RESULTS-BASED MANAGEMENT AND ACCOUNTABILITY FRAMEWORK OF THE MODERN COMPTROLLERSHIP INITIATIVE

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TABLE OF CONTENTS

EXECUTIVE OVERVIEW ii

THE RESULTS-BASED MANAGEMENT FRAMEWORK 1

PROFILE OF THE MODERN COMPTROLLERSHIP INITIATIVE 3

LOGIC MODEL: FROM ACTIVITIES TO OUTCOMES 8

Sources of Information 8

Activities and Outputs 10

Intermediate Outcomes 11

Ultimate Outcomes 11

Some Suggested Timeframes for Realization of the Expected Outcomes 13

ONGOING PERFORMANCE MEASUREMENT STRATEGY 18

EVALUATION STRATEGY 16

REPORTING STRATEGY 22

Annex A - Departments and Agencies: Ongoing Performance Measurement

Initial Activities and Outputs of the Initiative

Annex B - Departments and Agencies: Ongoing Performance Measurement
Intermediate Outcomes

Annex C – TBS: Ongoing Performance Measurement
Initial Activities and Outputs of the Initiative

Annex D - Evaluation Strategy: Issues, Indicators and Data Sources

Annex E - Indicators of Long-term Sustainability

Annex F – Lexicon of Terms Used in the RMAF

Annex G - Baseline of the Modern Comptrollership Initiative and Key References

EXECUTIVE OVERVIEW

Introduction

As described in *Results for Canadians*, Modern Comptrollership is a key priority set out by the federal government to modernize management practices in the 21st century. A progressive step in the continuum of management improvements in the federal government, the Modern Comptrollership Initiative aims at establishing a strong foundation of management practices intended to provide managers with integrated financial and non-financial performance information, a sound approach to risk management, appropriate control systems and a shared set of values and ethics.

Modern Comptrollership is about working smarter for better results: better informed decisions, better public policies and better service delivery. Ultimately, it is about effective stewardship of resources of all types throughout the federal government with greater attention to results for Canadians.

The management framework for the federal government, *Results for Canadians*, also states that public service managers are expected to:

- define anticipated results and continually focus attention towards results achievement;
- measure performance regularly and objectively, and learn from this information; and,
- adjust to improve efficiency and effectiveness.

This Results-based Management and Accountability Framework **(**RMAF) for the Modern Comptrollership Initiative has therefore been developed to provide managers in departments, agencies and at the Treasury Board Secretariat (TBS) with a single, comprehensive and reliable instrument to evaluate and report on the performance of this major learning and culture-changing initiative for the Government of Canada.

This document contains a profile of the Modern Comptrollership Initiative (MCI), guidance for ongoing performance measurement, as well as evaluation and reporting strategies. While the body of the RMAF describes the various strategies, its' annexes include issue statements, suggested performances indicators and data sources as practical guidance for those charged with assessing and reporting on the progress and results achieved by the Modern Comptrollership Initiative.

This RMAF is the latest in a series of tools developed by the TBS to guide the implementation and assessment of the MCI:

- the *Modern Comptrollership Capacity Check* provides a basis for departments and agencies to conduct baseline assessments on the state of management practice in their organizations as they embark on Modern Comptrollership, and to identify priority areas for improvement under MCI;

- the *Guidance for Developing Action Plans for Federal Departments and Agencies Implementing Modern Comptrollership* outlines the essential elements for management improvement action plans to address the findings of the Capacity Check; and

- *Modern Comptrollership Practices: Toward Management Excellence* provides departments and agencies with practical guidance in the planning, development and implementation of their management improvement action plans. In terms of linkages between the RMAF and this document, the performance indicators relating to the suggested activities to be undertaken in implementing management improvement action plans presented in *Modern Comptrollership Practices* appear, along with issue statements and data sources for assessing and evaluating progress, in the annexes to the RMAF.

For any advice on the application or use of the RMAF please contact:

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THE RESULTS-BASED MANAGEMENT FRAMEWORK

Objective Of This RMAF

The management framework for the federal government, *Results for Canadians*, states that public service managers are expected to define anticipated results, continually focus attention towards results achievement, measure performance regularly and objectively, learn from this information and adjust to improve efficiency and effectiveness.

This RMAF was developed as a tool for managers in departments, agencies, and at the Treasury Board Secretariat (TBS) to help in measuring and reporting on results being achieved through the Modern Comptrollership Initiative. It serves as a single, comprehensive and reliable instrument to evaluate, and report on, the performance of this major learning and culture changing initiative for the Government of Canada.

It was developed using the "Guide for the Development of Results-based Management and Accountability Frameworks" issued by TBS in August 2001. As well, the terminology used throughout this report is consistent with the Lexicon included in the TBS Guide. All terms are presented and defined in Annex F.

RMAF Structure

This RMAF describes the roles and responsibilities of the main partners involved in the MCI, presents a logical sequence of activities, a chain of outcomes, performance measures and a strategy to track, evaluate and report on progress over the life cycle of the *Initiative*.

The RMAF is structured as follows:

1. Profile of the MCI
2. Logic Model
3. Ongoing Performance Measurement Strategy
    a. Identification of Performance Indicators
    b. Measurement Strategy
4. Evaluation Strategy
    a. Evaluation Issues and Questions
    b. Data Sources
5. Reporting Strategy

The purpose of each of these elements is explained in each section. As well, a baseline from which to measure the progress of the *Initiative* has been developed and is included as Annex G to this document.

Methodology

The team responsible for the development of the RMAF held two joint TBS / Departmental / Agency working sessions to get input to the development of the RMAF, with a special focus on performance indicators, performance measurement, evaluation questions, and data collection and reporting. Participants from small and large organizations with experience in management, finance and audit were involved. TBS participants represented such areas as risk management, internal audit and evaluation.

PROFILE OF THE MODERN COMPTROLLERSHIP INITIATIVE

Purpose

The purpose of this section is to describe the Modern Comptrollership Initiative, its background and genesis, objectives and target population, delivery approach, resources, governance structure and planned results. Because of the abundance of information already available regarding the *Initiative*, on departmental and Treasury Board Secretariat websites, this section is intentionally brief.

Background

Comptrollership in the past has focused on recording, reporting and controlling financial transactions to ensure compliance and conformity with established authorities, procedures and policies. The Modern Comptrollership Initiative began in 1997 with the publication of the *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*, which presented the recommendations of a joint public and private sector panel of experts. In order to address the recommendations of the Panel, the MCI was developed and a pilot phase to test its principles and to develop tools and approaches began in 1998. Following the pilot phase in June 2001, TB Ministers approved the implementation of the MCI government-wide.

Supporting *Results for Canadians*, Modern Comptrollership is one of six priorities of the government's modern management agenda. The other five priorities are: Citizen-centered Service Delivery; Government of Canada On-line; Improved Reporting to Parliament; Program Integrity; and Development of an Exemplary Workplace. When taken together, this yields a powerful modern management agenda whose implementation will make the Government of Canada more transparent, accountable, fiscally responsible, results-oriented and responsive to the needs of all Canadians.

Modern Comptrollership goes beyond traditional comptrollership, which focuses primarily on financial information:

- it supports the effective stewardship of resources of all types throughout the federal government;

- it focuses on sound resource management and rigourous stewardship,

- it supports effective decision-making based on the availability of reliable and integrated financial and non-financial information, improved risk management and implementation of appropriate control systems; and,

- it is based on shared ethical practices and values.

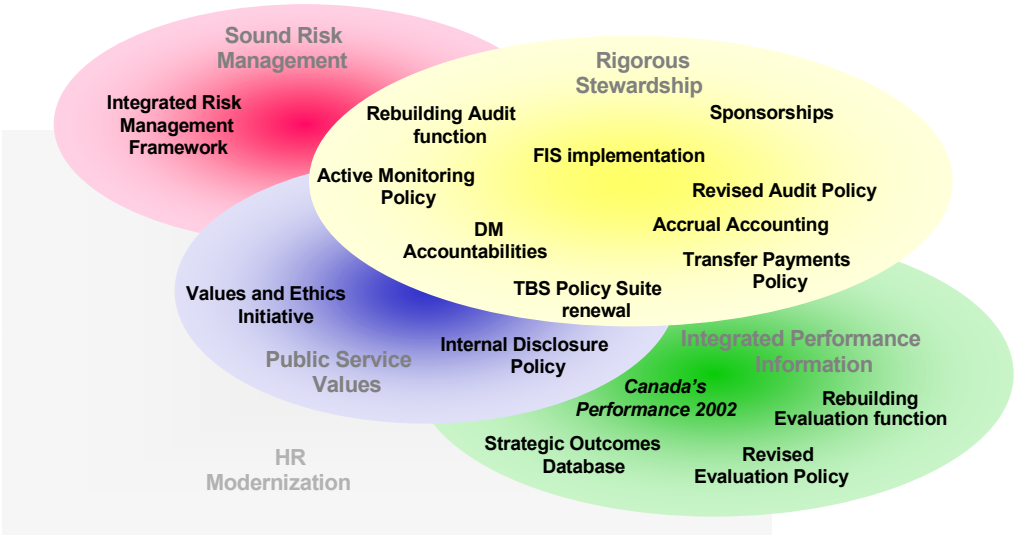
Modern Comptrollership makes the comptrollership function every manager's responsibility. It is about working smarter to achieve better results for Canadians; better decisions; better policies; and better service. Modern Comptrollership also emphasizes accountability to Parliament and to Canadians.

The objective of the MCI is to root modern comptrollership practices and principles in the management approach throughout the Public Service such that it will be sustainable and integrated into management practice and decision-making over the long term.

Modernizing the Management Context

Management policies have to be 'modernized' to reflect the vision of Modern Comptrollership in order to create a policy context conducive to Modern Comptrollership practices. This is the TBS's principal contribution to the implementation of Modern Comptrollership and it is not yet complete. TBS is currently reviewing its whole policy suite with a view to rationalizing the many policies currently in place. As noted by the *Independent Review Panel*, TBS has an important role to play in creating a cohesive framework for comptrollership responsibilities, and thus it has moved to modernize existing, and introduce new, management policies over the past 4 years. These have strengthened the foundations of Modern Comptrollership and provided guidance to departments and agencies. Some notable examples are renewed Internal Audit and Evaluation Policies introduced in April 2001, along with the creation of Centres of Excellence in both functions. This recognizes the important role that is played by these functional specialists in implementing Modern Comptrollership across government. While not all changes were directly related to Modern Comptrollership, they nonetheless reflect its vision and clarify the context for change. Other examples include the *Integrated Risk Management Framework*, published in April 2001, and the TBS Transfer Payment Policy.

TB Has Modernized the Policy Context



Approach to the Implementation of Modern Comptrollership

The principles and concepts surrounding Modern Comptrollership have been conceptualized as "enablers and pillars" for the purposes of government-wide implementation.

The "enablers" of Modern Comptrollership

Efforts to address the three enablers set the conditions for, and facilitate, changed management practice. They are as follows:

- **Strategic Leadership** refers to the awareness and commitment of managers at all levels to establish and sustain a results oriented environment where modern management practices are supported by strong and effective functional advice, corporate planning and resource allocation and reallocation processes and mechanisms.
- **Motivated People** focuses on establishing and sustaining an organizational culture based on the involvement, cooperative effort and commitment of all employees, supported by modern management practices, open communication, continuous learning and a client/results focus, to ensure a productive and well-balanced work environment.
- **Clear Accountability** involves clearly communicated departmental assignment of responsibilities and authorities to program managers and functional specialists, reinforced by a performance management regime and system of incentives, that is designed to ensure effective service delivery, planning and reporting of results.

The "pillars" of Modern Comptrollership are:

- **Integrated Performance Information** requires the establishment and communication of clear expected outcomes and integrated information on resources, people and clients that enables managers to learn, adjust and improve program effectiveness, efficiency and service quality.
- **Mature Risk Management** seeks the integration of strong risk management practices in strategic and operational decision-making in a manner that supports innovation and sound stewardship.
- **Rigorous Stewardship** relates to implementing an effective and integrated control framework – sound procedures, practices and competencies – to support the organization and individual managers in their achievement of citizen focused results, while ensuring highly effective management of public resources.
- **Shared Ethics and Values** relates to communication and demonstration of strong values and ethics in all management practices, behaviours, and processes that support the ethical stewardship of public resources.

This framework of enablers and pillars has guided the implementation of the MCI government-wide and thus has been used as the basic structure for the development of this RMAF.

Implementation of the MCI

It is principally within departments and agencies that implementation of modern comptrollership principles and practices are taking place. The TBS, through the establishment and operations of the Comptrollership Modernization Directorate, provides leadership, support and guidance on MCI to departments and agencies for the successful implementation of modern comptrollership.

As noted previously, the Government has taken a phased approach to implementing the Modern Comptrollership Initiative:

Phase 1
Phase 1 began in April, 1998 and ran through to March, 2001. Initially five Departments were involved: Agriculture and Agri-Food Canada, Human Resources Development Canada, Indian and Northern Affairs, National Defence and Natural Resources Canada. This group was later expanded to fourteen departments and one agency. Those that joined the pilot phase included Citizenship and Immigration Canada, Environment Canada, Foreign Affairs and International Trade, Health Canada, the Immigration and Refugee Board, Industry Canada, Royal Canadian Mounted Police, Transport Canada, the Treasury Board Secretariat and Veteran's Affairs Canada.

The TBS invested $10.1 million during the pilot phase to assist the fifteen pilots to establish Modern Comptrollership Project Management Offices within their organizations, conduct baseline capacity assessments to determine the state of management practices, and carryout demonstration projects on various aspects of MCI. Pilot organizations also contributed their own funds to the *Initiative*, for a total of $23.1 million.

Phase 2
In June 2001, the Government announced that implementation of Modern Comptrollership would be mandatory for all 99 federal departments and agencies. These organizations are expected to integrate Modern Comptrollership as a key element of their management improvement agendas, and the TB approved an investment of a further $30 million to facilitate the government-wide implementation. As of December 2002, 88 of the total 99 organizations are engaged in the MCI. They are delivering awareness sessions and undertaking training; conducting baseline capacity assessments; and then developing and implementing management improvement action plans to address any deficiencies identified.

Establishing a Baseline for the MCI RMAF

Government-wide

The first step in measuring performance and results is to establish a baseline against which the progress and results of implementing the *Initiative* can be measured. This baseline should reflect the state of comptrollership within the Government of Canada at the outset of the MCI.

The baseline developed by the TBS for use in assessing MCI represents a consolidation of information from a variety of sources:

1. the observations on the state of management made by the *Independent Review Panel;*
2. the consolidation of the results of the capacity checks conducted by pilot departments and resulting in identification of trends in the state of management practice; and,
3. observations made in various reports of the Auditor General in areas relevant to Modern Comptrollership and current management practice within the public service.

This baseline is attached as Annex G. As it is general in nature and represents a cross-section of departments and agencies, it can serve as the baseline for government-wide assessment of progress and results of the MCI.

Departments and Agencies

In measuring performance, it is important to take into consideration the differing dates that departments and agencies joined the MCI. For example, the ten departments that joined the Phase 1 pilot started at different, and in some cases at significantly later dates than the five original departments. As well, the pilot phase was intended for development of tools and experimentation with approaches for broader application based on lessons-learned; as opposed to rapid implementation.

Most departments and agencies should use their Capacity Check Report as the basis and starting point for the measurement of progress and achievements.

For those organizations that joined the MCI early in the pilot phase, however, an alternative to the Capacity Check Report would be their own internal progress reports / periodic evaluations conducted since the original baseline assessment.

LOGIC MODEL: FROM ACTIVITIES TO OUTCOMES

The purpose of the "Logic Model" which follows (Figure 1) is to identify the linkages between the activities of the Modern Comptrollership Initiative, and the achievement of its outcomes. The "Logic Model" is a roadmap or diagram showing the chain of results connecting activities to the expected initial outputs, intermediate and final outcomes. It provides a basis for developing the performance measurement and evaluation strategies.

The components of the logic model are covered in more detail on the following pages and include the:

- activities and outputs;
- intermediate outcomes; and,
- the ultimate outcomes of modern comptrollership.

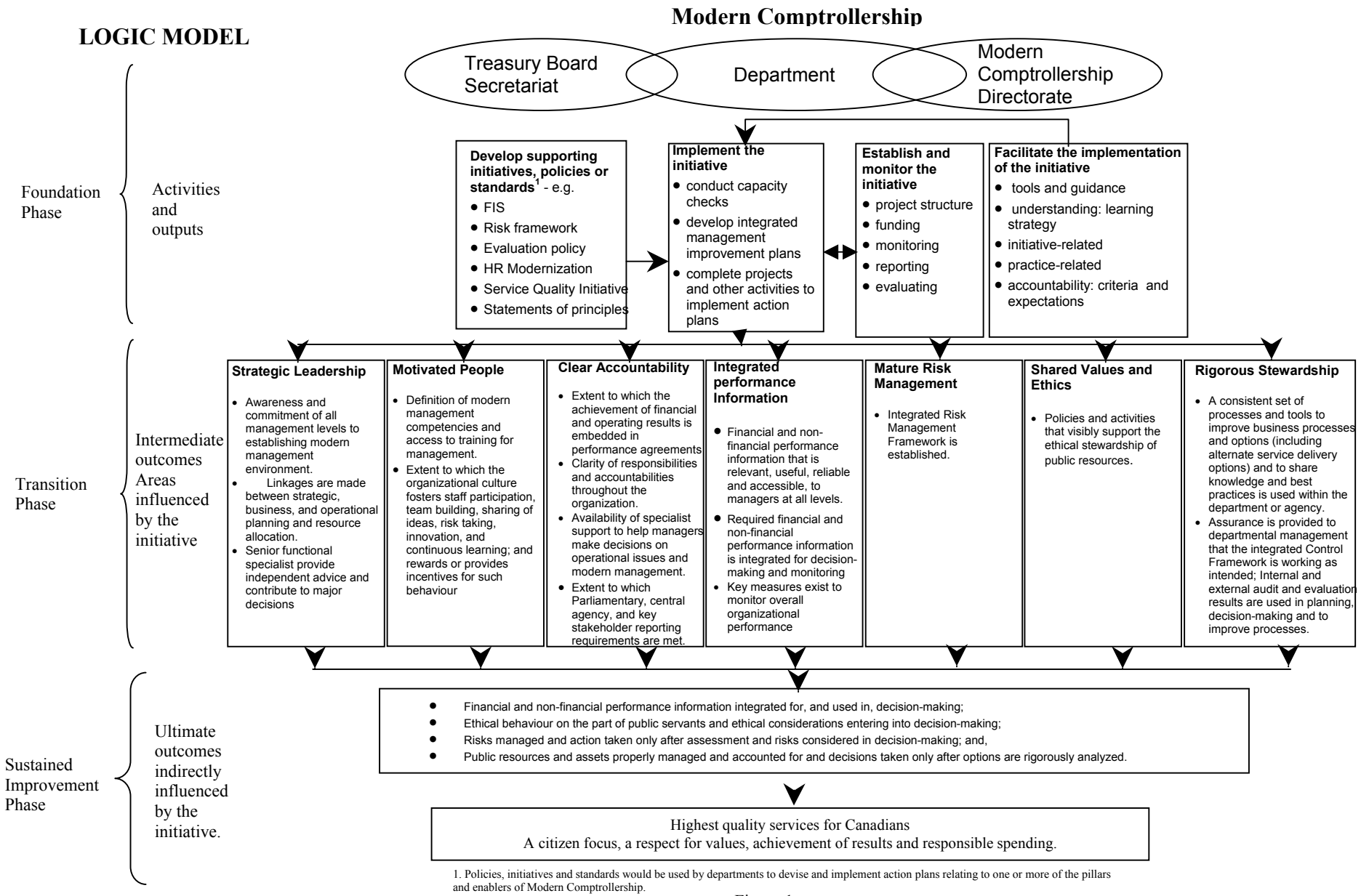
Sources of Information

The activities, outputs and intended outcomes of the *Initiative* and their logical connections were determined from a review of various formal documents describing the MCI:

- *Independent Review Panel* report;
- Comptrollership Modernization Roadmap – 1999;
- Capacity Check diagnostic tool;
- TBS Modern Comptrollership web-site;
- Secretary, TBS letter to Deputy Heads on government-wide implementation (June 22, 2001); and,
- Assessment of Phase 1 report (October 2001).

To assist in preparing the Logic Model, a draft was reviewed by a working group of departmental and agency representatives involved in modernizing comptrollership within their respective departments and agencies. Their comments were then taken into account in finalizing this material.

LOGIC MODEL



1. Policies, initiatives and standards would be used by departments to devise and implement action plans relating to one or more of the pillars and enablers of Modern Comptrollership.

Figure 1

Description of the Elements of the Logic Model

Activities and Outputs

Activities

There are four broad types of activities to be undertaken by departments and agencies, and the TBS, in light of their respective roles and responsibilities for implementation of Modern Comptrollership:

- **Establishing and monitoring the *Initiative*** are responsibilities shared by the TBS (for cross-government implementation) and by individual departments and agencies for their organizations. Activities under this heading include:
  - establishing any necessary project structures;
  - developing governance structures;
  - funding the *Initiative* and allocating resources; and,
  - developing monitoring, reporting and evaluation schemes.

- **Facilitating the implementation** of the *Initiative* falls primarily to TBS. This activity includes: developing the necessary **tools and guidance***,* for example the capacity check diagnostic tool; developing mechanisms to ensure appropriate **accountability,** for example, supporting the governance structure, administering the funding process, setting any necessary expectations for the practice of comptrollership, and assessing and reporting on government-wide progress. The third major responsibility is to promote **understanding** so that the principles and vision of Modern Comptrollership will have been embedded in the roles, skills, and understanding of every manager. Activities in this area include: providing learning opportunities; advocating Modern Comptrollership to senior departmental and agency management; fostering the understanding and practice of Modern Comptrollership by managers at all other levels; and encouraging the sharing of lessons-learned and best practices.

- **Implementing** the *Initiative*, and eventually sustaining modern comptrollership practices, occurs primarily in the individual departments and agencies. This activity includes:
  - conducting *baseline assessments* to determine the status of modern comptrollership baseline practices (funding for the conduct of these assessments was available from the TBS);
  - identifying gaps in practice;
  - developing *action plans* to address gaps deemed to be a priority for the department or agency; and, finally,
  - completing the necessary *undertakings* called for in the action plan.

Complementary and supporting initiatives, policies and standards – As shown previously in Diagram 1, TBS is currently reviewing its entire suite of existing policies with a view to rationalizing them. The challenge is to ensure renewed policies reflect the vision of Modern Comptrollership, and this renewed framework will have a major impact on the success of the *Initiative*. One of the four tenets of Modern Comptrollership is that

in order to deliver results creatively, managers must clearly understand the objectives and principles underpinning the control regime — financial, human resources, assets, etc. — within which they must function. The reworking of existing policies will make expectations clearer and provide better support for managers to carry out individual comptrollership responsibilities. This integrating function is TBS's principal contribution to the implementation of Modern Comptrollership, and while not complete, is underway.

Outputs
The key initial output of the foregoing activities is the development and implementation of action plans by departments and agencies in response to the results of the baseline Capacity Checks they carry out. These action plans are developed taking into account not only the results of the Capacity Check, but also the priorities of the department or agency, and the initiatives, policies, standards, or guidelines provided by the TBS. TBS issued "*Guidance for the Development of Action Plans for Federal Departments and Agencies Implementing Modern Comptrollership"* in May 2002 to support the development of these action plans.

Intermediate Outcomes
(Areas influenced by the *Initiative*)

Full implementation of Modern Comptrollership enablers and pillars is reflected in the intermediate outcomes statements presented in the Logic Model. The working group participants that contributed to the development of this RMAF stated that for the most part they focused first on the implementation of the enablers in the launch of the Modern Comptrollership Initiative, feeling that these were the facilitators of cultural change and needed to be in place to facilitate the implementation of the pillars of the MCI.

Experience has shown, however, that other departments and agencies address the enablers and pillars concurrently from the outset, further to the specific needs and circumstances of their organizations.

We have therefore chosen to present the enablers and pillars together in the Model as the logical result of the initial activities and outputs, while recognizing that each organization's approach and action plan priorities reflect their specific and varying needs as identified in the Capacity Check.

Ultimate Outcomes
(Areas indirectly influenced by the *Initiative*)

The ultimate outcomes of the Modern Comptrollership Initiative, as envisaged broadly by the *Independent Review Panel* and as further articulated by the TBS, are:

- Financial and non-financial performance information is integrated for, and used in, decision-making;

- Risks are managed and action is taken only after assessments and risks have been taken into consideration in decision-making;

- Ethical behaviour is demonstrated on the part of public servants and ethical considerations enter into decision-making; and,

- Public resources and assets are properly managed and accounted for, and decisions are taken only after options are rigorously analyzed.

To summarize the foregoing, at this point the conditions to sustain a culture of management excellence are in place. Management and staff ensure that improvements are, and continue to be, embedded in all practices and processes. There is a prevailing culture of continuous improvement, learning, accountability for results, and use of integrated information in decision-making in the context of a known framework for risk management.

Linkages: Modern Comptrollership Outcomes and *Modern Comptrollership Practices: Toward Management Excellence*

To achieve the outcomes presented in the Logic Model, TBS has recently developed and published guidance in "*Modern Comptrollership Practices: Toward Management Excellence"*. This document provides practical guidance in the planning, development and implementation of the management action plans developed by departments and agencies in response to their baseline Capacity Checks. Structured according to the enablers and pillars, this document presents practices that reflect increasing levels of maturation in the implementation of MC from the Foundation Phase; moving through the Transition Phase; to the Sustaining Phase of Modern Comptrollership. These documents relate in the following way:

- The Foundation Phase activities outlined in the *Modern Comptrollership Practices: Toward Management Excellence* document relate to the Activities and Outputs portion of the Logic Model.

- The Transition Phase and its suggested activities result in the Intermediate Outcomes shown in the Logic Model.

- Finally, the Sustained Improvement Phase and its suggested activities to a certain extent overlap the Intermediate Outcomes and include those activities that lead to the Ultimate Outcomes of Modern Comptrollership.

Some Suggested Timeframes for Realization of the Expected Outcomes

Depending on how developed the enablers and pillars of Modern Comptrollership were at the time of launching the *Initiative,* the timeframes for realizing the expected results will vary greatly by department and agency. For this reason, no timeframes have been pre-determined or prescribed by TBS for each phase of the *Initiative*.

It is possible, however, to provide a broad set of expectations for a "hypothetical department" based on the areas of common weakness as identified in Annex G - i.e. improvements are required in all the enablers and pillars of Modern Comptrollership.

Foundation Phase – Activities and Initial outputs

In the first year, the "hypothetical department" would have launched the *Initiative* by establishing a project structure and carrying out a baseline Capacity Check. The Capacity Check would have identified a need for improvements across the board.

By year two, the hypothetical department would have developed an action plan to address the deficiencies identified by the Capacity Check. Resources would have been allocated to manage the *Initiative* within the department and to undertake the needed improvements. By the end of the third year following the MCI launch, the enablers and pillars should be established and some aspects should be realized - e.g. a code of conduct may have been promulgated, or a corporate risk profile completed. During this period, the progress on action plans would be monitored with internal progress reports being provided to the senior management committee, and external reporting through the Departmental Performance Report (DPR).

Transition Phase - Intermediate outcomes achieved

During years four to seven, elements of implementation of all the enablers and pillars of Modern Comptrollership certainly would start to appear, for example, the enablers should be more solidly entrenched in the culture of the department. S*hared values and ethics* for example, may be well established at an early point in this time period. At the end of this phase, all the elements of the enablers and pillars should be in evidence in the department. Monitoring and reporting on the *Initiative* would continue.

Sustained Improvement Phase - Ultimate outcomes

By this time, that is year seven and onward, Modern Comptrollership practices should be the normal management practice as managers at all levels of the department make decisions after: rigorously analyzing the options using financial and non-financial information; assessing risk and finding ways to manage it; and considering the shared departmental values and ethics. The organization should be providing high quality services to Canadians. Annual reporting on the *Initiative* would likely cease, to be replaced by annual reporting on the state of management as a whole.

ONGOING PERFORMANCE MEASUREMENT STRATEGY

Ongoing performance measurement is the regular collection of information for monitoring how a policy, program or initiative is doing at any point in time. The purpose of this section, therefore, is to provide guidance on the regular collection of information for monitoring performance trends over time, and the overall progress of the MCI toward attainment of planned results. As the *Initiative* is primarily implemented within individual departments and agencies, it is essential that as much of the assessment of progress as possible be carried out by these same organizations.

These assessments are to meet internal information needs; to inform senior management committees of progress; and for decision-making in adjusting priorities, resourcing and determining next steps. The indicators proposed in this document could also serve as the basis for the reporting required in Departmental Performance Reports.

The second goal in providing guidance on performance measurement is the desirability of some commonality across departments and agencies in terms of what is collected and reported. This would facilitate the periodic roll-up by the TBS to meet overall government-wide reporting requirements for the *Initiative*.

Departmental / Agency Performance Indicators

Initial Activities and Outputs

Early in the modernization initiative, it is expected that most reporting will be on *activities* being conducted and will focus on the infrastructure aspects of Modern Comptrollership as described in the Logic Model. Many of these indicators are, not surprisingly, quite closely related to, if not the same as, the evaluation issues that are discussed in the next section of the RMAF. In fact, as pointed out later, evaluation work will build on performance reporting. Indicators of progress are presented along with the data sources in Annex A. Selected examples of indicators include:

- project management office or equivalent established, and resources assigned;
- implementation approach or strategy established;
- Capacity Check completed;
- management improvement action plan to address priority areas approved by the Deputy Head;
- progress on management improvement action plans in accordance with pre-determined milestones. This should also include assessing and reporting progress on special projects approved and resourced through the *Comptrollership Innovations Fund*[1].

[1] This is an existing requirement for the fund.

Intermediate Outcomes

Ongoing assessment and reporting beyond the initial stages of the *Initiative* by departments and agencies will focus on those areas of their management improvement action plans that they have deemed to be priorities. Annex B provides an array of indicators from which departments and agencies can choose in developing their ongoing performance measurement strategies. The proposed indicators were developed in consultation with the same representatives of selected departments and agencies who assisted in developing the Logic model.

Selected examples include:

Motivated People
- reward and recognition programs in place.

Shared Ethics and Values
- extent of the organizational values and ethics dialogue and evidence of change.

Rigourous Stewardship
- extent to which audit results are reflected in management decisions.

TBS, Comptrollership Modernization Directorate, Performance Indicators
Initial Activities and Outputs

Like departments and agencies engaged in the implementation of the MCI, TBS is responsible for measuring and reporting on its own performance. While Annex C presents the indicators and data sources, selected examples of indicators relating to activities and outputs under *Establishing and Monitoring the Initiative* include:

- governance structure is established.
- monitoring and reporting schemes are established.
- Evaluation Strategy is established.

In terms of *Facilitating the Implementation of the Initiative*, and again while a complete list appears in Annex C, selected examples of indicators that TBS may use in assessing its own performance are:

- learning opportunities provided;
- mechanisms exist for the sharing of best practices; and,
- comptrollership expectations have been established.

Intermediate and Ultimate Outcomes

In assessing the results and impacts of the Modern Comptrollership Initiative overall, the TBS will conduct periodic evaluations, as outlined in the following section.

EVALUATION STRATEGY

Introduction

The purpose of the Evaluation Strategy is to identify issues and associated questions that need to be addressed during *periodic* evaluations. This strategy is based on the principles of the TBS *Evaluation Policy* which state that:

- achieving and accurately reporting on results is a primary responsibility of public service managers;
- that rigourous and objective evaluation is an important tool in helping managers to manage for results; and
- departments and agencies with the support of TBS, are responsible to ensure the rigour and discipline of evaluation is sufficiently deployed within their jurisdictions.

As such, both departments / agencies and TBS have a role to play in evaluating Modern Comptrollership. Departments and agencies are charged with conducting periodic evaluations of their individual efforts to serve their own internal information needs; while TBS is responsible for the conduct of government-wide evaluations of the *Initiative*.

Further to the *Evaluation Policy*, the three key areas to be addressed as part of any robust evaluation strategy include:

- Success
  - Is the Initiative effective in meeting its objectives, within budget and without unwanted outcomes?
  - Does the Initiative complement, duplicate, overlap or work at cross-purposes with other programs and initiatives?

- Cost-Effectiveness
  - Are the most appropriate and efficient means being used to achieve objectives, relative to alternative design and delivery approaches?
    - Are there better ways of achieving the results?
    - Are there more cost-effective alternative programs, which might achieve the objectives and intended impacts and effects?

- Continuing Relevance of the Initiative
  - Does the Initiative continue to be consistent with government-wide priorities and does it continue to realistically address an actual need?
  - Are the activities and outputs of the Initiative consistent with its mandate and plausibly linked to the attainment of the objectives, and intended impacts and effects?

Evaluation Issues and Questions

The evaluation issues, in the form of questions, are presented in Annex D along with indicators and potential data sources. As noted previously, departments and agencies and the TBS should select from these according to their individual evaluation information needs. They are grouped by evaluation issue relating to *Success, Cost-effectiveness,* and *Continuing Relevance* of the *Initiative*.

The following text highlights some of the important features of each set of questions.

Success - Progress in Implementation of the Initiative

These questions are designed to assess whether the Modern Comptrollership Initiative is being implemented as intended. They assess whether the various parties are fulfilling their responsibilities in relation to their intended roles. Any evaluation work would build on the information provided through ongoing performance reporting by departments / agencies and the TBS. The evaluation work would also "drill-down" from the performance reports to assess the quality of the actions taken.

A key question posed here that is not assessed elsewhere is the effectiveness of the *Comptrollership Innovations Fund*. It is important to know if the projects funded have contributed significantly to the implementation and sustainability of the *Initiative* government-wide.

Success - In Meeting Program Objectives

Many of the questions posed or issues raised here are based on the measures of success presented in the *Independent Review Panel* report[2]. These questions are aimed at determining whether risk management, performance information and reporting, ethics, control, and asset management and protection are rooted and thriving in the public service management culture. The foregoing are important considerations as they were key expectations that the *Independent Review Panel* set for Modern Comptrollership.

Questions 1 – 7 of Annex D deal with the three enablers of Modern Comptrollership - *Strategic Leadership*, *Motivated People* and *Clear Accountability*. The issues covered include: senior management commitment to demanding and using Modern Comptrollership practices - such as the use of both financial and non-financial performance information in decision-making; the capacity of managers to use modern practices; the capacity of specialists to provide useful advice; and the incentives (including annual evaluations of performance and reward and recognition programs) to encourage the application of Modern Comptrollership practices. If Modern Comptrollership is to be sustained in the long term, it is essential that there be positive answers to this set of questions.

[2] See *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada* - page 68.

Questions 8 – 25 address whether Modern Comptrollership is actually practiced in relation to the four pillars: *shared values and ethics,* i*ntegrated performance information, mature risk management,* and *rigorous stewardship*. The questions in relation to the pillars are designed to assess whether the supporting infrastructure is in place and, in many cases, whether the desired practice is a reality.

As an example, for Integrated Performance Information, the question:

> "Do deputy heads provide to their Ministers and to Treasury Board reliable and meaningful financial and non-financial reports on their organization's performance?"

asks about the infrastructure of providing the information.

The question

> "*Is the information provided by departments / agencies actually used by Central Agencies and Parliamentarians in decision-making and oversight processes?"*

addresses the actual practice. It is not surprising then that, although there may be some variants, many of the issues and subsequent indicators are very similar to those used in ongoing performance measurement as described in the previous section of the RMAF.

Cost-Effectiveness

This set of evaluation questions / issues is intended to examine whether the administrative approach used in implementing the Modern Comptrollership Initiative was effective and whether or not there are alternative design and delivery approaches that may be more successful and cost-effective in achieving goals.

Another consideration is assessing the current advisability of the original plan to close the TBS Comptrollership Modernization Directorate in March 2004 as an organizationally distinct project office. At this point, the other specialist policy centres within the TBS would provide needed advice and support. It was originally assumed that the *Initiative* would be sufficiently advanced and sustainable, so as to not require further dedicated support that the CMD currently provides.

> "*If the Directorate is closed as a discrete project office in 2004,what are its ramifications, and what are the arrangements for a smooth transition that need to be made?"*

Also, as a lessons-learned for similar future efforts:

> "*In terms of program design and delivery, were such things as the implementation of a pilot phase, and the type of governance structure put in place appropriate and successful at meeting the needs of the Initiative?*

Continued Relevance

In terms of the issue of continued relevance of Modern Comptrollership practices, it is essential to determine if the premises laid out in the *Independent Review Panel* report are still valid. It is also important to assess what changes, if any, are needed, or if alternate methods of delivery would be more successful.

Timing and Broad Nature of Government-wide Evaluation

The incremental funding for the *Initiative* comes to an end in March 2004 and as noted previously, current plans are that the CMD as an organizationally distinct project office within TBS will close at that time. As such, it is important that an assessment of the sustainability of the *Initiative* be made prior to that point, likely mid-2003.

Also, the full adoption of Modern Comptrollership practices by public service managers at all levels will require, among other things, a significant change in the public service management culture. As changing the culture of a large organization takes a significant length of time, the full achievement of the intended outcomes of Modern Comptrollership will not have occurred by 2003-04[3]. In a 2002 report on Modern Comptrollership, the Office of the Auditor General acknowledged this fact by stating "*We know that making the changes and realizing the benefits [of Modern Comptrollership practices] will take time - perhaps several years."*

Hence, only later evaluations will be able to assess whether the intended benefits have been achieved. This is not likely before 2009, that is, about ten years after the pilot departments completed their baseline Capacity Checks.

Proposed 2003 - 2004 Evaluation
Issues to be addressed

A review of the results of the Modern Comptrollership Initiative will be conducted by the TBS in 2003-04. The review will assess the *Initiative's* design as well as other potential methods of modernizing management and its effects. The findings will provide the basis for any substantive adjustments to modernization efforts and will inform the design of future Treasury Board management modernization initiatives.

Given the estimated state of progress in 2003 - 04, this first government-wide evaluation will primarily focus on issues of infrastructure and activities relating to implementation. Impacts and any results achieved to this point will be assessed, but this would likely only

[3] Although the Independent Panel completed its work in 1997 and the *Initiative* could then be deemed to have started, this later 1999 date (the date of the completion of the first Capacity Checks) is a more realistic start point for the *Initiative* as no substantial work in departments and agencies had occurred before that time.

be in the case of the very first pilot departments, these being the only organizations engaged in MCI for any significant amount of time.

This initial evaluation will therefore focus on issues associated with progress, cost-effectiveness and continuing relevance as described in Annex D. This would allow an assessment of the success of the approach and structure of the *Initiative,* and whether it should continue as originally conceived.

Annex F identifies the key aspects of the enablers of Modern Comptrollership and some benefits to departments and agencies that should be evident, to give some assurance that the *Initiative* is sustainable.

The Baseline

The material presented in Annex G to this RMAF gives a good sense of the baseline that can be used in terms of measuring progress government-wide. For individual departments and agencies, however, their Capacity Check and subsequent internal assessment reports would serve as a reasonable baseline.

Broad Approach

Document review
This evaluation would be able to draw on the departmental / agency action plans and performance reports to assist in assessing progress. It may be necessary, as mentioned earlier, to go beyond these reports to provide assurance that they fairly represent the state of management practice. To address the issues related to the *Comptrollership Innovations Fund*, a representative sample of funded projects will likely be selected for examination.

Interviews
There would be interviews of key players in the TBS and departments and agencies to assess such things as, the effectiveness of the governance structure and the relevance and the cost-effectiveness of the *Initiative* itself. There would also be a need to interview a few key members of relevant parliamentary committees to assess such things as the usefulness of information being provided by departments and agencies and TBS, and the effectiveness of the *Initiative* in improving decision-making. Additionally, the methodology would include such data gathering techniques as surveys, management focus groups, and observation.

Case studies
Development of case studies should allow for assessment of the *Meeting the Objectives* issues described in Annex D. As a minimum, all of the initial five pilot departments would be included, plus a sample of the remaining 10 initial departments and agencies.

Departments and agencies that embarked on the *Initiative* later in time should also be sampled. This latter group would allow comparisons of relative progress given the differing start times and the opportunity for later participants to learn from earlier ones.

It would be important to include departments or agencies that have entered into a significant number of agreements (beyond simple contracts) for third parties to deliver services to Canadians, to be able to assess certain of the evaluation issues raised.

It is important to note that this evaluation would also draw on the results of any evaluations of the TBS complementary and influencing initiatives and policies - e.g. Internal Audit and Evaluation Policies, Integrated Risk Management, Real Property, Asset and Project Management policies.

The details of the nature of the information to be collected and analyzed in government-wide evaluations are further described in Annex D.

REPORTING STRATEGY

Current Requirements

Reporting requirements relating to MCI that are already established for both departments / agencies and the TBS include:

- *Departments and agencies* are to provide an annual report on the "state of comptrollership" to TBS through Departmental Performance Reports. This requirement has been in place since the fall of 2002.

- *TBS* is required to provide:
  - two progress reports on the *Initiative* - one in March 2003, and another in March 2004;

  - reports on the various initiatives that are complementary to the MCI. Examples include:
    - assessment of the government-wide implementation of the *Policy on Internal Audit* and the *Evaluation Policy*; and,
      - progress reporting on the government-wide implementation of the Integrated Risk Management Framework.

Where possible, these already established requirements will be used as a vehicle for gathering information for reporting on the relevant aspects of the MCI.

The following table summarizes the reporting requirements directly related to the *Initiative* as discussed in this RMAF.

Table: Expected Reporting

Results Measurement Activity	Expected Product	Responsible Party	Date for completion
Assessment of progress in implementing the Modern Comptrollership Initiative	Progress reports internal to departments and agencies	Individual departments, agencies, TBS	Ongoing
Assessment of the "State of Comptrollership". Note: Over time, this will likely become an annual report on the "State of Management".	Section in Annual Departmental Performance Report (DPR)	Individual departments and agencies	Annually as of Fall 2002.

Assessment of progress in the use of the *Comptrollership Innovations Fund*	Report on individual projects.	Departments and agencies receiving funds.	Regular – Quarterly as a minimum.
Assessment of progress of the Comptrollership Initiative across government - including central agencies	Progress report	TBS	March 2003
Evaluation of the progress government-wide in implementation, of cost-effectiveness, and continuing relevance, and selected issues relating to results.	Input to the March 2004 Status Report	TBS	Late 2003
Assessment of Modern Comptrollership Initiative	Status report	TBS	March 2004
Evaluation of the state of management, the achievement of intended results, relevance and cost-effectiveness.	Periodic evaluation reports	1) Departments and Agencies 2) TBS (gov't-wide)	Periodic evaluations beyond 2004

Departments and Agencies

Departments and agencies should report, in narrative form, their overall assessment of progress and the degree of success in implementing the *Initiative* and modern comptrollership practices. Departments should also highlight key achievements or successes not covered in the previous material (e.g. major benefits arising from using modern practices, or implementing the *Initiative*). Specific mention of the results of significant projects using the *Comptrollership Innovations Fund* is also appropriate in terms of demonstrating accountability for funds expended. At the same time, it will be important to highlight any major barriers to implementing the *Initiative*.

Small Agencies

The report on *"The Content Analysis of Ten Small Agencies*" states that, "one striking difference especially in small organizations is the reliance on informal and unsophisticated but nevertheless effective and valuable" management structures, systems and practices. For these agencies, especially the very small ones, some of the more sophisticated processes, mechanisms and tools of modern comptrollership may not necessarily be cost-effective and appropriate. Capacity Checks show that informal and intuitive approaches are especially evident in the areas of client relations, cost

management, integration of financial and non-financial information, integrated risk management and the operation of integrated management frameworks.

These conclusions are pertinent to the application of performance indicators and to reporting about the *Initiative's* progress. In applying the performance indicators to small or to regulatory agencies, for example, a measure of success may be the evidence of an "appropriate approach to risk". In this example, even though a formal "integrated risk management framework" may not be in place, one would still expect a systematic and proactive approach to be in evidence. Likewise, because of the frequency and nature of direct interactions of the employees and members of these agencies / tribunals with their clientele, an informal approach to client relations may also be the most cost effective means of achieving the required results.

While the means used by small agencies may be different, it will be important in assessing the success of their implementation of Modern Comptrollership to consider the results achieved. Indeed, TBS may wish to place one or more caveats on the application of performance indicators for small or very small organizations. This would be consistent with the "one size does not fit all" approach.

On-going Performance Reporting After 2004

As mentioned at the beginning of this section, departments and agencies are now required in their annual Departmental Performance Report (DPR) to report on the "state of comptrollership" in their organizations. Initially, of course, the reporting will be focused on the activities associated with the *Initiative*, but eventually DPRs should begin to focus on the "state of management" more broadly as Modern Comptrollership practices become the normal way of doing business and become fully integrated into the management practices of organizations.

Reporting Across Government

TBS is required to prepare two reports on the status of the Modern Comptrollership *Initiative* - one in March 2003, and one in March 2004. The second government-wide report would be informed by the results of the formative evaluation to be conducted in 2003-04.

ANNEX A – *Departments and Agencies:* On-going Performance Measurement – Initial Activities and Outputs of the Modern Comptrollership Initiative

Issues	Indicators	Data Sources
1. Is an appropriate infrastructure in place in the department/agency for an effective launch of the Modern Comptrollership Initiative? Have we:		
a) Established a Project Management Office?	• Implementation approach or strategy established. • Project office or equivalent established to implement or monitor the implementation of action plans. • Quality and quantity of resources assigned.	• Project office structure • Qualifications of staff • Quantity of financial and personnel resources.
b) Assessed the current comptrollership environment using the modern comptrollership capacity assessment tool (or an equivalent).	• Capacity check completed. • Capacity check approved.	• Case studies • Capacity check report • Progress reports • Departmental Performance Report (DPR)
c) Established priorities for improvement, set targets, and developed an action plan and a timetable for modernization.	• Priorities for improvement exist. • Relationship of priorities to capacity check results and departmental mandate. • Action plan exists in relation to the priorities. • Action plan contains concrete improvement targets and milestones	• Case studies • Progress reports • Departmental Performance Report (DPR) • Action plans
d) Ensured that our priorities and plans for modernizing comptrollership are communicated and understood within the department;	• Priorities communicated to those who need to act on them or be aware of them. • Staff know the priorities or have access to them.	• Case studies • Communication documents - e.g. memos, directives, websites, etc. • Interviews with key departmental staff.
e) Implemented the action plan.	• Evidence of a monitoring system. • Adequate resources assigned to implement modernization. • Concrete progress on action plans.	• Case studies • Progress reports • Departmental Performance Report (DPR) • Monitoring reports
f) Reported on progress in terms of the concrete impact of the improvements in relation	• Existence of reports to senior management, Parliamentarians, and/or TBS., PCO • Reports relate to action	• Case studies. • Progress reports. • Departmental Performance Report (DPR).

to the original results of the capacity assessments.	progress.	• Interviews with key departmental staff.
2. Have we used the available *Comptrollership Innovations Fund* for projects designed to effectively modernize comptrollership? Did the project(s) undertaken:		
a) Conform to the reporting and other requirements of the *Fund*?	• Project(s) compliant with reporting or other requirements that may have been specified by TBS. • Deliverables shared (internal to organization and government-wide)	• Case studies • Sample of projects • Funding agreements for each sample project
b) Produce the intended result to make a difference to the implementation of Modern Comptrollership in the department or agency and, as appropriate, within government overall?	• Funds spent on agreed project, and for agreed purpose. • Results expected established. • Results expected achieved.	• Case studies • Sample of projects • Funding agreements for each sample project • Budgets and expenditures for each sample project.
c) Produce the intended result to make a difference to the implementation of Modern Comptrollership in the department or agency and, as appropriate, within government overall?	• Establishment of expected results • Funds spent on agreed project and for agreed purpose • Results achieved	• Case studies • Sample of projects • Funding agreements for each sample project • Budgets and expenditures for each sample project

ANNEX B – *Departments and Agencies:* Ongoing Performance Measurement – Intermediate Outcomes

Issue	Indicator	Data Sources
Strategic Leadership		
Awareness and commitment of all management levels to establishing modern management environment Linkages are made between strategic, business, and operational planning and resource allocation Senior functional specialists provide independent advice and contribute to major decisions	• Comprehensiveness of the management framework • Extent to which management is aware of and committed to management improvement • Extent to which managers understand and exercise their comptrollership responsibilities • Level of employee awareness of the organization's strategic priorities • Strategic and business plans reflect corporate priorities and risks. • Extent to which resources are reallocated to support changes in strategic priorities • Extent to which functional authorities advice is sought and used to resolve strategic issues	• Case studies • Sample of decisions made (and relevant documents) related to business cases, TB submissions, requests for new funding, and resource allocation decisions - in departments and agencies and those submitted to TB for consideration. • Strategic Plans, business plans, budgets and expenditures, budget modifications.
Motivated People		
Definition of modern management competencies and access to training for management Extent to which the organizational culture fosters staff participation, team building, sharing of ideas, risk taking, innovation, and continuous learning; and rewards or provides incentives for such behaviour	• Modern Comptrollership competency profile has been prepared for managers and specialists. • Amount of management training provided and improvement in management skills • Improvement in level of employee morale and satisfaction • Level of staff turnover • Trends in sick leave, family-related leave, long-term disability, etc.	• Interviews with HR specialists • Gap analysis re modern management competencies and associated training data • Focus groups • Employee surveys

	• Number of grievances/work disruptions • Investment in staff development • Employee surveys conducted and responded to • Reward and recognition programs support modern comptrollership practices • Teamwork and staff involvement in work-place decisions as a dominant organizational feature	
Clear Accountability		
Extent to which the achievement of financial and operating results is embedded in performance agreements	• Departments and agencies have performance agreements, which include modern comptrollership responsibilities in place, at all significant management levels • Perceived relevance of performance agreements and evaluative process • Financial and non-financial information would be supportive of annual evaluations of performance agreement results	• Performance agreements • Interviews with select management
Clarity of responsibilities and accountabilities throughout the organization	• Time required to make decisions and initiate new programs • Responsibilities for financial and non-financial matters clearly communicated to all	• Performance agreements • Focus groups • Select interviews
Availability of specialist support to help managers make decisions on operational issues and modern management	• Degree of satisfaction of line managers with specialist support	• Select interviews • Documents supporting key decisions
Extent to which Parliamentary, central agency, and key stakeholder reporting requirements are met	• Feedback from central agencies/external stakeholders on quality of external reports	• Central Agency and/or stakeholder feedback, guidelines

Shared Values and Ethics		
Policies and activities that visibly support the ethical stewardship of public resources	• A code of ethics (or equivalent) has been promulgated • Values and ethics trends within the organization • Extent to which senior management visibly support organizational values and ethics • Extent of the organizational values and ethics dialogue and evidence of change	• Case studies • Focus groups • Results of Public Service Wide Employee Survey(s) • Code of ethics or equivalent • Interviews with Integrity Officers.
Integrated Performance Information		
Financial and non-financial performance information that is relevant, useful, reliable and accessible, to managers at all levels	• Level of staff, stakeholders and partners satisfaction concerning information availability and trustworthiness • Quality of tools available to managers	• Case studies • Select interviews
Required financial and non-financial performance information is integrated for decision-making and monitoring	• Degree of information integration at the corporate level • Quality of the resource allocation/reallocation decision	• Internal audit opinions or reports
Key measures exist to monitor overall organizational performance	• Quality of reporting to external stakeholders • External and internal service standards and monitoring capability	• OAG opinion on DPRs • Internal audit opinions or reports

Mature Risk Management		
Integrated Risk Management Framework is established	• Reduction in the level of organizational exposure to risks/liabilities; increased ability to pre-empt litigation • Extent to which risk management is embedded in decision-making and the corporate culture • Number of innovative opportunities to promote integrated risk management • Results of the corporate risk profile and impact on strategic planning and priority setting	• Strategic and Business plans (or equivalents) • Other documents associated with the management of risk • Results of evaluations carried out in relation to the *Integrated Risk Management Framework*
Rigorous Stewardship		
A consistent set of processes and tools to improve business processes and options (including alternate service delivery options) and to share knowledge and best practices is used within the department or agency	• extent to which processes are understood and in line with best practices • level of quality of service delivery, including client satisfaction • extent to which analytical techniques and tools are used by managers • overall competency level and contribution of functional specialists • financial records maintained in accordance with GAAP and FIS	• Case studies. • Internal Control Framework documents. • Internal audit opinions or reports • Opinions or reports of the OAG. • ASD arrangements.
Assurance is provided to departmental management that the Integrated Control Framework is working as intended; Internal and external audit and evaluation results are used in planning, decision-making and to improve processes	• extent to which audit results are reflected in management decisions	• Internal audit plans or reports. • Interviews with Head of Internal Audit. • Results of evaluations of the implementation of the *Internal Audit* policy

ANNEX C – *TBS:* Ongoing Performance Measurement – Initial Activities and Outputs of the Initiative

Issue	Indicator	Data Sources
Establish and Monitor Has TBS taken appropriate steps to establish and monitor the Initiative?	• Determination of needs and approach; resourcing secured	• Review Panel Report, Initial documents, TB Submission and other documents outlining the Initiative, its goals and approaches
	• Development and communication of a strategic plan and related work plans.	• Strategic Plan, work plans, tracking systems
	• Organization and staffing of a centre of excellence to provide leadership, support and advice	• Org chart, job descriptions, qualifications and training of staff, orientation tools
	• Establishment of a governance structure	• Terms of Reference of the Standards Advisory Board, Comptrollership Council, Agency Head Modernization Steering Committee, minutes, records of decision • Interviews with Board members
	• Funding and administrative processes in place and operating as intended	• Funding requests and proposals, approval systems • Sample review of Innovation Projects • Delegation of authority • Administrative and budgetary control processes
	• Establishment of appropriate monitoring and reporting documents	• RMAF • Processes for reporting • Scope and quality of reports produced
	• Development of an evaluation strategy	• RMAF and other documents relating to evaluation of the Initiative
Facilitate Implementation Has TBS developed standards, tools and provided for outreach and learning?	• Development of basic tools, and provision of guidance for the launch of the Initiative	• Tools developed: Capacity Assessment, Guidance on Action Plans, other tools, brochures • Innovations Project Funding proposals and deliverables / tools • Liaison and support provided to departments and agencies, assessment of quality of service
	• Provision of sufficient Modern Comptrollership awareness and learning opportunities for departments and agencies	• Communications and outreach activities and products, client feedback • Educational programs or events developed and/or funded by TBS, client feedback • Frequency of participation of CMD in educational events

	• Establishment of comptrollership expectations	• Related documents
	• Development and provision of mechanisms for the sharing of best practices	• Mechanism for sharing best practices • Client feedback

ANNEX D –
EVALUATION STRATEGY: Evaluation Issues, Indicators and Data Sources

ISSUE	INDICATOR	DATA SOURCES
SUCCESS - Implementation of the Initiative		
1. **Has the Treasury Board:**		
a. Developed and implemented a plan for progress	• Existence and quality of the plans, strategies and guidance documents. • Plans relate to the advice provided by the Independent Panel. • Plans communicated to those who need to be aware of them • Activities in the plans underway or completed.	• TBS plans, strategies, guidance documents and web sites. • Interviews with key TBS and departmental officials.
b. Established centres of excellence to support the capacity development and advisory needs of departments	• Existence of centres of excellence. • Quality of staff in the centres. • Departmental use of centres • Quality of advice provided	• Performance reports. • Interviews with key TBS and departmental officials. • Staff qualifications • Interviews with departmental officials who have received advice.
c. Established the necessary complementary government-wide policies, structures and capacities	• Existence of complementary policies, structures and capacities. • Components of the comptrollership pillars and, as necessary, enablers (as laid out in the Capacity Check methodology) are well addressed by policies and related guidance.	• Performance reports. • TB policies, guidance and initiatives. • Comptrollership Capacity Check Methodology - criteria for each pillar and enabler.
d. Established a governance structure – ex: an implementation task force, a standards advisory board, a comptrollership council.	• Existence of an effective governance structure, ex: task force and committees. • Quantity and quality of resources assigned to task force. • Membership of the various committees. • Significant and relevant topics addressed. • Guidance is provided and taken into account.	• Governance / Task force / Committee structure. • Qualifications of staff. • Minutes of committee meetings. • Interviews with selected members of the various committees.

ISSUE	INDICATOR	DATA SOURCES
e. Managed the Innovations Fund in such a way that it has achieved its intended goals under Vote 10?	• Project criteria linked to MCI goals • Projects funded • Funding not granted for overlapping projects • Deliverables shared (government-wide)	• Innovations fund criteria • sample of projects, funding agreements for each
f. Set expectations for comptrollership that are flexible enough to be met in different ways in different situations, yet firm enough to act as a clear stimulus to action.	• Existence and quality of expectations and/or standards for comptrollership practices such as, budgeting, accounting, financial and non-financial reporting of results, use of financial and non-financial performance information in decision-making, risk management, and integrated control frameworks. • Communications of expectations to those who need to implement them.	• Performance reports. • Comptrollership expectations • Comparison of expectations with those in other similar national governments • Interviews with key TBS and departmental officials.
g. Reported to Parliament on the state of comptrollership government-wide	• Existence of government-wide report to Parliament (may be part of other reports to Parliament.)	• Government-wide report.
2. Have deputy heads assessed their current situation and put in place the people, plans and processes for modern comptrollership in their departments? Have Deputy Heads		
a. Assessed, in their departments, the current comptrollership environment using the modern comptrollership capacity assessment tool (or an equivalent).	• Capacity check completed. • Capacity check approved.	• Case studies • Capacity check report • Progress reports • Departmental Performance Reports (DPR)
b. Established priorities for improvement, set targets, and developed action plans and timetables for modernization.	• Priorities for improvement exist. • Relationship of priorities to capacity check results and departmental mandate. • Action plans exist in relation to the priorities. • Action plans contain concrete improvement targets and milestones	• Case studies • Progress reports • Departmental Performance Reports (DPR) • Action plans
c. Ensured that their priorities and plans for modernizing	• Priorities communicated to those who need to act on them or be	• Case studies • Communication documents -

ISSUE	INDICATOR	DATA SOURCES
comptrollership are communicated and understood within the department;	aware of them. • Staff know the priorities or have access to them.	e.g. memos, directives, websites, etc. • Interviews with key departmental staff.
d. Implemented the action plans.	• Project office or equivalent established to implement or monitor the implementation of action plans. • Quality and quantity of resources assigned. • Evidence of a monitoring system. • Adequate resources assigned to implement modernization. • Concrete progress on action plans.	• Case studies • Progress reports • Departmental Performance Reports (DPR) • Project office structure • Qualifications of staff • Quantity of financial and personnel resources. • Monitoring reports
e. Reported on progress in terms of the concrete impact of the improvements in relation to the original results of the capacity assessments.	• Existence of reports to senior management, Parliamentarians, and/or TBS., PCO • Reports relate to action progress.	• Case studies. • Progress reports. • Departmental Performance Reports (DPR). • Interviews with key departmental staff.
3. Have departments used the available *Comptrollership Innovations Fund* for projects designed to effectively modernize comptrollership? Did the projects undertaken:		
a. Conform to the reporting and other requirements of the *Fund*?	• Projects compliant with funding or other requirements that may have been specified by TBS.	• *Innovations* fund criteria • Case studies • Sample of projects • Funding agreements for each sample project
b. Produce the intended result to make a difference to the implementation of Modern Comptrollership in the department or agency and, as appropriate, within government overall?	• Funds spent on agreed project, and for agreed purpose. • Results expected established. • Expected results achieved. • Deliverables had government-wide applicability • Deliverables shared	• Case studies • Sample of projects • Funding agreements for each sample project • Budgets and expenditures for each sample project.

ISSUE	INDICATOR	DATA SOURCES
Success - In Meeting Objectives		
1. Is there a sustained and committed endorsement of modern comptrollership practices as evidenced by actions, language and rewards.		
a) Is there an integrated (central, local, organization-wide) and balanced use of all information for effective decision-making?	• Evidence of use of both financial and non-financial information (integrated as necessary) in decision-making in departments and agencies. • Evidence of use of both financial and non-financial information (integrated as necessary) in decision-making in TB.	• Case studies • Sample of decisions made (and relevant documents) related to business cases, TB submissions, requests for new funding, and resource allocation decisions - in departments and agencies and those submitted to TB for consideration. • Interviews with involved departmental and TBS decision makers.
b) **Is there a focus on strategic issues?**	• Strategic plans identify key issues. • Business plans reflect those issues. • Resources allocations consistent with identified strategic issues • Evidence that senior management deals with the strategic issues during the year.	• Case studies. • Strategic plans. • Business plans. • Budgets and expenditures. • Budget modifications.
2. Do recognition and reward systems both within departments and agencies and government overall provide sufficient incentives for excellence in comptrollership?		
a) Are there clear linkages between excellence in comptrollership and career progression and compensation?	• Evidence of promotions or significant career enhancing assignments for those who demonstrate excellence in comptrollership - outside the financial community. • Evidence of "pay at risk" or similar performance pay being awarded for excellence in comptrollership - outside the financial community.	• Case studies • Interviews with human resource specialists • Focus groups • Pay records
b) **Is there latitude to operate with less oversight and intervention from the centre when excellence in comptrollership is demonstrated?**	• Evidence of reduced oversight and intervention.	• Case studies • Interviews with TBS officials • Interviews with senior managers in departments and agencies.
c) Is greater delegated authority given in recognition of sound comptrollership	• Evidence of greater delegations	• Case studies • Delegation instruments

ISSUE	INDICATOR	DATA SOURCES
capacity and performance.		• Interviews with TBS officials • Interviews with senior managers in departments and agencies.
d) **Is there support from the centre when the occasional thing goes wrong in an otherwise well-functioning organization?**	• Evidence of support in difficult situations.	• Case studies • Interviews with TBS officials • Interviews with senior managers in departments and agencies.
e) **Do audit and oversight approaches recognize excellence?**	• Evidence of excellence being recognized in audit and similar oversight reports.	• Case studies • Internal audit reports • Reports of the Office of the Auditor General • Interviews with Head of Internal audit • Interviews with senior OAG staff
f) Do managers throughout the system understand their comptrollership responsibilities and "think like proprietors and taxpayers"?	• Significant numbers of managers received training on comptrollership practices and responsibilities. • Evidence managers understand their responsibilities.	• Case studies • Focus groups • Training records • Interviews with TBS officials • Interviews with senior managers in departments and agencies.
g) Is there a strong managerial capacity to use integrated financial and non-financial information effectively and to deal with risk and ethical issues when making decisions?	• Significant numbers of managers received training on comptrollership practices - risk, ethics, using performance information etc. • Evidence that managers consider these factors in decision-making.	• Case studies • Sample of key decisions at various levels in central agencies and departments. • Focus groups • Training records • Interviews with TBS officials • Interviews with senior managers in departments and agencies.
3. Is meaningful problem-solving support given in the context of human, financial and capital resource acquisition and management, planning and accountability?		
a) **TBS**		

ISSUE	INDICATOR	DATA SOURCES
i. Have staff of the Treasury Board provided appropriate support to departments and agencies on comptrollership, ex: establishing centres of excellence?	• Establishment of support mechanisms or centres of excellence. • Quantity and quality of staff in the centres.	• TBS organization structure. • TBS Budgets and expenditures. • Staff qualifications.
ii. Is expert advice provided in such areas as: risk management; bench marking and performance measurement; financial accounting and accounting principles; applying performance measurement and evaluation techniques in smaller organizations; cost and management accounting; and, information systems architecture?	• Evidence of advice being provided in these areas of interest to departments and agencies.	• Interviews with TBS officials • Interviews with relevant officials in departments and agencies.
iii. Do deputy heads and senior departmental officials respect and use the advice provided?	• Evidence of expert advice being heeded.	• Interviews with TBS officials • Interviews with relevant officials in departments and agencies. • Documents supporting key decisions.
b) **Departments and Agencies**		
i. Has the capacity of specialists to provide expert advice increased in departments and agencies?	• Significant numbers of financial specialists received training on the comptrollership practices and specialist responsibilities. • Quantity and qualifications of financial specialists. • Financial specialists understand departmental operations. • Specialists organized to be available to provide advice as needed.	• Case studies. • Organization charts or structures. • Human resource records - specialist qualifications. • Human resource records - specialist training. • Focus groups. • Interviews with relevant officials in departments and agencies.
ii. Do managers in departments and agencies respect and use the advice provided	• Evidence that managers use the advice provided.	• Interviews with relevant officials in departments and agencies.

ISSUE	INDICATOR	DATA SOURCES
by departmental specialists?		• Documents supporting key decisions.
c) **Within departments and agencies, is there clear accountability for using modern comptrollership practices and for performance and results?**	• Accountability frameworks (including financial and operational matters) understood through out the department. • Evidence of comptrollership requirements and expected results in accountability agreements of managers. • Evidence that assessments of consider comptrollership practices and results are part of annual the appraisal process for managers.	• Case studies. • Performance or accountability agreements • Interviews with relevant officials in departments and agencies. • Focus groups.
d) **Is there more thorough and succinct results-based reporting to Parliament?**	• More thorough and succinct reporting of results to Parliament.	• Case studies • Departmental Performance Reports (DPR) from late-1990s. • Current DPRs • Interviews with selected Parliamentarians, key Parliamentary Committee chairs. • OAG opinions on DPRs (written or interviews)
e) **Is there greater public availability of relevant information throughout government? Is there improved transparency of the Public Service?**	• Performance information made available throughout government. • Evidence of greater transparency to the public.	• Case studies. • Reports of the Information Commissioner - mid 1990s to now. • Interviews with staff of the Information Commissioner. • Interviews with selected Parliamentarians, key Parliamentary Committee chairs.
f) Is rigorously prepared, complete and relevant financial and non-financial performance information provided to Parliamentary decision-makers?	• Evidence of rigorous process to prepare DPR. • Evidence of completeness and relevance of information in DPR.	• Case studies • Internal audit opinions or reports • Opinions or reports of the OAG
g) Do deputy heads provide to their ministers and to Treasury Board reliable and meaningful financial and non-financial reports on their departments' performance? Is it accepted as credible?	• Reliable and meaningful information in reports. • Information in internal reports linked to and consistent with information in external reports • Recipients believe the information to be credible.	• Case studies. • Internal audit opinions or reports • Opinions or reports of the OAG • Interviews with selected TB Ministers and Ministers.
h) Do deputies report to their ministers and to Treasury Board on their achievement of comptrollership expectations?	• Reports on achievements.	• Case studies • DPRs.
i) Has audit assurance been provided on	• Assurances provided on significant management reports - DPR, etc.	• Case studies • DPRs.

ISSUE	INDICATOR	DATA SOURCES
management reports?		• Internal audit opinions or reports • Opinions or reports of the OAG. • Results of evaluations of the implementation of the *Internal Audit* policy.
j) Are outputs costed in ways that facilitate comparisons and decisions?	• Intended results linked to costs in decision or reporting documents.	• Case studies.
k) Do managers at all levels and ministers demand and use financial and non-financial performance information in decision-making?	• Evidence of demand for, and use of the financial and non-financial performance information, in decision-making.	• Case studies. • Focus groups. • Interviews with Ministers. • Key decision documents.
l) Is the information provided by departments and agencies actually used by Central Agencies and Parliamentarians in decision-making and oversight processes?	• Evidence of demand for, and use of the financial and non-financial performance information, in decision-making.	• Case studies. • Focus groups. • Interviews with TBS Officials and TB Ministers. • Interviews with selected Parliamentarians, key Parliamentary Committee chairs. • Key decision documents.
m) Are risks at the department and agency level appropriately identified, assessed and responded to?	• Evidence of use of an integrated risk management framework, and/or • Evidence risks properly identified, assessed and responded to.	• Case studies. • Strategic and Business plans (or equivalents). • Other documents associated with the management of risk. • Focus groups. • Interviews with TBS Officials • Interviews with Ministers. • Interviews with relevant officials in departments and agencies. • Results of any evaluations or studies carried out in relation to the government's *Integrated Risk Management Framework.*
n) Is there an environment within the organization in which taking risks and the consequences of doing so are handled within a mature framework of delegation, rewards and sanctions?	• Evidence of such an environment.	• Case studies. • Focus groups. • Results of any evaluations or studies carried out in relation to the government's *Integrated Risk Management Framework.*
o) Are risk tolerance levels articulated and communicated?	• Risk tolerance levels discussed in departmental and agency documents.	• Case studies. • Strategic and Business plans (or equivalents). • Other documents associated with the management of risk.

ISSUE	INDICATOR	DATA SOURCES
		• Focus groups. • Results of any evaluations or studies carried out in relation to the government's *Integrated Risk Management Framework.*
p) Are departments adopting and deploying new approaches to maintain meaningful control and accountability both when delivering services themselves and when using alternative service delivery arrangements?	• An Integrated Control Framework. • Alternate Service Delivery (ASD) arrangements include provisions for adequate accountability and control.	• Case studies. • Internal Control Framework documents. • Internal audit opinions or reports • Opinions or reports of the OAG. • ASD arrangements. • Results of any evaluations or studies carried out in relation to the government's *Alternate Service Delivery Policy.*
q) Do departments and agencies have assurance that controls are operating as intended?	• Evidence of audit /assurance being provided.	• Case studies. • Internal audit plans or reports. • Interviews with Head of Internal Audit. • Results of evaluations of the implementation of the *Internal Audit* policy. • Reports or opinions of the OAG.
r) Are public service values demonstrated in employee behaviour at all levels (internal and with clients) - especially when making decisions?	• Mechanisms to communicate ethical concerns in place and functioning. • Public servants are aware of accountability for ethical behaviour especially as it relates to decision-making. • Evidence of ethical behaviour.	• Case studies • Focus groups • Results of Public Service Wide Employee Survey(s) • Code of ethics or equivalent • Interviews with Integrity Officers. • Interviews with Public Service Integrity Officer. • Surveys of departmental clients.
s) Are public service values adopted and demonstrated by those delivering government services to Canadians through alternate arrangements?	• Evidence of values being adopted by third party providers.	• Case Studies • Documents associated with ASD arrangements. • Interviews with relevant officials in departments and agencies. • Interviews with Integrity Officers. • Interviews with Public Service Integrity Officer. • Interviews with officials of third party providers.

ISSUE	INDICATOR	DATA SOURCES
		• Surveys of provider clients.
t) Is the information managers at all levels receive relative to their stewardship responsibilities relevant, reliable and useful?	• Evidence of relevant, reliable and useful information provided.	• Case studies.
u) Are internal and external audit and evaluation results used as input to decision-making and to improve processes?	• Evidence of use of such results.	• Case studies • Review of function of audit and evaluation committees. • Monitoring reports that track promised management action on such reports. • Opinion and reports of the OAG. • Results of evaluations of the implementation of the *Internal Audit* and *Evaluation* policies.
v) Are public resources and assets effectively safeguarded?	• Adequate control framework in place. • Controls are reviewed periodically.	• Case studies. • Interviews with relevant departmental or agency officials. • Internal audit reports or opinions. • Reports or opinions of the OAG.
COST EFFECTIVENESS		
1. Is the administrative approach, currently being used, the most effective way of implementing comptrollership or would, for example, legislation as used in other jurisdictions be more effective?		
a) **Have only marginal technical changes in financial management or program results measurement been achieved, with little significant change in the management culture that demands them and supports them?**	• Significant change in management culture. • Significant demand for comptrollership practices to be used.	• Case studies • Focus Groups. • Conclusions on questions 1a, 2, 3, 5, 13, and 14 in the previous section of this Annex - *Success in Meeting Objectives*.
b) **Has the current approach been effective in:** i. providing sufficiently clear and sustained signals of the need to change;	• Evidence of effectiveness of approach	• Case studies • Focus groups. • Conclusions on questions related to *Progress in Implementation* and *Success in Meeting Objectives*.

ISSUE	INDICATOR	DATA SOURCES
ii. fixing responsibilities clearly and visibly enough to avoid undue variations in comptrollership approaches with changes in personnel; iii. sufficiently supporting those who might find their comptrollership responsibilities in tension with other priorities or imperatives; iv. ensured the effective application of modern comptrollership responsibilities to the management of horizontal issues within government and across departments?		• Interviews with Deputy Heads and senior TBS officials. • Opinion of the OAG.
2. If the administrative approach to the initiative is still appropriate; are there changes needed to structure or processes being used?		
a) **With respect to disbanding the TBS Comptrollership Modernization Directorate as a discrete project office in 2004:** i. Are the enablers well established? ii. Is sufficient infrastructure in place? iii. Is Modern Comptrollership now integrated into departmental / agency decision-making and operations?	• Positive conclusions in items i, ii, and iii.	• Case studies • Focus groups. • Conclusions on questions related to *Success in Meeting Objectives*. • Interviews with Deputy Heads and senior TBS officials. • Opinion of the OAG.
b) Are arrangements need to be made to "stand-down" the Comptrollership Modernization Directorate are articulated and in place?	• nil	• TBS organization structure and mandates of elements within it. • Interviews with relevant TBS officials.
c) Has the need for central	• Reliance of departments and	• Case studies.

ISSUE	INDICATOR	DATA SOURCES
funding beyond 2004 been assessed?	agencies on central funding for sustaining the initiative. • Innovations projects substantially completed.	• Budgets and expenditures. • Interviews with relevant departmental and agency officials.
3. As lessons for future initiatives.		
a) Was the pilot department approach useful?	• Evidence of significant approaches and techniques developed by pilot departments. • Evidence of use of techniques or approaches government wide or by some other departments - especially those in Phase 2 of the *Initiative*. • Evidence of use of lessons-learned by those in the Phase 2 of the *Initiative*.	• Case studies. • Results of pilot phase. • Techniques or approaches developed. • Interviews with relevant officials in the pilot departments and agencies. • Interviews with relevant officials in the Phase 2 departments and agencies. • Interviews with relevant TBS officials.
b) Was the best practices database actually used?	• Evidence of application of some best practices in the database by departments and agencies.	• Case studies. • Best Practices Database. • Interviews with contacts named in best practices database.
CONTINUED RELEVANCE		
1. Are the initial premises as articulated in the *Independent Panel Report* still valid?	• Initial premises still valid.	• Case studies • Interviews with deputy heads. • Interviews with Independent Panel Members. • Interviews with academics specializing in public administration. • Interviews with senior TBS officials. • Interviews with TB Ministers.
2. Are modern comptrollership principles and practices still relevant to the management of the public service?	• Environmental conditions that prevailed at the time of the work of the *Independent Panel Report* are still relevant.	• Case studies • Interviews with deputy heads. • Interviews with Independent Panel Members. • Interviews with academics specializing in public administration. • Interviews with senior TBS officials.

ISSUE	INDICATOR	DATA SOURCES
		• Interviews with TB Ministers. • Interviews with deputy heads.
3. Are there any pillars or enablers that need to be reviewed and perhaps modified in the light of experiences?	• Evidence that current comptrollership expectations are attainable at reasonable cost and effort.	• Case studies • Focus groups • Interviews with relevant departmental and agency officials. • Comptrollership expectations. • Criteria as described in the Comptrollership Capacity Check Methodology.
4. Does the overall approach require change in light of changes or developments in the government management environment?	• Initial premises still valid	• Case studies • Interviews with deputy heads. • Interviews with Independent Panel Members. • Interviews with academics specializing in public administration. • Interviews with senior TBS officials. • Interviews with TB Ministers.
5. Does the overall approach require change to better respond to the needs of the current environment?	• Environmental conditions that prevailed at the time of the work of the *Independent Panel Report* are still relevant	• Case studies • Interviews with deputy heads. • Interviews with Independent Panel Members. • Interviews with academics specializing in public administration. • Interviews with senior TBS officials. • Interviews with TB Ministers.

ANNEX E – Indicators of Long-term Sustainability

Suggested Indicators of Sustainability of the Modern comptrollership Initiative

Key aspects of comptrollership enablers should be evident

- Comptrollership competencies integrated into management competency profiles.
- Training in comptrollership competencies included in management and financial specialist training programs.
- Funding for training in comptrollership practices has a high priority.
- Managers and financial specialists understand their comptrollership responsibilities.
- Managers are assessed against performance agreements that include the requirement to achieve financial and operating results as well as the requirement to apply modern comptrollership practices.
- Senior management discusses openly such comptrollership concepts as risks and values and ethics and actively monitors progress on the implementation of action plans to improve modern comptrollership practices.
- External reports are easily understood by users and clearly demonstrate linkages between results and resources consumed.
- Information in external reports is consistent with internal reports.

Some benefits should start appearing in pilot departments. For example:

- Greater delegated authority given in recognition of sound comptrollership practices.
- Latitude to operate with less oversight and intervention
- Information supporting funding requests accepted as credible.
- Consistency in achieving intended financial and operating results.
- Integrated financial and non-financial information available for decision-making.

ANNEX F - Lexicon of Terms Used in the RMAF

Based upon: "Guide for the Development of Results-based Management and Accountability Frameworks", August 2001, TBS.

Accountability - The obligation to demonstrate and take responsibility for performance in light of agreed expectations. There is a difference between responsibility and accountability - responsibility is the obligation to act whereas accountability is the obligation to answer for an action. ***(Responsabilisation)***

Activity - An operation or work process internal to an organization, intended to produce specific outputs (e.g. products or services). Activities are the primary link in the chain through which outcomes are achieved. ***(Activité)***

Attribution - The assertion that certain events or conditions were, to some extent, caused or influenced by other events or conditions. This means a reasonable connection can be made between a specific outcome and the actions and outputs of a government policy, program or initiative. ***(Attribution)***

Business Line - A business line is a mechanism for aligning collective effort and resources to Strategic Outcomes across a department's internal organizations. In smaller agencies, business lines may be synonymous with organizations but in larger, more complex departments, business lines are not likely to be organizationally based. Business lines function as forums for setting direction, ensuring coherence in program delivery, establishing clear accountabilities for results across internal organizations, tracking and reporting on performance and providing a shared context for allocating resources to results. ***(Secteur d'activité)***

Departmental Performance Reports (DPR) - Departmental Performance Reports, tabled in the fall of each year by the President of Treasury Board on behalf of all federal departments and agencies named in Schedule I, I.1 and II of the *Financial Administration Act*, are part of the Estimates and Supply process. The reports explain what the government has accomplished with the resources and authorities provided by Parliament. The performance information in the reports is intended to help Members of Parliament advise the government on resource allocation in advance of the annual budget and Supply process in the spring. ***(Rapports ministériels sur le rendement - RMR)***

Effect – *Effect,* like *impact,* is a synonym for *outcome* although impact is somewhat more direct than an effect. Both terms are commonly used, but neither is a technical term. For technical precision, Treasury Board Secretariat recommends that *outcome* be used instead of *effect*. ***(Effet)***

Effectiveness - The extent to which an organisation, policy, program or initiative is meeting its planned results. Related term: **Cost Effectiveness** - The extent to which an organisation, program, etc. is producing its planned outcomes in relation to expenditure of resources. ***(Efficacité)***

Efficiency – Refers to the relationship between goods and services produced and resources used to produce them. An efficient operation produces the maximum output of a specified quality or characteristics for any given set of resource inputs or it has minimum inputs for any given quantity and quality of service provided. ***(Efficience)***

Evaluation - The systematic collection and analysis of information on the performance of a policy, program or initiative to make judgments about relevance, progress or success and cost-effectiveness and/or to inform future programming decisions about design and implementation. ***(Évaluation)***

Final Outcome - These are generally outcomes that take a longer period to be realized, are subject to influences beyond the policy, program or initiative, and can also be at a more strategic level. ***(Résultat final)***

Goal - A general statement of desired outcome to be achieved over a specified period of time. The term goal is roughly equivalent to *Strategic Outcome*. For technical precision, Treasury Board Secretariat recommends that *Strategic Outcome* be used instead of *goal* (see also *objectives*). ***(But)***

Horizontal Result - An outcome that is produced through the contributions of two or more departments or agencies, jurisdictions, or non-governmental organizations. ***(Résultat horizontal)***

Impact – *Impact,* like *effect,* is a synonym for *outcome*, although an impact is somewhat more direct than effect. Both terms are commonly used, but neither is a technical term. For technical precision, Treasury Board Secretariat recommends that outcome be used instead of *impact*. ***(Impact)***

Indicator - A statistic parameter that provides information on trends in the condition of a phenomenon and has significance extending beyond that associated with the properties of the statistic itself. ***(Indicateur)*** - **Related terms:**

> **Comparable Indicator** - An indicator based on common baseline information, definitions and database collection, and a compatible reporting system. This term is expressly used in relation to Social Union Framework Agreement. ***(Indicateur comparable)***
>
> **Societal Indicator** - An indicator used to track the state of Canadian society. It is used to place departmental achievements in a broad societal context, and, in relation with *performance indicators*, is used to shape government decisions on policies, programs and initiatives. ***(Indicateur sociétal ou indicateur de société)***

Other indicators used in the federal context but not defined include sustainable development indicators, environmental indicators, etc.

Input - Resources (human, material, financial, etc.) used to carry out activities, produce outputs and/or accomplish results. ***(Intrant)***

Logic Model - (also referred to as Results-based Logic Model) An representation of the results chain or how the activities of a policy, program or initiative are expected to lead to the achievement of the final outcomes. Usually displayed as a flow chart. *See Results Chain*. ***(Modèle logique)***

Mission Statement - A formal, public statement of an organization's purpose. It is used by departmental management to set direction and values. ***(Énoncé de mission)***

Objective - The high-level, enduring benefit towards which effort is directed. The term is roughly equivalent to *Strategic Outcome*. For technical precision, Treasury Board Secretariat recommends that *Strategic Outcome* be used. ***(Objectif)***

Outcome - A consequence attributed to an organisation, 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. ***(Résultat)***

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

Performance – The way an organisation, 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. ***(Rendement)***

Performance Measurement Strategy - Selection, development and on-going use of performance measures to guide corporate decision-making. The range of information in a performance measurement strategy could include: reach; outputs and outcomes; performance indicators; data sources; methodology; and costs. ***(Stratégie de mesure du rendement)***

Performance Measure - An indicator that provides information (either qualitative or quantitative) on the extent to which a policy, program or initiative is achieving its outcomes. ***(Mesure de rendement)***

Performance Monitoring - The on-going process of collecting information in order to assess progress in meeting Strategic Outcomes, and as consequence may provide warning if progress is not meeting expectations. ***(Suivi du rendement)***

Performance Reporting - The process of communicating evidence-based performance information. Performance reporting supports decision-making, serves to meet accountability requirements and provides a basis for citizen engagement and a performance dialogue with parliamentarians. ***(Reddition de compte)***

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. ***(Résultats prévus - Cibles)***

Planning, Reporting and Accountability Structure (PRAS) - A PRAS defines an organization's core business (business lines) and also defines its accountabilities, key measures and resource allocations. Approved by TBS, the overall objectives of the PRAS policy are to provide departments and agencies with a basis to plan and manage as well as to serve as a solid foundation for communicating performance information to parliamentarians. ***(Structure de planification, de rapport et de responsabilisation - SPRR)***

Reach - The individuals and organizations targeted and directly affected by a policy, program or initiative. ***(Portée)***

Reports on Plans and Priorities (RPP) - As part of the Main Estimates, the RPPs provide information on departmental plans and expected performance over a three-year period. These reports are tabled in Parliament each spring, after resource allocation deliberations. They generally include information such as mission or mandate, strategies, as well as Strategic Outcomes and performance targets. ***(Rapports sur les plans et les priorités - RPP)***

Result - The consequence attributed to the activities of an organisation, policy, program or initiative. Results is a general term that often includes both outputs produced and outcomes achieved by a given organisation, policy, program or initiative. In the government's agenda for results-based management and in *Results for Canadians*, the term *result* refers exclusively to *outcomes*. ***(Résultat)***

Results Chain (synonyms: results-based logic model, results sequence) - The causal or logical relationship between activities and outputs and the outcomes of a given policy, program or initiative, that they are intended to produce. Usually displayed as a flow chart. ***(Enchaînement de résultats)***

Results for Canadians - Describes the management framework for the federal government of Canada. Published in the early 2000, this key document outlines the four management commitments for the federal government: citizen focus, values, results and responsible spending. ***(Des résultats pour les Canadiens et les Canadiennes)***

Results-based Management - A comprehensive, life cycle, approach to management that integrates business strategy, people, processes and measurements to improve decision-making and drive change. The approach focuses on getting the right design early in a process, implementing performance measurement, learning and changing, and reporting performance. ***(Gestion axée sur les résultats)***

Results-based Management and Accountability Framework (RMAF) - A document which serves as a blueprint for managers to help them focus on measuring and reporting on outcomes throughout the lifecycle of a policy, program or initiative. ***(Cadre de gestion et de responsabilisation axés sur les résultats - CGRR)***

Service Commitment - Service commitments or standards generally set performance objectives for the delivery of government products or services to the public, specifying the quality or level of service to which a department or agency commits, or can be expected to deliver to clients. ***(Engagement en matière de service)***

Strategic Outcomes - (In previous documents these were also called: Departmental Outcomes, Strategic Objectives; Key Results Commitments, Business Line Outcomes.) The long-term and enduring 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. Most importantly, however, progress toward these outcomes will require, and Canadians will expect, the leadership of a federal department or agency. ***(Résultats Stratégiques)***

Target Group (Target Population) - The set of individuals that an *activity* is intended to influence. ***(Groupe Cible)***

ANNEX G - Baseline of the Modern Comptrollership Initiative

The baseline is intended to indicate the state of comptrollership within the Government of Canada at the beginning of the MCI.

Both the Treasury Board Secretariat and the Office of the Auditor General have developed and applied tools to assess the state of comptrollership in departments. Indeed Chapter 13.72 of the October, 2000 Report of the Auditor General entitled *"Assessment of Financial Management Capabilities in Departments"* states *"Although the Treasury Board Secretariat used a different approach from that of the Office of the Auditor General in carrying out its work, there is a strong correlation in the scope of the two methodologies. A key distinction between the two is the self-assessment approach of the comptrollership capacity checks."*

In light of the strong correlation between the capability methodology utilized by the OAG and the Capacity Check methodology utilized by TBS, both of these sources are drawn on to establish the baseline for the Modern Comptrollership Initiative in addition to statements describing the state of management practices appearing in the *Review Panel Report*. Pertinent references contained in chapters of reports of the Auditor General since 1997 are listed at Appendix "1" to this Annex.

The four pillars and the three enablers are used as a framework for the MCI baseline.

Cautionary Note: It is important to note that Canada is the only jurisdiction internationally to have taken such a comprehensive approach to comptrollership modernization. This comprehensive approach is in itself a best modern management practice. The objective is to put in place the best and most appropriate exemplary practices in comptrollership. It is also important to understand that this baseline is that which can best be subjectively established based on the best proxy information available.

In making any assessment of progress for the Treasury Board Secretariat, the start date of 1 April 1998 is proposed and for departments and agencies the time of the receipt of the Capacity Check by their organization.

Finally, the picture presented in the following baseline does not take into account or reflect the very real progress that may have occurred within departments and agencies since they received the results of their Capacity Checks. It is, however, the best qualitative assessment of the state of comptrollership affairs at the start time indicated above and is by necessity a generalization based on an analysis of departmental and agency Capacity Check reports and a review of pertinent observations made by the Office of the Auditor General. Each organization will vary regarding its specific baseline situation at the beginning of the Modern Comptrollership Initiative.

Departments or agencies at the time of their capacity check feedback often possessed the following characteristics:

Strategic Leadership Baseline

- Senior management had likely discussed, understood and demonstrated a commitment to modern comptrollership concepts and practices. At lower levels and in regions, however, the level of awareness and commitment seemed to be lower.
- Notwithstanding that senior level commitment, there was not a clear departmental strategy to transform from current practice to Modern Comptrollership practices.
- Senior Financial Officers had normally been providing advice at a strategic level, but at lower levels and away from the corporate centre financial officers tended to provide advice at the transaction level with only limited strategic advice.
- Strategic and business plans, if they existed, were primarily for the use of external agencies and were not used for internal management. Although business plans might have linked well to strategic priorities, resource allocations at the departmental level were either being made on the basis of historical budgets and/or had no obvious relationship to the stated priorities.
- To supplement financial management information, managers tended to be using off-line records (black-books).
- At the departmental level, client feedback systems and other performance information were not normally used to manage the organization or agency.

Motivated People Baseline

- Likely no determination of managerial skills and capacities to implement modern comptrollership or an assessment of the financial specialists competencies to meet new needs had taken place.
- Although training in modern comptrollership practices might have been available, managers were likely not able to avail themselves of the training because of funding or workload constraints.
- There were informal methods used to determine employee satisfaction. The perception of the value the organization placed on people was negatively influenced by issues such as pay equity; downsizing; increased workload; and, the resultant negative impacts on family life. There was no assessment of the ability of the department or agency to attract and retain qualified recruits.
- Formal reward and recognition programs were in place in majority of departments but a culture of helping individuals with career planning did not exist.
- Risk aversion was a prevailing cultural trait of the department or agency.

Clear Accountability Baseline

- While accountability frameworks were in place, the frameworks were not well understood, and included some overlap of responsibilities and possibly some lack of clarity and acceptance regarding functional roles.
- There were likely no concrete statements of what they expected to achieve and thus no reporting back against expectations - this was most evident in relation to the Modern Comptrollership Initiative.
- The capacity of specialist support, including audit and evaluation, had eroded over several years of downsizing.
- Performance agreements were in place for staff at or above the EX level, linked in the majority of cases to objectives or expected results. Rarely, however, were these linked to responsibilities for the application of modern management practices. There were few mechanisms to link performance information to the annual evaluations.
- Although formal reward and recognition programs were in place, several constraints existed including limited monetary recognition possibilities. There was also a general lack of transparency and understanding by staff of recognition program criteria.
- Departments and agencies were perceived, at least by the Auditor General, as having provided incomplete information to Parliament.

Integrated Performance Information Baseline

- Although there might have been significant operational performance information available at the operating levels within the department/agency, integrated financial and non-financial information was not available to support management, resource allocation, nor decision making at the organizational level. There was a lack of quality assurance regarding any data or information provided in performance reporting.
- The evaluation function was not regularly providing information for use in strategic decision-making. The accuracy and relevance of a number of performance measures was uneven with the focus of any such measures very often on activities, rather than outputs and results.
- Performance information might been collected for external reporting purposes but was rarely used to support internal program management and decision-making.

- Although good costing information was not widely available, it might have been available in those areas where cost recovery or a client focus and service standards were used or perceived as important.

- The establishment of service standards and the measurement of client satisfaction, at least at the departmental level, was not a prominent feature of performance measurement. If service standards had been developed, they would not likely have taken client needs into consideration.

Risk Management Baseline

- Where risk management frameworks existed or where risk was managed, it tended to be at the operational level where managers generally relied on experience and intuition to manage risk.

- Risk management, even at this level, was more evident for departments and agencies dealing with public health, safety and security.

- Risk tolerance levels were not generally established, and the prevailing culture was one of risk aversion.

Ethics and Values Baseline

- There generally was ethical behaviour on the part of public servants in the department or agency and an overall ethical environment.

- A code of ethics or a close equivalent (such as mission and values statements) had been developed and promulgated at some level.

- Although an organizational dialogue on ethics and values had been initiated, there were no formal assessments and surveys of staff to gauge the ethical climate. In consequence, there was a limited organizational capacity to lead and sustain the ethics dialogue.

- There were some tools and techniques to support managers and staff in dealing with ethical issues. A fully developed and implemented ethical framework that included such things as a formal accountability process and follow-up to gauge success of ethics related initiatives, however, was not a feature the department or agency management framework.

Rigorous Stewardship Baseline

- Business improvement initiatives within the organization were not situated within the context of an overall departmental improvement framework.

- Departments had extensive availability of knowledge-enhancing technology and analytical decision making tools, but these lacked flexibility in the corporate transaction tracking systems to provide easy access to accurate, timely and complete financial and non-financial information.

- In some cases, the unavailability or inaccessibility of training impacted negatively on the usefulness of such tools.
- Integrated control frameworks were not documented and managers had limited awareness of their control responsibilities.
- Either financial or internal audit staff monitored or reviewed the application of certain controls but no mechanisms were in place to provide overall assurance that control frameworks were working as intended.
- There were good accounting practices and/or adequate financial records.
- Internal Audit was under-resourced.
- Non-financial managers were not aware of, nor understand accrual accounting and its implications on such activities as asset management.

Appendix I to Annex H

Key References

- Chapter 6 of the Report of the Auditor General of Canada to the House of Commons, April 2002, entitled *"A Model for Rating Departmental Performance Reports"*.
- Chapter 7 of the Report of the Auditor General of Canada to the House of Commons, April 2002, entitled *"Strategies to Implement Modern Comptrollership"*.
- Chapter 1 of the Report of the Auditor General of Canada to the House of Commons, 2001, entitled *"Financial Information Strategy"*.
- Chapter 1 of the Report of the Auditor General of Canada to the House of Commons, April 2000, entitled *"Service Quality"*.
- Chapter 12 of the Report of the Auditor General of Canada to the House of Commons, October 2000, entitled *"Values and Ethics in the Federal Public Sector"*.
- Chapter 13 of the Report of the Auditor General of Canada to the House of Commons, October 2000, entitled *"Assessment of Financial Management Capabilities in Departments"*.
- Chapter 19 of the Report of the Auditor General of Canada to the House of Commons, December 2000, entitled *"Reporting Performance to Parliament: Progress Too Slow"*.
- Chapter 20 of the Report of the Auditor General of Canada to the House of Commons, December 2000, entitled *"managing Departments for Results and Managing Horizontal Issues for Results"*.
- Chapter 5 of the Report of the Auditor General of Canada to the House of Commons, April 1999, entitled *"Collaborative Arrangements: Issues for the Federal Government"*.
- Chapter 21 of the Report of the Auditor General of Canada to the House of Commons, November 1999, entitled *"Financial Information Strategy: Departmental Readiness"*.
- Chapter 23 of the Report of the Auditor General of Canada to the House of Commons, November 1999, entitled *"Involving Others in Governing: Accountability At Risk"*.
- Chapter 18 of the Report of the Auditor General of Canada to the House of Commons, September 1998, entitled *"The Financial Information Strategy: A Key Ingredient in Getting Government Right"*.
- Chapter 2 of the Report of the Auditor General of Canada to the House of Commons, April 1997, entitled *"Financial Management: Developing a Capability Model"*.

- Chapter 3 of the Report of the Auditor General of Canada to the House of Commons, April 1997, entitled *"Management of the Government's Accounting Function: A Central Agency Perspective".*

- Chapter 5 of the Report of the Auditor General of Canada to the House of Commons, April 1997, entitled *"Reporting Performance In the Expenditure Management System".*