



**Parliamentary Committee Review  
of the Estimates Documents**  
March 2005

A description of the Expenditure Management System and the Estimates documents of the current and previous fiscal years, and a variety of information about government expenditure planning and service delivery can be found on the Treasury Board Secretariat's Web site at [www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca).

Information about the Office of the Auditor General and its reports can be found on its Web site at [oag-bvg.gc.ca](http://oag-bvg.gc.ca). The most recent report about the Estimates review process is the May 2003 Report, Chapter 1, Rating Departmental Performance Reports. The April 2005 Report will also contain a chapter on this topic (Chapter 5, Rating Selected Departmental Performance Reports).

The document is available on our Web site at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca).

For copies of the document or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada  
240 Sparks Street, Stop 10-1  
Ottawa, Ontario  
K1A 0G6

Telephone: (613) 952-0213, ext. 5000, or 1-888-761-5953

Fax: (613) 943-5485

E-mail: [distribution@oag-bvg.gc.ca](mailto:distribution@oag-bvg.gc.ca)

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# Parliamentary Committee Review of the Estimates Documents

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## Auditor General's message

As the Auditor General, I recognize that Parliament requires good, credible information on plans and results to hold the government to account for its use of taxpayer dollars. Parliamentary scrutiny of the performance of public programs is an important part of the Estimates process.

My Office is committed to helping parliamentarians oversee public finances. By auditing federal government departments and agencies, most Crown corporations, and many other federal organizations, my Office provides Parliament with objective and reliable information. Parliamentary committees may review our reports, conduct hearings, and make recommendations for action.

This revised document updates recent developments and provides a perspective on the role of the Senate, the House of Commons, and their committees.

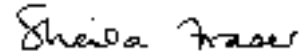
The parliamentary committee review of Estimates and associated documents has evolved over the years in a number of significant respects:

- In 1997, Part III of the Estimates was split into the report on plans and priorities and the departmental performance report, and all departments and agencies were required to table these reports.
- In October 2001 and September 2003, changes to House of Commons rules allowed a Committee of the Whole House to consider the Estimates documents of two departments or agencies selected by the Leader of the Opposition.
- In June 2002, the first members of the Standing Committee on Government Operations and Estimates of the House of Commons were appointed, and in October 2004, the first opposition chair of the Committee was elected.

These developments provide Parliament with greater opportunities to review the Estimates documents.

Parliamentary committees play an important role. They can challenge the government to provide clear plans and priorities, and they can enhance the way Parliament holds the government to account by scrutinizing performance information. Parliamentary review of expected performance encourages better reporting, and can motivate departments to report fairly and reliably.

I encourage you to read this document and discuss the various approaches to reviewing the Estimates. My office is available to help you and your committees in this regard.

A handwritten signature in black ink that reads "Sheila Fraser". The signature is written in a cursive, slightly slanted style.

Sheila Fraser, FCA  
Auditor General of Canada

## Introduction

Parliament plays a fundamental role in the government's expenditure management process. It must authorize all government expenditures, whether they are approved annually or on a statutory basis. While it is the government that manages programs and sets priorities, Parliament and its committees can influence government decisions. The focus of this document is the role of parliamentary standing committees, where detailed review of the government's expenditure management process takes place.

This document is designed to help parliamentarians review expenditure plans and performance reports. It outlines the reasons why committees should review Estimates documents, and it describes the Estimates review cycle, including some useful parliamentary review mechanisms. It also discusses the role government departments and agencies, the Treasury Board Secretariat, and the Office of the Auditor General play in the review process. Finally, this document identifies lines of inquiry that committees may pursue and how the Office can help them during their reviews.

## Committee review of Estimates documents is important

Despite the fact that the government is committed to improving expenditure plans and the performance information provided to Parliament and that parliamentarians have an increased opportunity to use that information, the question remains: Why should parliamentarians allocate their limited time to reviewing the government's expenditure plans and performance reports?

Many parliamentarians and government officials believe Parliament should provide regular feedback on departmental expenditure plans and program performance.

There are several reasons for a review:

- Parliament is responsible for reviewing government expenditures and performance.
- Reviewing Estimates documents can contribute to good public policy.
- Reviewing Estimates documents provides departments and agencies with valuable feedback that will help them improve their economy, efficiency, and effectiveness.
- Reviewing Estimates documents can improve the quality of information provided to parliamentarians and the public.
- Committees can make a difference.

### **The House of Commons is responsible for reviewing government expenditures and for holding the government to account for its performance**

The House of Commons has the right and the obligation to review and approve all spending from the public purse. It can hold the government to account because the government must retain the confidence of the House of Commons in order to continue to govern. It can reduce or eliminate any estimate (vote) sent by the Governor General to the House of Commons. (A vote is a maximum amount that is proposed to be spent for one item in the Estimates and, if the House of Commons agrees, is included in the

schedule of an appropriation bill.) Exercising the right to review is an important part of Canada's democratic parliamentary tradition.

**The Senate is responsible for reviewing government expenditures before approving any appropriation bill**

The Senate has the right and the obligation to review and approve all spending from the public purse. The Senate must approve all appropriation bills. The individual estimates are set out in the schedules of those bills.

Parliament examines the previous year's spending, influences future plans and priorities, and approves expenditures for the upcoming fiscal year.

**Reports on plans and priorities and departmental performance reports**

Reports on plans and priorities and departmental performance reports help Parliament to hold the government to account; they provide information about departmental priorities, plans, and achievements. They enable comparisons because they provide annual information about what a department plans to do and what it has done.

**Reviewing Estimates documents can contribute to good public policy**

There are several ways that committee review of Estimates documents can help improve public policy, including the following:

- parliamentarians can improve their understanding of departmental issues, which can help debates on legislation and policy matters;
- performance information released each year can lead to discussions about program accomplishments and identify if learning has taken place;
- committees can influence government priorities by advocating in their reports when resources should be reallocated within organizations; and
- as parliamentarians review and question expenditure plans, they can recommend that better planning and performance information be produced, enabling departments to improve their planning processes.

**Reviewing Estimates documents provides departments and agencies with valuable feedback to improve their economy, efficiency, and effectiveness**

Parliamentarians can provide government departments and agencies with important feedback that can help them be more effective. For example, reviewing Estimates documents generates a discussion about how programs can be better designed and delivered, potentially leading to improved, cost-effective management of government programs.

**Reviewing Estimates documents can improve the quality of information provided to parliamentarians and the public**

By reviewing, questioning, and challenging Estimates documents, parliamentarians can encourage departments to improve their planning and performance documents and, ultimately, to provide better information to the public. The information in these documents can be improved by making it more relevant, balanced, and user-friendly. Better information will enhance government credibility and help create a more open and accountable government.



### Committees can make a difference

Committee hearings with officials enable parliamentarians to influence departmental actions. These hearings are public meetings, and the proceedings can be followed by those most affected by government decisions and the media. Officials speak on the record and can be held to account for what they say. By questioning officials, especially when lines of questioning are followed up, parliamentarians can influence departments and agencies by focussing attention on their actions. Committees can report on the management and operation of departments and agencies and their long-term expenditure plans and priorities.

## The Expenditure Management System

The Expenditure Management System defines the government's spending priorities. It was designed to promote greater fiscal responsibility and help the government meet its fiscal targets. That is, it will help the government provide quality services that are affordable. The Expenditure Management System aims to integrate departments, central agencies, and parliamentary committees with the Cabinet processes that result in preparing the federal Budget and Estimates.

### The Estimates review process

The government must seek Parliament's approval, under an appropriation act, to appropriate funds from the Consolidated Revenue Fund to meet its financial obligations and put in place programs approved by Parliament. The process associated with this approval is called the business of supply. Each year, the projected annual expenditures or Main Estimates are sent by message of the Governor General to the House of Commons for review and approval by 23 June. They are also tabled in the Senate for consideration and review.

The Main Estimates are divided into three parts:

- Part I provides an overview of the government's spending for the new fiscal year and describes Estimates in relation to the government's Expenditure Plan, as set out in the Budget.
- Part II supports the *Appropriation Act* by identifying the spending authorities (votes) and providing a detailed list of the budgetary and statutory expenditures for all government departments and agencies.
- In 1997, Part III of the Estimates was split into two documents, departmental reports on plans and priorities and performance reports.

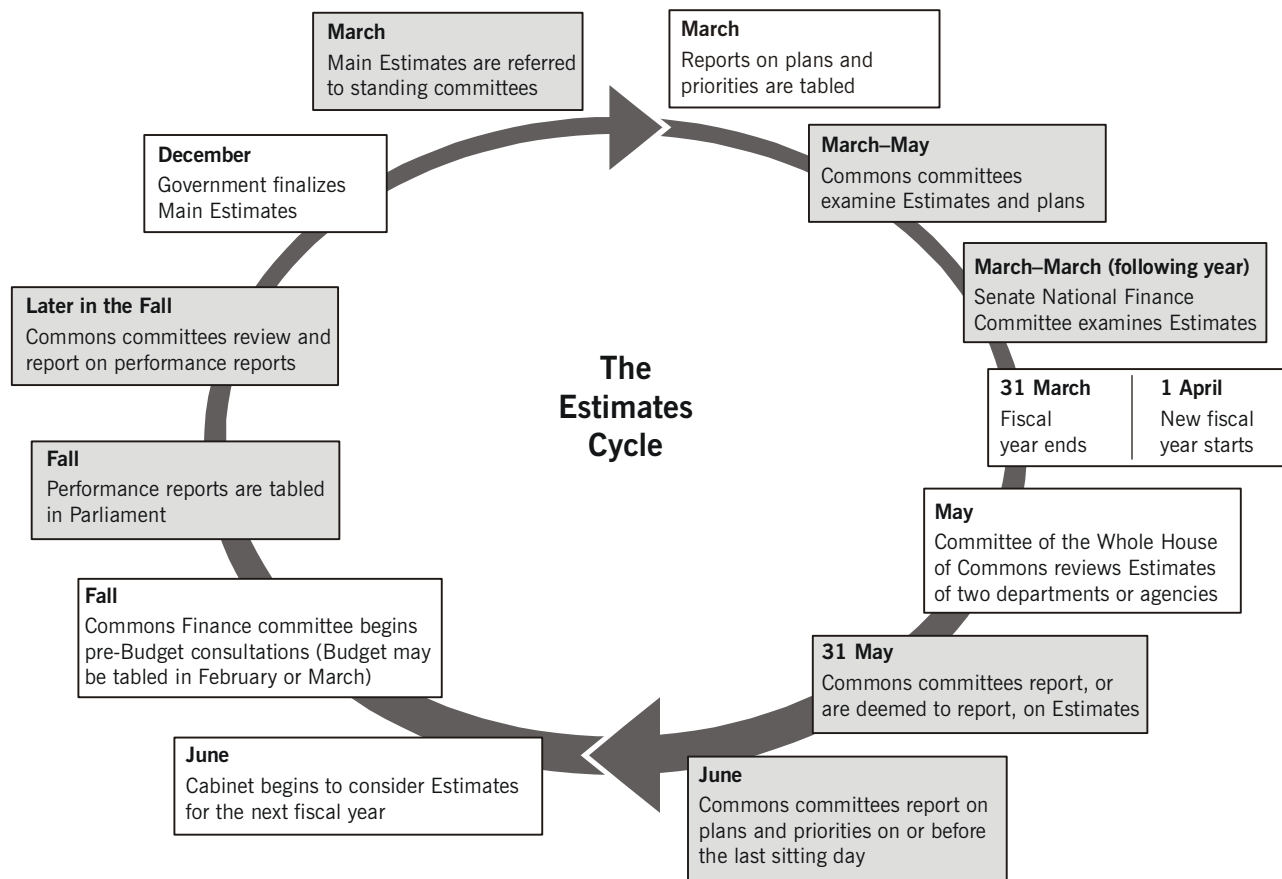
The government may also table Supplementary Estimates, often in the fall and the spring, if the amount voted in the Main Estimates is insufficient or if new funding or a reallocation of funds is needed.

The Main Estimates are referred by the House of Commons to committees by 1 March. Standing committees may review them and report back to the

House by 31 May. Committees may also choose to review and report on performance reports when they are tabled in the fall. The Main Estimates are referred by the Senate to committees in March. The Standing Senate Committee on National Finance may review them and report on them throughout the fiscal year.

Figure 1 describes the Estimates cycle, which comprises several steps. Review by standing committees is shaded in grey; joint committees follow the review cycle of the committees of the House of Commons.

**Figure 1** The Estimates cycle



Source: Adapted from the 51st report of the Standing Committee on Procedure and House Affairs, *The Business of Supply: Completing the Circle of Control*

## Parliament's role in the Expenditure Management System

Parliamentary standing committees can help the Expenditure Management System function properly. For example, by reporting on Estimates documents, committees can provide advice to the government for developing subsequent Budget and Estimates proposals.

Committees can assist Cabinet's summer review of government priorities by reviewing the reports on plans and priorities, challenging the government's performance expectations, and reporting on them.

Parliamentarians can contribute to setting government expenditure plans and priorities three times a year during

- spring planning,
- fall performance reporting, and
- Budget and Main Estimates consultations.

Each spring, all departments and agencies submit reports on plans and priorities to Parliament. The appropriate standing committee reviews them and, for the House of Commons, has until the end of June to submit a report. These documents are intended to provide information on the spending plans and priorities of departments and agencies and on how resources entrusted to them will contribute to the achievement of their strategic outcomes.

Committee reports to the Senate or the House on departmental performance reports can provide input to the Budget process and the ensuing Main Estimates.

Each fall, government departments and agencies prepare a departmental performance report. These reports are tabled in Parliament and may be reviewed by the appropriate committees. They provide information on program results over several years and on whether performance targets are being met. This information reaches Parliament during the same period as other key accountability and planning documents, including the *Public Accounts of Canada* (the annual financial statements and record of transactions that show all federal spending, borrowing, and taxation), the Budget consultation strategy papers, the Annual Financial Report of the Government of Canada, and the annual report of the President of the Treasury Board on results-based management and accountability. The focus of the 2003 and 2004 annual reports of the President of the Treasury Board, *Canada's Performance*, was the quality of life of Canadians.

When the government tables the Budget, it declares its spending priorities for the upcoming years. Main Estimates are tabled shortly thereafter, outlining the government's detailed expenditure plan for the next fiscal year. Then the government seeks the approval of the House of Commons for its overall direction, which provides the clearest opportunity for the opposition to move amendments of no confidence. Both the Budget and the Main Estimates are based on the consultations that have occurred during the previous year, including the advice and reports provided by committees.

The Estimates cycle starts over at this point as departments and agencies table their next reports on plans and priorities. Reviewing these plans gives committees the opportunity to assess how the advice they provided the previous spring and fall affected multi-year planning.

## **Selected parliamentary review mechanisms**

In the past few years, several changes have been made to improve the Estimates review process. Those include changes to planning and performance documentation; review in the House of Commons of the Estimates of two departments or agencies by a Committee of the Whole; and creation of the Standing Committee on Government Operations and Estimates of the House of Commons, with the Chair from the Official opposition. The Standing Senate Committee on National Finance has continued its review of Estimates matters.

### **Planning and performance documentation**

As a result of the ongoing Improved Reporting to Parliament Project, information provided to Parliament should become easier to understand, more descriptive, and more focussed on results.

Reports on plans and priorities focus on strategic outcomes and the program activities that benefit Canadians, and describe the roles and responsibilities of the department or agency in achieving those outcomes. They have a three-year planning period and describe the organization's mandate, mission, and strategic objectives. They also provide information about the organization's management, resources and results structure, planned results, performance measurement strategy, and the link between resources and program activities.

Departmental performance reports outline the achievements of departments and agencies in relation to the goals set out in the reports on plans and priorities. Departmental performance reports seek to show how an organization contributed to its strategic outcomes, explain any shortcomings in performance, and indicate lessons learned. (See Appendix A for a glossary of common results-based management and accountability terms.)

Reports on plans and priorities and departmental performance reports enable

- parliamentary committees to discuss with ministers or departmental officials the direction of public policy and the results achieved,
- parliamentarians to offer advice about program expectations, and
- committees to offer suggestions about the form and quality of these Estimates documents.

### **Review in the House of Commons by a Committee of the Whole**

On 4 October 2001 (and amended on 18 September 2003), the House of Commons' standing orders were amended to re-introduce another method for reviewing selected Estimates. The Leader of the Opposition, in consultation with the leaders of the other opposition parties, refers the Estimates of no more than two departments or agencies to a Committee of the Whole House for review. The chosen Estimates are reviewed, one day each, in a four-hour session.

The review of Estimates by the Committee of the Whole House allows for

- a more thorough review of the Estimates of two departments,
- ministerial presence during the review,
- all members of Parliament to review a specific department, and
- greater visibility of the Estimates review process.

### **Standing Committee on Government Operations and Estimates of the House of Commons**

The mandate of the Standing Committee on Government Operations and Estimates enables it to review management and expenditure plans of the Privy Council Office, the Treasury Board Secretariat, the Public Service Commission, and Public Works and Government Services Canada. It can also review specific expenditure items across all departments, including the use of information and communication technologies. For all these, the Committee can reduce any estimate (vote) in co-ordination with other committees, subject to reinstatement by the House. In addition, the Committee has a mandate to review the Estimates process, Crown corporations, private foundations that distribute government funds, horizontal government programs, and the use of contingency funds.

The Committee provides for

- valuable discussions about the adequacy of the information provided to committees,
- better review of Estimates documents,
- better horizontal and government-wide reporting,
- increased attention to the Estimates process, and
- a reformed Estimates system.

Since its beginning, the Committee has examined departmental spending and reported to the House on the Estimates referred to it. The Committee has also reported on improvements needed in the Estimates process.

### **Standing Senate Committee on National Finance**

The mandate of the Standing Senate Committee on National Finance is to focus on government spending and examine federal estimates, including the national accounts, the reports of the Auditor General, and government finances. It also undertakes special studies of specific issues that are usually related to government spending and the Estimates.

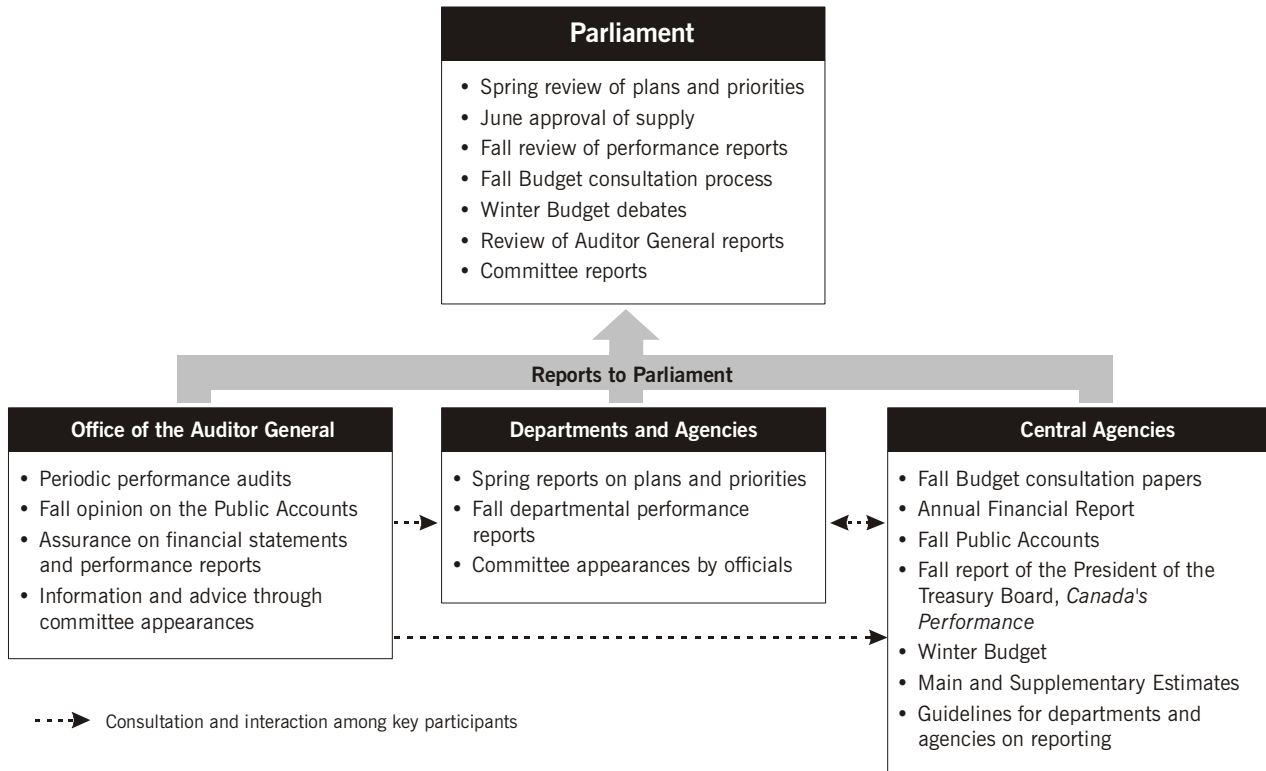
The Committee

- provides a focussed approach to reviewing the Estimates,
- considers the Estimates throughout the fiscal year,
- evaluates government programs related to the Estimates, and
- reports on the Estimates in the Senate before appropriation bills are considered.

## Other key participants in Estimates review process

As well as Parliament, several other participants are important to the Estimates review process (Figure 2).

**Figure 2** Roles and documentation in the Estimates review process



### Departments and agencies are responsible for program delivery

The key contacts for committees are the officials of the departments and agencies who prepare the Estimates documents. These officials plan and implement programs and ensure that the information in the Estimates documents is fair and reliable. Departments are also responsible for program evaluations, internal audits, and reports on the results of their programs. They also discuss with committee members the important features of their reports to Parliament. These include

- the overview, context, and strategic directions;
- performance expectations;
- actual performance against expectations; and
- lessons learned.

### **Overview, context, and strategic directions**

These are described in reports on plans and priorities and departmental performance reports and include the following:

- the department's mission, mandate, responsibilities, strategic objectives, and priorities;
- program objectives in terms of their benefits for Canadians;
- the organization of the department and its resources; and
- the factors that will likely affect the department's plans and performance, for example, risks, critical issues, trends, stakeholders, and strategic relationships.

### **Performance expectations**

These are set out in the reports on plans and priorities and departmental performance reports and include the following:

- the planned results of each program activity or specific program, and the relationship between these results and the related costs;
- the department's sustainable development strategy; and
- the planned results of any horizontal management arrangements.

### **Actual performance against expectations**

This is described in departmental performance reports and includes the following:

- accomplishments in relation to planned results;
- the department's contribution to its strategic outcomes;
- the use of resources to achieve results, and significant variations between planned and actual figures; and
- the appropriateness of the means used to deliver the programs.

### **Lessons learned**

These are described in reports on plans and priorities and departmental performance reports and include the following:

- lessons learned from past performance, and the action taken to address weaknesses or promote good practices; and
- major challenges to the capacity to sustain or improve performance.

### **Central agencies integrate the departmental and Budget planning process**

Central agencies include the Department of Finance, the Privy Council Office, and the Treasury Board Secretariat. These agencies co-ordinate the Budget process by helping Cabinet determine government-wide priorities, reviewing programs, and allocating resources. Public input into the Budget planning process is sought through the Finance Minister's tabling of the fall *Economic and Fiscal Update* in the Standing Committee on Finance, as well as the Committee's subsequent hearings and report, and nation-wide discussions with the provinces and other stakeholders.

### **The Treasury Board is the government's management board**

The Treasury Board is a Cabinet committee that manages the government's financial, human resource, and administrative responsibilities. Its ministers set policy, examine and approve the spending plans of government departments, and review the development of programs approved by Cabinet. It is supported by the Treasury Board Secretariat and the Public Service Human Resources Management Agency, and is considered the expenditure manager, employer, and general manager of the Government of Canada.

As the government's expenditure manager, the Treasury Board, through its Secretariat, prepares Estimates and monitors departmental program spending. As the government's employer, it establishes the terms and conditions under which the public service attracts and retains the staff it needs to do its work. As the government's general manager, the Treasury Board provides the policy framework for accounting, audits, evaluations, contracts, financial management, information technology, real property, and regulatory affairs.

Treasury Board ministers are also responsible for ensuring departments and agencies comply with the acts that govern human resource management, public service pensions, employment equity, official languages, access to information, privacy, and the management of real property.

### **The Treasury Board Secretariat supports the Treasury Board**

The Treasury Board Secretariat can be described as the Treasury Board's administrative arm. Its mandate is to support the Treasury Board as a committee of ministers and to fulfill its statutory responsibilities as a government central agency. It provides advice to the Treasury Board and its President about policies, directives, regulations, and program expenditure proposals that affect the government's financial, human, and material resources. It is responsible for the general management of horizontal initiatives, issues, and activities. However, the primary accountability for program policy and operational management rests with departments and agencies.

### **The Treasury Board Secretariat can help committees and their research staff review Estimates documents**

Committees may seek information that is beyond the information tabled by individual departments and agencies. The Secretariat can help committees by

- discussing government-wide portfolio and horizontal issues, for example, modern comptrollership, results-based management, accountability and review, alternative delivery initiatives, quality of service and service standards, and workforce structure;
- giving committees tools that provide a context for departmental reporting, for example, the President of the Treasury Board's annual report on government-wide performance, *Canada's Performance*, and the Strategic Outcomes Database; and



- providing committees with information about the Expenditure Management System, the Estimates, and the public accountability process.

Committees may want to consult with the Secretariat about any improvements to these tools, systems, and information.

### **The Office of the Auditor General identifies opportunities for improvement**

The Office performs independent performance (value-for-money) and financial audits of departments and agencies. These audits often identify opportunities to improve government systems and practices. They may also include recommendations that support corrective action.

The Office analyzes and comments on information provided by departments. This helps Parliament hold the government to account for its stewardship of public funds and how it exercises public authority. The Office provides independent information to Parliament and offers advice on how to improve government programs. The Office serves Parliament and the well-being of Canadians by promoting an accountable government, an ethical and effective public service, good governance, sustainable development, and the protection of Canada's legacy and heritage.

The work of the Office answers three questions:

- Were programs and activities, including those related to the environment and sustainable development, run with due regard for economy and efficiency, and is effectiveness measured and reported? Performance audits examine management practices, controls, and reporting systems. They do not question the merits of government policies, instead they help legislators judge how well policies and programs were implemented.
- Did the government collect or spend the authorized amount of money for the purposes Parliament intended? The auditor asks if the government has complied with Parliament's wishes.
- Is the government keeping proper accounts and records, and presenting its financial information fairly? Financial and attest audits address this question.

The Auditor General may present to the House of Commons up to three reports a year, in addition to her annual report. These reports contain the following:

- performance audits of federal departments and agencies and issues that cross departmental lines;
- government-wide audits, for example, the use of computers;
- status reports, which review the actions taken by departments in response to previous audits; and
- other audit observations, which are significant matters not included in any other audit report.

The Auditor General also provides an opinion on the government's financial statements (attest audit), which is included in the *Public Accounts of Canada* and published each fall.

The Commissioner of the Environment and Sustainable Development, on behalf of the Auditor General, reports annually to the House of Commons on the extent to which departments have met the objectives and implemented the plans set out in their sustainable development strategies.

## Committee review of Estimates documents

The use of and interest in planning and performance information by parliamentary standing committees offer two potential benefits. Departments will be encouraged to provide better information to committees, and parliamentarians will be able to hold the government to account.

Planning and performance information should allow committees to assess the overall direction of public policy and the government's use of resources, and to suggest areas where priorities should be adjusted or resources reallocated. A certain amount of trial and error will undoubtedly occur when departments prepare reports and committees review them. In addition, departments may be reluctant to candidly report on performance that did not meet expectations. By holding departments to account, that is, encouraging them to explain what happened, to report corrective actions, and to discuss what they have learned, the process can be instructive for the committee and the department.

The Office of the Auditor General's December 2000 Report, *Reporting Performance to Parliament: Progress Too Slow*, noted that the review of Estimates was limited. Parliamentarians cited their frustration over the limits in the role they can play in the Estimates process. While some committees of the House of Commons actively review Estimates documents, most do not. These concerns were reinforced by a survey of parliamentarians in late 2003, conducted by the Library of Parliament and published as *The Parliament We Want, Parliamentarians' Views on Parliamentary Reform*.

### Effective meetings with officials

Through research and planning, asking the right questions, and seeking help from other organizations, committees can make their review of Estimates documents more effective. Committees can do the following:

- have committee members carefully examine the Estimates, the reports on plans and priorities, and departmental performance reports to identify areas of interest or concern;
- develop a set of priority areas, possibly in a planning meeting, to ensure the right officials are present and that they can address these issues;
- have researchers prepare technical and administrative questions, which are forwarded by the chair to departmental officials before their appearance in front of the committee;
- cover key program areas on a cyclical basis, rather than all at once;
- target areas where committees can have the greatest impact, such as the strategic direction of programs, their impact on Canadians, and opportunities for improvement;

- use the information and expertise available from other organizations, such as industry groups, interested parties, and the Office of the Auditor General to support the committee's review;
- engage stakeholders in discussions about reports on plans and priorities and departmental performance reports; and
- use electronic sources of detailed information to support the high-level information provided in Estimates documents.

### **Questions standing committees can ask**

When reviewing reports on plans and priorities and departmental performance reports, committees can ask several questions. (These questions, which are listed below, are available in detachable pages in Appendix B.)

#### **Government policy and direction**

- Are the strategic outcomes (objectives) and costs of the program reasonable?
- Would taxpayers agree that these are wise investments and the right priorities?
- Do the program and its objectives continue to make sense in today's context?
- Is the level of resources appropriate?
- Are the risks, challenges, and the course of action adequately discussed?
- Are the strategic outcomes (objectives) and costs of the program clearly described and linked with other horizontal results?
- Is the program's overall direction clear?
- Is it clear what planned results are to be achieved in the short, medium, and long term; by when; and at what cost?
- Is it clear what would have to be accomplished for the program to be judged a success?
- Is the program adequately linked to the related horizontal results of other programs?

#### **Benefits for Canadians**

- Has the program delivered the planned results?
- Is there a logical, credible link between the outputs (services provided) and the planned outcomes?
- Is the program achieving its strategic outcome and planned results?
- Is the program sustainable in light of the risks and challenges?
- Is the financial information adequate?
- Is it clear what has been and will be spent on the program?
- Are significant year-to-year variations in expenditures or revenues explained?

- Was the program's contribution to the results achieved explained well?
- What things other than the program's activities could affect the results discussed, for example, external economic and social factors?
- Are the measures used to report results clear and reasonable?
- Is the evidence presented relevant and reliable?

**Delivery of the program**

- Was the program managed with proper attention to fairness, propriety, and sustainable development?
- Is there assurance that public sector values and ethics are integrated in management controls, for example, codes of conduct?
- Does performance information provide assurance of fairness in service delivery?
- Is the sustainable development strategy effective?

**Better ways of delivering results**

- Could the program be managed more efficiently?
- Can the program be redesigned to produce the same result at less cost or to produce better results for the same cost?
- Could the results be delivered more effectively?
- Has the right balance been achieved among the various delivery instruments, for example, policy, regulation, and direct program delivery?
- Would collaborating with other levels of government or the private sector be more effective?

**Usefulness of the Estimates documents**

- Could the documents be made more useful for the committee's policy and legislative agenda?
- Would including additional information in the Estimates documents be useful?
- Have the departments responded to previous committee suggestions and recommendations?
- Have appropriate cross references been provided to relevant documents, such as the Budget and Auditor General reports?

Depending on the answers to these questions, committees may decide to report on the results of their study and, if appropriate, recommend changes to program priorities. This could be done in June before the last sitting day, in the fall when departmental performance reports are tabled, or in the spring when the following year's Estimates are tabled. Committees may want to suggest changes to the reports in order to better serve their needs.

### **The Office of the Auditor General can help**

The Office of the Auditor General's main relationship with Parliament is with the House of Commons Standing Committee on Public Accounts. In the Senate, the Office also works with the Standing Senate Committee on National Finance. The Commissioner of the Environment and Sustainable Development's reports are referred to the Commons Standing Committee on Environment and Sustainable Development.

There are several ways the Office can help other parliamentary committees review spending plans, past performance, and other management issues.

**The Auditor General and other senior representatives of the Office are available to appear as witnesses, where the Office has done relevant audit work.** Over the years, the Office has audited many government entities and management practices. Its staff can describe the results of these audits to committees or to their staff. They can also comment on actions taken by departments in response to recommendations made in the Auditor General's reports or in reports of the Standing Committee on Public Accounts.

**The Office monitors committee interests and concerns in order to provide information that is timely and relevant.** It works with committees and their staff to help them understand and efficiently use audit information. In the past, the Office has shared its plans with committees and has made an effort to conduct audits when they would be most useful to them. The Office carefully considers all requests from committees to conduct audits. For example, at the request of the Standing Committee on Government Operations and Estimates, the Office audited the Office of the Privacy Commissioner of Canada and reported its results in September 2003.

**The Office will report on the quality, fairness, and reliability of selected departmental performance reports.** The Standing Committee on Public Accounts requested that the Office review selected departmental performance reports; the first review was published in May 2003. These reports help the Committee review specific departments and agencies and develop critical analysis techniques. The Office also can help Committee research staff review planning and performance documents.

**Where the Office has expertise, it can support parliamentarians and committees when requested.** Office staff have extensive knowledge about government departments and management practices. The Office can help parliamentarians by conducting briefings on an individual basis or with parliamentary committees on subject matters of interest based on past audits.

## Concluding thoughts

Reporting to Parliament is critical to ensuring accountability. Key changes within the federal public sector need to be scrutinized by Parliament. Examples of these changes include alternative service delivery mechanisms for federal public policy and a continued emphasis on results-based management.

Providing better planning and performance information, having the Estimates reviewed in the House of Commons by a Committee of the Whole, creating the Standing Committee on Government Operations and Estimates, and the continued review by the Standing Senate Committee on National Finance allow for a more effective review of Estimates documents.

We encourage committees to devote time to reviewing Estimates documents. They can challenge the government to provide clear plans and priorities and hold it to account by scrutinizing performance information.

## Appendix A Results-based management and accountability terms

**Horizontal result:** An outcome that is produced through the contributions of two or more departments or agencies, jurisdictions, or non-governmental organizations.

**Managing for results:** When managing for results, ministers, senior officials, and managers make decisions based on what a program is achieving—the results that citizens value—and at what cost.

**Outcome:** An external consequence attributed to an organization, policy, program, or initiative that is considered significant in relation to its commitments. Outcomes may be described as immediate, intermediate or final, direct or indirect, intended or unintended.

**Output:** Direct products or services stemming from the activities of a policy, program, or initiative and delivered to a target group or population.

**Performance:** How well an organization, policy, program, or initiative is achieving its planned results measured against targets, standards, or criteria. In results-based management, performance is measured and assessed, reported, and used as a basis for management decision making.

**Planned results (targets):** Clear and concrete statement of results (including outputs and outcomes) to be achieved within the time frame of parliamentary and departmental planning and reporting (1–3 years), against which actual results can be compared.

**Strategic outcome:** The long-term benefits to Canadians that stem from a department's vision and efforts. These outcomes describe the difference a department is mandated to make. In most cases, these outcomes will require the combined resources and sustained effort of several partners over a long period of time. More importantly, progress toward these outcomes will require, and Canadians will expect, the leadership of a federal department or agency. (In previous documents this term was also called departmental outcome, strategic objective, key results commitment, and business line outcome.)

Source: Lexicon for Results-Based Management and Accountability, Treasury Board Secretariat, ([www.tbs-sct.gc.ca/rma/lex-lex\\_e.asp](http://www.tbs-sct.gc.ca/rma/lex-lex_e.asp)).

A lexicon for reports on plans and priorities and departmental performance reports is available at [www.tbs-sct.gc.ca/est-pre/20052006/Lex\\_e.asp](http://www.tbs-sct.gc.ca/est-pre/20052006/Lex_e.asp).





## Appendix B Questions standing committees can ask

When reviewing reports on plans and priorities and departmental performance reports, committees can ask several questions.

### Government policy and direction

- Are the strategic outcomes (objectives) and costs of the program reasonable?
- Would taxpayers agree that these are wise investments and the right priorities?
- Do the program and its objectives continue to make sense in today's context?
- Is the level of resources appropriate?
- Are the risks, challenges, and the course of action adequately discussed?
- Are the strategic outcomes (objectives) and costs of the program clearly described and linked with other horizontal results?
- Is the program's overall direction clear?
- Is it clear what planned results are to be achieved in the short, medium, and long term; by when; and at what cost?
- Is it clear what would have to be accomplished for the program to be judged a success?
- Is the program adequately linked to the related horizontal results of other programs?

### Benefits for Canadians

- Has the program delivered the planned results?
- Is there a logical, credible link between the outputs (services provided) and the planned outcomes?
- Is the program achieving its strategic outcome and planned results?
- Is the program sustainable in light of the risks and challenges?
- Is the financial information adequate?
- Is it clear what has been and will be spent on the program?
- Are significant year-to-year variations in expenditures or revenues explained?
- Was the program's contribution to the results achieved explained well?
- What things other than the program's activities could affect the results discussed, for example, external economic and social factors?
- Are the measures used to report results clear and reasonable?
- Is the evidence presented relevant and reliable?

### Delivery of the program

- Was the program managed with proper attention to fairness, propriety, and sustainable development?
- Is there assurance that public sector values and ethics are integrated in management controls, for example, codes of conduct?
- Does performance information provide assurance of fairness in service delivery?
- Is the sustainable development strategy effective?



### **Better ways of delivering results**

- Could the program be managed more efficiently?
- Can the program be redesigned to produce the same result at less cost or to produce better results for the same cost?
- Could the results be delivered more effectively?
- Has the right balance been achieved among the various delivery instruments, for example, policy, regulation, and direct program delivery?
- Would collaborating with other levels of government or the private sector be more effective?

### **Usefulness of the Estimates documents**

- Could the documents be made more useful for the committee's policy and legislative agenda?
- Would including additional information in the Estimates documents be useful?
- Have the departments responded to previous committee suggestions and recommendations?
- Have appropriate cross references been provided to relevant documents, such as the Budget and Auditor General reports?

