Responses

OVERALL RESPONSE

TBS is committed to enhancing transparency and accountability with respect to the content of annual reports, and appreciates the attention to annual reports and the advice on improvements. TBS is also committed to providing information to members of the public, supporting ease of access to information about how public money is managed. TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education. This may include reviewing formats and channels through which information is dispensed to ensure it reflects modern communication approaches. As a regular part of our work on oversight and governance, TBS engages partners and stakeholders to ensure that we employ an evidence-based approach when selecting the most appropriate and effective route to achieving change.

Responses to Each Recommendation

	Recommendation	Response
1	To improve the quality of the annual reports of provincial agencies and broader public sector organizations, we recommend that Treasury Board Secretariat propose to Treasury Board / Management Board of Cabinet that, the Agency and Appointments Directive and the Broader Public Sector Business Documents Directive be amended to include the following requirements for annual reports: • Base performance measures and targets on outcomes to be achieved (that is, in terms of improved consequences) rather than solely on outputs; • Identify significant risks and other factors that have impacted performance and results, explain the impacts, and report on plans to mitigate the risks; and • Report on the costs of results achieved.	TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports, including outcome and output performance measures, significant risks and the associated costs with achieving results. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education; and TBS will use an evidence-based approach to selecting the most appropriate and effective route to achieving change.

Responses

	Recommendation	Response
2	To improve the quality of the annual reports of broader-public-sector organizations, we recommend that Treasury Board Secretariat propose to Treasury Board / Management Board of Cabinet that, the Broader Public Sector Business Document Directive be amended to require that: • These organizations analyze their financial performance in their annual reports, including discussing variances between their actual financial results against estimates; and • Include all other performance information in the annual report rather than allowing the information to be either in an annual report or on a webpage showing the organization's business plan.	TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports, including consideration of an analysis of financial performance and variances, and the approach to providing access to the public. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education. In addition, this may include reviewing formats and channels through which information is dispensed to ensure it reflects modern communication approaches. TBS will use an evidence-based approach to selecting the most appropriate and effective route to achieving change.
3	To ensure that the annual reports of public-sector entities that fall outside the scope of existing directives contain useful and thorough information, we recommend that Treasury Board Secretariat propose to Treasury Board / Management Board of Cabinet that, authoritative direction be provided regarding the information they must contain.	TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports, including consideration of entities that fall outside the scope of existing corporate direction. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education. TBS will use an evidence-based approach to selecting the most appropriate and effective route to achieving change.

	Recommendation	Response
4	To enable Members of Provincial Parliament and the public to easily assess whether the entity met, exceeded or fell short of its stated targets, we recommend that Treasury Board Secretariat, in conjunction with ministries, take action to help ensure as required by the directive, that: • Entities clearly identify and disclose performance measures, applicable performance targets and results in their annual reports; and • When targets are not met, the annual report include planned actions to achieve these targets in the future.	TBS has developed an enterprise-wide framework for evidence-based decision making, and is engaged in building capacity for evidence-based, performance and outcome measurement, data analytics and evaluation. Employing this approach, TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports, including consideration of identifying performance measures and targets along with an explanation of the planned actions should targets not be met. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education. In addition, this may include reviewing formats and channels through which information is dispensed to ensure it reflects modern communication approaches.
5	To provide readers of provincial agency annual reports with a thorough understanding of agencies' financial performance, we recommend that Treasury Board Secretariat propose to Treasury Board / Management Board of Cabinet that, • The Agencies and Appointments Directive be amended to include a definition of what a significant variance is; and • In conjunction with ministries, take action to help ensure that financial performance analysis, including explanations for significant variances, be included in all provincial agency annual reports.	TBS will pursue opportunities to strengthen direction on the content of performance reports, focusing on annual reports, including consideration of a consistent approach with respect to significant variances, and promoting effective financial analysis. Consideration will be given to the many different means of providing direction and guidance, including directives, supporting materials, and outreach and education. TBS will use an evidence-based approach to selecting the most appropriate and effective route to achieving change.