

## Section 6

Update on the implementation of  
recommendations from:

**How Are We Doing?  
The Public Reporting Performance Measures  
in British Columbia**

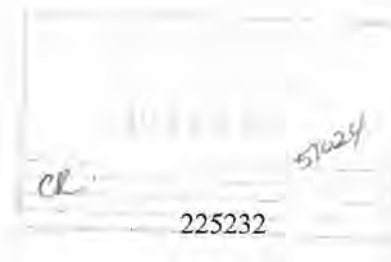
December 2008

April 2010

# Response from the Ministry of Finance



March 4, 2010



Malcolm Gaston  
Assistant Auditor General  
Office of the Auditor General  
PO Box 9036 STN PROV GOVT  
Victoria BC V8W 9A2

Dear Malcolm Gaston:

**Re: Follow-up review of your report: *How are We Doing? The Public Reporting of Performance Measures in British Columbia***

Enclosed please find an update on government's progress in implementing the recommendations contained in your December 2008 report: *How are We Doing? The Public Reporting of Performance Measures in British Columbia*. Specifically, we have included two documents to report this status:

- a Recommendation Status Summary, and
- a Detailed Action Plan for Implementing the Recommendations.

I understand that this information will be published, unedited, in your semi-annual follow-up report to be released April 1, 2010.

If you have any questions, please contact Lorna Pritchard, Director, Financial Governance in the Office of the Comptroller General.

I trust this is satisfactory.

Yours Truly,

Cheryl Wenezenki-Yolland, FCMA  
Comptroller General

pc list attached

Ministry of Finance

Office of the Comptroller General

Mailing Address:  
PO Box 9413 Stn. Prov. Govt.  
Victoria BC V8W 9V1

Section 6

## Response from the Ministry of Finance

---

pc: Lorne Brownsey  
A\ Deputy Minister of Advanced Education  
and Labour Market Development

James Gorman  
Deputy Minister of Education

John Dyble  
Deputy Minister of Health Services

Kathy Chopik  
Assistant Deputy Minister, Strategic Policy,  
Deputy Ministers' Policy Secretariat  
Ministry of Forests and Range

**RECOMMENDATION STATUS SUMMARY**  
*How Are We Doing? The Public reporting of Performance Measures in British Columbia*  
as at January 31, 2010

Auditor General's Recommendations	Implementation Status				
	Fully	Substantially	Partially	Alternative Action	No Action
1. Central agencies provide guidance to organizations encouraging them to: <ul style="list-style-type: none"> <li>keep the number of performance measures they disclose in their annual performance reports to a minimum and focused on the few critical results that the intended audience of the report is expected to be concerned about.</li> <li>increase the number of efficiency measures they disclose in their annual performance report, and;</li> <li>report on the accuracy and timeliness of their operations.</li> </ul>		✓			
2. School districts include current-year targets for all performance measures disclosed in their accountability or achievement contract reports.			✓		
3. The Ministry of Health Services not require health authorities to include all of the performance measures contained in their Government Letter of Expectations (Government Letters) in their annual service plan report. Alternative reporting mechanisms should be developed for those measures in the Government Letters that have been removed from the service plan reports.	✓				
4. The Ministry of Health Services define specific targets for every performance measure contained in the health authorities' Government Letter. The Government Letters include performance measure targets for each year covered by a health authorities' upcoming three-year service plan.	✓				

**Note: Status of Implementation**

- I - Recommendation has been **fully** or **substantially** implemented
- P - Recommendation has been **partially** implemented
- AA - Alternative action has been undertaken, **general intent of alternative action addresses OAG finding**
- NA - No substantial action has been taken to address this recommendation



## How are we doing? The public reporting of performance measures in British Columbia Detailed Action Plan for Implementing the Recommendations

**OAG Finding:** Many organizations are reporting on an excessive number of performance measures in their annual performance reports.

### Recommendations:

We recommend that:

- Entities keep the number of performance measures contained in their annual reports to a minimum by focusing on the few critical results of concern to the intended audience of the report.
- Central agencies providing guidance to reporting entities encourage them to keep the number of measures they disclose in their annual performance reports to a minimum.

Government Response to Recommendations	Actions Taken To Date	Status (see note)	Actions Planned (Include Time Frame)
<ul style="list-style-type: none"> <li>• Government agrees that the number of performance measures needs to be reasonable and focussed on critical aspects of performance. Through Service Plan and Annual Report guidelines, central agencies currently provide guidance to Ministries and Crown Agencies on the appropriate number of performance measures to be disclosed in their annual performance reports, and the importance of focussing on critical results. At the same time, government recognizes that a one-</li> </ul>	<ul style="list-style-type: none"> <li>• Service Plan Guidelines provided to Ministries, Crown Corporations and health authorities already contain guidance that the number of performance measures should be kept to a minimum and focused on the most critical aspects of the organization's performance.               <ul style="list-style-type: none"> <li>○ Guidelines for Crown Corporations suggest one to three performance measures per goal.</li> <li>○ Guidelines for Ministries and health authorities suggest a maximum of six performance</li> </ul> </li> </ul>	I	<ul style="list-style-type: none"> <li>• The number of performance measures for the public post-secondary organizations is reviewed periodically to ensure that only key measures are included in the accountability framework. The number of performance measures will decrease for the 2009/10 reporting cycle to 15 performance measures.</li> </ul>

### Note: Status of Implementation

I - Recommendation has been **fully** or **substantially** implemented

P - Recommendation has been **partially** implemented

AA - Alternative action has been undertaken, general **intent of alternative action addresses OAG finding**

NA - No substantial action has been taken to address this recommendation

<p>size-fits-all approach across all types and sizes of organizations is neither desirable nor possible; what works for Ministries may not be suitable for health authorities or commercial Crown corporations, for example.</p>	<p>measures in total.</p> <ul style="list-style-type: none"> <li>Reporting guidelines for the public post-secondary accountability framework 2008/09 reporting cycle included 18 performance measures. The number of performance measures reflects the complex nature of post-secondary education.</li> </ul>		
--	---	--	--

**Note: Status of Implementation**

- I - Recommendation has been fully or substantially implemented
- P - Recommendation has been partially implemented
- AA - Alternative action has been undertaken, general intent of alternative action addresses OAG finding
- NA - No substantial action has been taken to address this recommendation



**OAG Finding:** Most public sector organizations do not have any efficiency measures in their annual performance reports.

**Recommendations:**

We recommend that :

- Organizations increase the number of efficiency measures they disclose in their annual performance reports.
- Central agencies providing guidance to entities encourage them to increase the number of efficiency measures they disclose in their annual performance reports.

Government Response to Recommendations	Actions Taken To Date	Status (see note)	Actions Planned (Include Time Frame)
<ul style="list-style-type: none"> <li>• Government agrees that efficiency is one of the types of performance measures that should be considered. At the same time, in an effort to maintain a reasonable number of measures and to focus on the few critical aspects of performance, individual organizations will need to evaluate whether efficiency measures are better suited than other types of measures to best inform the public and legislators of how well the organization is progressing towards its goals.</li> </ul>	<ul style="list-style-type: none"> <li>• Service Plan Guidelines for Crown Corporations already list “efficiency” as one of the types of performance measures that should be considered. Individual organizations evaluate the use of efficiency measures relative to other types of measures in the context of the need to focus on critical results and to keep to a reasonable number of performance measures.</li> <li>• Reference to efficiency measures has been included in the guidelines for Ministries for 2010/11 – 2012/13 Service Plans.</li> <li>• The current post-secondary accountability framework includes two efficiency measures (degree completion rate and student satisfaction with transfer).</li> </ul>	I	<ul style="list-style-type: none"> <li>• The methodology for expanding the degree completion rate to all public post-secondary institutions is planned for the 2010/2011 reporting cycle.</li> </ul>

**Note: Status of Implementation**

- I - Recommendation has been fully or substantially implemented
- P - Recommendation has been partially implemented
- AA - Alternative action has been undertaken, general intent of alternative action addresses OAG finding
- NA - No substantial action has been taken to address this recommendation

**OAG Finding:** Most public sector organizations do not have either an accuracy or timeliness measure in their annual performance reports.

**Recommendation:**

We recommend that

- Organizations strive to include accuracy and timeliness measures in their annual reports, whenever possible.
- Central agencies providing guidance to organizations encourage them to report on the accuracy and/or timeliness of their operations.
- 

Government Response	Actions Taken To Date	Status (see note)	Actions Planned (Include Time Frame)
<ul style="list-style-type: none"> <li>• Government agrees that performance measures focused on accuracy and timeliness may be suitable for some organizations, but will not be appropriate for all. Individual organizations will need to evaluate whether performance measures focused on accuracy and/or timeliness will provide meaningful insight into the organization’s performance compared with other types of measures.</li> </ul>	<ul style="list-style-type: none"> <li>• Service Plan Guidelines for Ministries and Crown Corporations list “timeliness” and “accuracy” among the types of performance measures that should be considered. Individual organizations will need to evaluate the use of “timeliness” and “accuracy” measures relative to other types of measures in the context of the need to focus on critical results and to keep to a reasonable number of performance measures.</li> <li>• A number of accuracy and timeliness thresholds are part of the data collection cycle that supports post-secondary accountability reporting. Accurate and timely data are viewed as precursors to accountability.</li> </ul>	I	Reference to timeliness and accuracy measures will be included in the guidelines for Crown Corporations and Ministries for the 2010/11 - 2012/13 Service Plans.

**Note: Status of Implementation**

- I - Recommendation has been fully or substantially implemented
- P – Recommendation has been partially implemented
- AA – Alternative action has been undertaken, general intent of alternative action addresses OAG finding
- NA – No substantial action has been taken to address this recommendation



<p><b>OAG Finding:</b> Current year performance measure targets were missing for almost half of the performance measures being reported by the School districts in their accountability and achievement contracts.</p>			
<p><b>Recommendation:</b></p> <p>We recommend that:</p> <ul style="list-style-type: none"> <li>School districts include current-year targets for all performance measures disclosed in their accountability and achievement contract reports.</li> </ul>			
Government Response to Recommendations	Actions Taken To Date	Status (see note)	Actions Planned (Include Time Frame)
<ul style="list-style-type: none"> <li>The Ministry of Education and the boards of education work together in a co-governance model. The achievement contract is provided for in the <i>School Act</i> (s. 79.2) and is a public statement of commitment by a board of education to improve success for each student in the district. Guidelines provided by the Ministry convey that achievement contracts cover a three-year planning horizon and include targets specific to areas of need and priority. Targets are to be both short-and long-term. Each contract is developed</li> </ul>	<p>The superintendents of achievement are continuing to help district superintendents understand the need to include current year targets in their planning cycle. The 2010/11 achievement contracts will be submitted to the Ministry of Education by July 15, 2010.</p>	P	<p>The superintendents of achievement will continue to monitor the development of the 2010/11 achievement contracts with individual districts, as required, to include current year targets for performance measures. Guidelines for the 2010/11 achievement contracts will go out to districts in March, 2010.</p>

**Note: Status of Implementation**

- I - Recommendation has been **fully or substantially** implemented
- P - Recommendation has been **partially** implemented
- AA - Alternative action has been undertaken, **general intent of alternative action addresses OAG finding**
- NA - No substantial action has been taken to address this recommendation

<p>collaboratively, involving members of the school community. The Ministry will encourage school districts to include current-year, student-focussed targets in their achievement contract reports.</p>			
--	--	--	--

**Note: Status of Implementation**

- I - Recommendation has been fully or substantially implemented
- P - Recommendation has been partially implemented
- AA - Alternative action has been undertaken, general intent of alternative action addresses OAG finding
- NA - No substantial action has been taken to address this recommendation

**OAG Finding:** Health Authorities are required to include every measure included in the Government Letter of Expectation in their health authority service plan report. As well, the current year targets for many of these measures are not precise and the specific year that long term targets should be achieved, per the letter of expectations, has not been defined for many of these performance measures.

**Recommendation:**

We recommend that:

- The Ministry of Health Services, through the Government Letters, not require health authorities to include every performance measure from these letters in their annual service plan reports. Alternative reporting mechanisms should be developed for those measures in the Government Letters that are removed from the service plan reports.
- The Ministry of Health Services define specific targets for every performance measure contained in the health authorities' Government Letter of Expectations. The Letter should also include targets for these measures for every year covered by a health authority's upcoming three-year service plan.

**Note: Status of Implementation**

**I** – Recommendation has been fully or substantially implemented

**P** – Recommendation has been partially implemented

**AA** – Alternative action has been undertaken, general intent of alternative action addresses OAG finding

**NA** – No substantial action has been taken to address this recommendation



Government Response to Recommendations	Actions Taken To Date	Status (see note)	Actions Planned (Include Time Frame)
<ul style="list-style-type: none"> <li>Alternative reporting mechanisms should be developed for those measures that have been removed from the service plan reports. The Ministry of Health Services recognizes the need to refine the performance measures for health authorities to ensure a focus on key results. At the same time, the performance measures currently used are designed to reflect the breadth and depth of the health care system, across a continuum of health care services and differing populations. The Ministry acknowledges the importance of alternative reporting mechanisms, and agrees that performance measures for the purposes of public reporting could be different from those outlined in the Government Letters of Expectations, which are used by government to monitor the performance and ensure accountability of health authorities. Discussion with and further guidance from the Office of the Auditor General is required to better understand the criteria that</li> </ul>	<ul style="list-style-type: none"> <li>Government Letters of Expectation for health authorities have been amended and no longer contain the large number of measures included in previous years. Performance measures for health authorities are now included in health authority service plans and only focus on the key areas of interest for the intended audience. The 2009/10 – 2011/12 health authority service plans include to six key measures of performance.</li> <li>2009/10 – 2011/12 health authority service plans contain specific three year targets for all measures expect one.</li> <li>Since there are no measures in the Letters of Expectation that are not in the service plans, no alternative reporting mechanism is required.</li> </ul>	I	Government Letters of Expectations and health authority service plans will continue to keep the number of performance measures to a minimum by focusing on the few critical results of concern to the intended audience. Measures will continue to have specific targets for each year covered by the service plan.

**Note: Status of Implementation**

- I - Recommendation has been fully or substantially implemented
- P - Recommendation has been partially implemented
- AA - Alternative action has been undertaken, general intent of alternative action addresses OAG finding
- NA - No substantial action has been taken to address this recommendation

<p>might be used to select performance measures for the service plan, and the particular challenges this poses for the health sector.</p> <ul style="list-style-type: none"> <li>• The Government Letter of Expectations provided to each health authority does, in fact, include a target for every performance measure that is specific to that health authority. While the Ministry of Health Services strives to use numeric targets for each performance measure, it is not always possible to do so due to data quality issues. The Ministry agrees that long-term targets incompatible with the Government Letter of Expectations, which is a single year document.</li> </ul>			
---	--	--	--

**Note: Status of Implementation**

**I - Recommendation has been fully or substantially implemented**

**P - Recommendation has been partially implemented**

**AA - Alternative action has been undertaken, general intent of alternative action addresses OAG finding**

**NA - No substantial action has been taken to address this recommendation**