CCAF~FCVI INC.

CONSULTATIONS ON

IMPROVING PUBLIC PERFORMANCE REPORTS IN ALBERTA

Alberta

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Executive Summary

BACKGROUND

The Ministry of Treasury Board of the Government of Alberta (GoA) approached CCAF-FCVI, Inc. (CCAF) to undertake a direct dialogue with the users of the government's Public Performance Reports (PPRs).

Recognized by CCAF and others as a leader in the field of public performance reporting, the GoA wanted to build on the existing successes of its public performance reporting regime. The purpose of this dialogue was to identify ways the government could improve its PPRs to better meet the needs of users. This was one of the first direct consultations of user groups of its kind in Canada.

> *Public performance reports, for the purpose of this study, include the Government of Alberta business plan, ministry business plans, the Government of Alberta's annual report Measuring Up, and ministry annual reports. The financial statements in these documents were excluded from review.*

The GoA, via a Working Group and an Advisory Committee, led and managed all aspects of the consultation; CCAF facilitated the consultations and interviews and prepared this report.

CCAF is a non-profit foundation whose mission is to provide exemplary thought leadership and to build both knowledge and capacity for effective governance and meaningful accountability, management and audit. This Alberta consultation project forms part of a larger, multi-jurisdictional research project that CCAF is leading with funding from the Alfred P. Sloan Foundation. The larger project aims to improve the quality and usage of public performance reporting and will combine key findings from the Alberta project with results on recent developments in public performance reporting from other organizations and governments.

CCAF and Bluesky Strategy Group, Inc. led a series of consultations in Edmonton with the media, business NGOs (non-governmental organizations)/professional associations and social/advocacy NGOs (including a separate social/advocacy NGO group in Calgary) between October and November 2007. During each of the two-hour consultations, participants engaged in a dialogue and responded to a written questionnaire.

Consultations with government and opposition Members of the Legislative Assembly of Alberta (MLAs) also took place in Edmonton, during the week of December 10, 2007. Each consultation lasted between 45 and 90 minutes. During that week, there were separate individual interviews with cabinet ministers, a senior government official, members of the Provincial Audit Committee, and members of the project's Advisory Committee.

The participating organizations and the questions posed to the groups are listed in the appendices to this report. Participants in the consultations were also asked to complete a written survey. The survey had a 100% response rate, with 31 surveys completed, as individual interviewees were not asked to complete the written survey. The survey contained nine sections examining knowledge, use, format, and confidence in PPRs, as well as a section for additional comments/suggestions. The Consultation Survey, and findings (Appendix II and III) are referenced throughout this report.

FINDINGS AND RECOMMENDATIONS

The participants' ideas for enhancing public performance reporting can be summarized under **four principal themes**, which form the framework of this report. Flowing from these themes, the consultations yielded several **key findings** – that is, the most important messages delivered by users and an overview of CCAF recommendations related to each of the key findings.

1. **Enhancing the Credibility of PPRs** – The credibility of performance reports was one of the most important factors in the degree to which most participants used or found value in the reports.

   Participants suggested that credibility suffers if government appears to claim credit for results beyond its control; if government is unable to admit failure (and to signal that it can learn from failures); if performance measures are not consistent over time; or if the wording of reports obscures meaning. They asked for a more self-evident connection between goals (what the government wants to achieve), strategies (how it plans to achieve the goals), and performance measures (how it will determine results). They wanted goals, strategies and performance measures to be presented in a consistent manner across ministries and from year-to-year, with explanations where there have been changes over time.

   Furthermore, participants said the inclusion of more financial data, linked to strategies and performance measures, would aid credibility by making it easier to determine if the government is obtaining value for money and is adequately funding key initiatives.

KEY FINDINGS
Credibility

PPRs are more credible if they emphasize results and outcomes, and do not focus on the processes used to achieve the results. If targets are not met, PPRs should acknowledge this, and show what has been learned from the experience. Performance measures should be presented in a consistent manner over time so that performance results are evident; if changes are made, they should be explained. PPR language should be clear and simple so readers do not get the impression that the government is attempting to hide something.

Overview of CCAF recommendations related to each of the key findings:

✦ The Government of Alberta should assume a leadership role in the development of performance measures for horizontal initiatives (i.e. initiatives in which partners from two or more organizations agree to work towards the achievement of shared outcomes).

✦ The Ministry of Treasury Board, working with Executive Council, and ministries should partner to better define their strategic goals and determine how their strategies, programs and policies contribute to achieving those goals. The Ministry of Treasury Board should also advise on performance measures.

✦ The Government of Alberta should encourage greater consistency for year-to-year performance measures, indicate any changes to the measures used and link financial information, such as budgets, more closely to non-financial information, such as strategies, performance measures and targets.

2. **Increasing the Relevance of PPRs** – Relevant public performance reports help users to appreciate, on a timely basis, what is planned, what has happened and why it happened.

PPRs are more relevant to users if users can clearly see how the strategies employed relate to the goals sought. Relevance is also increased if performance information is placed in context, i.e., if an explanation is given for the selection of a particular target.

Many participants wanted to see a closer link between annual reports and business plans. Media participants suggested that PPRs should state: a) "here is what we said we were going to do" and b) "here is what we did."

> **KEY FINDINGS**
> ## Relevance
>
> Users want to "follow the money" through closer links between annual reports, business plans and relevant financial reports.
>
> Different users have different needs for PPRs. They may use them for general information, to identify priorities, for their own strategic planning and policy development, to assess government's performance, and/or to identify service and policy gaps. Some require much more detailed information to meet their specific needs.
>
> Overview of CCAF recommendations related to each of the key findings:
> - ✦ Ministries should make more detailed technical information available through website links, and provide contact names for additional information to meet the different needs of different user groups.
> - ✦ The Government of Alberta should ensure closer linkages between business plans, annual reports and financial information to offer the largest potential benefit across user groups.

3. **Improving the Clarity and Accessibility of PPRs** – To improve the clarity and accessibility of PPRs, many participants proposed that government make greater use of the internet and of existing information technologies.

Most users said they prefer to access PPRs through the internet. They also expressed a preference for a report card/aggregated indices format and a layered approach to reporting information. They thought such an approach would help to meet different user needs.

NGO participants in particular want access to more of the detailed data the GoA collects in the course of delivering programs and services. They believed this could be done via hyperlinks in the online versions of PPRs. This would enable users to "draw their own conclusions" on government performance and more easily combine government-sourced data with other information sources. Currently, the users find the data in PPRs generally interesting but not particularly useful for business purposes.

> **KEY FINDINGS**
> ## Clarity and Accessibility
>
> Many participants believe that greater use of information technology, combined with robust management systems, could enable more data to be presented, without interpretation, at different layers of detail. This would also make it easier to combine public performance reporting data with other data.
>
> Over time, making more program-level statistics (including disaggregated data) publicly available would lessen the demand on PPRs as the primary source for this type of program management information.
>
> Overview of CCAF recommendations related to each of the key findings:
> - ✦ Ministries should make greater use of hyperlinks in online versions of PPRs so users can "drill down" for more detailed information on goals, strategies and performance measures, including contextual and methodological information. The resulting "layered reports" would better meet diverse user needs.
> - ✦ The Government of Alberta should review how other jurisdictions are using new technologies to enhance their PPRs with an eye to determining which technologies might be cost effective in Alberta.

A decision on whether to make program-level statistics and information more available would have implications beyond those considered in this report. Nevertheless, because such increased information availability would have an impact on how users perceive PPRs, this report includes participants' comments on this issue.

4. **Engaging Users in PPRs** – The Government of Alberta often consults citizens on policy issues. However, such consultations do not usually include an explicit discussion of performance measures, targets, and reporting mechanisms. This current low level of engagement regarding these matters results in a low level of familiarity with ministry goals, strategies and performance measures.

The consultations revealed that user groups generally feel disengaged from the public performance reporting process. NGOs made it clear that their perception of the credibility, relevance and usefulness of PPRs is directly influenced by the extent to which they are engaged in the formulation of PPRs and in any dialogue that may occur after the publication of PPRs. Legislators said they could be more engaged through Cabinet Policy Committees, the Agenda and Priorities Committee, Treasury Board and all-party committees such as the newly formed Policy Field Committees. The media were interested in information sessions when PPRs are tabled.

NGO participants demonstrated a very high level of understanding of public performance reporting concepts, and they are familiar with the reporting practices of their own organizations. This suggests they would have the capacity to participate effectively in a stakeholder engagement process.

Government is relying more than ever on outside organizations to deliver programs and services that were once delivered almost exclusively by government. Many participants felt that PPRs do not adequately reflect this shift; i.e., such organizations are not given enough opportunities to influence the content of PPRs.

For a complete listing of the recommendations, see pages 7 to 25.

Project Objectives

Accountability is the obligation to answer for how one discharges one's responsibilities. The manner, style, and format used by a government to communicate and account to its citizens are critical. Reporting must be targeted toward the intended audience if the information is to be understood and fully used.

As part of its commitment to be accountable, the GoA produces annually a variety of public performance reports (i.e., business plans, budgets, estimates and annual reports). For the purpose of this study, public performance reports (PPRs) include the Government of Alberta business plan, ministry business plans, the Government of Alberta's annual report Measuring Up, and ministry annual reports. The financial statements in these documents were excluded from review.

Alberta Premier Ed Stelmach has committed to making the Government of Alberta more open and transparent. Many participants in these consultations welcomed this commitment and believed that improving PPRs could contribute to this goal.

The objectives of this project are to:

✦ Further develop GoA expertise and knowledge in assessing the needs of users and the uses of public performance information;

✦ Strengthen Alberta's leadership role in government accountability;

✦ Improve existing plans and PPRs or develop new ones that better meet the needs of legislators, the media, and the public; and

✦ Contribute to a larger national CCAF study on PPRs.

Key Directions, Findings and Recommendations

The key directions and findings that emerged during the consultations have been organized into four themes:

✦ Enhancing the credibility of PPRs;

✦ Improving the relevance of the goals, strategies and performance measures found in PPRs;

✦ Increasing the clarity and accessibility of PPRs; and

✦ Engaging stakeholders in Public Performance Reporting.

These directions and findings are presented in the next section.

Credibility

WHAT IS CREDIBILITY? – Credibility is a fundamental quality for PPRs. For the Public Sector Accounting Board (PSAB), the more credible a performance report, the more useful it is to its users.[1] Credibility is an attribute that users assign to a report based on their perceptions and, as such, can be subjective.

The Public Performance Reporting Assessment Guide[2], based on PSAB's Statement of Recommended Practice (SORP-2, Public Performance Reporting), suggests that those responsible for preparing and reviewing PPRs evaluate the report's features to identify what information is included, how it is presented and interpreted, and what information is missing that could influence a user's perception of the report's credibility and its usefulness. Some jurisdictions, such as the Government of Canada, have issued reporting principles based on SORP-2 to assist report producers in preparing PPRs.[3]

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1   Slide 13, Presentation to PPX Forum, entitled The Evolution of Public Performance Reporting, http://www.ppx.ca/Symposium/2007_symArchive/Presentations07/DayOne_PublicReportingE.pdf

2   The Guide is available at: http://www.psab-ccsp.ca/download.cfm?ci_id=37690&la_id=1&re_id=0

3   Treasury Board Secretariat issued the Government of Canada Reporting Principles Crosswalk to the CICA/PSAB/SORP-2: http://www.tbs-sct.gc.ca/rma/dpr3/06-07/principles-principes/princip_e.asp

CREDIBILITY

Cause and Effect: Measuring Success – Many participants observed that it was not always clear how a policy or program described in a public performance report could achieve its stated goal. Generally, participants wanted goals and performance measures to be directly relevant to the quality of life of citizens.

The GoA sometimes measures performance based on whether people perceive that a result has been achieved (as indicated in opinion surveys). The use of these "perception performance measures" (e.g., 2006/07 Justice Annual Report, Key Measure 1) produced mixed reactions across participant groups. One participant asked: "When you get into performance measures, you want to measure the end results, but can we point to something the government has achieved? What strategy has done this? The government needs to be accountable for what they did." A business session participant asked: "If government is measuring their departments' success by high-level results like provincial student achievement scores, how can you attribute this [a higher score] to a ministry or an employee's action?" Only the media wanted more perception performance measures, such as how the public perceives a program.

Social/advocacy NGOs questioned how the government could attribute certain results exclusively to the government's action and not to a broader mix of factors in which the government was not the determining force. This reaction was a result of the goal-strategy-measure structure of PPRs. NGO's see government acting more and more as a facilitator and not as a direct deliverer of services.

One business participant argued that it was disingenuous to claim credit for factors or results beyond the government's control: "Some public perception questions are useful, but not things like safety in the neighbourhood. Can the provincial government address this? What about municipal impact on this? Also, this doesn't reflect the differences between cities and neighbourhoods. The provincial government should report on things it can do something about, such as recidivism rates and crowding in jails, etc." One social/advocacy NGO participant said, "Perceptions can drive behaviours and people's sense of well being. Actual crime figures may not drive behaviours."

In contrast to participants' perception that most governments are too willing to claim success for factors beyond their control, participants across user groups believe that governments are unable to "admit failure." This creates a perception that governments are unable or unwilling to learn from their mistakes. One social/advocacy NGO participant said," I don't expect them [governments] to succeed at all times [but] how do you find learnings to fix things if there is no identification of challenges? Show me how the government can reasonably be expected to impact the goal, and if it didn't work, that's okay but explain why."

Admissions in PPRs that the government does not meet certain performance measures are seen by the media as "false humility." Social/advocacy NGO participants noted a "double standard" – the government holds not-for-profit service delivery organizations to a higher standard than itself when reporting on results.

Need For Consistent Performance Measures – If longer-term performance measures are to be used, participants wanted the performance measures data (such as from public opinion surveys) to be as consistent as possible from year-to-year. The media in particular wanted five years of data on performance measures and three to five years of historical information on spending.

Participants also asked for consistency in the format of reports across ministries and from year to year. They asked for some description of when, why and how performance measures have changed from year-to-year. They said business plans, whose format is set by Treasury Board, are more usable in this respect than annual reports, which vary more in format and presentation. A consistent presentation assists the media to find and report the news quickly.

A   **Recommendation:** The Government of Alberta assume a leadership role in the development of performance measures for horizontal initiatives (i.e., initiatives in which partners from two or more organizations agree to work towards the achievement of shared outcomes).

B   **Recommendation:** The Ministry of Treasury Board, working with Executive Council, assist ministries in defining and articulating the ministry's strategic goals and performance measures so that users of public performance reports can clearly understand how a ministry's strategies, programs and policies contribute to achieving its goals.

C   **Recommendation:** The Government of Alberta develop, update regularly, and make publicly available guidance to ministries on the principles and best practices for effective public performance reporting to the legislature.[4]

D   **Recommendation:** The Ministry of Treasury Board review ministry business plans and annual reports to determine their level of compliance with Treasury Board guidelines regarding the principles and best practices of effective public performance reporting. In doing so, the Ministry of Treasury Board still ensures that ministries maintain ownership of their PPRs.

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4   See the Appendix for a summary of the Government of Canada Treasury Board Secretariat's six principles for effective public performance reporting.

Credibility and Impact on Perceptions – Participants from all the consultation groups believe that additional information, closer alignment between goals, strategies and performance measures, as well as changes to how PPRs are prepared could improve their perceptions of the reports. In a representative comment, one participant suggested that the PPRs "look more like a political statement than an audit."

Several participants from different user groups singled out the bar graph on page 44 of the GoA's Measuring Up 2006/07 Annual Report (see insert left). They questioned why the ministries of Sustainable Resource Development and Tourism, Parks, Recreation and Culture were included; they did not believe these ministries had any involvement in justice issues. The reality is that some of these ministries' programs do affect the results of that goal. (The goal states "Alberta will be a fair and safe place to work, live and raise families.") The ministries were listed based on a national standard under which government expenses are classified by a specific function.

Respondents indicated that their confidence in Alberta's PPRs would increase if PPRs had independent review and input (21.3%), if the performance measures/indicators were seen as relevant (19.1%), and if there was consistency in reporting (14.9%).

"Goal 10: Alberta will be a fair and safe place to work, live and raise families."

Goal Ten Expense
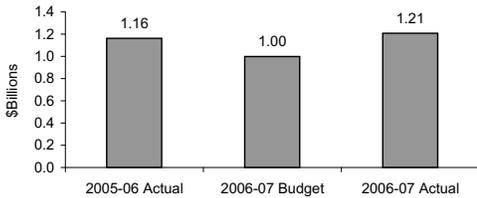
Percent of Total Expense
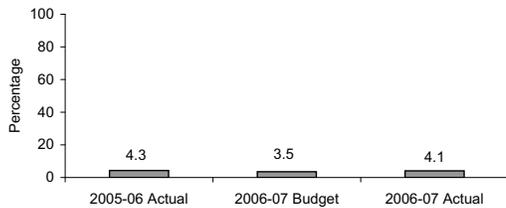
This goal includes spending of the following ministries: Immigration and Industry; Finance; Infrastructure and Transportation; Justice; Municipal Affairs and Housing; Service Alberta; Solicitor General and Public Security; Sustainable Resource Development; and Tourism, Parks, Recreation and Culture.

Longer Time Horizons – Participants agreed that in a regular three-year government business planning cycle or the regular electoral cycle, it is hard to measure longer-term outcomes. All consultation participants acknowledged that results cannot be expected from one year to the next and that a concerted, long-term effort is in fact required. The performance measures used in PPRs should, in their opinion, reflect this reality. One representative from the Business NGOs/professional association commented "We need a whole lot more information on the experiences or results of government spending, which may not fit in the longer-term outcome horizon."

E   **Recommendation:** The performance measures used in PPRs include five years of historical information to show trends and ensure consistency for year-to-year performance measures.

F   **Recommendation:** In addition to the high-level longer-term outcome measures, PPRs include more performance measures where some change can be effected within the 3-year business planning cycle.

Use of Public Opinion Surveys – In addition to their concerns over perception performance measures, participants demonstrated mixed levels of trust in survey numbers across user groups. Generally, trust levels increased for surveys commissioned by a third party instead of the GoA. Statistics Canada, for example, has a high level of credibility among media. Participants valued consistency across reporting periods for survey data, and wanted to ensure third party surveys can be conducted as long as they are required.

Clarity – Participants linked the writing style and readability of PPRs to credibility. Many suggested that PPR authors consider using a writing style aimed at the general public.

The survey found that the most important ranked factor that would increase the use of Alberta's PPRs was if "results are presented in a straightforward and simple manner." This factor was also ranked highest as "Most Important" and "Important" (see Figure below).

Media participants suggested that a lack of clarity in the writing creates an impression that government is "obscuring the information." They cited page 44 of Measuring Up 2006/07 (see insert right) as an example of language that would leave most readers confused. They suggested that "if you make it easy to read and credible, there are many others who would use it." Their preference is for a clear statement of the existing commitment, followed by the result(s) achieved since the last report, and the target to be achieved over the subsequent reporting period. They wanted such a statement to be complemented by a brief context, rationale and analysis section. Given the complexity of PPRs, the media repeatedly asked that government experts be available to answer technical questions, not necessarily on an attribution basis.

> *"To address the government's top priority of Protecting People's Private Information, the government enhanced its principles, policies, guidelines and practices to ensure privacy and security of the personal information for which it is responsible. A project charter and tools to assist government staff in the management and protection of personal information were developed."*
> *– Measuring Up (page 44)*

What would increase use of Alberts's PPRs? If results...
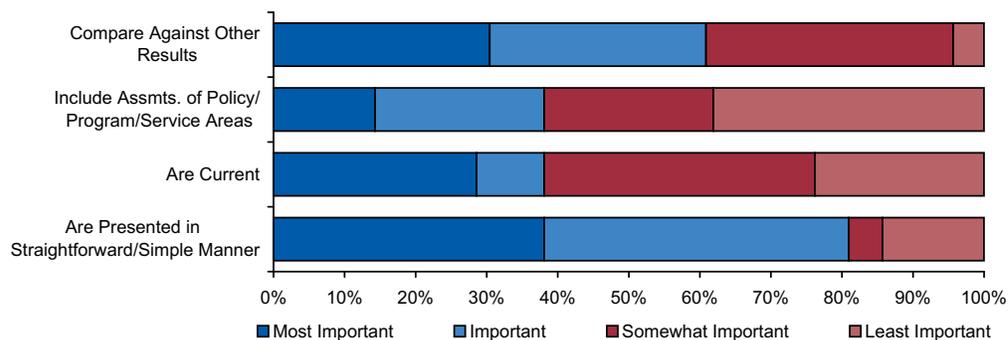
Legend: Most Important | Important | Somewhat Important | Least Important

Some participants mentioned the GoA's Quarterly Fiscal Update format, where planned and actual spending is presented with an explanation for variances. They thought this format of comparing planned versus actual results could be applied to the PPRs where reporting on spending, goals, strategies and performance increases.

Inclusion of Financial Data – Some participants suggested linking business plans to annual reports and budget documents so that program-level spending would be presented in a more transparent manner. They also believed this would help in more closely aligning strategies, goals and performance measures. "I want to know how much money is allocated to these areas, and if spending on programs is going up or down over time. You're trying to ascertain this beyond the language, in the words, using key information to exercise some judgement on how real this is," said one participant.

Another participant in that group wanted "to see more on value for money and to see a correlation between the Blue Book[5] and Measuring Up. […] The federal department lists grants in ministries that are over $25,000, and to whom it [sic] is awarded." To users, spending levels are an implicit indicator of priority that help users determine if a program or policy is adequately funded.

G   Recommendation: The Government of Alberta link financial information, such as budgets, more closely to non-financial information, such as strategies, performance measures and targets.

H   Recommendation: When preparing its annual report, the Government of Alberta compare planned versus actual spending, list what goals, strategies and performance measures targets were met or not met, and explain why.

The OAG annually completes auditing procedures on the performance measures and results included in performance reports. An audit report providing the conclusions and any exceptions resulting from this work is included in Measuring Up and each of the ministry annual reports. Recommendations relating to performance measures are made to government as a result of this work and separate systems audits performed by the Office.

Role of the Office of the Auditor General of Alberta (OAG) – A few participants expressed concern that the recommendations of the OAG on performance measures are not addressed by government, and that the status of government's implementation of the recommendations is unknown.

I   Recommendation: The Government of Alberta and individual ministries reference relevant Auditor General of Alberta recommendations pertaining to performance measures and public performance reports in both business plans and annual reports, and indicate the status of their implementation.

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5   The Blue Book lists payments (e.g. grants, supplies and services) made to individuals and organizations by the Government of Alberta.

Relevance

WHAT IS RELEVANCE? – CCAF's nine principles of public performance reporting[6] define relevance as "performance information [that] relates to the aspects of performance being reported on. It helps users to appreciate, on a timely basis, what has happened, or is likely to happen, with respect to those aspects of performance that are seen as key and on which public reporting is focused. It explains what happened and why it happened. It shows whether performance is improving or declining over time and helps predict what will happen in the future."[7] Essentially, relevance is the degree to which a performance measure is pertinent, inclusive, timely, and understandable.

Relevance is a key criterion for the GoA in choosing performance measures. It considers a measure to have relevance if "the measure is an accurate representation of what is being measured and the information presented is timely and directly related to the subject matter."[8]

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6   The 2002 document is entitled Reporting Principles: Taking Public Reporting to a New Level. An executive summary is available at no cost at: www.ccaf-fcvi.com/english/site_additions/archives2002/documents/executive_summary/ reporting_principles.pdf

7   CCAF, Reporting Principles: Taking Public Performance Reporting to a New Level, pg. 45

8   Measuring Performance: A Reference Guide is available at: www.finance.alberta.ca/publications/measuring/measupgu/ pfmguide.pdf

RELEVANCE

Participants found the structure of PPRs – with goals, strategies, and performance measures – useful. That being said, there was a wide consensus amongst all participants that the strategies and performance measures listed in the reports they examined could be more closely aligned to goals. They questioned the causality between several strategies and goals. Participants from the media and NGO groups want PPRs to place greater emphasis on results and outcomes instead of the processes used to achieve the results. They also agreed that performance measures should reflect the influence government actually has over the result or outcome.

The Consultation Survey found that the Government of Alberta's Measuring Up Report met respondents' needs the least (see figure below). Measuring Up is also the report least read by respondents at 71% compared to the most read Ministry Business Plans (87.1% of respondents).

Percent of participants reporting PPRs have met their needs
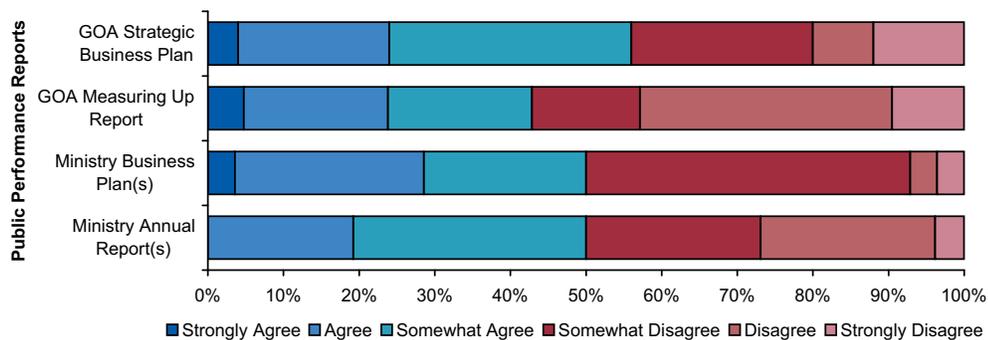
When asked, in the survey, how frequently they currently use PPRs for certain purposes, 65.5% said they use them for general information, 49.1% use them to identify priorities, 46.3% for policy development, 37.5% to assess government's performance, and 35.0% said they use them for the development of programs and services. Only 21.9% currently use them for resource allocation decisions.

Providing Context – Many participants said PPR goals and performance measures often lack information to assess why a target was set at the level given, even when backed by extensive stakeholder consultation. This was the case when one group of participants questioned why one measure required Alberta employers to achieve a workplace lost-time claim rate of 2.0 which was selected through stakeholder consultation.[9] In another example, participants did not know why one goal stated that Alberta should be among the best of the four western provinces, instead of among other peer benchmarking jurisdictions.[10]

Media participants want to know: "Why was the target set where it was? What was the methodology? Why was the target not met? What will be done to address the results?" When reviewing the PPRs provided during the consultations, participants were not aware that PPRs included the methodology of public opinion surveys or other contextual information.

Enabling users to seek out additional context and background is much easier with the online version of PPRs, where hyperlinks could direct readers to additional information.

> **J** **Recommendation:** The Government of Alberta review the technical background information currently made available to assist users in better understanding the information in PPRs.

> **K** **Recommendation:** All PPRs include contact information for senior officials, who can provide appropriate background technical information.

Linking Annual Reports and Business Plans – Many participants wanted to see a closer link between annual reports and business plans. Media participants suggested that PPRs should state: a) "here is what we said we were going to do" and b) "here is what we did." One participant, wanting PPRs to be more of a "living document," proposed a "Fact-Assumption-Action" framework. In this proposal, the report would (i) clearly and succinctly lay out what the existing goal, target or commitment was and whether it had been achieved; (ii) what assumptions were embodied by the goal; and (iii) what action would be taken going forward to achieve the new target.

> **L** **Recommendation:** The Government of Alberta improve the linkage between business plans and annual reports by identifying in annual reports the assumptions that were embodied in the goals and, given the results, what actions would be taken going forward to achieve the goals.

Role of the OAG – The vast majority of participants across user groups do not think the OAG should be responsible for a relevance check on performance measures. Participants said relevancy strayed into policy issues, which are the domain of the government. They also think that the OAG does not have the skill set for such a role as the OAG had not been previously called upon to undertake this task.

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9   See page 46 of the 2006/07 Measuring Up Annual Report.

10   See charts on page 44 of the 2006 Measuring Up Annual Report.

*   Providing "Fairly Presents" Assurance for Performance Reports: A Methodology Discussion Paper Focused on the Relevance Assertion: http://www.auditorroles.org/files/toolkit/role2/Tool2aBritishColumbia_RelevanceDiscussion.doc

Clarity and Accessibility

WHAT IS CLARITY? – Given the complexity of government programs and policies and their relationship to goals and strategies, it is important that PPRs be as clearly written as possible. The broad range of readers and their level of familiarity with public performance reporting makes this especially difficult to achieve.

In its guidelines to report producers, Treasury Board Secretariat of Canada advises that "for performance information to be useful, it must be capable of being understood by users. Explanatory narratives should be precise and clearly stated in plain, non-technical language that focuses on critical facts and matters to enable users to obtain reasonable insights or draw reasonable conclusions."[11] This is consistent with the eighth CCAF principle, that public performance reporting "appropriately embodies the characteristics of consistency, fairness, relevance, reliability and, most especially, understandability."[12]

WHAT IS ACCESSIBILITY? – For the purposes of this report, accessibility is the degree to which the underlying data contained or referred to in public performance reports can be accessed, parsed and repurposed by users. One recent example that embodies this concept of accessibility is usaspending.gov, a site created as a result of the US Federal Funding Accountability and Transparency Act of 2006.[13]

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11 See: http://www.tbs-sct.gc.ca/rma/dpr3/06-07/principles-principes/princip_e.asp

12 Page 11: http://www.ccaf-fcvi.com/english/site_additions/archives2002/documents/executive_summary/reporting_principles.pdf

13 The *Federal Funding Accountability and Transparency Act* of 2006 (S. 2590) requires the complete disclosure of all organizations receiving federal monies on a website maintained by the Office of Management and Budget. The site makes its data available in an Application Programming Interface (API), a source code interface that allows for a greater degree of automation in the retrieval, manipulation and repurposing of information. The web site is at: www.usaspending.gov/

CLARITY AND ACCESSIBILITY

Including Program-level Statistics and Information – Of particular interest for participants from all user groups was the inclusion of program-level statistics and information. A few social/advocacy NGO participants believed more operational details could illustrate results and provide the context that many felt was missing. As one participant put it, the lack of operational-level detail in PPRs prevents the reports from "tell[ing] the full story" and reflecting "on-the-ground experiences."

> **M Recommendation:** The Government of Alberta include more program-level information and data on the internet, and link it to the goals, strategies and performance measures found in the business plans and annual reports.

More Data, Less Interpretation – The consultation participants said PPRs cannot be "all things to all people." Relying on one report to meet the needs of multiple user groups makes the reports less useful to all and places an unreasonable demand on the producers of the report.

Some of the information and data participants wanted access to, either through PPRs or from other sources, fell beyond the scope of this report. For example, participants requested greater access to program-level statistics, which falls within a broader spectrum of uses. As any decision to make such information available would have an impact on how users perceive PPRs, the report includes the feedback of participants on this issue.

Instead of more interpretation, most participants want greater access to government-held data (spending, demographics, take up/usage rates, etc.) in order to enhance their planning processes and program delivery. They believe government is not always willing or able to provide greater access.

The Consultation Survey found that participants ranked "report card/aggregated indices reports" as the most preferred content for Alberta's PPRs. Participants ranked both "detailed/descriptive reports" and "technical/data oriented reports" as less preferred. However, "technical/data oriented reports" were ranked as second "Most Important" to respondents (see figure below). The survey also found that respondents ranked "graphs" as the presentation format they would most prefer to see in Alberta's PPRs and "text" as the least preferred format.

Format respondents would like Alberta's PPRs in (content)
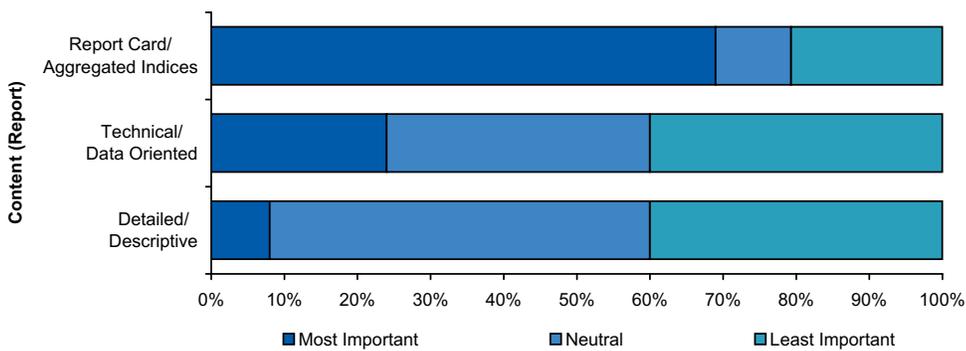
Some participants want government-wide standards for data to ensure that apples-to-apples comparisons could be made (e.g., how an "aging population" is defined). Other participants noted that a more automated, technology-dependent reporting capacity would require enhanced management processes, significant resources, and additional skills within government. A cost-benefit analysis could help determine whether and how to move to a more robust online reporting capacity.

Most participants wanted greater use of hyperlinks in online versions of PPRs so users can "drill down" for more detailed or contextual information. For example, a user could click on a measure for a description of why it is relevant to the goal, how it was agreed upon or where to find further details. A graph or opinion survey could also be hyperlinked to the methodology, previous data series or changes to the questions asked. For print versions, more use should be made of footnotes or endnotes that refer readers to methodological information for performance measures and public opinion surveys.

> N **Recommendation:** Make greater use of hyperlinks in online versions of PPRs so users can "drill down" for more detailed or contextual information.

Layered Approach to Reporting – Participants said they think the GoA could explore a more layered approach to reporting. This was echoed in the Consultation Survey. To accomplish this, many participants proposed better harnessing of the internet and currently available technologies when considering the future form and format of PPRs.

All user groups want to be able to disaggregate the data found in PPRs. Some participants want data broken out by geography (e.g., neighbourhood or constituency) while others think more demographic and socio economic data would be valuable.

There was a realization that some data would lose its usefulness when disaggregated as the margin of error would increase significantly. Technology could assist in making disaggregated data available online so that readers could "draw their own conclusions" and easily combine public performance reporting data with other information sources. The use of hyperlinks was proposed as one tool to enable readers to drill down for more detailed information in the online version of PPRs.

Other participants said they only required a high level of information. As a useful example of a high-level, marketing oriented document, several participants cited a recently published brochure prepared by the Ministry of Employment, Immigration and Industry (EII).[14]

> O **Recommendation:** The Ministry of Treasury Board review how other jurisdictions are using new technologies to enhance their PPRs with an eye to determining which might be suitable in Alberta, given resource issues.

Frequency of Reporting – Reactions were mixed across all user groups as to whether all PPRs should be released on the same day or if a more staggered release should be considered (i.e., annual release but with half of the reporting organizations disclosing on

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14   For EII publications, visit the ministry's web site at: http://employment. alberta.ca

one day and the other half on another day). The media, in particular, found it difficult to review PPRs when they were all released on the same day.

Some participants noted that the OAG will be moving to a semi-annual reporting schedule. They suggested that the Ministry of Treasury Board should monitor this change to help it assess whether a more staggered release should be considered for PPRs.

As for whether each reporting organization (e.g., ministry) should report more than once each fiscal year, participants did not reach a consensus. One participant suggested that more frequent reporting would make a PPR more of a "living document" and more useful to managers and decision-makers within government. Other participants questioned whether legislated requirements prevent a staggered release.

PPR Portal – Participants proposed creating a central website or portal for PPRs as is done with business plans.[15] Media participants wanted both printed copies and an ability to easily access documents online.

> **P** **Recommendation:** The Government of Alberta create a single online web portal where users could access all PPRs (including those from previous years)through improved search functions. The URL for this portal should be included in all communications materials dealing with PPRs.

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15 See: http://www.finance.alberta.ca/publications/bus_plans/index_all.html

Engaging Users

WHAT IS ENGAGEMENT? – The consultations suggested that users' perceptions of PPRs are directly influenced by how much and how well they are able to engage in the formulation of the PPRs and in any dialogue that may occur after the publication of PPRs. This link was confirmed by participants' responses to the Consultation Survey, in which they list "independent review/input" as the choice that would most increase their confidence in PPRs. Moreover, if users were not engaged in the public performance reporting aspects of a policy or program, they tended to have a low level of familiarity with many of the PPR performance measures and their relationship to policy or program objectives. The context and rationales for the performance measures were repeatedly questioned. This situation served neither the producers, who want these reports to be meaningful and useful, nor the users, who would make greater use of PPRs if the reports better met their needs.

WHAT IS MAINSTREAMING? –"Mainstreaming" public performance reporting occurs when a ministry explicitly reviews, and discusses with stakeholders, the policy or program objectives, performance measures, targets, and reporting mechanisms in conjunction with its review of existing policies or prgrams or when proposing new policies and programs.

Engaging Users

Mainstreaming Performance Measurement – Participants, particularly from business NGOs/professional associations and social/advocacy NGOs, noted how the public policy development process and program delivery arrangements have dramatically changed over the last decade. Stakeholders are being called upon to provide input on a wide range of policy and program areas. More than ever, government is relying on outside organizations to deliver programs and services once delivered almost exclusively by government. To ensure accountability, reporting and performance arrangements have evolved. These arrangements are usually spelled out in service contracts between the government and the service provider.

Participants believe they could provide valuable input on performance measures, targets, and reporting mechanisms when programs are being developed instead of after the fact. They believed their involvement would enable a closer alignment of the goals, strategies and performance measures found in PPRs.

Although many ministries do consult stakeholders about performance measures when discussing policies or programs, these discussions tend to be implicit rather than explicit. Also, when they do occur, they usually happen at the operational level and the results are not, for the most part, fed into the public performance reporting process. This created the impression among many participants that public performance reporting is a stand alone process, separate from and not involving these outside user groups.

Participants felt that an enhanced and more explicit dialogue between users and producers of public performance reporting could be the basis for a new longer-term relationship. As one NGO participant put it, "Some industries are specific or can count on more black and white measures, like births, graduation numbers, etc. But when you are measuring complex social change, we need to work together on this. None of us has the answer, but [working together] in the right environment could be very productive."

CCAF suggests that three or four ministries that already have a strong culture of collaboration with outside stakeholders could participate in such a dialogue (an alternative would be a single multi-ministry business area). It would be prudent to ensure that the selected policy area has broad support across all political parties. This will help "mainstream" public performance reporting on a go-forward basis. When ministries review existing policies and programs, they should also review the goals, performance measures, targets, and reporting mechanisms in order to "mainstream" public performance reporting for existing programs.

The exact modalities of a public performance reporting consultative process are likely different from ministry to ministry given differing organizational cultures, stakeholders, and mandates. The Ministry of Treasury Board, working with Executive Council, could advise on consultative processes, coordinate the sharing of best practices thereby enhancing ministry capacity. This would drive improvements across the GoA, as it pertains to integrated planning and reporting processes.

"Champions" within government would be needed for successfully piloting a new approach to PPRs. High-level ministry staff would need to support this initiative and public servants would also require political support from the Premier and Cabinet Ministers.

In addition, many participants requested information sessions with ministry officials upon the tabling of PPRs to discuss the reports. These sessions could take the form of in-person technical briefings, such as those provided at the budget lockup, or could be via conference call or online, depending on the level of stakeholder interest.

Determining Relevance Through User Engagement – Most participants agreed that there is a role for an "external party" to comment on the relevance of performance measures. There was little consensus, either within or across user groups, as to how that would be accomplished.

A minority of the participants believe that an external check might be more valuable as a management tool as a way to engage users. Social/advocacy NGO participants want organizations affected by the performance measures in PPRs to be included in determining relevance.

This was echoed in the Consultation Surveys where one respondent wrote, "The criteria and performance measures need to be set in consultation with the public and key stakeholders who are affected by the policies. Once these performance measures are set they need to be produced by the departments in ways that show how we are doing in each area." Their reasoning is based on their experience that existing performance measures "are all quantitative measures, but there is no way to capture qualitative information. These numbers may not reflect the 'on the ground' experience." Many said that determining relevance was more of a collaborative, government-led process than one led from elsewhere.

The users who were consulted are very interested in contributing to the process of setting performance measures and targets, and in providing input on reporting mechanisms. Many also expressed an interest in receiving an information briefing when the PPRs are tabled in the legislature. An enhanced dialogue between users and producers could be the basis for a new longer-term relationship.

Q **Recommendation:** Future stakeholder consultations related to new policies and programs include an explicit discussion of performance measures, targets and reporting mechanisms and how frequently performance measures and targets should be reviewed.

R **Recommendation:** Undertake pilot project approach to public performance reporting consultations.

S **Recommendation:** Common principles – such as a requirement to consult a representative group of stakeholders – applied across ministries.

T **Recommendation:** The Government of Alberta identify "champions" within government to successfully implement new approaches to PPRs.

U **Recommendation:** Ministries hold information sessions for stakeholder user groups when PPRs are tabled in order to discuss the results of the reports.

Role of the Legislature – According to governance expert Robert Marleau, the former Clerk of the House of Commons, a legislature "has two basic roles, […] that is to pass legislation and supply. It has, in my view, over-focussed on legislation in the last 25 years and almost abandoned its constitutional responsibility on supply."[16]

PPRs are a key tool for a legislature to conduct its supply role and to hold the government of the day to account for the effective spending of public monies, including the government's performance in achieving the objectives it sets for itself. CCAF research suggests that much of the initial reforms to public performance reporting focused on the quality of the financial information available to the legislative branch. This consultation project reinforced the conclusion that the current focus of reforms is moving from governmental outputs (e.g., clients served, birth certificates issued) to higher-level outcomes that demonstrate how government's actions impact citizens.

There are many opportunities for engaging of MLA's in dialogue on goals, expected outcomes, strategies, performance measures and targets. For example, when officials appear before committees, such as Cabinet Policy Committees, the Agenda and Priorities Committee, Treasury Board and all-party committees like the newly formed Policy Field Committees, or on other occasions.

> **V** **Recommendation:** Ministries make a concerted effort to engage MLA's in dialogue on goals, expected outcomes, strategies, performance measures and targets.

Role of All-party Committees – Many participants believe that the Legislative Assembly of Alberta and its elected members have an important role to play in public performance reporting and in holding the government to account for the effective spending of public monies. These participants also believe that all-party committees should play a role in reviewing and commenting on PPRs. Most participants, except the legislators, were unaware that the Policy Field Committees (PFCs) are already mandated to review ministry annual reports.

MLAs reflected on their experience with the recently constituted PFCs, seeing them as a "work in progress." Based on this experience, they indicated that the degree to which PFCs could serve as effective review committees would be dependent on the degree to which their work would not be duplicated by the legislature sitting as a Committee of the Whole. They also agreed that PFCs will continue to evolve as will the culture of the committees. Most participants, including MLAs, believe that since the PFCs were newly formed and have been focused primarily on discussing new legislation, it would take time before they would review performance reports. Some participants anticipated that PFCs would have a very heavy workload reviewing bills and questioned whether reviewing PPRs would be the most effective use of the committees' time.

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16   The Hill Times. No. 625, Legislative Process, February 18, 2002. Robert Marleau was the Clerk of the House of Commons from 1987 to January 2001.

IMPROVING PUBLIC PERFORMANCE REPORTS

A few participants observed that the PFCs might be able to serve in an oversight/review role once a policy or program is implemented and the performance measures, targets, and reporting mechanism are already in place. Stakeholders could provide independent feedback via ministries, before Policy Field Committee review.

Participants expressed a desire for an external forum to review business plan goals, the strategies adopted by the government to achieve them and the performance measures chosen to determine effectiveness.

Two existing practices from different Canadian jurisdictions featuring legislative involvement in public performance reporting are described in Appendix IV of this report.

W   **Recommendation:** Policy Field Committees be the primary forum to review stakeholder opinions about performance measures, targets, and reporting mechanisms as part of their mandate to review annual reports.

Participant Groups

The next section of this report provides additional detail on the comments made during the consultation by the individual user groups.

MEDIA

Although not all the media participants use performance reports, those who do use them for similar purposes. In the Consultation Survey, a higher percent of media participants reported they have not read Ministry Business Plans or Government of Alberta (GoA) Strategic Business Plan, when compared to the other user groups. Most stated that they used PPRs to "compare political rhetoric to what actually happened," often referring to them well after they had been issued. The participants estimated that they refer to GoA business plans or annual reports, on average two to three times a year. Overall, they view PPRs as a "valuable piece of reference, even if rarely used." They find PPRs often contain interesting information on the state of Alberta's economy and society. That being said, they also want operational details included in the reports to make them more relevant. They also felt there was a need for more plain language in the way the reports are written.

Most find it difficult to digest "2000-plus pages worth of information," and they said that PPRs make for "terrible" TV coverage. They suggest the government hold a technical briefing when ministry annual reports are released and include the name and contact information for senior officials that could provide technical background. Participants thought it would be worthwhile to have a portal where all reports could be accessed.

Most media participants indicated they are looking for trends, usually on a five-year timeline. They said it is important for data sets in PPRs to reflect this. They often use this information in graphical illustrations. Most indicated they want more consistency for year-to-year performance measures. If this was not possible, or if there were changes to performance measures, then they would like changes to be noted and an explanation provided. Otherwise, it could appear that officials changed performance measures so that lacklustre results could not be tracked.

Despite their perception that PPRs were of an overly "political nature," media participants took this consultation seriously and hoped for incremental improvement. They acknowledged the difficulty in producing PPRs that completely met their needs.

BUSINESS NGOs AND PROFESSIONAL ASSOCIATIONS

Generally, these participants rely on ministry business plans more than annual reports. Business plans are seen to be useful to track government planning and spending. The participants also find that budget documents are useful.

Business participants used the reports for a broader range of uses than media participants. They tend to focus on the ministry reports that directly affect their organizational interests. "We use reports from a ministry depending on whether it affects our members," said one participant.

Another participant described how he uses the reports to determine points of commonality and to align his organization's plans with the government's plans. Another uses them to track spending levels in order to determine if a priority is adequately funded.

Other uses of PPRs by this group included:

✦ To determine policy trends in the government;
✦ To promote the interests of the organization's members;
✦ For government relations activities;
✦ To anticipate legislative change;
✦ To research an organization's field of activity;
✦ For teaching/educational purposes; and
✦ As background information for collective bargaining.

Most participants see PPRs as public relations documents for the government. Some participants believe the documents are not as detailed as they should be and that they require readers to consult other sources of information.

This group also said that in many cases they could not attribute the results to government action, which furthered the appearance that PPRs are public relations documents. That is, they felt PPRs dealt with goals or performance measures that government had little control or influence over. They also wanted reports placed on a web site with more explanatory information available regarding why a performance measure and a target were chosen, as well as the ability to drill down to more detailed data. A few participants said a mechanism for an all-party review of PPRs would aid in improving the credibility of the documents.

A number of participants referred to Employment, Immigration and Industry's publications, specifically this ministry's brochure listing its priorities and lead officials. They wanted a contact person to be able to call in the ministries for more information.

Some participants mentioned the GoA's Quarterly Fiscal Update format, where planned and actual spending is presented with an explanation for variances. They thought this format of comparing planned versus actual results could be applied to the PPRs when reporting on spending, goals, strategies and performance measures. They also wanted more integration of financial and non-financial information, where value-for-money information would be presented.

SOCIAL/ADVOCACY NGOs

These participants rely on PPRs for a broad spectrum of uses. As with many participants across different user groups, these participants focus more on business plans and how funds are allocated than on annual reports. "Business plans are informative and are communicated well," said one participant. This was in line with the opinions of other user groups. The government's business plans are more useful for their planning purposes. Again, participants believe that the audience for PPRs, particularly annual reports, is not clearly defined. "In any document like this, you can't shoot for the middle – then it doesn't work for anyone. For example, if this is for the NGO sector, we understand this stuff and want more rigorous information, yet for the public, this information and these performance measures may be enough," said one participant.

Some use them (together with information exchanges with ministry contacts) to assess government direction. Others use them to refine the design of their organization's service plan, identify service gaps that may exist, to determine if their organization could and should address those service gaps, and to better align their existing services with others in their "space." Several rely on PPRs for internal strategic planning processes and contextual

information. Many use them to assess government priorities and to match them against their own organizational priorities. PPRs are useful in determining the GoA's level of understanding of "what goes on" in the non-profit sector and in educating the government about the sector, including underlying systemic or societal issues. Umbrella organizations placed the reports in their library for their members to use. Several of these uses were also captured in the Consultation Survey.

Participants from this group are very aware of how the policy process had become much more diffuse and how government and NGOs now work much more in collaboration in order to achieve results. They believe that the public performance reporting process has not changed in line with these other changes, and that this disconnect negatively influences their perceptions of and attitudes towards PPRs.

One respondent noted that the level of detail and specificity in the government reports would be deemed inadequate for a funded grant organization. "Contracted agencies are told that they have to prove results, but government doesn't have to do so," said one participant. Another participant stated, "We look at them for what the reports are not saying. If you read the other ministry reports, there are so many things government says they want to do, but then the reports don't measure these things."

Another participant stated that although PPRs are tied to the budget, there should be an identifiable link between priorities, programs, policies and their budgets and that financial data should be relative to population growth (e.g., per capita) or as a percentage of total GDP, as these benchmarks would allow users to compare Alberta with other provinces.

Legislators

MLAs generally made limited use of PPRs, unless they received questions from constituents or serve on a Cabinet Policy Committee. Government MLAs identified a number of places where they have an opportunity to be involved in reviewing and using PPRs. They listed the Cabinet Policy Committees, the Policy Field Committees (PFCs), the Agenda and Priorities committee and Treasury Board committee, where PPRs could be reviewed before they are published. They noted that the Public Accounts Committee could review PPRs after they are published. Some legislative committees, such as the Public Accounts Committee, do make use of PPRs, particularly annual reports.

MLAs are open to playing a greater role in public performance reporting through PFCs but they said this would need to be balanced against other priorities. MLAs reflected on their experience with the recently constituted PFCs, seeing them as a "work in progress." They expect the committees will have a growing workload, centred on reviewing legislation. They agreed that PFCs will continue to evolve as will the culture of the committees. Opposition MLAs found the work to date of the PFCs to be more worthwhile than government MLAs.

MLAs want to see more outcome-based performance measures which measure a wider range of subject areas. They believed more disaggregated data, particularly that broken down by riding, would be of use to them and their electorate who focus on local issues. For those who do legislative committee work, they required information presented by specific issue, and concise and tailored for short meetings. They also want more timely information and suggested quarterly updates (but not more reports) might be more useful for some of

their purposes than an annual cycle. Legislators spoke about the need for layered reports to meet specific purposes.

MLAs do not think it should be the role of the OAG to provide a relevance check for performance measures. Some believe greater stakeholder input could address many of the issues related to relevance raised in this consultation process, but the costs of collecting the data for recommended performance measures would have to be considered.

INDIVIDUAL INTERVIEWS

One interviewee spoke of his need for comprehensive and timely information so that he and his executive teams can make the most informed decisions possible. Generally, he and other interviewees do not use PPRs on a day-to-day basis. PPRs are the foundation of the annual policy planning cycle that starts with an annual policy retreat. The interviewees found that strong management practices need to underpin reporting practices so that the right information can be captured and brought to bear on the issues of the day.

The interviewees consider the PFCs a "work in progress" and expect that PFCs will have a growing workload focused on reviewing legislation. Some interviewees do not believe that reviewing PPRs would be the most effective use of the PFCs' time at the outset. The PFCs would need to create a working culture where the public interest could be placed ahead of political ones and where a spirit of constructive partisanship could emerge. These interviewees anticipate that if performance measures and reporting are addressed during the policy development stage, there would be less need for the PFCs to tackle that work. Several interviewees say stakeholders' expectations would need to be managed if the process were opened up, as the GoA would ultimately need to decide which targets to use in managing programs.

One interviewee noted the importance of government-wide data standards in public performance reporting, such as references to specific demographics (i.e., aging population) or how a calculation is completed (high-school completion rates). Such standards would assist in tracking and reporting across ministries. "One thing government can do is ensure government is reporting the same facts. I'm not sure that we're there today," said the interviewee.

Most interviewees want to see a greater link between business plans and annual reports. One interviewee with knowledge of Australia's PPR practices noted, "Australia did an overall, more strategic document, and there were more detailed, operational documents. These were linked." Most interviewees say this would enhance management practices and increase transparency. One interviewee proposed a Fact-Assumption-Action framework and suggested that PPRs become more of a "living document" where the report would (i) clearly and succinctly lay out what the existing goal, target or commitment is and whether it has been achieved; (ii) what assumptions are embodied in the goal; and (iii) what action will be taken going forward to achieve the new target. The clarity of the language used in the reports was also noted. "Ministry reporting needs clearer writing – the reports are difficult to read. The Australian report was easier to read because of the language they used," noted the interviewee with knowledge of Australian PPR practices.

Recommendations and Proposed Next Steps

The following criteria were used when considering whether a recommendation could be implemented in the short-term (six months to one year), medium-term (one to two years), or longer-term (two or more years):

✦ The degree to which the recommendation is currently already addressed by the Government of Alberta.

✦ Whether implementation of the recommendation requires changes to legislation or regulations, thereby extending the time to implementation.

✦ The cost of implementing the recommendation. The high cost of implementing a recommendation would result in a more complex and longer review and approval process.

✦ The cost of implementing the recommendation relative to the benefit. Recommendations with a higher benefit relative to the cost could be justified for an early implementation.

✦ The organizational complexity of implementing the recommendation. Recommendations that require the cooperation of many ministries, and or external stakeholders would require more time to organize and implement.

✦ The technical complexity of supporting systems required to fully implement a recommendation. More complex supporting technical systems require time to obtain the technical resources and to develop and implement the required systems.

SHORT-TERM

P **Recommendation:** The Government of Alberta create a single online web portal where users could access all PPRs (including those from previous years) through improved search functions. The URL for this portal should be included in all communications materials dealing with PPRs. (Clarity and Accessibility)

K **Recommendation:** All PPRs include contact information for senior officials, who can provide appropriate background technical information. (Relevance)

O **Recommendation:** The Ministry of Treasury Board review how other jurisdictions are using new technologies to enhance their PPRs with an eye to determining which might be suitable in Alberta, given resource issues. (Clarity and Accessibility)

I **Recommendation:** The Government of Alberta and individual ministries reference relevant Auditor General of Alberta recommendations pertaining to performance measures and public performance reports in both business plans and annual reports, and indicate the status of their implementation. (Credibility)

A **Recommendation:** The Government of Alberta assume a leadership role in the development of performance measures for horizontal initiatives (i.e., initiatives in which partners from two or more organizations agree to work towards the achievement of shared outcomes). (Credibility)

B **Recommendation:** The Ministry of Treasury Board, working with Executive Council, assist ministries in defining and articulating the ministry's strategic goals and performance measures so that users of public performance reports can clearly understand how a ministry's strategies, programs and policies contribute to achieving its goals. (Credibility)

C **Recommendation:** The Government of Alberta develop, update regularly, and make publicly available guidance to ministries on the principles and best practices for effective public performance reporting to the legislature.[17] (Credibility)

MEDIUM-TERM

E **Recommendation:** The performance measures used in PPRs include five years of historical information to show trends and ensure consistency for year-to-year performance measures. (Credibility)

F **Recommendation:** In addition to the high-level longer-term outcome measures, PPRs include more performance measures where some change can be effected within the 3-year business planning cycle. (Credibility)

N **Recommendation:** Make greater use of hyperlinks in online versions of PPRs so users can "drill down" for more detailed or contextual information. (Clarity and Accessibility)

D **Recommendation:** The Ministry of Treasury Board review ministry business plans and annual reports to determine their level of compliance with Treasury Board guidelines regarding the principles and best practices of effective public performance reporting. In doing so, the Ministry of Treasury Board still ensures that ministries maintain ownership of their PPRs. (Credibility)

J **Recommendation:** The Government of Alberta review the technical background information currently made available to assist users in better understanding the information in PPRs. (Relevance)

U **Recommendation:** Ministries hold information sessions for stakeholder user groups when PPRs are tabled in order to discuss the results of the reports. (Engaging Users)

R **Recommendation:** Undertake a pilot project approach to public performance reporting consultations. (Engaging Users)

V **Recommendation:** Ministries make a concerted effort to engage MLA's in dialogue on goals, expected outcomes, strategies, performance measures and targets. (Engaging Users)

T **Recommendation:** The Government of Alberta identify "champions" within government to successfully implement new approaches to PPRs. (Engaging Users)

H **Recommendation:** When preparing its annual report, the Government of Alberta compare planned versus actual spending, list what goals, strategies and performance measures targets were met or not met, and explain why. (Credibility)

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17   See the Appendix for a summary of the Government of Canada Treasury Board Secretariat's six principles for effective public performance reporting.

LONGER-TERM

G **Recommendation:** The Government of Alberta link financial information, such as budgets, more closely to non-financial information, such as strategies, performance measures and targets. (Credibility)

M **Recommendation:** The Government of Alberta include more program-level information and data on the internet, and link it to the goals, strategies and performance measures found in the business plans and annual reports. (Clarity and Accessibility)

Q **Recommendation:** Future stakeholder consultations related to new policies and programs include an explicit discussion of performance measures, targets and reporting mechanisms and how frequently performance measures and targets should be reviewed. (Engaging Users)

S **Recommendation:** Common principles – such as a requirement to consult a representative group of stakeholders – applied across ministries. (Engaging Users)

L **Recommendation:** The Government of Alberta improve the linkage between business plans and annual reports by identifying in annual reports the assumptions that were embodied in the goals and, given the results, what actions would be taken going forward to achieve the goals. (Relevance)

W **Recommendation:** Policy Field Committees be the primary forum to review stakeholder opinions about performance measures, targets, and reporting mechanisms as part of their mandate to review annual reports. (Engaging Users)

FINDINGS FALLING BEYOND THE SCOPE OF THE REPORT

The desire for more program-level statistics and information was an issue raised repeatedly by participants. While such data and information might inform the development of PPRs, it is primarily used for management practices. As this type of data is not currently available from other sources, participants have tried to seek it through PPRs. This influenced the participants' perceptions of PPRs. As such, a specific recommendation related to this broader need is to:

✦ Examine how to make more operational information available, such as program metrics. Technological tools may be available to help make operational information available outside of government, subject to privacy and safety considerations. A cost-benefit analysis should be undertaken if the implementation of this recommendation is likely to prove very costly.

Appendices

CONSULTATION APPROACH AND METHODOLOGY

Intent

For the Government of Alberta (GoA), accountability is a priority. The tools and practices that enable a government to be accountable to its citizens evolve over time. As such, it is important for governments to review their accountability tools and practices to see in what ways they may be enhanced or modernized.

The Government of Alberta's Treasury Board approached CCAF to undertake a direct dialogue with users of Public Performance Reports (PPR). Treasury Board and CCAF were natural partners, given their longstanding collaboration and their reputations as a leader in this field. The project was also a fit with CCAF's Program for Improved Public Performance Reporting under the auspices of a Sloan Foundation grant. The CCAF's performance reporting website ***www.performancereporting.ca*** contains additional information on this broader initiative.

The Ministry of Treasury Board, via a working group and an advisory committee, led and managed all aspects of the consultation, while CCAF and Bluesky Strategy Group, Inc. (Bluesky) facilitated at the consultations and interviews and prepared this report. A series of four two-hour consultation sessions were held in Edmonton and Calgary during the week of October 26, 2007. Each session had four to eight participants divided into user cohorts: the media, business NGOs/professional associations, as well as two consultations with social/advocacy NGOs, one in Edmonton and the other in Calgary. During the week of December 10, 2007 two more consultations with user cohort groups were held, one involving legislators from opposition parties and the other with government MLAs. These consultations were complemented by several individual interviews with Cabinet Ministers, a senior government official, and Advisory Committee members.

The consultations provided an opportunity to hear directly from users representing a cross-section of interests on what works, what does not, and why. This was one of the first consultation processes of its kind in Canada.

Currently, the Government of Alberta prepares a variety of public performance reports annually (e.g. business plans, budgets, estimates, and annual reports) as part of its commitment to be accountable and in keeping with certain statutory requirements. Research conducted previously by CCAF and others indicates that legislators, the media and the public generally make little use of PPRs.

The goal of these consultations was to research, report, and provide recommendations on improving public performance reporting in the Alberta public sector. Specifically, the project evaluates current public performance reports; identifies what aspects of current reporting are effective; and determines what improvements can be made to meet the needs of legislators, the media and the public.

Assumptions

The scope of this project is largely limited to external users of PPRs. PPR producers and senior decision-makers in government were not widely consulted. They are, nonetheless, a key group for improving PPRs. Their support will be essential if the benefits of this project are to be fully realized. They will need to be willing to take what has been learned in these consultations and in other GoA initiatives to enhance PPRs and apply it to Alberta's public performance reporting regime. Without a commitment to make improvements, the value of this work will be minimized.

Much effort was made to include a representative sample of users, but these consultations were more qualitative than quantitative – they reflected participants' experiences and knowledge of PPRs.

Methodology

The consultations were moderated by Geoff Dubrow, Director of Capacity Development at CCAF, and by Nicolas Todd, Senior Consultant at Bluesky Strategy Group, Inc. At each session there were one or two note-takers to ensure the participants' remarks and interactions were adequately captured. The first set of consultations was held in Edmonton and Calgary the week of October 26, 2007. Each session had four to ten participants, each drawn from different communities of practice. The groups were:

1. Calgary-based social/advocacy non-governmental organizations;
2. Edmonton-based social/advocacy non-governmental organizations;
3. Members of the media;
4. Edmonton-based business NGOs and professional associations;

At the four, two-hour consultations, participants responded to a written questionnaire that established baseline performance measures and participated in a lively dialogue. They were asked:

✦ Do you use performance reports and for what purposes do you use them?

✦ What information do you want to see in government performance reports?

✦ What information do you consider the most and the least important in assessing the performance results of the Alberta government's policies, programs or services?

✦ Reviewing some of Alberta's existing PPRs, what type of information from these reports do you find useful or not useful?

✦ What specific content or processes would increase or decrease your confidence in the information presented in these documents?

✦ What format or layout (e.g., graphs, tables, bullets, text) would be the most useful/least useful when receiving this information?

✦ What form of distribution (e.g., e-mail, internet, and hard copy) would be most useful/least useful?

The second set of consultations was held in Edmonton the week of December 10, 2007. These included:

1. Alberta MLAs belonging to parties in the opposition;
2. Alberta MLAs from the governing party, and
3. Individual interviews with two Cabinet Ministers, a senior government official, and Advisory Committee members.

These consultations lasted between 45 and 90 minutes, during which time participants were asked:

✦ Do you or your constituents use public performance reports? If so, how? How relevant do you consider the reports to be in your work?

✦ What information would help you better assess the performance results of the Alberta Government's policies, programs or services?

✦ What specific content or processes would increase your confidence in these reports?

✦ What role should the legislature have in the creation or review of these reports? In performance measures or targets for the reports?

✦ What information could be provided in these reports that would help you in you work with constituents?

✦ Can the legislature play a role in facilitating public input into these reports?

✦ What tools, format, layout or method for distribution would be best for you?

The participants (other than the Interviewees) were asked to complete a Consultation Survey prepared by the Statistics staff at Alberta Finance. The Consultation Survey and a sample of the survey are attached as an appendix to this report.

Committee Membership

Advisory Committee Membership

✦ Doug Lynkowski, Controller, Treasury Board (Advisory Committee Chair)
✦ Mark Lisac, Publisher and Editor, Insight into Government
✦ John Watson, Provincial Audit Committee
✦ Tracey Ball, Provincial Audit Committee
✦ Geoff Dubrow, Director, Capacity Development, CCAF
✦ John Meston, Executive Director, Alberta Association of Services for Children and Families

Working Group Membership

✦ Murray Lyle, Performance Planning and Reporting, Alberta Treasury Board
✦ Tania Arruda, Performance Planning and Reporting, Alberta Treasury Board
✦ Anne Bruce, Performance Planning and Reporting, Alberta Treasury Board
✦ Bill Hyshka, Statistics, Alberta Finance
✦ Jolene Court, Statistics, Alberta Finance
✦ Sophie Gaudet, Statistics, Alberta Finance
✦ Kim Lakeman, Policy Coordination, Executive Council Office
✦ Geoff Dubrow, Capacity Development, CCAF
✦ Nicolas Todd, Bluesky Strategy Consulting, Inc.

Terms of Reference for the Advisory Committee

Public Performance Reporting Alberta Project Structure

Advisory Committee

Responsibilities – Advises on overall project direction and reviews and approves: the questionnaire used for the consultations with legislators and members of the media and the public (NGOs); the membership of the consultation groups; and advises on the final project recommendations to be implemented and the content of the Alberta Final Report.

Membership – the Advisory Committee will consist of one member of the media; audit committee members; a CCAF representative; an individual representing NGOs; and a senior government official.

Consultation Groups

Responsibilities – The three Consultation Groups (legislators, media and public) will meet at least once for about two hours. Each group will, through a facilitator, respond to a set of survey questions and participate in a group discussion regarding public performance reporting. Prior to the group meeting, each member will receive briefing materials to establish common reference points.

Membership – one Consultation Group will consist of members of the media, another will consist of members of the legislature, and a third will consist of members from the public (represented by a variety of NGOs with a session in Calgary and one in Edmonton).

Working Group

Responsibilities –

✦ Alberta Treasury Board to convene and form the nucleus of the Working Group;
✦ Invite individuals to participate on the Advisory Committee, and establish the Committee;
✦ Make recommendations to the Advisory Committee as to the makeup of the legislative, media and public (NGOs) consultation groups;
✦ Invite attendees to participate in the Consultation Groups;
✦ Develop a suite of interview questions to assist in focusing discussions of the legislative, media and public (NGOs) consultation groups;
✦ Develop questions for the written Consultation Survey;
✦ Organize the Consultation Groups;
✦ Produce a report on the development and current status of public performance reporting in Alberta;
✦ Gather, analyze and produce a report on the Alberta Project findings;
✦ Work with the Advisory Committee to review recommendations of the Alberta Final Report; and
✦ Publish the project findings.

Membership – It is proposed that the Working Group consist of Performance Planning and Reporting, Alberta Treasury Board; Alberta Finance, Statistics; Director of Capacity Development, CCAF; and a representative from Executive Council; and other interested Alberta government officials.

CCAF

Responsibilities –

✦ Provide advice on the Advisory Committee membership;
✦ Participate on the Advisory Committee;
✦ Provide advice in developing Consultation Group questionnaires;
✦ Provide advice on the makeup of the legislative, media and public (NGOs) Consultation Groups;
✦ Facilitate the Consultation Group, including note-taking and summarize the findings; and
✦ Prepare final report.

Membership – CCAF officials and consultants.

A Word of Thanks to the Advisory Committee

CCAF and the Government of Alberta would like to thank the members of the Advisory Committee for their ongoing advice and insights, which have proved invaluable. Several members were able to provide their insights and observations on PPRs through informal interviews.

PUBLIC PERFORMANCE REPORTING CONSULTATION SURVEY RESULTS

Introduction

This report highlights the survey results of the Public Performance Reporting, Consultation Survey; conducted by Alberta Finance, Statistics on behalf of Alberta Treasury Board.

There were a series of six, two-hour focus group consultation sessions with each session consisting of the following user cohorts:

✦ The media – print, TV, radio, etc. (7 participants)

✦ Non-government organizations (NGOs) – one session with business/professional NGOs (8 participants), and two social policy NGOs one in Edmonton and one in Calgary (10 participants)

✦ Alberta MLAs – opposition members (3 participants)

✦ Alberta MLAs – government members (3 participants)

The survey was administered at the end of each focus group consultation session. A copy of this survey can be found in Appendix III.

Survey Responses

Respondents were asked to complete the survey at the end of their consultation session. A total of 31 surveys were completed giving a 100% response rate. The consultation respondent sample was not designed to be statistically representative of each group.

Results by Section

The survey consisted of nine sections including a section for additional comments/ suggestions and respondent profile. Section topics included knowledge, use, format, confidence in the Public Performance Reports (PPRs). The following provides highlights and a detailed analysis of each section.

Section 1: Are Alberta's PPRs being read?

The PPRs read by the respondents prior to the consultation are listed in order of the PPR most frequently read. The percent frequency of each PPR read is shown in parentheses.
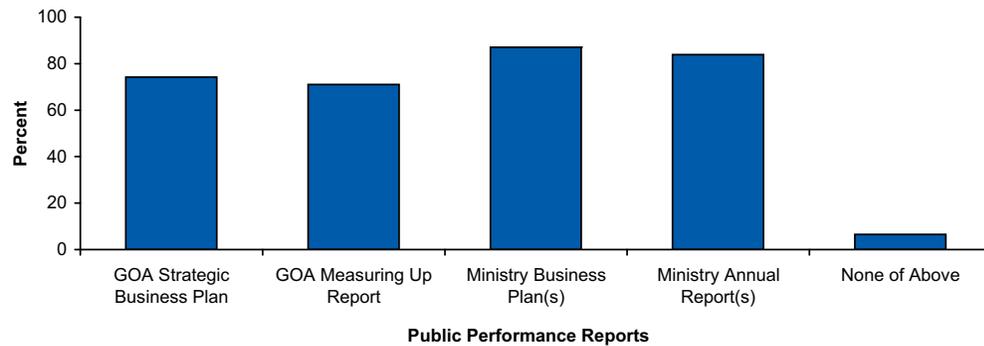
1. Ministry Business Plan(s) (87.1%)
2. Ministry Annual Report(s) (83.9%)
3. Government of Alberta Strategic Business Plan (74.2%)
4. Government of Alberta Measuring Up Report (71.0%)

The most frequently read report, prior to the consultation, was the Ministry Business Plan(s) followed closely by Ministry Annual Report(s).

Overall, of the PPRs read prior to the consultation, none were below 70% readership and only 6.5% of the respondents read "None of the Above" PPRs (see Figure 1). These results indicate an overall, relatively strong readership for the PPRs.

The two reports that had statistically significant differences between the groups were; the Government of Alberta Strategic Business Plan and Ministry Business Plan(s). The significant difference noted was the media group reported a higher percent having not read these two PPRs, when compared to the other groups.

Figure 1: Percent of participants that read PPRs

Section 2: The extent to which PPRs have met user needs

Respondents were asked to rate their level of agreement that the reports they read have met their needs. The ratings were converted into an agreement index that ranged from 0 to 100, where 0 was low agreement and 100 was high agreement. The following are the PPRs in order of high to low agreement, beginning with the highest mean (average) score.

1. Ministry Business Plan(s) (54.3)
2. Government of Alberta Strategic Business Plan (50.4)
3. Ministry Annual Report(s) (47.7)
4. Government of Alberta Measuring Up Report (43.8)

Overall, respondents were divided between "Somewhat Agree" and "Somewhat Disagree", with mean (average) scores between 54.3 and 43.8 (see Figure 2A).

**Figure 2A: Percent of participants reporting PPRs have met their needs**
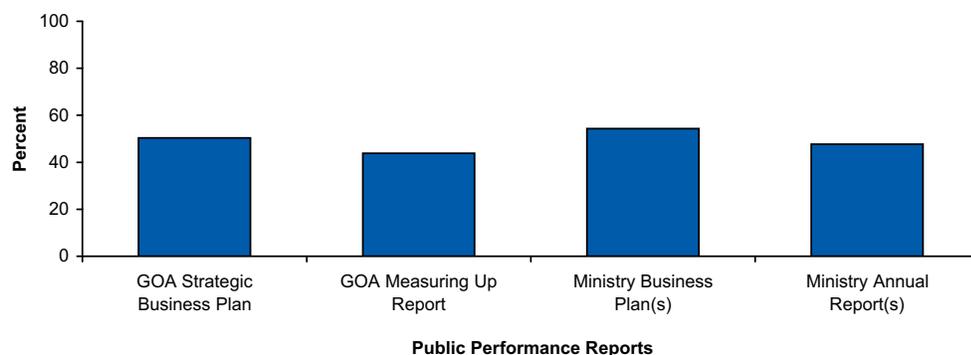
The Government of Alberta Measuring Up Report met respondent needs the least, displaying the lowest mean (average) score of 43.8. It also had the highest level of disagreement selected by respondents (see Figure 2B).

As indicated in Figures 2A and 2B, it was agreed most of the time by respondents, that the reports they read have met their needs.

There were no statistically significant differences noted in responses between the groups for Section 2 questions.

Figure 2B: Have PPRs met user needs?
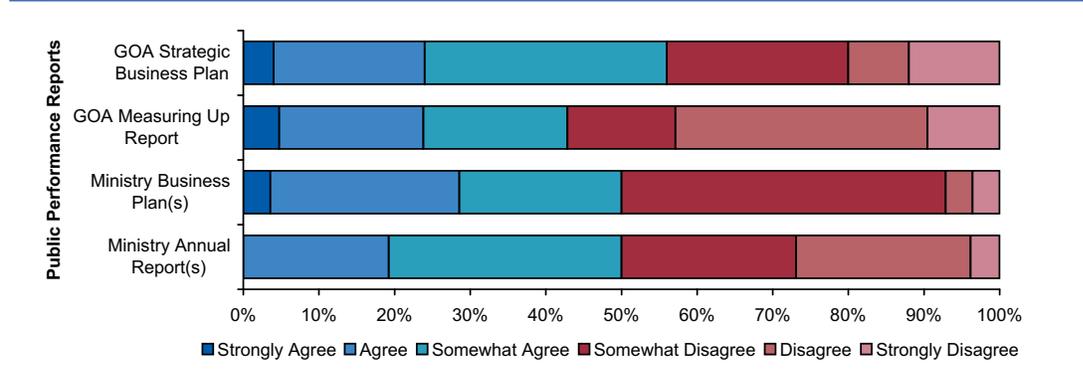
Section 3: What PPRs are currently used for

Respondents were asked to rate how frequently they have used any of the PPRs for various purposes. The ratings were converted into a frequency index that ranged from 0 to 100, where 0 was low frequency and 100 was high frequency.

The following are the level of frequency for the defined "purpose" categories, from highest to lowest, beginning with highest mean (average) score.

1. Information purposes (65.5)
2. Identifying priorities (49.1)
3. Policy development (46.3)
4. Performance assessment (37.5)
5. Development of programs & services (35.0)
6. Resource allocation decisions (21.9)

Overall, the most frequent purpose for the use of the reports was for "information purposes", which had highest mean (average) score of 65.5. It also had the highest number of respondents chose "Always" (see Figure 3).

The least frequent purpose for the use of the reports, which had the lowest mean (average) score of 21.9 and highest selection of "Never" and "Seldom", was for "resource allocation decisions" (see Figure 3).

Overall, survey responses indicated that most respondents are using the PPRs for "information purposes" and are rarely using them for "resource allocation decisions".

Some of "Other" purposes of use specified by respondents were (in no specific order):

✦ "Identifying gaps of service."
✦ "To learn about the department."
✦ "Information not decision making."

The three reports that had statistically significant differences between the groups surveyed were; "policy development", "identifying priorities", and "resource allocation decisions". A significant difference was noted for the media which "Never" used the reports for the three purposes. In addition to the media, NGOs also "Never" and "Seldom" used PPRs for "resource allocation decisions".

These statistical results could generally be expected as both the media and NGOs are generally not involved in "policy development", "identifying priorities", and "resource allocation decisions" decisions.

Figure 3: How frequently have you used PPRs for…
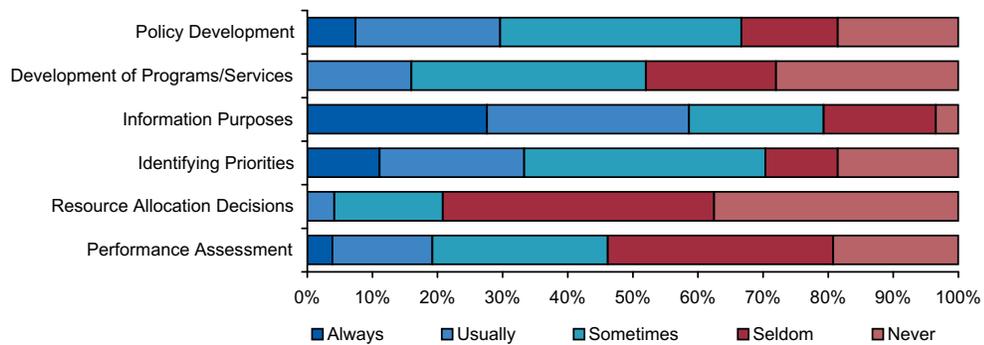
Section 4: Opportunities to increase the use of Alberta's PPRs

Respondents were asked to rank, in order of importance (1, 2, 3…), what would increase their use of Alberta's PPRs. The rankings were converted into an "importance" index that ranged from 0 to 100, where 0 was least important and 100 was most important.

The most important ranked factor which would increase the use of Alberta's PPRs was if "results are presented in a straightforward and simple manner". This was also ranked highest as "Most Important" and "Important" (see Figure 4).

The least important ranked factor for increasing use of Alberta's PPRs is if "results include assessments of all policy, programs and service areas". This also had the highest ranking of "Least Important" (see Figure 4).

The rankings generally indicate that most respondents primarily want "results that are presented in a straightforward and simple manner" in order to increase their use of Alberta's PPRs.

Some of the "Other" increase uses specified by respondents were (in no specific order):

✦ "Clearer identification of budget allocations to programs."
✦ "Benchmarking to other provinces."
✦ "Right things are being measured."
✦ "Results – performance measurements having a meaningful relationship to results trying to be achieved. Uniform reporting of annual reports."
✦ "Measures better reflect government's accountabilities as opposed to system outcomes."
✦ "More relevant data."
✦ "Consistent from year to year; measures directly related to department function; better explanation/justification at why measure chosen; some 3rd party assessment."
✦ "Relevance is it consequential to my audience?"
✦ "Results show past targets and whether they've been met."
✦ "Level of independence/3rd party verification."
✦ "Outcome measures."
✦ "Results are relevant."
✦ "Do not change every year."

There were no statistically significant differences in responses between the groups for Section 4 questions.

Figure 4: What would increase use of Alberta's PPRs? If results…
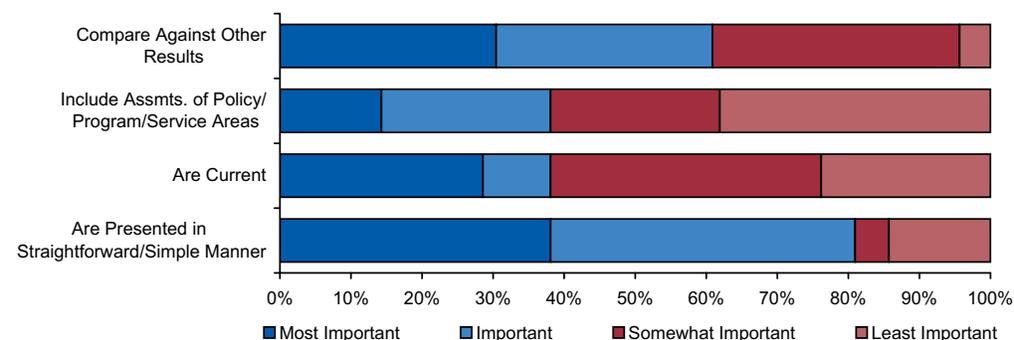
Section 5: What format would you like Alberta's PPRs in?

Respondents were asked to rank, in order of preference (1, 2, 3…), what format would they prefer Alberta's PPRs. The question was broken down into three areas: Content, Presentation and Distribution.
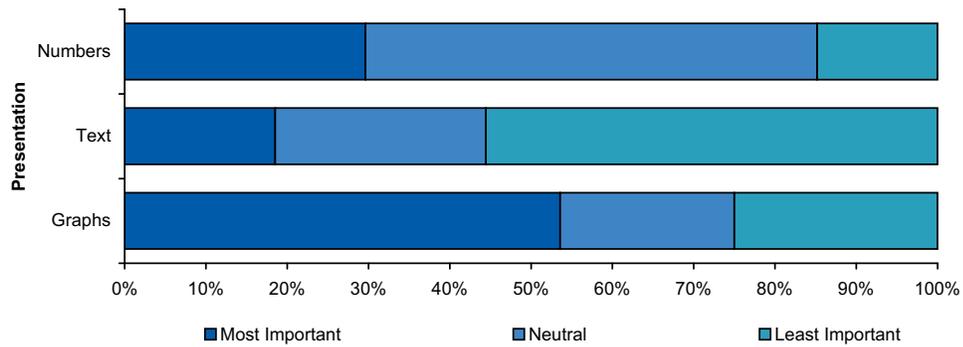
Content – Respondents ranked the most preferred content for Alberta's PPRs as "report card/aggregated indices report". The content ranked as least preferred was equally divided between "detailed/descriptive report" and "technical/data oriented report". However, "technical/data oriented report" had more respondents rank it as "Most Important", than for "detailed/descriptive report".

**Figure 5A: Format respondents would like Alberta's PPRs in (content)**
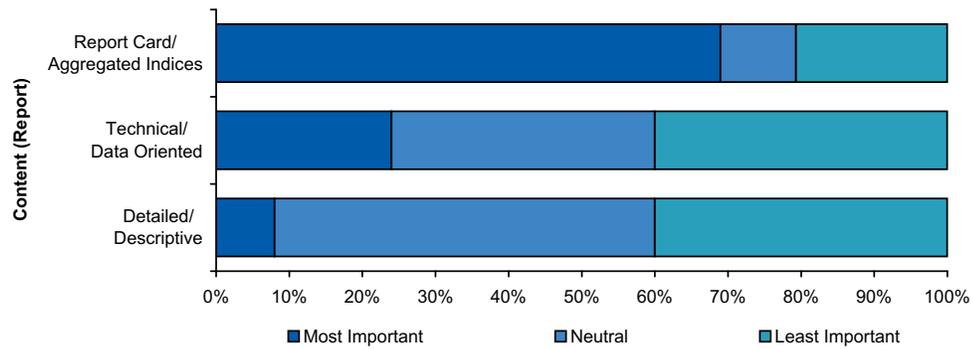
Presentation – The presentation format that respondents ranked they would most prefer to see Alberta's PPRs in is "graphs". Format ranked least preferred is in "text".

Figure 5B: Format respondents would like Alberta's PPRs in (presentation)

Distribution – The most preferred method of distribution was "internet". The least ranked was "hard copy".

Figure 5C: Format respondents would like Alberta's PPRs in (distribution)
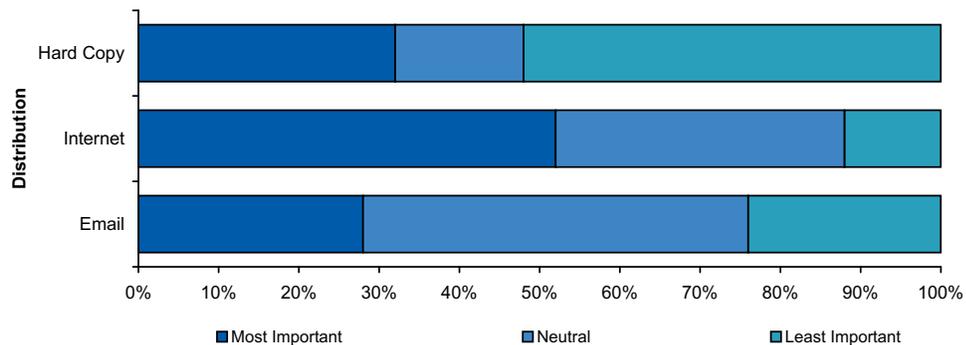
Some of the "Other" format suggestions specified by respondents for all three sections were (in no specific order):

✦ "Blend of descriptive technical/data."

✦ "Graphical/scorecard representations."

✦ "Combination of above."

✦ "Depends on the information – different information suited to different displays."

✦ "What is the trend, where are we going?"

✦ "Email notification of availability."

✦ "Email link to full report online."

✦ "CD."

Overall, the rankings appear to indicate most respondents primarily prefer the format to be a "report card/aggregated indices report" with "graphs" available on the Internet. There were no statistically significant differences in responses between the groups for all three areas for Section 5 questions.

Section 6: Effect on use if Alberta's PPRs are changed

Overall, most respondents stated that they would use Alberta's PPRs, if changes were made, "Occasionally (2-3 times a year)". None of the respondents stated that they would "Never" use Alberta's PPRs, if changes were made.

Figure 6: If changes were made how often would you use Alberta's PPRs?
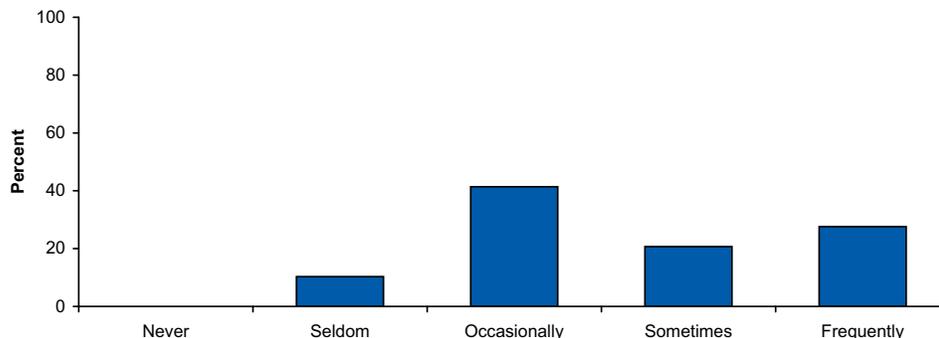
The "Comments" provided by respondents were (in no specific order):

✦ "The mandate letters are prime source of strategic planning process and then how do they appear in ministry business plan."

✦ "Use mainly to align with internal strategic plan once a year. Although quarterly summaries would be useful (one pager)."

✦ "This won't change my use - do see value - enhancing creditability of measures."

✦ "Response and utilization depends largely upon the selection of indicators and their relevance to the intervention and effectiveness of government policy."

✦ "Depending on the current activities/mandates of ministry to my organization."

✦ "4 -5 times a year is an approximation - would keep them handy as a continued reference."

✦ "I'm highly skeptical that the changes will be made."

✦ "Would have to see them first."

There were no statistically significant differences in responses between the groups for Section 6.

Section 7: What would increase your confidence in Alberta's PPRs?

Respondents were asked to give two suggestions that would increase their confidence in Alberta's PPRs. Responses from respondents were placed into one of the seven categories listed below. Percentage of responses for each category is in parentheses.

✦ Independent Review/Input (21.3%)

✦ Relevant Measures/Indicators (19.1%)

✦ Consistency (14.9%)

✦ Sourcing (Detailed/Additional) (12.8%)

✦ Accountability (10.6%)

✦ Simplified Wording (6.4%)

✦ "Other" (14.9%)

When asked what would increase their confidence the most, the largest number of responses for any given category was "independent review/input" followed closely by "relevant measures/indicators" (see Figure 7).

Overall, based on an analysis of the total responses given, respondents cited they would generally be more confident in Alberta's PPRs if there was "independent review/input" and if it contained "relevant measures/indicators".

Samples of "Other" suggestions, not categorized, were (in no specific order):

✦ "Acknowledgment of limitations".

✦ "Targets set collaboratively before".

✦ "Evaluate qualitatively and quantitatively".

✦ "Criteria for performance measures".

✦ "Public disclosure".

There were no statistically significant differences in responses between the groups for Section 7.

Figure 7: What would increase confidence in Alberta PPRs?
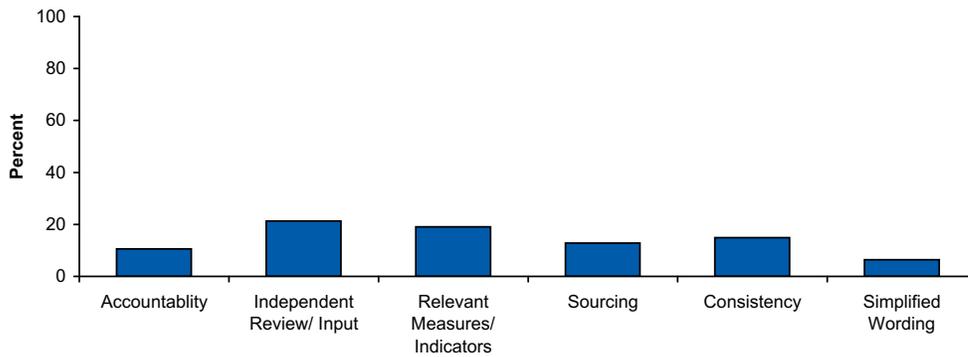
Comments/Suggestions

The following are additional comments/suggestions provided by some of the respondents for what would make Alberta's PPRs more user-friendly (in no specific order).

✦ "Plain language is essential. Simplify the verbiage. Report on outcomes not process. Make reporting interactive and web-based – new media. Consider getting rid of one-off annual reporting and replace with year-round progress updates a few measures at a time. Include feedback mechanism."

✦ "Community/NGO consultation on measures and outcomes. Non government contractor creating the report. Both qualitative and quantitative measurable. Measurable/objectives that are more specific. Comparisons with best practices throughout Canada. Written in plain language. Explanation as to when outcomes aren't being met (why) and actual reporting if they aren't being met. Don't report on process to make it sound as a success, or measurable. Shorter report that is printed in a more economical format (not high gloss with aesthetics being first concern). Quarterly reporting and/or consultation via web so there is no printing cost. Presently no mention on the collaborative relationships and NGO's that helped to achieve these goals (and most are not government funded to do that). Programs and innovations should be reported on review reports from other jurisdictions."

✦ "Use the Internet only if it would allow both users who want "snapshots" and those who require detailed research and explanation of where and how data is sourced. Very interesting to see if the 2007/08 PPR's reflect the changes provided by new provincial leadership – openness, transparency, etc."

✦ "More web-usage for wider availability. Cut back on wordiness. Executive summaries. Combine reports where possible to eliminate all of the duplication amongst all four reports."

✦ "Ensure access to supporting data. Hyperlink or electronic version. More attempts to present objective report and less as a P.R. exercise."

✦ "The criteria and performance measures need to be set in consultation with the public and key stakeholders who are affected by the policies. Once these performance measures are set they need to be produced by the departments in ways that shows how we are doing in each area. If we are not succeeding in each area then be willing to admit this. The report should encourage innovation not limit the departments to a narrow list of limited goals. This must be removed from any control of the Public Affairs Bureau."

✦ "Seems obvious many around the table did not use/see these documents before – would like to see better job of communicating on the measures. How and why they are chosen. How and why targets are set. How departments are held accountable for outcomes. Small testing on measurements – might be useful – building confidence. More thought on how to determine what outcomes government should strive for when their role is as facilitators – should measures of programs delivered be considered as opposed to the aggregate outcomes?"

✦ "Indicators we'd like to see EII/Advanced Education/Education. Data sources that shows what skills (occupations, employers are trying to fill and how well these three departments are doing with matching immigrants/graduates to need). Education – number of students in career and technology studies. Measures that show success at hiring from underrepresented groups (including immigrants – disabilities) and targeting programs for them."

✦ "No additional comments, but I appreciated the opportunity for input."

✦ "In my section the most critical issue is that government reports of indicators over which it has little direct influence. The output of the ministry is policy and finance – the effectiveness of those policies and financial decisions need to be measured more directly. Much basic information about education, particularly teaching and learning conditions, is not collected (see vacant data fields in the OECD report on education)."

✦ "I would like to see greater consistency surrounding the format and distribution for the annual reports. They can be found on-line, but are often in various formats making ministry to ministry comparisons challenging."

✦ "I really appreciate being involved in this process. Thank you."

✦ "In general, they should seem less designed for political purposes and more a genuine management tool. Creditability is the major factor in user friendliness."

✦ "I like the idea of standard releases instead in all at once. I feel I'm at a disadvantage to media organizations that have a large staff. If I don't have the story on day one, then I'm likely to disregard every thing after that…."that's not a story"."

✦ "Target your audience with appropriate information."

Public Performance Reporting Consultation Survey

To assist the Government of Alberta in improving the usability of the Public Performance Reports (PPRs), please provide your views on the following aspects.

This survey is being conducted as part of the consultation on strengthening Alberta's Public Performance Reports. Please do not put your name on this survey. The information collected through this consultation will be presented in aggregate form in the final report. Comments or opinions collected at the consultations and presented in the final report will not be attributed to any individual or organization.

Alberta
TREASURY BOARD

Have you **read** any of the following Public Performance Reports (PPRs) prior to this consultation?

- ❏ Government of Alberta Strategic Business Plan
- ❏ Government of Alberta Measuring Up Report
- ❏ Ministry Business Plan(s)
- ❏ Ministry Annual Report(s)
- ❏ None of the above

If you have used any of the above PPRs, on the scale provided please indicate to what extent you agree they **have met your needs**.

1	2	3	4	5	6
Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree

The following PPRs have met my needs:	1	2	3	4	5	6	N/A
a) The Government of Alberta Strategic Business Plan	○	○	○	○	○	○	❏
b) The Government of Alberta Measuring Up Report	○	○	○	○	○	○	❏
c) A Ministry Business Plan(s)	○	○	○	○	○	○	❏
d) A Ministry Annual Report(s)	○	○	○	○	○	○	❏

If you have used any of the above PPRs, please indicate how frequently they have been used for the following **purposes**.

1	2	3	4	5
Never	Seldom	Sometimes	Usually	Always

I have used a PPR for:	1	2	3	4	5	N/A
a) policy development	○	○	○	○	○	❏
b) development of programs and services	○	○	○	○	○	❏
c) information purposes (media, public consultations, personal informative purposes)	○	○	○	○	○	❏
d) identifying priorities	○	○	○	○	○	❏
e) resource allocation decisions	○	○	○	○	○	❏
f) performance assessment	○	○	○	○	○	❏
g) other: (please specify) _____	○	○	○	○	○	❏

Please **rank** (1, 2, 3…) in order of importance what would **increase your use** of Alberta's PPRs.

_____ results can be compared against other published results

_____ results include assessments of all policy, program, and service areas

_____ results are current

_____ results are presented in a straightforward and simple manner

_____ other: (please specify) _____

For **each** of the following sections, please **rank** in order of preference (1, 2, 3…) in what format you would like the Alberta's PPRs:

a)   Content:
      _____ Report Card / Aggregated Indices Report
      _____ Detailed / Descriptive Report
      _____ Technical / Data Oriented Report
      _____ Other: (please specify) _____

b)   Presentation:
      _____ Numbers
      _____ Text
      _____ Graphs
      _____ Other: (please specify) _____

c)   Distribution:
      _____ E-mail
      _____ Internet
      _____ Hard copy
      _____ Other: (please specify) _____

If the changes you have identified above were made to Alberta's PPRs, how often would you use them?

Never	Seldom (Once a year)	Occasionally (2-3 times a year)	Sometimes (4-5 times a year)	Frequently (6 or more times a year)
○	○	○	○	○

Comments:
_____
_____

List 2 things that would **increase your confidence** in Alberta's PPRs:

a)   _____

b)   _____

Please indicate which group you represent:

❑ Government Representative
❑ Media / Communications
❑ Non-Government Organization
❑ Other

Please provide any additional comments or suggestions that you feel would be useful in making Alberta's PPRs more user-friendly.

Retrospective on the GoA's Public Performance Reports

In the early 1990s, the Government of Alberta identified a need for better tracking of and reporting on results of government programs and services. In 1993, the government created the Financial Review Commission, which recommended actions needed to improve the province's management and reporting systems. Budget roundtables were held in 1993 and again in 1994 with the media, academics, business and community leaders, and senior government officials. Based on those consultations, the government took some significant steps toward improving its public accountability. It introduced the *Government Accountability Act*, developed the first set of three-year ministry business plans, and released Measuring Up, Alberta's first annual public performance report and the first of its kind in Canada.

The objective of introducing the legislation was to require the government to produce documents on a regular basis that disclosed to the public, through the Legislative Assembly, the planned and actual results of government policies, programs and services, thereby improving their effectiveness in meeting the needs of Albertans. Performance measurement was instituted as part of the larger business planning process, with the intention of making government more open and accountable. The first annual Measuring Up report (Government of Alberta, 1995) contained 22 core government performance measures under 18 goals. Measuring Up contained a mix of economic, environmental and social indicators, intended to provide a snapshot of overall government performance.

The priority between 1993 and 2001 was on developing integrated and strategic business plans, with a focus on outcomes, targets and performance measures. The intention of moving to a performance-based accountability framework was to provide timely and factual financial and non-financial information about the government's use of public funds and stewardship of the province's public resources. Another intention was to start Albertans thinking in terms of the results provided by government as opposed to just spending. Performance measurement was central to the accountability framework so that the government's performance could be measured, publicly reported and evaluated.

Challenges during this time included: developing a few relevant performance measures to use in a public report to reflect the government's key accomplishments, and disclosing what was accomplished when there is much about government that cannot be measured directly or quantitatively.

Between 2002 and 2006, the government of Alberta focused on assessing, maintaining, growing and sustaining Alberta's accountability and fiscal framework. Business plan standards and a reference guide were developed to provide a framework to develop consistency (in quality, look and form) and mandated components in all ministry business plans. As a result, plans could more easily be understood by the public and there was a shift from more "operational" plans to more strategic business plans.

Integration of financial and non-financial results is viewed as strengthening performance reporting, so by the 2004-07 Government of Alberta Strategic Business Plan, each of the goals was aligned with expenditures in the Fiscal Plan linking the financial information in

the fiscal plan with non-financial performance information in the Business Plan (using Statistics Canada's Expense by Function criteria). Ministries also began to integrate financial and non-financial results by providing expense by core business breakdowns in their business plans and annual reports.

An unresolved challenge during this time, which continues to be a challenge today, was in regard to attribution of results to government policies, programs and outcomes, as this can be ambiguous. Going forward, a number of ongoing challenges remain including:

1. The challenge of making these reports more relevant by expanding and improving the performance story through the use of other sources of information (e.g., evaluation results, external studies, etc.) while still keeping the report readable.

2. A challenge pertaining to the credibility of these reports, that is, the performance information presented must be perceived to be free from bias. The public continues to be unconvinced that the public performance reports are accountability documents. They view them as communications documents, despite review by the Office of the Auditor General.

3. The increasing need to distinguish between performance budgeting and management, which are decision-making functions, and public performance reporting for accountability. The performance information used for decision-making is, in many cases, different from what is required for accountability.

Existing Research Findings

CCAF research indicated that there are several reasons or barriers impeding legislators' use of public performance reports and, in general, it often is due to a combination of legislator's incentives, capabilities, interests, and time constraints.

Some of the barriers identified in CCAF's research as impeding legislators' use of public performance documents included:

1. Reports are not well aligned with how legislators think and should be presented in more verbal, anecdotal, and concrete terms.

2. With the current size, format, and number of reports, there is not enough time for legislators to read and assimilate the information they receive.

3. Legislators feel that reports lack credibility and are a spin product of a ministry's public relations.

4. There are few rewards or incentives for legislators who scrutinize reports.

5. There is insufficient staff to support the research and analysis of reports, which is often critical in helping legislators gain a comprehensive understanding of the material.

CCAF research found that there are several reasons or barriers that impede the media and the public from using and understanding public performance reports.

1. Journalists have commented that reports are too abstract and lack information media find interesting. This includes failing to clearly demonstrate program outcomes or results, lack of rationale for government objectives, as well as inadequate reasons for why the government has undertaken certain activities.

2. Media lack confidence in government performance reports that are based on evaluations performed internally. Journalists may use them for statistical information, but would not likely depend on them for substance.

3. Due to a shift from investigative/analytical journalism to covering just the immediate story, the needed expertise and allocation of time is not currently sufficient in order to look in-depth at government business.

4. Reports generally do not cover issues that concern the general public.

5. Government outcomes are often stated but are not necessarily proven or directly attributable to the related policy or program.

6. Public performance results may acknowledge shortcomings, but solutions, or the solicitation of solutions are not usually offered.

With information gathered from the media and the public and related sources, with identification of the extent to which these barriers exist in Alberta, and with a willingness to make changes based on these findings, Alberta's public performance reports can be improved to overcome the barriers.

Existing Practices

Many participants in the consultations anticipated that an all-party committee (i.e., the Policy Field Committees) could play a role in public performance reporting. In this context, legislative and executive branch officials in Alberta may want to examine the roles of other legislative bodies in Canada. Two notable examples – the British Columbia Select Standing Committee on Crown Corporations and the House of Commons Standing Committee on Government Operations and Estimates – are highlighted here.

British Columbia Select Standing Committee on Crown Corporations – The British Columbia Select Standing Committee on Crown Corporations was appointed to review the annual reports and performance plans of British Columbia Crown Corporations. The Committee can call Ministers, senior ministry officials, and/or Crown Corporation executives to appear as witnesses. The Committee has the mandate to review Commercial and Service Delivery Crown Corporation Service Plans and Annual Reports.

House of Commons Standing Committee on Government Operations and Estimates – The House of Commons Standing Committee on Procedure and House Affairs conducted an in-depth study on the business of supply entitled The Business of Supply: Completing the Circle of Control, in December 1998.[18] The report provides a history of parliament's work on supply and estimates and includes recommendations on strengthening parliament's role. It recommended that parliament locate "within a single committee, broad responsibilities relating to the supply process, and financial reporting to Parliament by government organizations."[19]

The House of Commons Standing Committee on Government Operations and Estimates tabled an insightful report in September 2003.[20] Entitled Meaningful Scrutiny: Practical Improvements to the Estimates Process, it makes numerous recommendations, some of which are summarized below:

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18 Available online at: http://www.parl.gc.ca/InfoComDoc/36/1/PRHA/Studies/Reports/prharp51-e.htm.

19 The mandate of the Standing Committee on Government Operations and Estimates is at: http://cmte.parl.gc.ca/cmte/ CommitteeList.aspx?Lang=1&PARLSES=391&JNT=0&SELID=e20_&COM=10468

20 The Report is available at: http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=3278&Lang=1&SourceId=213502

- That the document entitled Parliamentary Committee Review of the Estimates Documents – a guide from the Office of the Auditor General of Canada to assist Members of Parliament (MPs) in becoming more involved in the estimates review – be provided by the Auditor General to all parliamentarians, after each election, as a reference tool.

- That the House of Commons and Library of Parliament collaborate with Treasury Board Secretariat to include a session on the estimates process in the orientation provided to newly elected Members of Parliament, and that follow-up training focussed on practical approaches to maximizing Parliament's effectiveness in holding governments accountable through the estimates process be provided at regular intervals each year, funded by a reallocation from the budget of the Canadian Centre for Management Development (or its successor).

- That the parliamentary committees reviewing the Estimates of large departments consider limiting their study to one program or one agency in particular (selected in compliance with the principles of alternation and sampling), in light of the timeframe and resources available.

- That parliamentary committees consider holding a planning meeting before the hearing with public servants that would enable them to learn more about the program or agency to be reviewed. Such planning meetings could use documents obtained beforehand from the officials in answer to specific questions.

- That the members of parliamentary committees consider the possibility of dividing up the tasks involved in the budget review and that they do the same with the additional documents provided by the departments or agencies.

- That parliamentary committees consider the possibility of asking researchers to collect information on the program or agency under review and to draft technical and administrative questions to be forwarded by the committee chair to departmental officials before they appear before the Committee.

- That parliamentary committees consider preparing a precise meeting schedule for the Estimates review in their work plan and that the public servants and experts called to appear be informed as far in advance as possible.

- That parliamentary committees consider tabling short reports on departmental plans and priorities and performance reports as a routine practice, in order to provide departments with clear feedback on their central accountability documents.

Principles for Effective Public Performance Reporting

Public Sector Accounting Board's Public Performance Reporting Assessment Guide

The PSAB Guide[21] outlines 13 key evaluation questions:

1. Is the report easily accessible and identifiable as the entity's Annual Performance Report?
2. Does the report provide information that appears reliable and valid?
3. Is the entity's performance information relevant?
4. Does the entity provide fair information in its performance report?
5. Is the entity's performance information comparable and consistent?

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21   The Guide is available at: http://www.psab-ccsp.ca/download.cfm?ci_id=37690&la_id=1&re_id=0

6. Is the report understandable?

7. Does the report focus on the few critical aspects of performance?

8. Does the report describe the entity's strategic direction?

9. Does the entity explain actual results for the reporting period and compare them with planned results, explaining any significant variances?

10. Does the report provide comparative information about trends, benchmarks, baseline data, or the performance of other similar organizations?

11. Does the report describe lessons learned and key factors influencing performance and results?

12. Did the entity link its financial and non-financial performance information?

13. Was the basis for reporting disclosed?

Government of Canada's Six Principles for Effective Public Performance Reporting

The Government of Canada's Treasury Board Secretariat has adopted six principles for effective public performance reporting[22] to parliament. They are:

1. Benefits/Results for Canadians: describe the activities and outputs that the organization intends to undertake or produce over the planning period. The information must help Canadians understand what the department (and hence government) seeks to achieve by providing a high level summary of the planned results being sought and the strategies and resources to be used.

2. Plans and priorities that will be used to deliver the Benefits/Results to Canadians: Outline a plan to deliver results to Canadians. Highlight the results to be achieved by providing a clear target. In all cases an estimated timeframe should be established for the completion of the plan and some indication should be made as to when Canadians can expect to see results.

3. Lessons learned and applied from past experiences: Explain the context for those choices. Revising and improving plans is an indication of sound management practices. Departmental plans are expected to change in response to a changing environment or adapting to lessons learned and those changes should be described. It is important to identify the changes and explain the rationale for them.

4. Challenges, risks and the rationale for the choices made: A strong plan notes the various options and highlights the logic behind the choice made.

5. Total planned spending: Illustrate the logical link between what the department intends to accomplish and the resources available in support of its strategic outcomes. Identify the resources allotted to each departmental priority within each strategic outcome. Only main or key priorities need to be listed, but provide an idea of how much a particular priority is expected to cost.

6. Assessing performance: Explain how the organization intends to monitor its progress toward achieving the results set out. Appropriate monitoring relies on a well-reasoned set of indicators that measure actual outcomes.

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22   The 2007/8 Guide is available at: http://www.tbs-sct.gc.ca/rpp/0708/guide/guide_e.asp

Government of Alberta's Criteria for Selecting Public Performance Measures

The GoA's Measuring Performance – A Reference Guide[23] is a "reference guide on measuring government performance in Alberta" and "discusses the role of performance measures within the context of the government's business planning process, and how performance measures can facilitate and enhance program delivery and management." The following is an extract of what the Guide says about developing and selecting performance measures.

Guiding Principles

✦ Focus on results – determine the effects programs are having rather than measuring what has been produced.

✦ A few key measures per ministry – provide a snapshot of the ministry's performance for its core businesses.

✦ Measures developed by ministry program officials – programs officials know their business the best.

✦ Measures owned by ministries – ministries held accountable for the measures they develop and the results they achieve.

✦ Measures should be free from bias – report both good and bad performance.

✦ Work with the Auditor General – to ensure the selection of valid and objective measures.

Key Criteria for the Selection of Measures:

✦ Understandability – the measure and information are clear and easily understood by the public, and sufficiently explain how performance is being assessed.

✦ Relevance – the measure is an accurate representation of what is being measured. The information presented is timely and directly related to the subject matter.

✦ Reliability – the information is free from error, unbiased and complete. Also, the results can be duplicated by others using the same information and methodology.

✦ Comparability – results can be compared to other years or to similar organizations.

Questions to Help Select Performance Measures:

✦ Do the measures relate to the stated core businesses and goals?

✦ Does the measure make sense and is the wording understandable?

✦ Does the measure really indicate the effects government intends the program to have?

✦ Is the outcome measured at least partially within the organization's ability to influence?

✦ Can the measure show the extent to which goals have been achieved?

✦ Is the data accurate and can the information be collected over time on a consistent basis?

✦ Has the data been impartially gathered and analyzed?

✦ Will the measures be valid for more than one period without significant changes?

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23 The GoA's Guide, published in 1997, is available at: http://www.finance.alberta.ca/publications/measuring/measupgu/ pfmguide.pdf

✦ Do the measures allow for comparisons with past performance, other organizations, other jurisdictions?

✦ Can others using the same data arrive at similar results or conclusions?

✦ Is the cost of collecting the information reasonable?

✦ Do the measures provide performance information on ministry/government priorities?

✦ Will the information be available on a timely basis?

LIST OF CONSULTATION PARTICIPANTS

Media

✦ CHED Radio
✦ Edmonton Journal
✦ CKUA
✦ Alberta Political Scan
✦ Insight Into Government
✦ CBC Radio
✦ CTV

Business NGOs/Professional Associations

✦ Canadian Taxpayers Federation (Alberta)
✦ Alberta Teachers Association
✦ Canadian Federation of Independent Business
✦ Alberta Association of Municipal Districts and Councils
✦ Certified General Accountants of Alberta
✦ Canadian Home Builders Association (Alberta)
✦ Alberta Union of Provincial Employees
✦ Retail Council of Canada (Alberta)

Social/advocacy NGO

✦ Public Interest Alberta
✦ Alberta Council on Aging
✦ Catholic Social Services
✦ Muttart Foundation
✦ Volunteer Alberta
✦ Alberta Cancer Board and Foundation
✦ Calgary Chamber of Voluntary Organizations
✦ Prospect Human Services Society
✦ United Way of Calgary and Area
✦ Volunteer Calgary

Members of the Legislative Assembly of Alberta

✦ Hon. Carol Haley, MLA for Airdrie-Chestermere
✦ Hon. Gordon Graydon, MLA for Prairie-Wapiti
✦ Hon. Victor Doerksen, MLA for Red Deer-South
✦ Hon. Mo Elsalhy, MLA for Edmonton-McClung
✦ Hon. Dan Backs, MLA for Edmonton-Manning
✦ Hon. Hugh Macdonald, MLA for Edmonton-Gold Bar

Individual Interviews

✦ Hon. Ron Stevens, Deputy Premier and Minister of Justice and Attorney General, MLA for Calgary-Glenmore
✦ Hon. Lloyd Snelgrove, President of Treasury Board, Minister of Service Alberta, Minister Responsible for Corporate Human Resources, MLA for Vermilion-Lloydminster
✦ Mr. Ron Hicks, Deputy Minister of Executive Council
✦ Ms. Tracey Ball, Member of the Provincial Audit Committee, Member of the Public Performance Reporting Consultation Advisory Committee
✦ Mr. John Watson, Member of the Provincial Audit Committee, Member of the Public Performance Reporting Consultation Advisory Committee
✦ Mr. John Meston, Executive Director, Alberta Association of Services for Children and Families, Member of the Public Performance Reporting Consultation Advisory Committee