



At a Glance



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4 Agencies, Boards and Commissions: Accountability Reporting

Summary

Accountability reporting provides information to government and other users on what provincial agencies want to achieve in the upcoming year, and a corresponding evaluation of what has been accomplished. We observed that not all legislation requires accountability reports including business plans and annual reports be prepared, and we suggested that government review each entity's legislation and address this, or expand the Finance Act to provide increased authority to obtain accountability reports from all entities within the government reporting entity.

Annapolis Valley Health's and the IWK Health Centre's accountability reporting is not currently providing the required information for a user to determine if these entities are fulfilling their mandate. Both entities followed Department of Health and Wellness guidance in preparing their 2013-14 business plans. However, that guidance is not sufficient to ensure robust accountability reporting and we recommended the Department improve this process. Neither entity's business plan included specific and measurable goals, and neither reported on outcomes or impacts expected during the current year, and only reported activities. We note that the IWK Health Centre reports on key performance indicators in a quarterly public report. The IWK should include realistic and achievable targets for each of these indicators so that performance against these can be evaluated later.

We examined the 2013-14 business plans of the South Shore Regional School Board and the Cape Breton-Victoria Regional School Board and noted that not all priorities were student-focused making it difficult to assess whether each board is fulfilling its mandate. Both business plans included targets for improved education results.

The Department of Education and Early Childhood Development provides business plan and annual report guidance to school boards that generally captures key components of accountability reporting. We recommended the guidance be strengthened to require boards to report on common goals in education, such as student achievement.

The Department of Finance and Treasury Board provides clear business plan and annual report guidance to crown corporations and other agencies. This guidance promotes strong accountability reporting. Reported outcomes are to be specific, measurable, achievable, relevant, and time bound.

We examined the business plans and annual reports of an additional seven entities and found that most reported outcomes were not specific and measurable. However, minor

changes in outcome reporting by the Nova Scotia Farm Loan Board, Film and Creative Industries Nova Scotia and the Art Gallery of Nova Scotia would result in improved reporting on the extent to which these entities are fulfilling their mandate. Trade Centre Limited's business plan included targets, but the targets were for negative growth, and the plan lacked sufficient explanation. Nova Scotia Lands Inc. and the Halifax Dartmouth Bridge Commission included several activities as their 2013-14 outcomes; however, activity-based reporting does not demonstrate the impact of an entities' actions to stakeholders. Finally, the Nova Scotia Legal Aid Commission is not legislated to prepare a business plan but is required to complete an annual report. We recommended that the Department of Justice require the Commission prepare an annual business plan, including outcomes and performance measures to be evaluated in a subsequent accountability report.



4 Agencies, Boards and Commissions: Accountability Reporting



Background

4.1 The Organization for Economic Cooperation and Development, in its 2009 publication *Measuring Government Activity*, notes:

“How government activities are measured matters. The size and the economic significance of the public sector make it a major contributor to economic growth and social welfare. The goods and services government provides, its redistributive and regulatory powers, and how those are exercised affect the way business is conducted and people live their lives in every country. Citizens are entitled to understand how government works and how public revenues are used.”

4.2 There are accepted practices for measuring government performance and reporting results. Users should be able to understand what government, or a government entity, wanted to achieve in the upcoming year through review of its business plan. As well, progress against those goals should be evaluated through accountability reporting often as part of an annual report. In doing this, governments should report SMART outcomes to facilitate the subsequent evaluation of progress toward planned objectives.

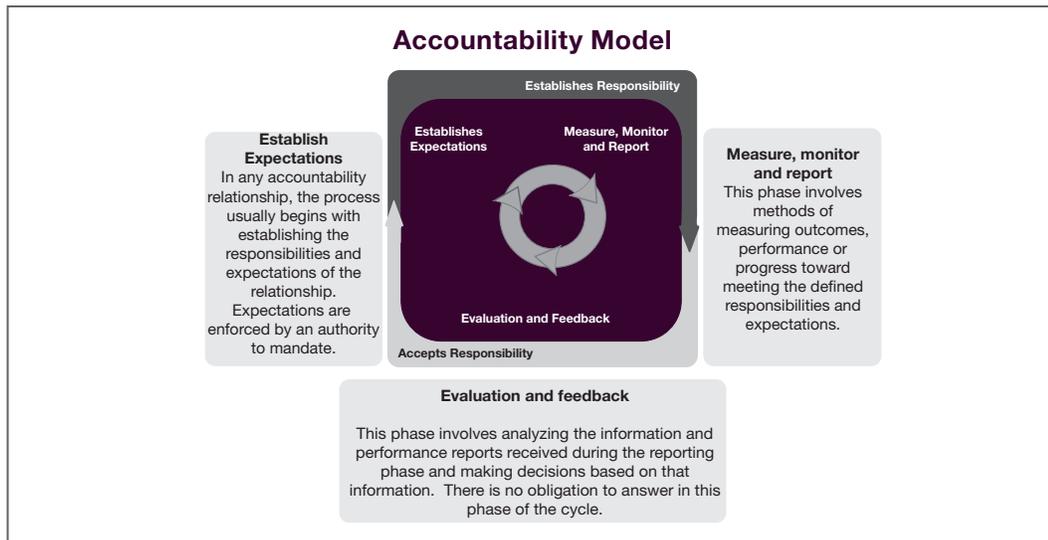
Criterion	Definition
Specific	Should be clear to people with a basic knowledge of the issue, program or initiative and clearly articulated, well-defined and focused
Measurable	Should be able to determine the degree to which there is completion or attainment Using the same (ideally quantifiable) methodology and information, findings should be able to be replicated
Achievable	Should be realistic, practical and attainable within operational constraints dependent upon availability of resources, knowledge and timeframe
Relevant	Should be tied to the entity’s mandate and help to bring about desired outcomes in the Nova Scotia society, economy, or environment
Time-bound	Should have clear deadlines expressed
<i>Source: Adapted from Environment Canada, Federal Sustainable Development Strategy, 2011 Progress Report</i>	

4.3 While the above discussion focuses on outcome-based reporting, it must be recognized that a single outcome-based framework may not be appropriate for all government organizations as those organizations are established for various purposes. Some may be established to provide programs for a particular sector



(for example, Nova Scotia Farm Loan Board) while others may be established to remediate contaminated sites (for example, Nova Scotia Lands Inc.). Regardless of the purpose of the organization, accountability reporting is vital to know whether those organizations have the desired impact on Nova Scotians and support the use of public funds.

- 4.4 In the current fiscal environment, with the government of Nova Scotia having incurred a deficit of \$679 million for the year ended March 31, 2014, and forecasting a deficit of \$221 million for fiscal 2014-15, the effective use of limited government resources is important to Nova Scotians. While government departments and central operations incurred a total of \$7 billion in expenses during the prior fiscal year, government organizations accounted for approximately \$4 billion of approximately \$11 billion in total government expenses.
- 4.5 These government organizations are the province’s crown corporations, health authorities, and school boards which exist to provide services to Nova Scotians. Appropriate performance reporting in the form of annual business plans and accountability reports is required to provide Nova Scotians with information on how specific entities are measuring up against their stated mandate. It also provides users with information related to the effectiveness of an entity’s programs and services. Accountability reporting for government, including government organizations, is a critical component in demonstrating stewardship of resources, and the measurement of the impact and effectiveness of programs and services is critical for decision makers to have adequate information in deciding how to use resources.



Source: *Achieving Health System Accountability 2009 Getting There Together, Manitoba Health and Healthy Living*



Audit Objectives and Scope

- 4.6 In fall 2014, we completed a performance audit of accountability reporting by government organizations for the period April 1, 2013 to March 31, 2014. The purpose of this audit was to determine whether government entities such as crown corporations, other governmental units, and government business enterprises provide relevant information in accountability reports for decision makers and other users to determine if those entities are fulfilling their mandates.
- 4.7 The audit was conducted in accordance with sections 18 and 21 of the Auditor General Act and standards adopted by the Chartered Professional Accountants of Canada.
- 4.8 The objectives of the audit were to assess whether:
- government provides government organizations with guidelines or instructions for preparation of business plans and accountability reports with a focus on outcome measurement of programs or services;
 - entity accountability reports provide information to enable users to reasonably determine if the entity is fulfilling its mandate through a review of entity accountability reports; and
 - existing legislation provides the relevant minister with the authority to require government-approved accountability reporting by the entities.
- 4.9 Certain audit criteria for this engagement were developed by our Office while other criteria were adapted from the SMART approach often used to develop outcomes and performance measures. These criteria were accepted as appropriate by senior staff responsible for accountability reporting at Finance and Treasury Board, Department of Health and Wellness, and Department of Education and Early Childhood Development. Entities selected for this audit were as follows.

Department of Education and Early Childhood Development:

- Cape Breton-Victoria Regional School Board
- South Shore Regional School Board

Department of Health and Wellness:

- IWK Health Centre
- Annapolis Valley Health

Other entities:

- Art Gallery of Nova Scotia



- Nova Scotia Legal Aid
- Film and Creative Industries Nova Scotia
- Nova Scotia Farm Loan Board
- Nova Scotia Lands Inc.
- Trade Centre Limited
- Halifax Dartmouth Bridge Commission

4.10 Our audit included examination of relevant legislation, guidelines, business plans and annual or other accountability reports.

4.11 As a result of past audits in several of these entities, we are aware that there are internal processes that provide boards and management with information on progress toward achieving strategic goals. The purpose of this audit was to examine public reporting, both in terms of providing specific and measurable outcomes, and reporting results against those outcomes. We did not audit internal processes in any entities we tested. In addition, we did not audit whether entities were achieving their mandates; rather, we audited whether there was sufficient information for users to assess whether entity mandates were achieved.

4.12 We expect that following amalgamation, district-specific recommendations will be applicable to the newly formed district health authority and the IWK Health Centre.

Significant Audit Observations

Legislation and Guidance

Conclusions and summary of observations

Not all legislation requires accountability reports including business plans and annual reports be prepared. We suggested that government review legislation of each entity to ensure this is done, or expand the Finance Act to provide increased authority to obtain accountability reports from all entities within the government reporting entity. The guidance provided by the Department of Finance and Treasury Board to crown corporations and certain other entities for the preparation of business plans and accountability reports is clear and concise and follows the SMART approach for accountability reporting by focusing on the measurement of outcomes of core business areas, programs and services. We also noted that guidance being provided by the Department of Education and Early Childhood Development generally captures key components of accountability reporting. We recommended this guidance be strengthened to require boards to report on common goals in education, such as student



achievement. The Department of Health and Wellness is not providing district health authorities and IWK Health Centre with sufficient guidance for them to create business plans or accountability reports that meet accountability reporting best practices. We concluded that the lack of guidance contributed to inadequate accountability reporting in the two entities we tested. We recommended that the Department develop business plan and accountability report guidance that requires health authorities and the IWK to develop and report on specific and measurable outcomes for their core business activities.

4.13 *Background* – Most crown corporations and agencies issue an annual business plan. In order to obtain consistent reporting and ensure entities are meeting legislative or established reporting requirements, we believe guidance and instruction should describe the content of the annual business plan. The guidance should also describe the intended audience, deadlines, responsibilities, and approval processes. To ensure that entities are reporting on those issues and items that are most relevant to their business model, it is important that guidance direct entities to report on those business areas and activities that are closely linked to their mandate and reason to exist.



Legislation does not always require accountability reporting

4.14 *Legislation* – Not all entities included within the scope of this audit have enabling legislation. Neither Nova Scotia Lands Inc. nor Trade Centre Limited has enabling legislation; however, both prepared 2013-14 business plans and annual reports. Of the nine remaining organizations, there is no legislative requirement for Halifax Dartmouth Bridge Commission and Nova Scotia Legal Aid Commission to prepare a business plan, although we note that the Bridge Commission provided a plan for 2013-14.

4.15 Legislation for all other entities specifies some form of reporting, although not all legislation requires that such reports be approved by the respective minister. The Health Authorities Act gives the minister broad powers to obtain information on programs, including that health authorities report against performance targets established in their business plans, for that fiscal year.

4.16 The Education Act requires that school boards develop a business plan. Boards must submit to the minister an annual report containing such information as required by the minister; however, there is no specific requirement that the minister approve either the business plan or the annual report.

4.17 Legislation establishes the powers, responsibilities and requirements of a government organization and identifies the minister to whom the organization reports. Although the Department of Finance and Treasury Board provides guidance to several of these entities, it has no authority to compel each to provide accountability reports. Government should consider reviewing all entities' legislation to ensure there is a requirement for accountability reporting, or expanding the Finance Act to provide increased authority to obtain accountability reports from all entities within the government reporting entity.



4.18 *Guidance* – We evaluated information provided to entities by the following departments to assess whether it provided sufficient guidance on accountability reporting.

- Finance and Treasury Board – to various entities within the government reporting entity
- Education and Early Childhood Development – to school boards
- Health and Wellness – to district health authorities and the IWK Health Centre

4.19 When assessing entity guidance we looked for the use of a proven methodology such as the SMART approach as a best practice. In addition, one of the key elements of accountability reporting is to have appropriate business plans that lay out goals for the organization which can then be evaluated in a future accountability report.

4.20 We recognize there are challenges in performance reporting. Without the benefit of surveys or other feedback, it can be difficult for an entity to assess how well it is performing with respect to its goals and mandate. In addition, while goals should reflect the entity’s mandate, the process to achieve such goals is not always under the entity’s control. An example is student achievement in standardized testing. Teacher training to deliver the curriculum to be tested, and periodic evaluation of student knowledge prior to the assessment, can facilitate the desired standardized testing result. However, student preparation and motivation are ultimately out of control of the school.

► Finance and Treasury Board guidance on accountability reporting is clear and concise

4.21 *Department of Finance and Treasury Board* – In December of each year, the Department of Finance and Treasury Board releases guidance to crown corporations and certain other entities to be used in developing their business plans. This guidance sets forth what is required in the entity’s business plan and provides specific instructions. Entities are requested to complete a business plan annually before the beginning of the reporting period.

4.22 The guidance is clear and well-documented. It explains the need to state the entity’s mandate, key activities, core business areas, and outcomes and performance measures related to these. Accordingly, we concluded it leads to the development of a robust business plan. Entities are directed not to report on operational matters such as human resource activities. The guidance is further strengthened by the use of examples to explain subjective or abstract concepts, such as the following example for measurements under a program for influenza inoculations.

- Service quality measure: client feedback questionnaire that focuses on client satisfaction



- Cost efficiency measure: cost per inoculation
 - Outcome measure: decreased incidence of influenza
- 4.23 In addition, the business plan guidance establishes that the outcomes provided in the business plan are to be included in the accountability report prepared after year end. This emphasizes the need to establish realistic outcomes and targets.
- 4.24 Although the Department's guidance does not specifically refer to the SMART methodology as a means of reporting, it includes all the relevant criteria to allow outcomes included in entity business plans to be SMART in nature. We suggest the guidance could be strengthened if the SMART methodology, or some other accepted methodology, was detailed for user reference.
- 4.25 The Department provides accountability reporting guidance to entities in early May. Accountability reports, which are also referred to as annual reports, are published once a year. Accountability reports should address the goals set by the entity in its business plan for the same fiscal year. Entities are to report on the outcomes set in the business plan, and provide rationale if any of these outcomes, targets or performance measures are no longer valid. This allows entities the flexibility to explain outcomes that are no longer relevant or are not possible to complete. Further, the use of plain language to increase understandability is encouraged, as well as providing explanations for complex calculations or measures. The timing and approval process (by the appropriate minister) is noted.
- 4.26 *Department of Education and Early Childhood Development* – The Department provides school boards guidance to be used for both business plans and accountability reporting. Accountability reporting is included in boards' business plan document and is referred to as progress towards achievement; that is, progress towards achieving goals identified in the prior year business plan.
- 4.27 The guidance describes the relationship between long-term goals and the annual priorities each board will use towards achieving those goals in the next year. Priorities are to be linked to provincial goals which establish the direction of education in the province.
- 4.28 The guidance includes further instruction with respect to performance measures – that they include targets and baseline data to allow the measure to be evaluated later. There is also a statement that the board consider including performance measures for which there will be readily-obtainable data. Finally, the guidance requires that when evaluating the prior year's performance measures in the current year business plan, the board should note what was accomplished or explain what was not accomplished.



► Guidance to school boards does not promote comparability among school boards on student results

4.29 The guidance notes that goals reflect desired change and performance. In accountability reporting, such goals would be considered outcomes. However, we note that the guidance does not require school boards to report on what we believe to be common goals, or outcomes, such as results on provincial assessments in numeracy and literacy. Required reporting on student-based outcomes would promote comparability among boards and allow the public and other users to evaluate strengths and weaknesses in student achievement.

Recommendation 4.1

The Department of Education and Early Childhood Development should improve accountability guidance provided to school boards by requiring that each board report on common goals in education, such as student achievement.

Department of Education and Early Childhood Development Response: The Department agrees with this recommendation.

The Department is reviewing and revising business planning guidance to reflect the direction of the recently-released Education Action Plan, including a suite of measures that can be used to assess student performance within, and across, Boards. The Minister has requested the Auditor General audit the school boards in four key areas to provide guidance on improved accountability and reporting.

4.30 *Department of Health and Wellness* – The Department of Health and Wellness provides a template for the preparation of annual business plans to district health authorities and the IWK Health Centre. However, the Department does not provide guidance on public accountability reporting.

► Health and Wellness guidance does not promote robust accountability reporting

4.31 The business plan guidance is a template response for health authorities and the IWK to complete for their business plans. The guidance requests that each health authority, and the IWK, include government’s and the Department’s priorities in their plans. The guidance notes that planning must align with those priorities. Organizational priorities should be included and the direction of change should be noted – that is, increase, decrease or remain stable. However, there is no requirement for health authorities and the IWK to develop and report on outcomes over time, or to develop performance measures, targets or benchmarks. There is no requirement that information included in the business plan be verifiable or understandable, or that it should explain what is to be accomplished over the next year. There is no link to subsequent accountability reporting. We concluded that the lack of guidance contributed to inadequate accountability reporting in the two entities we tested.



Recommendation 4.2

The Department of Health and Wellness needs to develop business plan and accountability reporting guidance for district health authorities and the IWK Health Centre that requires these entities to develop and report on specific and measurable outcomes for their core business activities.

Department of Health and Wellness Response: The Department of Health and Wellness (DHW) agrees with this recommendation. The recently amended *Health Authorities Act* establishes the requirement for DHW to establish an accountability framework for the health system in Nova Scotia. The accountability framework will contain specific and measurable outcomes and regular monitoring and reporting on progress to meet those outcomes.

4.32 School boards, health authorities and the IWK are required to provide programs and services as specified in their respective legislation. While there may be differences in program delivery, there is a basic requirement for school boards to deliver the provincial education curriculum and for health authorities and the IWK to deliver health services specified by the Department of Health and Wellness. Therefore, guidance from the Departments of Education and Early Childhood Development, and Health and Wellness, should require that school boards and health authorities and the IWK, respectively, develop performance measures addressing the delivery of core programs. This would promote comparability among entities. It would also provide specific direction to individual schools and hospitals on what is to be achieved in those sectors.

Health Accountability Reporting

Conclusions and summary of observations

Annapolis Valley Health and the IWK Health Centre accountability reporting is not currently providing the required information for a user or decision maker to determine if these entities are fulfilling their mandate. While both are releasing the reports required by legislation in a timely fashion, they are currently only reporting on the activities or outputs expected during the current year. There is no requirement to demonstrate how these outputs will benefit stakeholders. Further, targets are not provided for these activities and consequently there can be no later evaluation of progress made. It is not possible to determine how one health authority is performing in relation to another. We note that the IWK Health Centre reports on key performance indicators in its quarterly, public KPI progress report. The IWK should include realistic and achievable targets for each of these indicators so that performance against these can be evaluated later.

4.33 *Background*—Legislation requires that health authorities and the IWK release both an annual business plan and an annual report. The annual report should include information on results achieved on any performance objectives established,



including those established in their business plan. As noted above, we found that the Department of Health and Wellness was not providing appropriate instruction to health authorities and the IWK on what was to be included in business plans in relation to accountability reporting requirements. We also determined that no guidance was provided related to annual reporting.

- 4.34 The Health Authorities Act is explicit in describing the objects and duties of a health authority. Along with the requirements to govern, plan, manage, monitor, evaluate and deliver health services in a district, the objects also require the authority to endeavour to maintain and improve the health of the residents of the health district. We believe that a response to this objective can be demonstrated, in part, by robust accountability processes, including business plans and accountability reports.
- 4.35 Best practices in accountability reporting require entities to develop outcomes that demonstrate the impacts these entities' operations have on their target population, in this case, residents in the health district. While outcomes may be short or long term, it is important that the authority be able to demonstrate progress toward achieving outcomes each year. For example, while a health authority's strategic plan may include a long-term outcome of keeping patients safe, the annual business plan should include a more achievable outcome related to patient safety. An annual outcome could be to decrease the incidence of *C. difficile* in patients; the outcome can be made more specific by detailing the hospitals, wards, and types of patients it intends to focus on. Further, it can be made measurable by determining the current number of incidents within the specific population being targeted for reduction and setting a decreased target.
- 4.36 The success of achieving this type of outcome can be measured and should be reported in an accountability document such as an annual report. Residents of the health authority can then readily assess the extent to which hospitals have ensured patient safety. To the extent patients can access services in other districts, this could be a factor in the allocation of services among hospitals, given reduced patronage at one hospital, or district, considered to be less safe than another.
- 4.37 *Audit results* – We tested accountability reporting at Annapolis Valley Health and the IWK Health Centre. We had previously identified that health authorities and the IWK are not being provided with sufficient guidance from the Department of Health and Wellness to prepare their annual business plans. We concluded that both entities adhered to the guidance. However, it was difficult to determine what each entity planned to achieve in 2013-14 as the business plan template required each entity to list overall government goals, without specifically requiring that entity outcomes be established. The business plans noted activities, or outputs, but no targets were provided for later evaluation. We also concluded that the accountability reporting is not providing the required information for a user of this information to determine if these entities are fulfilling their mandate.



► Health and Wellness has not required annual reports from health authorities and the IWK although required by legislation

4.38 Both Annapolis Valley Health and the IWK prepared a report to the community but neither prepared an annual report to the Minister of Health as required by the Act. The Department of Health and Wellness did not request these reports. Staff from the Department further indicated they did not request annual reports from any health authorities.

Recommendation 4.3

The Department of Health and Wellness should request that annual reports be prepared by district health authorities and the IWK Health Centre.

Department of Health and Wellness Response: The Department of Health and Wellness agrees with this recommendation. As part of the accountability framework being established under the recently amended *Health Authorities Act*, the Nova Scotia Health Authority and the IWK will provide for the evaluation of their progress toward the established outcomes through regular reporting in the form prescribed by the minister.

4.39 The Health Authorities Act notes that the annual report should include results achieved with respect to the authority's performance objectives, including those identified in its business plan. This further strengthens the need for guidance from the Department of Health and Wellness to reflect best practices for accountability reporting in business plans and annual reports.

4.40 The annual community reports produced by the entities we tested provided information on financial results. In the case of Annapolis Valley Health, there were two instances in which a priority noted in the business plan could be traced to the annual report. However, what was achieved was noted without comparison to what was planned. The IWK has quarterly reporting on key performance indicators, but its annual report to the community does not assess performance against measures.

4.41 *Annapolis Valley Health* – In accordance with the Department's template, Annapolis Valley Health noted government priorities, and identified several entity-specific priorities. However, there were no easily identifiable outcomes related to these priorities, and there were no performance measures or targets in the 2013-14 business plan. There were some comments that appeared to be outcomes; however, they were not identified as such in the business plan which made it difficult to relate them to the authority's mandate.

4.42 We identified three activities in Annapolis Valley Health's business plan.

- Transition 25 long-term care beds from Veterans Affairs
- Implement a unit dose medication distribution system
- Achieve a balanced budget



- 4.43 None of these noted the impact of the action, although achieving a balanced budget can likely be seen as a positive outcome. For example, the impact of transitioning 25 long-term care beds from Veterans Affairs may be to provide additional long-term care beds to the general community, not exclusive to veterans, and to meet an identified need. The annual report did not evaluate whether this had been done.
- 4.44 Annapolis Valley Health's business plan focused on activities that had been completed in the previous year and those intended to be completed in the upcoming year. However, there was no linkage in the discussion to how these activities would help meet its objectives.
- 4.45 Without established SMART outcomes it is difficult for a business plan user to determine which objectives Annapolis Valley Health was working towards completing during its upcoming year. It also makes it unlikely that the authority will report on progress towards objectives over time in its subsequent annual report. Improved direction from the Department of Health and Wellness should result in a more robust public accountability process.
- 4.46 *IWK Health Centre* – The IWK Health Centre prepared a 2013-14 business plan in accordance with the Department of Health and Wellness's guidance. The plan does not include specific or measurable targets. However, the IWK has also prepared a strategic plan which includes outcomes.
- 4.47 We had difficulty obtaining information from the IWK. Our only response from them was that there was no requirement for annual reports under the current Health Authorities Act. We obtained information for the audit by examining their website for instances of accountability reporting. Subsequent to completion of our audit fieldwork, we received comments from the IWK, through the Department of Health and Wellness, on our audit findings, including additional information on the IWK's key performance indicators (KPI) reporting.
- 4.48 The KPI progress report measurements generally do not include targeted levels of activity. Progress on all KPIs is reported in terms of change from the prior report and trends over time. For example, the outcome of helping families be healthy and get the best care was measured by wait time performance. The measurement is whether established wait time standards were successfully achieved; that is, whether patients were seen within the established timeframe. While the report indicates the percentage of patients seen within, and outside of, the timeframe, we could not determine what the target timeframe was.
- 4.49 The late information provided to us included an addition to the IWK's strategic plan identifying the KPIs forming the basis of the quarterly reporting. Targets are identified for the five KPIs noted. However, with respect to the example noted above on wait times, a user still does not know what the wait time is – whether a day, week or month.



► IWK Health Centre's targets for some key performance indicators are not achievable

- 4.50 In addition, the target in two of the five indicators – wait times and recruitment – is 100%. As noted in chapter 4 of the December 2014 Report of the Auditor General (Surgical Waitlist and Operating Room Utilization), the IWK had not set realistic organizational performance targets for surgeries. Recommendation 4.3 of that report noted that specific, short-term surgery wait time performance targets should be set and regularly reported against publicly. Although the KPI we reviewed does not refer to surgeries, but rather to wait times in general, we believe the same standard should apply and that realistic and achievable targets should be established for this indicator. Doing so would allow the IWK to assess progress over time and provide explanation of whether targets are met, rather than report on why there is a change in wait times from one quarter to the next. Further, the IWK did not reference any of the performance measures in the KPI progress report in its business plan or strategic plan. This decreases the level of accountability in the outcomes as it allows the IWK to include or not include performance measures.
- 4.51 The IWK's KPI progress report was not easily accessible. The quarterly KPI progress reports are included on a webpage which is only found through a link at the bottom of their strategic plan website page. Performance reporting should be readily available to the public.

Education Accountability Reporting

Conclusions and summary of observations

The 2013-14 business plans of the South Shore Regional School Board and the Cape Breton-Victoria Regional School Board, do not provide sufficient information needed for Nova Scotians to assess whether these entities are fulfilling their mandate. There were limited instances in which performance measures included within business plans were directly related to student achievement or development. Both business plans included targets for improved education results. Improvements to the guidance provided by the Department of Education and Early Childhood Development should assist in promoting better accountability reporting.

- 4.52 *Background* – School boards exist to deliver education to students in accordance with the provincial program of studies. School board duties, as explained in the Education Act, also include, among other things, transportation, and identification of staff development needs.
- 4.53 School boards generate an annual business plan that functions as both a business plan and an accountability report. While the Department of Education and Early Childhood Development provides guidance on what to include in the business plan, the guidance needs improvement.



4.54 As part of our audit of the Tri-County Regional School Board (Chapter 3, December 2014 Report of the Auditor General), we determined that the outcomes included in the Board’s annual business plan are to be used by individual schools within the Board to develop school goals and strategies. The need for clear Board priorities is therefore important in delivering education. As part of this accountability audit, we considered whether outcomes were specific and measurable.

► Reported information does not demonstrate impacts on student education

4.55 *Audit results* – We found that of the six goals included in the school boards’ business plans (three goals for each board), only two were related to student achievement (one in each board). These included short-term to medium-term performance measures on improved scores in education results such as provincial assessments that would allow a user to determine the outcomes the boards were trying to achieve. For example, the South Shore Regional School Board identified communications initiatives and effective board governance as two of its three goals. Similarly, the Cape Breton-Victoria Regional School Board included a goal related to collaborative work among Board departments to maximize student access to programs. While it is understandable that each school board may have goals which are not focused on program delivery and duties as specified in the Act, we believe the business plans should include more performance measures related to the core mandate of educating students. Improvements to the guidance provided by the Department of Education and Early Childhood Development should assist in promoting better accountability reporting.

► South Shore Regional School Board’s 2013-14 goals did not include sufficient student-focussed objectives

4.56 *South Shore Regional School Board* – The South Shore Regional School Board’s 2013-14 business plan identified three goals: to achieve equitable student learning and engagement in all schools across the Board; to engage the public through strategic communications initiatives; and effective board governance. Only one of these outcomes was clearly linked to education. The performance measures and targets related to the first goal dealt with issues of student literacy, student behavior and professional learning. Measures for the other goals included communications plans, the use of social media, and development of peer and self-evaluation tools for the Board.

4.57 We spoke with the current Board Superintendent who assumed the role in August 2013. The Board has had significant issues in the past few years; the previously elected board was dissolved by the Minister of Education in 2011. Consequently the new board, elected in November 2012, was not involved in the development of the 2013-14 business plan. We believe the goals of the 2013-14 business plan reflected the need to re-establish the Board and strengthen its community ties through increased communication. However, we believe future business plans should include more outcomes to evaluate student performance.



► Cape Breton-Victoria Regional School Board's 2013-14 goals were not evaluated

- 4.58 *Cape Breton-Victoria Regional School Board* – Cape Breton-Victoria Regional School Board's 2013-14 business plan included three goals. All had a high-level student focus, but only one related to student achievement. The long-term nature of these goals was consistent with guidance provided by the Department. For example, the first goal was “*To prepare students for the 21st century by providing highly skilled staff and integrated curriculum.*” Each goal included several priorities for 2013-14, and certain priorities had associated performance measures and targets. We noted that some priorities and performance measures addressed operational issues such as unqualified financial statements and developing a new procurement policy.
- 4.59 Some of the measures associated with priorities were more specific, including current year targets for improvement in student literacy and math assessments. Targets such as these are essential to evaluating performance in a subsequent year. They are also important to the schools within the Board in understanding how they are to contribute to achieving the overall Board outcome. We noted that the 2013-14 performance measures were not specifically evaluated in the Board's 2014-15 business plan; however, they were discussed in general terms. As noted above, the subsequent year's business plan for all boards includes reporting on the prior year's achievements. There is no separate accountability report.

Entity Accountability Reporting

Conclusions and summary of observations

The crown corporation and other entity business plans and accountability reports we tested are not providing outcomes and performance measures that are specific and measurable. However, minor changes in several entities' outcomes and performance measures would lead to reporting in accordance with best practices and provide useful information to users. Nova Scotia Farm Loan Board, Film and Creative Industries Nova Scotia, and the Art Gallery of Nova Scotia require further details included in their outcomes to ensure they meet SMART criteria. Trade Centre Limited would benefit from updating the presentation of its outcomes, as well as providing more measures and explanation for their listed priority, including why the related targets were for negative growth. Nova Scotia Lands Inc. needs to provide more context surrounding the reasoning and impact of its planned activities so users can determine how these activities help to fulfil its mandate. The Halifax Dartmouth Bridge Commission also needs to better demonstrate the impact of its activities on stakeholders. The Nova Scotia Legal Aid Commission does not prepare an annual business plan but is required to prepare an annual report. We have recommended that the Department of Justice require the Commission to prepare an annual business plan, including outcomes and performance measures to be evaluated in a subsequent accountability report.



4.60 *Background* – Crown corporations generally submit an annual business plan. The Department of Finance and Treasury Board provides guidance on the content of these business plans. Business plans are intended to detail what the crown corporation intends to accomplish in the upcoming year and establish outcomes by which the entity can assess its performance in future accountability reports.

► Outcomes and performance measures generally not specific or measurable; minor changes could result in better accountability

4.61 *Audit results* – We found deficiencies related to the inclusion of SMART outcomes in business plans in the entities we tested; generally, outcomes were neither specific nor measurable. However, in some entities we concluded that, with minor changes, an entity could develop outcomes that were SMART and provide more useful information to users. We also found that subsequent accountability reports generally allowed a user with knowledge of the business area to determine that progress was being made toward achieving the outcomes noted in business plans.

4.62 Entities generally incorporated the same outcomes and performance measures in their accountability reports as those included in their business plans with the exception of Film and Creative Industries Nova Scotia, and Halifax Dartmouth Bridge Commission. Film and Creative Industries Nova Scotia did not carry one measure from their business plan to their accountability report, and Halifax Dartmouth Bridge Commission did not include either outcomes or performance measures stated in their business plan through to their accountability report.

4.63 *Nova Scotia Farm Loan Board* – Nova Scotia Farm Loan Board stated four outcomes in its business plan that were subsequently included in its accountability report. The Board included measures, base year data, targets, trends and strategies, as suggested by Finance and Treasury Board guidance.

4.64 Certain reported outcomes were outputs rather than outcomes. However, we suggest that minor changes would provide outcomes that are more in line with best practices, and provide users with clearer information on what the Board plans to achieve in the current year (through its business plan), and the progress made toward achieving that goal.

4.65 Client satisfaction was noted as one of the outcomes related to the core business area of lending. We do not believe client satisfaction, which is indicated to be measured by survey results on courtesy and promptness, is related to the effectiveness of lending on agriculture in Nova Scotia. Rather, it is more related to staff performance. However, if a survey was directed toward client satisfaction with the programs being offered by the Board, this would better relate to the mission of the Board, which is to support the development of agriculture in Nova Scotia.



4.66 *Art Gallery of Nova Scotia* – The Art Gallery of Nova Scotia included outcomes, measures, targets, and strategies for achievement of its stated outcomes in its 2013-14 business plan. Three of the eight performance measures included were either not specific enough to be measurable, or were not valid measures but rather operational activities such as identifying, recruiting and interviewing candidates.

4.67 The Art Gallery’s outcomes, measures, targets, and strategies generally did not meet the best practice criteria established. The following example demonstrates how an outcome reported in the 2013-14 business plan could be better stated and provide more specific information on the business of the Gallery.

	Outcome	Measure	Target
As currently reported	Enhance exhibitions and public programming	Retention rate of memberships Parental feedback of summer school and March break programs	Increase membership retention to 80% 70% of students returning from 2012-13 summer school and March break
Suggested change	Enhance exhibitions and public programming	Increased number of exhibits depicting a particular theme Increased number of family days Evaluate exhibit narrative or interpretive materials and expand as needed	Two exhibits added in 2013-14 One additional Sunday per month in 2013-14 Five exhibit narratives evaluated in 2013-14

4.68 While increased membership or returning students may be indications that the Art Gallery’s exhibits and public programming have been enhanced, there is no direct link. Parents may decide to send their children to Art Gallery day camps because they are creative. In other words, they would have returned regardless of enhanced programs. Further, there is no information on how the exhibitions and public programming are to be enhanced. Although simplistic, the suggested change demonstrates how these enhancements may occur.

4.69 *Film and Creative Industries Nova Scotia* – Film and Creative Industries Nova Scotia was created on April 1, 2013. The new entity encompassed the role of the former Film Nova Scotia, but expanded on its mandate to include all creative industries. A new chief executive officer was hired, and new members were added to the former board of directors.

4.70 The 2013-14 business plan is for the newly-expanded entity. However, it is apparent that, at the time it was prepared, information on additional programs was not available. Measures, data and targets for music and book publishing



were not reported, with the explanation that these would result from a strategic planning initiative for the new entity.

- 4.71 With respect to the outcomes that were reported, it was not clear how the selected performance measure would address the outcome. For example, one of the outcomes noted is to ensure skills development and innovation, and a related measure is workshop attendance. However, workshop attendance does not ensure skills development. Unless there is a measure of the success of offering these workshops, Film and Creative Industries Nova Scotia cannot know whether skills have been improved through workshop attendance.

- 4.72 Film and Creative Industries Nova Scotia's 2013-14 accountability report noted that the Agency would work towards establishing meaningful measures to assess the economic impact and performance of the creative industries. The use of such measures is a significant step towards reporting on the effectiveness of its programs and services.

- 4.73 *Trade Centre Limited* – Trade Centre Limited is not legislated to release a business plan or accountability report. However, it released both a business plan and annual report, and its internally-generated guidance includes a statement indicating reporting is to be based on Finance and Treasury Board guidance.

- 4.74 The business plan indicates priorities for Trade Centre for 2013-14. Three relate to priorities as established by the jobsHere initiative of the then-government, and three areas of focus are noted for these priorities. Four activities are noted which appear to be the specific priorities for Trade Centre. However, only one of these latter priorities is included in the section of the plan titled Outcomes and Performance Measures. No explanation is provided noting why there are no outcomes associated with the other three priorities for 2013-14. Per Trade Centre management, this was at the direction of the Department of Economic and Rural Development and Tourism which instructed Trade Centre to focus only on critical priorities.

- 4.75 The selected priority has two components – financial and growth. The financial component includes measures and targets; however, the targets noted are less than the results of the prior year. In other words, Trade Centre has targeted a reduction in its results, with no explanation provided. With respect to the second component – growth – Trade Centre established a target of attracting 20% of the anticipated events expected to take place in the new convention centre, in 2013-14. However, there is no discussion of the strategy to deliver this target. Additional information would help users assess the Centre's planned outcomes.

- 4.76 *Nova Scotia Legal Aid Commission* – The Nova Scotia Legal Aid Commission does not prepare a business plan. It is not required to do so by legislation, and the Department of Justice does not request one.



- 4.77 The Commission has developed a three-year strategic plan which is available on its website. The strategic plan focuses on service delivery, operations, financial and technology. There are statements associated with each area of focus, but only one statement has a stated target.
- 4.78 As part of this audit, we were provided with a strategic work plan that is not publicly available. This internal document details what is to be accomplished in each of the three years. As these work plans are not available to the public, external assessment of whether outcomes have been achieved is not possible.
- 4.79 The Legal Aid Act requires that an annual report be completed as may be prescribed by the Attorney General or the Governor-in-Council. We examined the Commission's 2013-14 annual report and note that it includes statistics on the services provided, and the executive director's comments indicate activities during the year.
- 4.80 The report also includes testimonials regarding the high quality of services delivered during the year. We have been informed by senior management of the Commission that these comments were not gathered as a result of exit interviews or a survey. If such methods are used in the future to gather this information, the full statistics of number of respondents and range of satisfied to dissatisfied clients should be noted.
- 4.81 The Nova Scotia Legal Aid Commission provides what we believe to be a significant service to the public. Each year, Legal Aid receives a grant of approximately \$22 million through the Department of Justice. The Commission should prepare a business plan detailing what it expects to achieve in the current year and how these goals will be met. Further, its annual report should include commentary on the extent to which planned outcomes have been met.

Recommendation 4.4

The Department of Justice should require that the Nova Scotia Legal Aid Commission prepare an annual business plan. The business plan should include goals for the upcoming year and targets to achieve these goals. The Department should require that the Commission's annual report reflect progress toward achieving these goals.

Department of Justice Response: It is our intention to implement the recommendations for the fiscal year beginning April 1, 2016.

- 4.82 *Halifax Dartmouth Bridge Commission* – Halifax Dartmouth Bridge Commission's mandate is to be a self-supporting entity that operates two toll bridges.
- 4.83 The 2013-14 business plan includes a number of activities and outcomes related to the Commission's core business areas. Best practices in developing outcomes indicate that activities are not outcomes, but are the process an entity undertakes to achieve an outcome. The following is an example of a reported outcome



and its measure and target, as well as our suggested change. Rewording of this outcome would better demonstrate the impact of the Commission’s activities on stakeholders.

	Outcome	Measure	Target
As currently reported	Guide signage upgrade	Final inspection report	2013: 100%
Suggested change	Improved safety resulting from guide signage upgrade	Reduced traffic incidents (at locations requiring improved signage)	X% reduction from 2013 data

4.84 The Commission prepared a 2013-14 annual report. However, the report did not report on the outcomes and performance measures identified in the 2013-14 business plan.

4.85 *Nova Scotia Lands Inc.* – Nova Scotia Lands Inc.’s business plan and accountability report both included the same outcomes, measures and targets; however, nine of the 10 outcomes were activities rather than outcomes. These activities could be considered outcomes if they provided explanation of how their completion would demonstrate a measurable impact on the environment. The following example demonstrates how an activity reported in the 2013-14 business plan could be better stated and provide more specific information on what Nova Scotia Lands Inc. wants to achieve.

Core Business Area 2 – Support to the Tar Ponds Project			
	Outcome	Measure	Target
As currently reported	Manage operation of contaminated material cell	(none provided)	Work ongoing
Suggested change	Material cell contamination maintained (or perhaps reduced)	Contamination parts per million maintained or contamination parts per million reduced	2012-13 contamination level or revised (reduced) contamination level

4.86 Further, we believe the above change would better illustrate how Nova Scotia Lands Inc. is upholding its mission of remediating provincially-owned properties, with the objective of returning these lands to reusable condition, with no substantial safety or environmental concerns.