. Campbell, Leader of the Opposition

Included in the 1996 joint report, *Enhancing Accountability for Performance*, was a promise to report to the Legislative Assembly in 1997 on progress of the initiative and on a plan for further implementation. The report which follows is an assessment of that progress, setting out what was planned, what has happened and what has been achieved. Progress is further assessed in terms of the conditions for success set out in the 1996 joint report. The plan for further implementation in the coming year is included under the section "Where to from Here?"

WHAT WAS PLANNED?

When the initiative was undertaken, the Auditor General wanted to see better accountability to the Legislative Assembly—accountability that would be based on a comprehensive framework encompassing the operational, financial and compliance performance of government. The Deputy Ministers' Council, in turn, saw an opportunity to improve the performance of government—in part by focusing on results—while providing better accountability to the Legislative Assembly and the public about that performance. The 1996 joint report provides general direction for realizing these mutually supporting objectives in an implementation plan for ministries and Crown corporations.

The Auditor General's and Deputy Ministers' Council's report talks about enhancing accountability in the public sector. I believe that those guidelines are reasonable; I believe they're achievable.

L. Reid, MLA

Implementation of the initiative within the ministries and Crown corporations was meant to be flexible, providing for different organizational needs and management styles. The intention was that the initiative be “owned” by the ministries and Crown corporations. Organizations were to have authority in determining how and when changes would be implemented, but were to do so within the general direction and overall timeframe of the plan. And it was recognized that not all the changes called for in the implementation plan would be achieved in the short term. A challenging timetable for bringing about reform over the next five years was established.

The specific elements of each plan (which include activities such as strategic and business planning, performance budgeting, performance measuring and reporting) and the timeframe for implementation as they pertain to ministries are set out in Appendix A. Appendix A includes, as well, a detailed assessment of progress made by ministries as of Spring, 1997. Appendix B describes the progress of some Crown corporations.

WHAT HAS HAPPENED?

Throughout the course of the year, the accountability for performance initiative was often overshadowed by other events. Just after the 1996 joint report was issued, the Legislative Assembly was dissolved and a spring election called. The previous government was returned to power, under the leadership of a new Premier. A major reorganization and restructuring of government’s ministries followed shortly thereafter as part of the government’s response to a budget deficit; many faced deep budget and staff cuts, some of which will continue into 1997/98. Crown corporations were required to revamp their plans and budgets to increase their collective net financial contribution to government. This involved the reduction of expenditures and the pursuit of initiatives to generate additional revenue so that government subsidies to the Crown corporations could be reduced and dividend payments to government increased. Funding cuts extended to municipalities, colleges, universities and other provincially-funded bodies. Needless to say, Deputy Ministers and staff throughout government were challenged by these other, more immediate and pressing issues.

These events had widespread implications for the accountability for performance initiative. Turnover at the Deputy Minister level occurred throughout the year, resulting in 11 new appointments or reassignments. As a result, only half of the members of the Deputy Ministers' Council who signed the 1996 joint report are members of the Council today. Nonetheless, with change comes opportunity and it is already apparent that among the new Deputy Ministers are individuals who can act as champions for the initiative.

Although a Deputy Ministers' Implementation Committee was established to oversee implementation of the initiative within ministries, the group was able to meet only periodically. Consequently, over time the Committee increasingly relied on an across-government advisory group, consisting of senior and line managers from various ministries, as well as representatives from the central agencies and the academic community. Members of the advisory group—many of whom were volunteers—provided much of the planning and in-depth review that subsequently took place. That they continued to do so, despite the pressures of regular work and the recent restructuring within government, is a strong indication of the desire among many in the public sector to see this initiative succeed.

We in British Columbia are doing this differently from Alberta, Nova Scotia and Manitoba and from most of the United States, in that the catalyst for it to happen has come from within the bureaucracy. This isn't a bunch of politicians telling the public service what they are to do and laying it on them. This is the bureaucracy coming to the politicians and saying, "We believe there are better ways of measuring. We believe there are better ways of evaluating whether or not we are accomplishing the goals in policy that government sets and defines, and we would like the opportunity to change the way we do things so that can happen." We should encourage them: we should give them patience and understanding. It is not an easy project. I compliment them very strongly for pushing this.

F. Gingell, MLA

OVERALL ASSESSMENT

Despite the difficult environment confronting the public sector this past year, generally ministries and Crown corporations are committed to the long-term objectives of the accountability for

performance initiative. The following highlights the progress of the initiative overall:

- More government ministries and Crown corporations are using performance measures to make decisions and to improve program effectiveness and accountability.
- Given that Crown corporations are more experienced than ministries with strategic planning, business planning and performance measuring, Crown corporations were able to make considerable progress in implementing this initiative. However, further work needs to be done to align corporate information systems and performance measurement.
- Government-wide restructuring, budget and staff cuts, and other pressures have prevented ministries from making the initiative their top priority.
- Management flexibilities have been extended to Special Operating Agencies in government in exchange for commitments to greater public accountability. Similar changes are being contemplated for other government organizations but have yet to be developed.
- The accountability initiative and its potential benefits need to be communicated more effectively throughout the ministries.
- Greater central co-ordination and senior executive leadership are needed to ensure implementation is carried out in a more planned and systematic manner across ministries.

REVIEWING THE CONDITIONS FOR SUCCESS

Clearly, bringing about fundamental change in a performance management system takes time, ongoing commitment throughout government and some experimentation. To create an environment where the accountability for performance initiative would be carried forward, the Deputy Ministers' Council set out, in the 1996 joint report, the conditions (or critical success factors) which need to prevail over the next several years. (The conditions, derived from the experiences and lessons learned in other jurisdictions, are reproduced in Exhibit 1.) The Council believed that these conditions, if met, would establish a foundation for success that would see the initiative through over the long term.

Exhibit 1

CONDITIONS FOR SUCCESS

- ✓ **ACTIONS MUST DEMONSTRATE THE COMMITMENT TO MAKING REFORM SUCCESSFUL**
We need to show the public and the public sector that we are committed to this initiative. Having senior executives accountable for this initiative represents clear commitment to a performance focus, both in the management of, and the accountability for, government's programs and services.
- ✓ **EXPECTATIONS AND COMMUNICATION OF THE REFORM MUST BE WELL-MANAGED**
Expectations must be well-managed, and the initiative communicated throughout government. The public sector must be involved, in a meaningful way, so that the initiative gains genuine support at all levels. One approach is to rely on champions within government who can support and nurture the initiative.
- ✓ **THE OBJECTIVES OF THE REFORM MUST BE CLEAR AND CONSISTENT**
The objectives of the initiative must be understood in the same way by ministries, Crown corporations, central agencies and government broadly. A clear mandate must be developed to ensure strategies adopted to achieve the objectives are consistent.
- ✓ **DELEGATION OF AUTHORITY MUST BE ACCOMPANIED BY A PROPORTIONATE ENHANCEMENT OF ACCOUNTABILITY**
To enhance managers' accountability for performance, some degree of authority must be delegated. This will mean reviewing and, possibly relaxing, the rules and regulations governing the way public sector managers operate.
- ✓ **A CULTURE SHIFT, WHERE RESULTS ARE VALUED OVER PROCESS, MUST OCCUR AT ALL LEVELS**
Cultural change must take place throughout the public sector, among legislators and all of government. Such change requires steady, ongoing leadership. Initially, the focus of leadership efforts should be in providing incentives to encourage a culture of performance in a few, carefully selected organizations where prospects seem especially promising. Showing early success in several areas is critical.
- ✓ **ACCOUNTABILITY MUST SERVE TO INFLUENCE GOVERNANCE; ACCOUNTABILITY IS NOT AN END IN ITSELF**
Information required to support public accountability should also encourage the public sector to seek continuing improvements in the management and delivery of programs and services. The information required for public accountability must be necessary, and be used by legislators and by government.
- ✓ **THE PUBLIC (AND THE LEGISLATORS WHO REPRESENT THEM) MUST EXERCISE TOLERANCE FOR ERROR**
As the public sector learns to adapt to a new way of managing, the public and legislators must be encouraged to use the information they will receive fairly in judging the performance of government.

While the initiative has been under way in British Columbia for only one year, there is value in determining early on whether the conditions necessary for achieving success are in place. Early evaluation may lead to only minor adjustments in the way the initiative is managed, or it may signal a need for greater attention and focus. The lessons learned from such a close examination, coupled with the earlier assessment of progress overall, will help determine what actions must be taken in the year ahead.

In the section that follows, progress of the initiative is assessed in terms of how well the conditions for success have been addressed over the past year:

1. ACTIONS MUST DEMONSTRATE THE COMMITMENT TO MAKING REFORM SUCCESSFUL

Part of demonstrating commitment is having senior executives accountable for the initiative. For the implementation phase, a Deputy Ministers' steering committee, supported by a "central support/advisory group," was to oversee the initiative within ministries and for government as a whole. In addition, a steering committee of Chief Executive Officers, with support from the Crown Corporations Secretariat, was to oversee the initiative within the Crown corporations.

Although a Deputy Ministers' Implementation Committee was established, circumstances prevented it from meeting frequently. Consequently, the Committee was not able to provide as much overall direction or leadership as it had intended. Much of the leadership role among ministries was assumed by an advisory group, led largely by Treasury Board Staff and later by the Office of the Comptroller General. The lack of consistently available direction at the senior levels prevented the issuance of centrally approved guidelines and policy which, in turn, slowed down implementation at the ministry and program levels.

At the individual level, each Deputy Minister and Chief Executive Officer was to ensure that detailed implementation plans would be provided for their respective organization. However, although work was undertaken by the ministries, it was rarely the result of comprehensive, detailed planning.

A steering committee of Chief Executive Officers of Crown corporations was convened and mandated the Crown Corporations Secretariat to oversee the implementation of the accountability for performance framework for Crown corporations. Each Crown corporation assigned a senior manager to work with the Crown Corporations Secretariat on the implementation of the framework. In addition, the Secretariat appointed a project manager and expanded the duties of analysts to work with Crown corporations to advance strategic planning, performance measurement and performance reporting by each Crown corporation. Consequently, during 1996 there were 18 employees in the Secretariat and Crown corporations working on the further development and implementation of this initiative.

2. EXPECTATIONS AND COMMUNICATION OF THE REFORM MUST BE WELL-MANAGED

Although numerous presentations have been made by senior executives and their staff to ministry staff in Victoria and the regions, such presentations were typically given in response to a direct request to the Deputy Ministers' Council, its advisory group or the Auditor General. Formal presentations were made to the Crown corporations both at the level of Chief Executive Officers and senior managers assigned to work on the implementation of the initiative within their respective Crown corporations. A more systematic and co-ordinated approach in communicating to the public sector would likely have resulted in greater understanding across government of the initiative and what it is meant to achieve.

As well, communication must be a recurring task, not only because of changes in leadership among Deputy Ministers, but because all Deputy Ministers and their staff face competing interests and priorities. Consequently, commitment to the initiative must be constantly reinforced, even among those familiar and supportive of the initiative. This may require communication of the initiative at the political level as well.

3. THE OBJECTIVES OF THE REFORM MUST BE CLEAR AND CONSISTENT

The objectives of the initiative were clearly stated in both the 1995 and 1996 joint reports. Beyond this, however, the objectives of the initiative were not formally communicated unless specifically requested by a ministry. Furthermore, a survey of ministries revealed that not all were aware of the initiative.

Given the lack of profile of the initiative across ministries, coupled with changes among the Deputy Ministers, the Deputy Ministers' Implementation Committee has been revitalized.

4. DELEGATION OF AUTHORITY MUST BE ACCOMPANIED BY A PROPORTIONATE ENHANCEMENT OF ACCOUNTABILITY

With the exception of Special Operating Agencies, greater authority was not delegated to ministries in return for enhanced accountability. This in itself is not critical, as ministries are not yet more significantly accountable in a public way than before. Ministries have made it clear, however, that reducing input controls and regulations, in return for greater accountability, is essential to the success of the initiative and should be made a high priority.

Within the Crown corporations sector, Deputy Ministers do not have authority to direct a delegation of authority. Management matters are clearly the purview of the Board and its Chief Executive Officer.

5. A CULTURE SHIFT, WHERE RESULTS ARE VALUED OVER PROCESS, MUST OCCUR AT ALL LEVELS

There are several ways to encourage a culture of performance within an organization, among them: providing real incentives so that results are valued over process, and providing leadership, at different levels, to see that a culture of performance is encouraged. Changing a system that has evolved takes time, but steady, ongoing leadership can make the difference. The proof is in those organizations, such as the Ministry of Transportation and Highways and the Ministry of Agriculture, Fisheries and Food, where performance management was an issue before accountability for performance was the watchword.

More active and ongoing leadership at the senior executive level would be desirable. One way to encourage this level of commitment is to use performance management case studies. These would demonstrate how the culture of an organization could change to a focus on results. Attention could then turn to the careful selection of a few organizations where new incentives can be tested and a culture of performance encouraged.

The interest and involvement of the Select Standing Committee on Public Accounts has been valuable in demonstrating general political support for a performance management system that is focused on results. Support, beyond a single legislative committee, of MLAs in general, would be helpful.

6. ACCOUNTABILITY MUST SERVE TO INFLUENCE GOVERNANCE; ACCOUNTABILITY IS NOT AN END IN ITSELF

While some progress has been made—a pilot project on ministry annual reporting, reporting against performance targets in some Crown corporation annual reports and the inclusion of some performance information in the Estimates, for example—the impact of the Assembly’s use of this information will likely not be known for at least a year. As well, much will depend on whether the Assembly implements the recommendations of the Select Standing Committee on Public Accounts. (The recommendations are set out in Appendix C.) Regardless, steps should be taken to ensure that information provided for public information will also enhance program delivery.

7. THE PUBLIC (AND THE LEGISLATORS WHO REPRESENT THEM) MUST EXERCISE TOLERANCE FOR ERROR

Some new ministry performance information has been provided as a pilot in the 1997/98 Estimates. Fair use of this information by legislators is critical to seeing the pilot extended in future years. The first test will come next year when the Legislative Assembly is able to review ministry performance against the indicators provided in the 1997/98 Estimates.

Already many, many ministers in government are beginning to publish goals. They're starting the measurement process. They won't get it right the first time. We all have to have a great deal of patience and support. It is not going to happen quickly.

F. Gingell, MLA

WHERE TO FROM HERE?

Effective implementation of the initiative will require: continuing and consistent direction and leadership; a strong message from the centre to demonstrate the importance of the accountability and performance management framework; sufficient resources for implementation; and some assistance from central co-ordinating groups and agencies. Ways to assist with the implementation of the initiative are discussed in more detail below.

1. THE DEPUTY MINISTERS' COUNCIL AND ITS IMPLEMENTATION COMMITTEE

The Deputy Ministers' Council will take a more active and ongoing role to ensure that the initiative is carried forward. As a first step, the Deputy Ministers' Implementation Committee has already been reconstituted to represent the Deputy Ministers' Council in implementing the initiative across government. As such, the Implementation Committee will:

- establish terms of reference to be approved by the Deputy Ministers' Council;
- work with individual Deputy Ministers to direct that specific actions be taken and accountability for results required;
- recommend central government direction, policy and guidelines for the approval of Treasury Board and Cabinet;
- manage the interface between the Deputy Ministers' Council and the Select Standing Committee on Public Accounts; and
- ensure that implementation of the initiative is monitored and evaluated on a regular basis and progress reports provided to the Legislative Assembly at appropriate intervals and level of detail.

The Chair of the Deputy Ministers' Council will clearly set out responsibility for implementing the initiative. Management letters to the Deputy Ministers are one vehicle for accomplishing this. Such letters could direct each Deputy Minister to:

- prepare detailed implementation plans (these plans would provide explicit direction about the responsibilities of ministry staff; the actions that will take place, including milestones; and the accountabilities that will be established);
- ensure that sufficient ministry resources are allocated to enable successful implementation of the plan and the initiative;
- provide appropriate training and support; and
- report progress to the Deputy Ministers' Implementation Committee on a regular and timely basis.

As well, the Chair of the Deputy Ministers' Council will write to all members of the Executive Council and to their Deputy Ministers encouraging them to integrate the principles of the initiative into their internal management processes wherever it is appropriate.

2. COMMUNICATION OF THE INITIATIVE

More formal, systematic communication is needed to solicit and reinforce support for the initiative at the most senior levels of government. The initiative also needs to be communicated more effectively throughout the public sector. Management letters to Deputy Ministers are one vehicle, but other steps should be taken. Therefore, the Deputy Ministers' Implementation Committee will:

- seek a presentation by the Deputy Minister to the Premier and by the Secretary to Treasury Board to the Deputy Ministers' Council and the Council of Crown Corporation Chief Executive Officers;
- report regularly to the Deputy Ministers' Council on progress of the initiative overall; and
- pursue periodic communication mechanisms (such as bulletins, newsletters, electronic mail and web sites) for communicating across government.

THE PUBLIC'S INTEREST—FOCUSING ON OUTCOMES

Outcome measurement can be difficult to do, but here is one ministry that believes it is worth the effort:

THE MINISTRY FOR CHILDREN AND FAMILIES was created in September 1996 to provide integrated, child-centred services on a regional basis. In bringing together services previously provided by five ministries, the safety and well-being of children is paramount. And it is this focus that drives the ministry in the development of its outcomes. By focusing on outcomes, the ministry is less interested in activities, such as the number of inspections carried out, and more concerned with the results of its efforts: for example, whether deaths among children are falling, or whether the health of babies is improving over time. The ministry believes that developing outcomes such as these will help it stay focused and will ensure that the needs of children and their families come first.

3. MINISTRY PILOTS

To demonstrate success and to learn from experience, one or two ministries (rather than programs) will establish pilots covering all or a major part of the ministry operations. These pilots will encompass the essential elements of the 1996 implementation plan, including planning, performance budgeting, performance measuring and monitoring, reporting, service standards to the public and accountability to the Legislative Assembly in return for specific management flexibilities. The Deputy Ministers' Implementation Committee will:

- recommend ministries as candidates for a pilot;
- prepare recommendations to Treasury Board in order to streamline changes to the performance management system in return for enhanced accountability;
- oversee the implementation and evaluation of progress within the pilots; and
- recommend a phased-in extension of the pilot project to other ministries.

Ministries not involved in a pilot will continue to work in support of the implementation plan contained in the 1996 joint report.

PLANNING IS A POWERFUL TOOL

Formal planning is often the mark of a forward-looking organization. Here is one ministry that has developed a strong planning culture:

For over seven years now, the MINISTRY OF AGRICULTURE, FISHERIES AND FOOD has involved staff and key client groups in defining the long-term direction of the ministry. Business plans are developed with assistance from all staff and the link between business planning and strategic planning is clear and direct. Branch plans include program objectives and goals, identify performance measures and set out action plans to achieve those objectives. Not only do staff know what is expected of them but, as business managers, Assistant Deputy Ministers are held accountable through the use of individual performance plans filed with the Deputy Minister. A key benefit is that everyone speaks the same language and shares the same understanding of the ministry's corporate and operational business direction. Ministry staff acknowledge that their achievements in planning are largely due to the unequivocal support of their executive.

4. PERFORMANCE-BASED BUDGETING

The government introduced some performance measures as a pilot in the 1997/98 Estimates. The pilot will be assessed in the coming year and, if successful, the Deputy Ministers' Implementation Committee will:

- **develop a plan to include performance measures in future Estimates. The plan will:**
 - **identify ministries for each year, beginning with organizations that have approved measures and reliable source data; and**
 - **include instructions to ensure that ministries select outcome measures and that the measures are linked to the ministries' business plans;**
- **develop a strategy for ensuring that legislators are aware of developments in performance-based budgeting so that legislators will be able to use performance-based information provided in the Estimates in a reasonable and constructive manner;**
- **recommend that a Minister be appointed to co-ordinate, with the House Leader, the government's response to the recommendations of the Select Standing Committee on Public**

REPORTING ACROSS SECTORS

Sectoral reporting is an effective way for government to assess and influence public issues over which it does not have ultimate control. Here is one ministry that has chosen this route:

THE MINISTRY OF ENVIRONMENT, LANDS AND PARKS regularly reports to the public on 15 key indicators in its Environmental Indicator Series. It is a succinct and informative way to explain to the public the current status and trends within each environmental area, as well as the Province's goal for protecting the environment. In reporting on issues such as greenhouse gases in British Columbia—issues over which it has only limited control—the ministry has assumed responsibility for keeping the public informed. This approach has proved its value: the Environmental Indicator Series is highly popular among the public and the media.

Accounts for changes to the Estimates process in the Legislative Assembly; and

- encourage Treasury Board to modify the budget review process so that each ministry's performance is reviewed at the same time the budget is allocated.

5. SECTORAL REPORTING

Sectoral reporting remains an issue for the following year. Therefore, the Deputy Ministers' Implementation Committee will direct that a working group be established to:

- develop a framework for sectoral reporting for the British Columbia public sector, including:
 - determining the objectives of sectoral reporting;
 - determining how sectoral reporting relates to other types of reporting (such as ministry annual reports);
 - defining the sectors to be reported on; and
 - defining the organizational composition of each sector.
- identify the essential components of a useful sectoral report; and
- make recommendations on implementation, including evaluation of the usefulness of a pilot for sectoral reporting.

USING CLIENT SURVEYS

Measuring program results to ensure effective performance management and accountability is essential. Client surveys are used by some publicly funded agencies to collect the necessary data.

In the fall of 1995, British Columbia's public universities, together with the University President's Council of BC and the Ministry of Education, Skills and Training, conducted a follow-up survey of approximately 7,500 1993 baccalaureate graduates. In that same year, 19 colleges and institutes joined with the Ministry to survey almost 20,000 1993/94 students about the programs offered by the colleges and institutes.

These surveys focused on students' evaluations of their education experiences and experiences in the job market, such as the types of jobs attained or their compensation levels. The survey results enabled the surveyors to assess the program effectiveness of these publicly funded agencies.

In recognition of the need for public accountability, the survey findings of both the University President's Council and the colleges and institutes were published and made available to the public via the Internet in 1996.

6. SERVICE STANDARDS

Service standards are performance targets and measures that tell the public what services are available, the expected quality of service, turnaround times and hours of service, the cost of services, and what users can do when the services they receive are not acceptable. In the coming year, the Deputy Ministers' Implementation Committee will ensure that a working group on service standards, led by a senior executive, is convened to:

- establish guidelines on service standards for ministry programs. The guidelines will determine what programs should have standards, as well as what types of service delivery standards should be reported to stakeholders and the general public;
- provide direction, resource material and advice on how ministries should develop service standards;
- devise, where appropriate, a phased-in implementation schedule across government; and
- report to the Deputy Ministers' Implementation Committee during 1998.

7. CROWN CORPORATIONS

The top priorities in 1997/98 for the 13 Crown corporations under the purview of the Crown Corporations Secretariat will be to strengthen the linkages between the performance measures and strategic priorities, and to improve measurement methodologies. The measures that Crown corporations will be asked to track in their 1998 reports will reflect these improvements.

In subsequent years, the emphasis is intended to be on:

- ensuring that there is consistent and efficient alignment between the performance measurement system and the information needs of Cabinet and the Boards of the Crown corporations; and
- establishing usable benchmarks and/or targets for key performance measures in all Crown corporations.

As the project develops over the next two to three years, the primary emphasis will be on establishing performance measurement as a useful and valid tool in Crown corporations for purposes of planning, management and governance. Once performance measurement has established its value and credentials for internal accountability, the system will be better positioned for use by external audiences, including customers and clients, interest groups, the Legislative Assembly and the public.

EXTENDING THE INITIATIVE TO FUNDED AGENCIES
—AN INTERIM REPORT

EXTENDING THE INITIATIVE TO FUNDED AGENCIES—AN INTERIM REPORT

The two main goals identified in the 1996 joint report were: (1) to extend the accountability for performance framework to funded agencies and to health and social services contractor agencies; and (2) to issue a report shortly thereafter describing the status of the work and setting out an implementation plan. Both goals were to be achieved by March 1997.

An interim report on this phase of the initiative follows.

WHAT ARE FUNDED AGENCIES?

Over 70% of program funding through the ministries of government are for programs delivered not directly by the ministries, but indirectly through organizations that may be described as funded agencies. Funded agencies are organizations that are used as primary vehicles for delivering government programs.

These agencies are somewhat disparate, having different governance structures and different accountability relationships with government. There are, however, essentially two distinct groups: government agencies, typically controlled by government through legislative provisions, whose boards may be either elected (such as school districts) or appointed (such as community colleges); and non-government agencies, such as private businesses and societies, that deliver services for government on a contractual basis (for example, community care homes).

GOVERNMENT AGENCIES

THE GENERAL APPROACH

To extend the initiative to government agencies, each ministry having responsibility for particular agencies was to review its accountability relationships with those agencies and encourage them to review their management processes. To assist this process, a Funded Agencies Working Group was formed last year, consisting of members from Treasury Board Staff and key ministries. The Working Group agreed that it should concentrate on the large agencies, such as health care organizations, school districts, colleges and universities. As well, the Working Group developed guidelines for ministries to use in determining which of 200 additional agencies should be included in the initial stages of this work.

PROGRESS MADE

Ministries were asked to meet with their funded agency representatives to establish plans for extending the initiative to the agencies. Primarily because of the size of this undertaking, insufficient work has been done to warrant a detailed report at this time. Despite the challenges involved, however, a number of ministries are proceeding to extend the initiative to their respective government agencies through funding arrangements and ongoing joint meetings with agency representatives.

NON-GOVERNMENT AGENCIES

THE GENERAL APPROACH

Non-government agencies that deliver services on a contractual basis are accountable to government for the public resources they use. Because government is ultimately accountable for the results of programs delivered through these agencies, it needs to ensure that the agencies account for the results being achieved with funds provided to them. At the time the 1996 joint report was issued, two working committees—the Contract Council and the Interministry Steering Committee—were in the process of developing policies in this area. The new policies and related standards were to incorporate requirements for good performance management of government's continuing agreements with contractor agencies in the community health and social services areas.

PROGRESS MADE

Government provides many community health and social services to the public through contracts with a variety of non-government agencies. In February 1997, the government's contract management policy was amended to include a requirement that ministries and contracted agencies build reference to accountability for intended results into long-term contracts for certain community health and social services. As these contracts are established, or as existing contracts are renewed, provisions are incorporated into the contracts to ensure government representatives and contracting agencies are making specific statements about the expected results or purpose of the contract. These provisions will allow for improved assessment of contractor and program performance management and greater accountability for public funds.

THE FUTURE

Just as it has been recognized that implementation of a results-focused performance management system and accountability framework in ministries and Crown corporations will take a number of years, so too is it the case with funded agencies. We expect, however, that all ministries will continue to move toward extension of the initiative to their government agencies and to their contracting processes over the next few years and will report regularly on their progress in this regard to the Deputy Ministers' Council.

We now also believe that no useful purpose would be served by issuing separate progress reports on the status of the initiative's implementation in funded agencies. Extending the initiative to these agencies is essential to the government being able to account fully for its performance, and therefore its status should be described in government as a whole, including government agencies and the contracting process. Our progress reports in future years will do this.

**THE AUDITOR GENERAL'S OUTLOOK
FOR ENHANCING ACCOUNTABILITY**

THE AUDITOR GENERAL'S OUTLOOK FOR ENHANCING ACCOUNTABILITY

As Auditor General for British Columbia, my motivation is to encourage an effective accountability relationship between government and the Legislative Assembly. A key to achieving this, I believe, is to enhance the quality of the information that is provided to the Legislative Assembly. I recognize, of course, that accountability is not an end in itself: it should not only serve to inform the Legislative Assembly and the public, it should also lead to improvements in the performance of government. It is these two inter-related aspects of accountability that has led to an alliance between my Office and the Deputy Ministers' Council. Nonetheless, while I am pleased to be able to work with the Council in this regard, at the end of the day my motivation remains the same: to see better accountability between government and the Legislative Assembly. Given this, I am concerned that, without greater co-ordination of the initiative from the centre, accountability for performance to the Legislative Assembly and the public will not receive the attention it deserves.

I believe more can be done in the next few years to enhance the accountability of government to the Legislative Assembly. I identify and discuss these issues in the remainder of this report.

PUBLIC REPORTING

There are two facets to the accountability for performance initiative: improving the performance of government in general, and improving the accountability for that performance to the Legislative Assembly. Previous sections of this report have focused on progress made in implementing performance management reforms. And there is no question: bringing about improvements to the way government operates is important. But so, too, is accountability for that performance. In times of constraint, however, issues of accountability may be overlooked as government and its organizations focus specifically on improving performance.

Governments in other Canadian jurisdictions are making significant progress in providing performance information to the public. A number of them are now publishing plans of government and its organizations that include the identification of outcome-oriented performance targets. Fundamental to the accountability

framework in these jurisdictions is the public reporting of performance information, yet very little progress has been made so far in British Columbia.

I would like to see a stronger commitment by government to put in place a public reporting mechanism for performance information, as other governments have done. Given that ministries and Crown corporations are in various stages of development with respect to performance information, it may be prudent to follow the Government of Canada's strategy of phasing in the publication of performance information over a few years.

POLITICAL LEADERSHIP

In 1996 I believed—and still do—that there is a real desire among the public sector for improving government performance and accountability. In British Columbia, the impetus for the accountability for performance initiative has come primarily from its Deputy Ministers. In this respect, it has differed from reforms in many other jurisdictions. While much has been achieved under the leadership of the Deputy Ministers' Council—an implementation plan and an agreed-upon accountability framework, for example—the Council was unable, in 1996, to provide the steady, ongoing leadership it had intended. Government operates in a dynamic environment, where priorities shift and important, but perhaps less critical, matters may not be addressed as planned. Given this, I have come to the conclusion that more formal, political support is necessary. In the interest of improved accountability, it is an issue I intend to raise with each party leader.

LEGISLATION

Formal political support could take the form of endorsements, but I am increasingly of the opinion that legislating accountability reporting requirements also has its merits. I understand that there are those who are critical of the legislative approach, but I believe that the benefits of legislation are persuasive.

Legislation can be a powerful tool for initiating change across government. In an environment where priorities often shift, the message conveyed through legislation remains clear and constant. For the public sector (and for the public), legislation also represents the clearest expression of a legislature's interest.

The first advantage, then, is in providing the public sector with the message that accountability for performance is expected. In this way, it can serve to motivate managers to pursue changes they might otherwise not pursue. Legislation can also provide a minimum standard or level of reporting that is required of all government organizations. In doing so, it establishes a common basis against which performance can be assessed.

I know a key concern for many is that legislation will require government organizations to report before either valid performance targets or reliable performance information is available. But this has not been a drawback in other jurisdictions. Elsewhere, the approach has been to require organizations to report as best they can on performance and to refine that information over time. The expectation is that the quality of the information will gradually improve and that, in time, accountability will be better served.

Another possibility is to provide for pilot projects, through legislation, as is the case with the Government Performance and Results Act in the USA. This Act provides checkpoints so that Congress can review the results of pilot projects in performance measuring, budgeting and reporting before authorizing full implementation across government.

An alternative to legislation is for government to use its prerogative to provide for pilot projects, and involve all MLAs in endorsing the approach and evaluating the results. This is the approach taken by the Government of Canada.

THE ROLE OF THE LEGISLATIVE ASSEMBLY

As I have often stressed, an effective accountability relationship between government and the Legislative Assembly is based on more than the simple reporting of government's performance; it requires a Legislative Assembly that actively uses the information in a fair way to judge the performance of government and its organizations. This is a point that is well understood by the Select Standing Committee on Public Accounts.

This past year, the Committee addressed the accountability obligations of the House very directly in its own reports to the Legislative Assembly. It made 10 recommendations in all: four focused on the information that government should report to the

Assembly; four addressed the way in which legislative committees should hold government accountable; and the remaining two discussed Estimates as part of an accountability process.

These recommendations were considered so important that they were twice proposed by the Select Standing Committee on Public Accounts: once in a report to the Assembly in January 1996, just before the House prorogued; and again in August 1996, shortly before the House recessed. (The recommendations are reproduced at Appendix C.)

I would encourage the Legislative Assembly to consider the recommendations of its Committee, because I believe the accountability for performance initiative is as much an issue for governance as it is for management. In studying these recommendations, British Columbia has the opportunity to consider changes to the accountability process that will complement the needs of both government and the Legislative Assembly. But because the recommendations may lead to fundamental changes in the governance process, I would also urge the Assembly to accept the suggestion of the Select Standing Committee on Public Accounts and refer the recommendations to a special legislative committee. I believe MLAs with considerable experience in governance and an interest in issues of accountability could provide such a committee with valuable insights. And, of course, I would be pleased to offer the Assembly or its committee any support I can.

ORGANIZATIONAL CAPACITY

Governments everywhere, it seems, are in the midst of change, much of it brought on by the need to find greater efficiencies in the way government operates. Public sector staff, for example, are assuming new roles and responsibilities. In some cases, administrative rules and controls are being reduced in favour of greater managerial discretion and accountability and, increasingly, governments are turning to new styles of management, such as Special Operating Agencies or public-private partnerships. In a dynamic public sector such as this, there is some concern that the performance of government over time could be in jeopardy: a single-minded focus on short-term results may mean that governments will not be

adequately prepared to meet the public's needs in the future. Also, these new styles of management require trained and public-spirited managers who have the ability to respond to future changes in the environment. An important question for the public sector, then, is whether government or its organizations have the capacity to sustain or improve their performance in the future.

Good governance requires this long term view. That is why I believe operational performance should be broadly defined to include the issue of organizational capacity. It is not enough for governments to account for how well they have met a public need (effectiveness and relevancy) or whether they have done so in an economical way (efficiency). Governments also need to give the public some assurance that, over time, they are capable of sustaining or even improving their performance.

The issue of organizational capacity is not new and, in fact, forms part of the accountability framework. However, it is only recently that the need to assess and report on organizational capacity has gained prominence. I believe attention needs to be paid to developing the concepts underlying the issue. At present, there is an emerging consensus that the key elements of organizational capacity are:

- leadership and direction, involving planning, communication and employee buy-in, establishment and communication of vision and values, team building and so on;
- protection of key assets, such as property, information systems and personnel;
- workforce skills, involving employee recruitment, training and education, and performance assessment systems; and
- financial condition, including factors such as an organization's financial viability, future tax and revenue requirements, and the ability to maintain or expand the level and quality of services.

Considerable work remains to be done, however, to determine how governments should provide the public with assurance about organizational capacity. Because it is a critical issue for governance in general, I am anxious to see this work continue.

ETHICS

An important aspect of performance in the public sector has to do with the manner in which government carries out its business. Clearly, government's organizations must comply with legislation and related authorities that govern the way in which public business is conducted. Employment standards and conflict of interest rules, for example, fall into this category. Certain government social policy objectives, such as employment equity or anti-harassment, provide further guidance on how government business is to be conducted. But, increasingly in many countries, it is ethics that is capturing the most attention. This is understandable given that:

Public servants exercise discretionary power in their everyday work in several ways: in their stewardship of public resources, at the interface with citizens, and in the context of their policy making functions. Ethics is one of the important checks and balances against the arbitrary use of that public power. It is a vital factor in creating and maintaining confidence in government and its institutions. It also provides a basis to test practices, conventions and conduct generally, against which the public can be assured that its interests are being served and that due process is being observed. As such, it is a key factor in the quality of governance. (Ethics in the Public Service—Current Issues and Practice, 1996, Organisation for Economic Co-operation and Development)

As the public sector adopts new ways of doing business, the traditional values and systems governing the behaviour of public servants may no longer be adequate. Private sector managerialism, increased commercialization of the public sector and the shift to alternative delivery methods introduce new elements to the proper conduct of public business. But no matter how government delivers its programs and services, the public should be assured that government has been ethical and fair in its dealings.

The need to address this aspect of government performance is addressed in the accountability framework set out in the 1996 joint report. However, I believe it is a key issue and should, as part of the accountability for performance initiative, be given particular attention over the next few years.

APPENDICES

APPENDIX A: ASSESSING PROGRESS AGAINST THE PLAN: AN OVERVIEW OF MINISTRIES AND GOVERNMENT AS A WHOLE

INTRODUCTION

In reporting on progress of the accountability for performance initiative within the ministries, the Deputy Ministers' Council believes it is important not to lose sight of the overall objectives. Consequently, this report not only presents progress achieved against each element of the implementation plan, but assesses that progress in terms of the long-term objectives of the initiative. This focus reflects two important aspects of the initiative: first, it emphasizes the ultimate vision—to fully establish an accountability framework and performance management system in government by the year 2000; and second, it emphasizes the intention that the initiative be “owned,” not by a central authority, but by the ministries, each of which has the flexibility to proceed at a pace and in a manner consistent with ministry plans and priorities (provided the approach is consistent with general direction contained in the 1996 implementation plan).

The implementation plan for ministries and government as a whole provides general direction and timelines for improving performance management and accountability in a number of areas. They include strategic direction, business planning, budget planning, performance measurement, balancing of authority and responsibility, information systems and monitoring, and reporting. Within each subject area, the plan identifies a number of elements that need to be addressed. For the purposes of analysis, these various elements are categorized under four general headings:

- Planning and Direction for Results
- Performance-Based Resource Allocation
- Managing for Performance and Results
- Public Reporting and Accountability for Performance

All aspects of the implementation plan have been addressed and progress assessed as of March 1997. In some cases, long-term objectives, not reflected in the 1996 implementation plan, have also been identified.

PROGRESS ACHIEVED AS OF SPRING 1997

Findings for ministries and government as a whole are summarized in the accompanying table. In general, ministries have demonstrated steady progress or achieved the standards and timeframes set in the 1996 progress report for the following:

- **strategic planning;**
- **multi-level business planning;**
- **performance measures (this includes output and/or outcome measures; more outcome-based measures are required);**
- **1997/98 Estimates pilot on performance measurement; and**
- **Special Operating Agencies (improved performance-based resource allocation and reporting, balancing of authority and responsibility, and reduction of input controls).**

Limited progress for government as a whole was demonstrated in the areas of draft documentation on multi-year business planning, performance measurement, annual reporting and sectoral reporting.

ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE			
SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
PLANNING AND DIRECTION FOR RESULTS			
Strategic direction	The government, in consultation with ministries, will provide timely and reasonably specific strategic direction to ministries to ensure clear guidance for purposes of ministry strategic planning.	Government to establish a working group, with representatives from a broad selection of ministries, to develop a co-ordinated strategic direction and budget process for implementation in the 1998/99 planning/ budget cycle.	The goal was not achieved, but government still intends to establish the working group at some point in 1997. The government has developed high-level strategic direction, but has not regularly or openly communicated this information to ministries.
Strategic planning	Ministries will apply the government's strategic direction and provide strategic planning covering all programs of government.	Ministries to provide strategic planning to cover 75% of government programs by March 1997.	About 75% of government's programs were applying key elements of strategic planning by March 1997. Also, guidelines for strategic planning were developed and are being circulated for comment prior to inclusion in policy.*
Business planning	Ministries and programs will produce three- to five-year business plans linking their activities to the strategic direction of the government. The plans will include ministry and program objectives in support of the strategic direction of the government, resources used and performance measures.	Treasury Board Staff (TBS) to direct a phased-in implementation of multi-year business planning for 25% of government programs by March 1997.	About 25% of government's programs were applying key elements of multi-year business planning by March 1997. Also, guidelines for business planning were developed and are being circulated for comment prior to inclusion in policy.*
Performance measurement	Ministries and programs will develop performance measures to allow them to determine whether the ministry and program objectives are being achieved. Outcome measures are preferred, but output, efficiency, activity or other measures may be used as proxies or until suitable outcome measures can be developed.	Ministries to develop output and outcome performance measures for 25 per cent of government programs by March 1997.	Virtually all ministries have incorporated either output and/or outcome performance measures for at least some of their programs. Guidelines for performance measurement are being developed for inclusion in policy. An inter-ministry group also meets regularly to discuss performance measurement issues.*

*analysis is based on 12 of 16 ministries

ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
PLANNING AND DIRECTION – CONTINUED			
Service standards	<p>Ministries or programs delivering services directly to the public will develop standards to inform recipients of the expected level of service, publish achievements compared to the standards, and explain material differences. Ideally, ministries will request that service recipients and other stakeholders participate with the ministries in establishing the standards.</p>	<p>TBS and ministries to establish a working group to develop guidelines for the establishment of and reporting direct to stakeholders and the public of service delivery standards. The working group to report by September 1996.</p>	<p>The goal was not achieved, although some members have been appointed and terms of reference have been drafted.</p>
	<p>As above.</p>	<p>Ministries to apply the guidelines created by the working group, to assist them in developing, publicizing and reporting service delivery standards.</p>	<p>Guidelines have not yet been developed; however, about one-third of ministries have prepared and publicized some service delivery standards on their own.</p>

PERFORMANCE-BASED RESOURCE ALLOCATION

Performance budgeting	<p>Treasury Board will promote the use of performance measurement and analysis processes to influence the allocation of resources government-wide. Where possible, the budget process will clearly show the different levels of results that can be achieved at various potential levels of funding.</p>	<p>Treasury Board to restructure the budget process to allow ministry budgets to be based on multi-year business plans that include well-defined performance measures at the ministry and program level. Pilot projects for some programs were to be in place for the 1997/98 Estimates.</p>	<p>The budget process was not restructured for multi-year business planning. Treasury Board did, however, approve a pilot project to include performance information in the 1997/98 Estimates. Each pilot included some performance measures comparing actual performance for 1995/96 with estimates for 1996/97 and 1997/98.</p>
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ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
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MANAGING FOR PERFORMANCE AND RESULTS

<p>Balancing authority and responsibility</p>	<p>Roles and responsibilities will be clearly defined for ministries, central agencies, steering committees, working groups and others regarding accountability and performance management.</p>	<p>TBS and ministries to ensure, on an ongoing basis, that roles and responsibilities are clear regarding authority and responsibility.</p>	<p>This goal will be ongoing and influenced by changing circumstances. Roles and responsibilities will have to be fully defined, communicated and reviewed periodically. This will ensure that, in relation to the fundamental purposes of the initiative, each participant in the process is authorized to act, has clarity of function, understands his or her role and responsibilities, and is taking appropriate action.</p>
	<p>Government will investigate and, where appropriate, introduce alternative service delivery mechanisms for the provision of traditional government services in order to better balance authority and responsibility for performance and results.</p>	<p>TBS and ministries to establish, on an ongoing basis, Special Operating Agencies (SOAs) with specific management flexibilities.</p>	<p>During 1995/96, four government operations were converted to SOA status. The success of the SOA pilots will be assessed before a decision is made to create additional ones.</p>
<p>Reduction of input controls</p>	<p>Input controls and administrative regulations which prevent managers achieving their objectives will be eliminated or modified except where they clearly serve an overriding purpose.</p>	<p>TBS, in consultation with ministries, to prepare a timetable by September 1996 for the review of all input controls and administrative regulations for possible elimination or relaxation.</p>	<p>A timetable for a government-wide review of input controls and administrative regulations was not established because of the 1996 government reorganization. SOAs, however, are exempt from certain general administrative policies in return for seeking to achieve internal efficiencies. With the exception of SOAs, ministries did not consider this issue in detail.</p>

ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
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MANAGING FOR PERFORMANCE AND RESULTS – CONTINUED

<p>Implementation issues, including training</p>	<p>Ministries are responsible for implementing the accountability and performance initiative in a comprehensive and effective manner.</p>	<p>A central support/advisory group to develop a cross-government training strategy. Ministries to develop an implementation plan, including training requirements. Other elements included reasonable but definite milestones, and adequate funds and staff.</p>	<p>A cross-government training strategy was not developed. The majority of ministries have not made significant progress formalizing an implementation plan. However, some ministries have developed an implementation timetable, dedicated corporate planning resources, established workshops for program and regional staff relating to the development of performance measures, set target dates and key milestones, and held informal or formal training sessions.</p>
<p>Information systems and monitoring</p>	<p>When planning new information systems or changes to current ones, ministries and programs will consider the need for performance measurement information. Over time, all information systems will include the ability to capture performance measurement information, where appropriate.</p>	<p>TBS, the Chief Information Officer, and ministries to review all existing and future systems in order to develop performance measurement data (where feasible) in tandem with the development of performance measures, and over approximately the same timeframe.</p>	<p>Several ministries referred to current or planned systems initiatives, or to potential deficiencies in systems, from a performance perspective.</p>

PUBLIC REPORTING AND ACCOUNTABILITY FOR PERFORMANCE

<p>Annual reporting</p>	<p>Government will provide guidance to ministries in producing performance-based annual reports and related publications regarding frequency, timing, link to other performance-related reports, and format.</p>	<p>TBS and ministries to provide guidelines by September 1996 for the preparation of performance information in ministry publications in 1997. The guidelines will include the issue of timeliness of reporting.</p>	<p>A working group was convened in 1996 to develop guidelines for the preparation of ministry annual reports. The guidelines will be circulated for review.</p>
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ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE			
SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
PUBLIC REPORTING AND ACCOUNTABILITY FOR PERFORMANCE – CONTINUED			
Annual reporting (continued)	As one of the primary accountability documents of ministries, annual reports will present performance measurement information. This will include an explanation of significant difference between actual performance and the targets.	Ministries to include output and outcome coverage of 25% of government's programs in annual reports by March 1997.	Performance-based information is generally not yet considered for inclusion in ministry annual reports. However, several ministries have revised their annual reports in this regard to meet statutory requirements or to advance the purposes of this initiative.
Sectoral reporting	Where appropriate, government will report on a sectoral basis in order to cover issues that cross organizational boundaries.	TBS and ministries to develop an inventory of sectoral reporting activities and encourage the sharing of such expertise widely across government in 1996.	An inventory of British Columbia Sectoral Performance Indicators was compiled and two meetings of the Sectoral Reporting Network were held in 1997 (see below).
	As above.	TBS and ministries to develop sectoral reporting format guidelines and an information sharing network in 1997.	Terms of reference for the Sectoral Reporting Network have been drafted and a working group has been formed to make recommendations about the composition of sectors, to develop a framework for sectoral reporting, to identify the elements of a useful sectoral report, and to prepare a pilot report for a single sector.
	As above.	Include some sectoral information, starting with government's 1996 annual report (Volume 1 of the Public Accounts).	Government's 1996 annual report contains financial sectoral information, based on the Statistics Canada classification.
Compliance performance	Ministries and programs will measure the conduct of their business and the operation of specific programs in accordance with legislated requirements and expected standards of conduct, and report periodically on compliance performance.	TBS and the Office of the Comptroller General to establish a working group by December 1996 to pursue the consideration of criteria for the measurement and reporting of compliance performance.	A working group has been established, but a report has not been drafted. Ministries generally were not considering this issue on their own.

ASSESSING PROGRESS AGAINST THE PLAN: MINISTRIES AND GOVERNMENT-WIDE

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN THE 1996 JOINT REPORT	PROGRESS AS OF SPRING 1997
PLANNING AND DIRECTION – CONTINUED			
Organizational capacity	Ministries and programs will measure the extent to which they have the capacity to maintain or improve current performance and the extent to which they have the capacity to deal with the future, and will report periodically on organizational performance.	TBS and the Office of the Comptroller General to establish a working group to pursue the consideration of criteria for measuring the state of organizational capacity, and to identify candidates for pilot testing the organizational capacity criteria, both by March 1997.	A working group has been established to pursue these goals, but a report has not been drafted and candidates for pilot testing have not been identified. There was little activity in this area at the ministry level.
Full costing	When reporting on the costs of programs or performance measures based on costs (e.g., unit costs of production), ministries and programs will include all applicable costs, both direct and indirect. (This objective is tempered with practicality and materiality to ensure that the costs of such an exercise do not outweigh the benefits.)	To issue guidelines by March 1997 on the full costing of government programs (where appropriate) to ensure a consistent basis of comparison.	A working group has been established, however, a report has not yet been drafted. No ministry has established full costing guidelines, although a number of them are moving in this direction or are aware of the potential ramifications.
Integration and synchronization of cycles	Government will develop an integrated planning, budgeting, evaluation and reporting cycle that fully supports the accountability and performance management framework.	With the agreement of ministries, central agencies and Crown corporations, and with suitable incentives, to achieve an acceptable level of synchronization of cycles over a period of two to three years.	This issue was identified but not addressed in the status report because of its long-term nature.

METHODOLOGY FOR ANALYSIS

Between January and March 1997, the Office of the Comptroller General, on behalf of the Deputy Ministers' Council, gathered and assessed information about progress of the initiative within ministries and across government as a whole. Each ministry was surveyed about progress made against each element of the plan, but was also questioned as to:

- whether performance information determined the allocation of resources within the ministry;
- whether performance information was being reported within the ministry and/or externally, and to whom it was being provided; and
- whether internal users were applying the information and, if so, how.

To improve comparability among responses, ministries were contacted to elicit additional information. Finally, each ministry was given the opportunity to confirm that statements made in this report are accurate and the conclusions reasonable as of Spring, 1997.

Qualifying and quantifying ministry responses was often difficult to do, in part because of the flexibility available to ministries in implementing the initiative. For example, the implementation plan contained in the 1996 joint report suggests that ministry strategic planning, business planning and performance measuring can be assessed in terms of percentage results for programs across government. This is not easy to do because there is no generally accepted definition of a program. To deal with this, each of the 16 ministries was surveyed to determine the total number of ministry programs and the portion of that total where strategic planning, business planning and performance measuring is under way. Based on the responses, ministries were divided into two broad groups so as to avoid skewing the results: "divisional" ministries and "activity-based" ministries.

- The "divisional" ministries consist of three large ministries (in terms of budgets and staff) which equate programs with ministry divisions. They are the Ministry of Education, Skills and Training, the Ministry of Forests, and the Ministry of Transportation and Highways. The survey indicated 16 programs for this group of ministries.

- The “activity-based” ministries include nine ministries which equate programs with activities, sets of activities or branches (e.g., habitat protection, gas safety, public affairs). The survey indicated 275 programs for this group of ministries.

The analysis of results for strategic planning, business planning and performance measuring excludes four ministries which have been in transition. Government reorganization and ministry restructuring precluded them from applying significant resources to the initiative. This does not mean that relevant work is not proceeding within these ministries, but that the resources required to respond were more urgently applied to other purposes.

APPENDIX B: ASSESSING PROGRESS AGAINST THE PLAN: AN OVERVIEW OF CROWN CORPORATIONS

The implementation plan in the 1996 joint report, *Enhancing Accountability for Performance*, included a separate component for Crown corporations (see page 51 of that report). This part of the progress report summarizes progress made to March 1997 by Crown corporations under the purview of the Crown Corporations Secretariat (CCS), in relation to the performance measurement objectives established for Crowns with the CCS, and in relation to the implementation plan for Crown corporations contained in the 1996 joint report. (The CCS is the government body responsible for overall review, policy co-ordination and monitoring of certain Crown corporations in British Columbia. See the accompanying table for the list of Crown corporations under the purview of the CCS.)

The implementation plan for Crown corporations identifies the following five areas of focus, and recommends a number of specific actions to be undertaken in each area:

- Development or updating of the strategic and business planning process
- Clarification of the roles and responsibilities of all parties involved in the governance of Crown corporations
- Performance measurement
- Information systems and monitoring
- Reporting on plans and achievements

Prior to the finalization of this implementation plan, CCS began working with the Crown corporations under its purview to design and initiate a formal performance measurement, planning and reporting system. Based on discussions with the senior management in each Crown corporation under the purview of the CCS, a general design and first-year implementation schedule for the performance measurement system for Crown corporations was established. The major features of this design and schedule were incorporated into the implementation plan for Crown corporations contained in the 1996 joint report. The launch of this new system occurred at the beginning of the 1996/97 fiscal year.

The primary purpose of the performance measurement system for Crown corporations is to allow government to establish targets for accomplishing strategic objectives and public policy goals and then track progress relative to these targets. This information can be used by government to develop better informed policies for Crown corporations, and to modify policies and targets in a timely manner, taking account of developments that significantly affect the performance of Crown corporations. Information generated under the performance measurement system can also be used to provide progress reports on Crown corporations' performance to the legislature and public.

Crown corporations play a crucial role in the development of the province's economy and in the fulfillment of government's social and economic development objectives. The pursuit of these objectives requires Crown corporations to undertake investments that will result in benefits to the general public. Like their counterparts in the private sector, Crown corporations strive to generate an adequate rate of return on these investments for their shareholder, the public. However, this is not the only yardstick used to determine whether an investment should proceed. Environmental objectives, such as improving air quality and social objectives, such as increasing employment opportunities for under-represented groups, are also important.

Given these considerations, the approach to performance measurement in Crown corporations must take into account both financial and non-financial objectives. Consequently, performance measurement in Crown corporations must extend beyond the usual and well-established financial accounts. The performance measurement system for Crown corporations has been developed to measure performance in four separate "accounts." These accounts correspond to and incorporate the major strategic priorities of the government. The accounts used in 1996/97 reporting were:

- financial and operational
- customer service
- environmental
- socio-economic development

The first-year implementation schedule for the performance measurement system called for the establishment of a series of

quarterly and annual performance reports to be made by Crown corporations to CCS. The schedule included a list of performance measures, agreed reporting periods for each measure and a timetable for submission of performance reports to CCS. As the technical design of the system evolves and is fine-tuned over the next few years, the performance measurement system will be integrated with, and fully complement, the strategic and business plans of each Crown corporation.

As of June 1997—the end of the first full year of operation for the performance measurement system—business plans are now in place and strategic planning processes have been initiated for all the Crown corporations participating in the initiative (the Pacific National Exhibition, the Provincial Capital Commission, and Columbia Power Corporation were excluded from full coverage in this first year). For 11 of the corporations, quarterly and/or year-end performance reports have been received, in accordance with the requirements agreed to with each Crown corporation. Further details on progress relative to each element of the implementation plan for Crown corporations are provided in the accompanying table.

These results represent a strong first year of operation for the system. Important lessons are being learned by managers working with this new system. Clearer links within the system must be established between the performance measures, government priorities and the strategic objectives of Crown corporations. The measures used will need to be reviewed on a regular basis. The importance of involving staff at all levels in the development of the system is clear. More work is needed to further develop adequate and appropriate measures for some accounts, especially for the socio-economic development account. Some measures proved less effective than others and may be dropped. The methodologies used to generate some of the measures require clarification and are being reviewed by staff.

As set out in the original implementation plan, and as agreed to by Crown corporations in March 1996, a review process is planned and has been initiated. During this review process, the weakness and gaps that have emerged from the first-year experience will be addressed.

ASSESSING PROGRESS AGAINST THE PLAN: CROWN CORPORATIONS

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN SECOND JOINT REPORT	PROGRESS AS AT MARCH 1997
Strategic and business planning	Continue to develop/update the strategic and business planning process.	The 1996/97 implementation plan for Crown corporations envisaged this process as ongoing.	<p>Guidelines for the preparation of strategic plans and business plans were developed by the Crown Corporations Secretariat (CCS) in 1994. All Crown corporations under the purview of the CCS now prepare business plans annually.</p> <p>During 1996, nine Crown corporations drafted strategic plans covering a three to five year period. These plans are being reviewed by the CCS to ensure consistency with government policies and goals. On completion of these reviews, the plans will be submitted to the relevant Ministers or Cabinet for approval.</p>
Balancing authority and responsibility	Recommend changes needed to clarify the roles and responsibilities of all parties involved in Crown corporation governance to ensure they are clear.	A review of the current roles and responsibilities of all parties involved in Crown corporation governance to be completed by October 31, 1996.	<p>A study on Crown corporations governance was undertaken by the Office of the Auditor General of British Columbia and a report issued in 1996. The report recommends that government review the current system of Crown corporations governance and develop a model that:</p> <ul style="list-style-type: none"> • is based on the principles and values of the Government of British Columbia; • clearly establishes the respective roles and responsibilities of all those involved in Crown corporation governance; • provides the flexibility needed by Crown corporation boards to carry out their duties; and

ASSESSING PROGRESS AGAINST THE PLAN: CROWN CORPORATIONS

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN SECOND JOINT REPORT	PROGRESS AS AT MARCH 1997
Balancing authority and responsibility (continued)			<ul style="list-style-type: none"> is based on the degree of independence the government and Legislative Assembly wish to be accorded to Crown corporations. <p>This report is currently under review by CCS.</p>
Performance Measures	Continue to develop appropriate measures for each corporation.	Initial performance reporting requirements to be confirmed by March 31, 1996, including a list of key performance measures, the start date and frequency of reporting for each performance measure.	<p>A new performance measurement system for Crown corporations was introduced at the beginning of the 1996/97 fiscal year. Crown corporations provide reports on performance using performance measures that have been agreed on between CCS and each Crown corporation. The system has focused on performance in four accounts: finance and operations, customer service, environment and social accounts.</p> <p>The performance measurement system is designed to allow the performance of Crown corporations to be compared with historical performance, strategic objectives and performance targets, the performance of similar Crowns, and industry benchmarks.</p>
	Establish a long-term review process for evaluating the reporting of performance measures.	CCS and the Crown corporations to establish a long-term review process starting on April 1, 1996.	Crown corporations and CCS agreed to review jointly the performance measurement system annually. The objective of the review will be to ensure that performance measures continue to track progress made by Crown corporations in achieving strategic goals, performance targets and key government policy issues.

ASSESSING PROGRESS AGAINST THE PLAN: CROWN CORPORATIONS

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN SECOND JOINT REPORT	PROGRESS AS AT MARCH 1997
<p>Performance Measures (continued)</p>			<p>The first review began in May 1997. Crown corporations' performance reporting for the 1997/98 fiscal year will reflect any changes in performance reporting requirements arising from the review.</p>
	<p>Establish working group to pursue consideration of criteria for measuring and reporting of compliance performance.</p>	<p>To report to the Council of Crown Corporations by December 31, 1996.</p>	<p>In the second joint report it was recommended that compliance reports include:</p> <ol style="list-style-type: none"> 1. a statement of actual expenditures compared to voted appropriations; 2. management statements of compliance; 3. reports on progress towards long-term goals; 4. annual achievements; and 5. management statements of adequacy of compliance controls. <p>As part of the performance measurement system, Crown corporations provide 1, 3 and 4 above. Consultations are ongoing between CCS and Crown corporations on 2 and 5 above.</p>
	<p>Establish working group to pursue the consideration of criteria for measuring the state of organizational capacity.</p>	<p>To report to Council of Crown Corporations by March 31, 1997.</p>	<p>An inter-ministerial working group was established in 1996. Work is ongoing and CCS continues to participate in the group.</p>
	<p>Establish working group to develop criteria for reporting service delivery standards directly to stakeholders and the public.</p>	<p>To report to Council of Crown Corporations by September 30, 1996.</p>	<p>The performance measurement system measures, for each Crown corporation, the quality of service provided to clients and the public. These measures are used to compare current with historical performance and service standards, to the extent that the latter are currently available.</p>

ASSESSING PROGRESS AGAINST THE PLAN: CROWN CORPORATIONS

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN SECOND JOINT REPORT	PROGRESS AS AT MARCH 1997
<p>Information systems and monitoring</p>	<p>Continue to review all existing systems for changes to develop performance measurement data where feasible.</p>	<p>This was intended to be an ongoing exercise to be undertaken by Crown corporations.</p>	<p>Crown corporations have modified their information systems to generate reports on performance using performance measures identified under the performance measurement system. The BC Rail Group went a step further and introduced a completely new electronic information system based on the Balanced Scorecard model. Since this model requires the use of performance measures to measure financial and non-financial performance within the framework of a strategic plan, it complements the initiative to improve accountability.</p>
<p>Reporting</p>	<p>Crown corporation plans to be published.</p>	<p>To start with the 1997/98 planning cycle.</p>	<p>Crown corporations are currently developing 1997/98 strategic plans. Once finalised, the plan summaries will be tabled in the Legislative Assembly.</p>
	<p>Establish working group to consider the impact of commercial sensitivity of public reporting requirements.</p>	<p>CCS and Crown corporations to report to Council of Crown corporations by December 31, 1996.</p>	<p>During 1996/97, CCS worked with Crown corporations Chief Financial Officers to address this matter on a case-by-case basis. It was determined that the approach to the disclosure of performance information should be guided by the provisions of Sections 12 to 22 of the Freedom of Information Act together with advice from the Attorney General's Chambers on the correct interpretation of the provisions of the Act. These sections stipulate the types of information that should not be disclosed to the public.</p>

ASSESSING PROGRESS AGAINST THE PLAN: CROWN CORPORATIONS

SUBJECT	INITIAL OBJECTIVE	COMMITMENT IN SECOND JOINT REPORT	PROGRESS AS AT MARCH 1997
<p>Reporting (continued)</p>	<p>Annual reports for Crown corporations to be focused on performance information.</p>	<p>To start with 1997 reports.</p>	<p>Crown corporations have been requested to structure their Annual Reports to include performance information. Although this was intended to take effect from 1997, some Crown corporations have already taken steps to include performance information in their 1996 reports.</p>
	<p>Annual Report summarizing the performance of all Crown corporations.</p>	<p>Starting in June 1997.</p>	<p>A report will be published by the CCS in the fall of 1997.</p>
	<p>Quarterly performance reports to Ministry of Finance to incorporate in its published quarterly reports.</p>	<p>Starting with 1st quarter of 1996/97 fiscal year.</p>	<p>Crown corporations began providing performance reports quarterly during the 1996/97 fiscal year as part of the new performance measurement system. These reports are provided to the Ministry of Finance.</p>
<p>Administration</p>	<p>Provide Crown corporations with central agency support and oversight.</p>	<p>Implementation of the accountability initiative to be overseen by a Steering Committee of Crown corporation chief executive officers (Council of Crowns), to be chaired by the CCS. The Auditor General to be an observer to the Committee. Staff support to be provided by the CCS.</p>	<p>The Council of Crown Corporations was constituted in early 1996. Meetings were held to discuss the implementation plan for Crown corporations. In recognition of the fact that the plan required a co-ordinated approach among Crown corporations, the Council agreed that:</p> <ol style="list-style-type: none"> 1. CCS should oversee implementation of the plan for Crown corporations. 2. A Director and project manager be assigned responsibility in CCS for strategic planning and performance measurement. 3. Each Crown corporation assign a senior manager to liaise with the CCS and co-ordinate implementation of the plan within the Crown corporation.

**APPENDIX C: SUMMARY OF RECOMMENDATIONS FROM
THE SECOND REPORT OF THE SELECT STANDING COMMITTEE
ON PUBLIC ACCOUNTS, JANUARY 31, 1996**

RECOMMENDATION #1

Your Committee supports the initiatives of the Auditor General and Council of Deputy Ministers with respect to enhancing accountability and recommends that the Government of British Columbia publicly provide, on a timely basis:

- a) information about the short and long-term plans and goals of government ministries and Crown corporations, including their respective programs and past performance; and
- b) information about the results achieved, allowing comparison between the actual and planned performance of government ministries and Crown corporations.

RECOMMENDATION #2

Your Committee recommends that the Government of British Columbia consider how best to make use of emerging technologies to make accountability information accessible to the public at a reasonable cost.

RECOMMENDATION #3

Your Committee recommends that the Government of British Columbia pursue ways of providing information on a sectoral basis.

RECOMMENDATION #4

Your Committee recommends that the Government of British Columbia consider how it could best provide information to users of government programs and services with respect to the standards of service it intends to deliver.

RECOMMENDATION #5

Your Committee recommends that the number of Select Standing Committees be realigned to provide for a Committee on Public Accounts; Standing Orders, Privileges and Private Bills; and such other Committees deemed appropriate to consider government ministry and Crown corporation programs by sector.

RECOMMENDATION #6

Your Committee recommends that the new sectoral Committees of the Legislative Assembly be used consistently and with an expanded terms of reference, enabling a more thorough review of matters referred to them.

RECOMMENDATION #7

Your Committee recommends that the Select Standing Committees of the House be established for the duration of a Parliament with the ability to meet intersessionally, and that all Members of the Legislative Assembly have the opportunity to attend any meeting of any Select Standing Committee examining a ministry or Crown corporation program and, in consultation with the Chairperson, be permitted time to enter debate on the issues under discussion.

RECOMMENDATION #8

Your Committee recommends that the short and long-term plans and annual reports of government ministries and Crown Corporations, once tabled in the House, stand referred to the appropriate legislative committee.

RECOMMENDATION #9

Your Committee recommends that the Legislative Assembly review the entire Estimates process, including proposals to replace the current practice with one which is more responsive, accountable and expeditious and that incorporates multi-year budgets and single-year appropriations.

RECOMMENDATION #10

Your Committee recommends that the Standing Orders of the Legislative Assembly and relevant Statutes of British Columbia be amended to reflect the proposed new practice:

- a) Minister presents Budget for upcoming fiscal year to the Legislative Assembly and moves a motion to adopt the Budget.
- b) House debates Budget for enough days to accommodate those Members wishing to speak (House meets only in the afternoons, Monday to Thursday and Friday morning).

- c) **At the conclusion of the Debate on the Budget a motion is put to adopt the Government's spending proposals.**
- d) **The Minister of Finance and Corporate Relations immediately introduces the Appropriation Bill for the fiscal year in question and, pursuant to the revised Standing Orders, the Bill proceeds through the House expeditiously.**
- e) **Pursuant to the revised Standing Orders, the Government House Leader moves a motion referring a number of government ministry and Crown corporation programs to their respective sectoral Select Standing Committee.**
- f) **Committees meet Tuesday to Thursday mornings while the House is in session and schedule their intersessional meetings around the resources available, to expedite their inquiry.**
- g) **All MLAs have the opportunity to question witnesses by reserving time on specific issues under consideration by the Committee.**
- h) **Committee inquiries are pursued according to established practice and precedent in the Legislative Assembly, the details of all such procedural changes to be considered first by a Legislative Committee.**

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