

Treasury and Policy Board Office

**2005–2006
Accountability Report**



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Accountability Statement

The Accountability Report of the Treasury and Policy Board Office, for the year ended March 31, 2006, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Treasury and Policy Board Office business plan information for the fiscal year 2005–2006.

The reporting of Treasury and Policy Board Office outcomes necessarily includes estimates, judgments, and opinions by Treasury and Policy Board management.

We acknowledge that this accountability report is the responsibility of Treasury and Policy Board management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Treasury and Policy Board business plans for the year 2005–2006.

Minister

Deputy Minister

Message from the Minister

I am pleased to present the annual accountability report of the Treasury and Policy Board Office for the fiscal year 2005–2006.

The Treasury and Policy Board Office is the Province of Nova Scotia's central planning agency, playing a key role in the planning, budgeting and accountability processes of government. An important responsibility of the Treasury and Policy Board Office is to promote accountability for the plans, priorities and performance targets of Government and its departments and agencies. Improving accountability and performance reporting in government has been, and will continue to be, a primary focus for Treasury and Policy Board.

This report outlines progress and accomplishments in Treasury and Policy Board's core business areas and financial results achieved in 2005–2006.

I believe we made considerable progress in our efforts to improve efficiency and good management in all departments and offices of government.

We are committed to promoting good management and a professional public service, this year and every year.

Honourable Angus MacIsaac

Introduction

Accountability reporting seeks to demonstrate performance by reporting on an annual basis to the House of Assembly, results achieved in relation to the goals and the priorities set out in the annual business plan.

The accountability report is presented in four main sections. The first section defines the mandate and goals of the Treasury and Policy Board (TPB) Office.

The second section describes the progress toward achieving the priorities under each of each three strategic goals as set out in the 2005–2006 business plan. The priorities are those major initiatives or planned accomplishments that are fundamental to the success of the Treasury and Policy Board's strategic goals.

The third section reviews the financial results and, finally, the fourth section outlines the four core business areas and targeted outcomes as outlined in the 2005–2006 business plan and corresponding measures of success in achieving these targeted outcomes.

Mandate

The Treasury and Policy Board was created as a Committee of Executive Council in June of 2001, under the *Government Restructuring Act*.

The Treasury and Policy Board Office provides operational and administrative support to Treasury and Policy Board and Executive Council. Key responsibilities and strategic goals of the office include:

- Provide high-quality analysis and recommendations to the Executive Council, and its committees, and provide corporate leadership to government agencies.
- Improve governance/accountability for government agencies including crown corporations.
- Improve systems, processes and procedures required for effective and efficient administration of government.

These strategic goals are part of a continuing effort to ensure that decisions are integrated and aligned with the fiscal and social policies of government.

The Treasury and Policy Board Office monitors and sets government-wide policies, analyzes and makes recommendations regarding proposed department and agency program changes, and assists and monitors to ensure that decisions are implemented.

The Treasury and Policy Board Office values facilitation, collaboration, and shared accountability in guiding departments, agencies, and independent Crown corporations in their operations.

The Treasury and Policy Board Office works closely with the Department of Finance to develop the provincial budget, and has close links with Communications Nova Scotia to ensure effective internal and external communication of government priorities and decisions.

Organization

The Treasury and Policy Board Office has a budgeted staff complement of 29.0 (per 2005–2006 Estimates Book). The number of forecasted full-time equivalents for 2005–2006 was 24.6 due to unfilled positions. The Assistant Deputy Minister oversees the day-to-day operations of the office, reporting to the Deputy Minister of Treasury and Policy Board Office.

Progress and Accomplishments

Strategic Goal 1: Provide high-quality analysis and recommendations to the Executive Council, and its committees, and provide corporate leadership to government agencies.

PRIORITY 1A:

The Treasury Branch will develop and implement a plan to:

- a) increase analysis and planning for government's longer term expenditures and opportunities for investment (sharpening the "business case" for investments)
- b) expand review and examination of government agencies' annual expenditures (increasing our understanding of "base spending")
- c) increase coordination of annual budget allocation, business planning, and accountability reporting
- d) provide financial advice and support for the Labour Relations Committee

ACCOMPLISHMENTS

- a)
 - The Treasury Branch provided analysis and advice in the province's longer term investment requirements and opportunities as well as allocated and monitored provincial expenditures.
 - The Treasury and Policy Board Office worked closely with the Department of Finance and line departments to develop the provincial budget and to manage expenditures through the expenditure forecast system while making important new investments in services that Nova Scotians value.
- b)
 - The Treasury Branch implemented a forecasting process for School Boards and most Crown Corporations. All Regional School Boards and most Crown Corporations (60%) now provide regular monthly forecasting updates to the Treasury Branch. Having this reporting process helped in the development of the budget information for these entities, as well as in the area of anticipated consolidation of adjustments.
- c)
 - The Treasury and Policy Board Office coordinated the government expenditure budget development and the business planning and accountability reporting processes for government, departments and agencies.
 - Implemented a number of recommended changes in the government guidelines for business planning and accountability reporting, which were

made in December 2004 as a result of consultations with various departments.

- Progress on the Business Planning, Budgeting and Accountability Framework project (initiated in 2003–2004) continued in the 2005-2006 fiscal year. The primary objective of this framework is to develop a corporate policy which explains the linkages between business planning, budgeting and accountability reporting to ensure consistency and coordination. Work on this project will continue in 2006-2007.
- d)
- In 2005-2006, Treasury and Policy Board Office participated in the Labour Relations Working Group. As a participant, Treasury and Policy Board Office contributed in the analysis of the potential costs of upcoming wage settlements.

PRIORITY 1B:

The Policy Branch will develop and implement a plan to:

- a) increase inter-agency coordination, develop and manage a policy agenda that identifies government's significant opportunities and challenges and, in certain cases, lead cross government policy development
- b) improve support for Executive Council, Social Policy Committee, Economic Growth Committee and Legislation and Regulatory Review Committee through long range planning and increased coordination among government entities
- c) integrate financial and policy analyses of Memorandum to Executive Council, and Reports and Recommendations (excluding ABC appointments)

ACCOMPLISHMENTS:

- a)
 - Options to better connect the work of small organizations into pan-government policy and planning initiatives have been developed and are currently under consideration.
 - In April 2006, the policy branch finalized a report titled "Policy Excellence & The Nova Scotia Public Service" containing several recommendations designed to increase the policy development capacity of government, including increasing inter-agency coordination. Progress continues to be made with the implementation of these recommendations, which were broad based and far reaching. The recommendations focus on five key areas: Leadership; Strategic Visioning and Planning; Policy Coherence; Information and Knowledge; and Policy Skills and Workforce.
 - In addition to leading the cross government Policy Excellence initiative, the Treasury and Policy board also led an initiative to coordinate and

enhance the cabinet submissions process (see next bullet) and co-led the Better Regulations Initiative (see Priority 2C).

- b)
 - The Policy Branch, in partnership with the Policy Advisory Committee (an interdepartmental committee of senior policy officials), led an initiative to coordinate and enhance the cabinet submissions process. The result is a longer-term view of the Cabinet Agenda and improved support to Cabinet and its sub-committees. Specifically, departments now have an increased awareness and advance notice of "substantive items" coming forward and therefore have a greater opportunity to shape these proposals and are in a better position to implement any resulting cabinet decisions.
- c)
 - Financial and policy analyses of Memorandum to Executive Council, and Reports and Recommendations have been integrated

PRIORITY 1C:

The Executive Council Operations Branch will develop and implement a plan to:

- a) improve agenda management of submissions to Cabinet and Committees by quality assurance role, ensuring submissions meet requirements established by Cabinet
- b) improve record keeping and management of Cabinet documents and records of decision.
- c) strengthen governance framework for third party entities to better respond to government's interests and needs

ACCOMPLISHMENTS

- a)
 - The Executive Council Operations Branch co-ordinated business for Cabinet's consideration including overseeing the preparation and circulation of meeting agendas and the circulation of papers to Ministers.
 - The Executive Council Operations Branch reviewed Cabinet documents (Memos, R&R's, Presentations) weekly to ensure those submitted for consideration comply with the requirements set out by Cabinet.
 - The Executive Council Operations Branch co-ordinated departmental briefs for the Premier and respective Ministers and staff on issues submitted to Cabinet and advised departments on the proper procedures to be followed when submitting documents to Cabinet.
- b)
 - The Executive Council Operations Branch provided executive level leadership in the maintenance of the registry of Cabinet and Cabinet Committee(s) documents.

- The Executive Council Operations Branch updated the activities associated with the Treasury and Policy Board and Executive Council Office's records management program.
- c)
- The Executive Council Operations Branch provided oversight in the presentation and subsequent Cabinet approval of the multi-year initiative for improvement of governance and accountability of government's third party entities (see Priority # 2D).
 - The branch worked with the Public Service Commission to obtain Governor in Council approval for new Regulations and Policy under the Public Service Act on the use and approval of personal services(s) contracts in departments, offices and government agencies.
 - The Executive Council Operations Branch conducted information sessions with the Advisor on Corporate Governance on the third party governance and accountability initiative, communicating overall project objectives.

Strategic Goal 2: Improve governance/accountability for government agencies including crown corporations.

PRIORITY 2A:

Program Inventory and Costing - This is the third year of this initiative. The purpose of the project is to develop an inventory of programs with related cost information. The program inventory is substantially complete. The inventory provides important information to help government assess the effectiveness, economy, and efficiency of programs and services and to formulate policy and funding decisions. Our priority for 2005-2006 is to update the web based application allowing for administrative improvements including archiving and enhanced reporting ability. The costing methodology will continue to be developed and piloted in several departments. A users group will also be established to provide advice and guidance on modifications and improvements to the system.

ACCOMPLISHMENTS

- Departments and agencies completed a program inventory using the PICI logic model, and then entered the program information into the PICI database (version 1).

PRIORITY 2B:

User Fees and Government Charges - The purpose of the project is to develop corporate policy and guidelines for the administration of government charges and user fees. The project also includes developing a government charges database to provide management information. In 2004-05 a master list of government charges was developed and draft policy work was completed. Our priority for 2005-2006 is to complete development of a user fees and government charges policy, in consultation with departments, and further develop the government charges database.

ACCOMPLISHMENTS

- In 2005-2006, research into other jurisdictions was completed, and a draft "User Fee Policy" (without a costing methodology) was circulated to various stakeholders in Government. An internal consultation on this draft was conducted. A number of recommendations on how to proceed were made through this consultation and are currently under consideration.
- In 2005-2006, a draft master list of government charges/user fees' was populated by departments. The information was then consolidated into a draft corporate list.

PRIORITY 2C:

Regulatory Reform - Building upon the recommendations made by the Red Tape Reduction Task Force, and in collaboration with Department of Environment and Labour, Treasury and Policy Board will provide corporate leadership in building a culture of continuous regulatory reform, including regular reporting to the Treasury and Policy Board Cabinet committee concerning the progress of regulatory improvements.

ACCOMPLISHMENTS:

- In September 2005, the Treasury and Policy Board launched the Better Regulation Initiative (BRI) in collaboration with the Department of Environment and Labour.
- Treasury and Policy Board Staff have actively participated on the BRI Steering committee as well as establishing and chairing the Corporate Policy and Procedures Working Group, which helps to build a culture of continuous improvement in the quality of regulation making and implementation across the system.
- A network of departmental regulatory coordinators has been built who provide expertise in assisting the implementation of the BRI and who provide leadership in the departments for the advancement of the "better regulation" orientation and activities.
- The Treasury and Policy Board assisted departments in developing 4-year plans to reduce the paperwork burden associated with regulatory requirements by 20 percent by 2010.
- Reports have been made to the Legislative and Regulatory Review Committee and Executive Council on a regular basis.

- The Treasury and Policy Board has assisted in the development of the first annual progress report, which is expected to be released to the public in January 2007.

PRIORITY 2D:

Third-Party Entity Reporting and Governance - This multi-year initiative will be ongoing in 2005-2006. In consultation with departments and third-party entities consolidated in the financial statements of the Province, we will continue work on our priority of strengthening reporting and governance policies and practices for government agencies. Emphasis will continue this year on timely financial reporting and work toward implementing standards for improved internal governance.

ACCOMPLISHMENTS:

- In 2005-06, Treasury and Policy Board commenced implementation of initiatives aimed at improving governance and accountability of third party entities.
- On January 1, 2006, the Personal Services Contract Regulations made under the Public Service Act came into effect, establishing criteria for approval of hiring in third party entities where an individual's total compensation is above \$75,000.
- Research and consultation also commenced on preparation of orientation materials for directors of third party entities. Work on this initiative is continuing in 2006-07.

Strategic Goal 3: Improve systems, processes and procedures required for effective and efficient administration of government.

PRIORITY 3A:

Management Manuals - The TPB office continues to promote the use of the management manuals and its website. The TPB office continues to oversee the approval process for new policies, the repeal of redundant policies and the amendment of existing policies. TPB office is responsible for ensuring that all policies contained in the management manuals are all reviewed at least once every three years.

- a) The 3 year anniversary of the management manuals website is on February 4, 2006. TPB will be working with departments (the owners of the policies) to ensure that all corporate administrative policies have been reviewed at least once before this date.
- b) TPB office will continue to promote the use of the management manuals and its website by ensuring that components of the management manuals are incorporated into future manager/executive programs being offered through the PSC training.

- c) TPB office will be working more closely with Crown Corporations to ensure each crown corporation understand their applicability and use of the Management Manuals.
- d) TPB analysts, when meeting with Senior Management teams of Departments/PSE's, will be promoting the use and applicability of the Management Manuals by using a standard presentation which will be used to continue the promotion of the management manuals.

ACCOMPLISHMENTS

- a)
 - Over the past three years, Treasury and Policy Board has worked with departments, the owners of the majority of the policies, to encourage them to review their corporate administrative policies before the 3 year anniversary. All policies in Manual 100 and Manual 300 have been reviewed at least once within three years. (There are still three policies under development for these manuals)
 - The Treasury and Policy Board worked closely with the Public Service Commission to update Manual 500 to provide employees with better and easier access to human resource information. Manual 500 was re-released on August 2006. The Public Service Commission continues its review of policies which have not met a three-year review. (Only 33% of all policies in the Manual 500 have been reviewed at least once in the last 3 years)
 - Most policies contained within Manual 200 are owned by the Department of Finance. Over the last year and a half, Treasury and Policy Board has been working with the Department of Finance to update the information contained in Manual 200.
- b)
 - Senior Management staff of the Treasury and Policy Board have promoted the use of the management manuals through key notes speeches at various management development and executive development events offered through the Public Service Commission (PSC).
 - Treasury and Policy Board staff met with Public Service Commission staff in June 2005 to identify significant policies contained within the Management Manuals which should be included in PSC programs.
 - Treasury and Policy Board staff worked with Communications Nova Scotia staff to successfully establish a link on the Government Home Page Internet and Intranet for the Management Manuals.
- c)
 - Treasury and Policy Board office has initiated a project with respect to Governance and Accountability Frameworks for third party entities. As part of the orientation for this project, third party entities have been given an overview of the management manuals and their applicability to Crown Corporations.

d)

- Treasury and Policy Board analysts met regularly with staff and occasionally senior management teams of various departments to discuss specific issues/topics and also to promote the use and applicability of the Management Manuals.

Financial Results

Treasury and Policy Board - Estimated Budget Expenditures			
	Budget 2005–2006 (Per 2005–2006 Estimates Book)	Actual 2005–2006	Variance
	(\$000's)	(\$000's)	(\$000's)
Total - Net Expense	\$3,079.0	\$2,650.0	\$429.0
Salaries and Benefits	\$2,566.0	\$2,207.0	\$359.0
Funded Staff (FTEs)	29.0	24.6 (forecast)	4.4

Performance Measures

Treasury and Policy Board Office assessed its performance through multiple approaches which incorporated both qualitative and quantitative data. A key tool to measure performance is a bi-annual survey of departments which is carried out to gain quantitative measures of satisfaction. A survey was carried out in 2003 and in 2005 and will be conducted again in 2007.

Core Business Areas, Measures, and Outcomes

Core Business Area 1: Support to Executive Council and its Sub-Committees

A core function of Treasury and Policy Board Office is to support Cabinet and Cabinet committees by providing quality information and advice on document submissions.

Desired Outcome: Quality information and advice to Executive Council and Treasury and Policy Board

Measure: Overall satisfaction with information and advice to Executive Council and TPB per bi-annual Client Survey

What Does The Measure Tell Us?

It is important that TPB's work add value to the document submission process. We measure satisfaction with the document submission process through a bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 77% of our clients reported that they were satisfied with the document submission process to Treasury and Policy Board and Cabinet. In our 2005 Client Survey, 85% of our clients reported satisfaction with the document submission process. Our target for 2004–2005 was to increase satisfaction levels above 77% which was achieved. We will continue to maintain a high level of satisfaction with the document submission process.

Core Business Area 2: Strategic Planning and Budgeting

A) Overall Satisfaction With The Budget, Business Planning and Accountability Reporting Process

A core function of Treasury and Policy Board Office is to coordinate the government expenditure budget development and the business planning and accountability reporting processes for government, departments and agencies.

Desired Outcome: Improved financial and business planning and accountability reporting

Measure: Overall satisfaction with: budget process; business plan process; and accountability reporting process.

What Does The Measure Tell Us?

Developing expenditure budgets and coordinating the business planning and accountability reporting process for government, departments and agencies is a complex undertaking. It is important that these processes be coordinated and that departments and agencies receive the support they need to prepare quality documents on a timely basis. We measure satisfaction with the budget, business planning and accountability reporting process through a bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 65% of our clients reported that they were satisfied with the budget and business planning processes. 63% reported satisfaction with the accountability reporting process. In our 2005 Client Survey, satisfaction with the business planning and accountability reporting process increased significantly to 78% and 80% respectively. Satisfaction with the budget process increased slightly to 66%. Our target for 2004–2005 was to increase satisfaction levels above 65% which was achieved. We will continue to maintain a high level of satisfaction with the budget, business planning and accountability reporting processes.

B) Understanding Government Priorities

A core function of the Treasury and Policy Board Office is government-wide strategic planning and budgeting.

Desired Outcome: Increased understanding of Government's priorities.

Measure: Client survey: Percentage of survey respondents who said they have a good understanding of Government's priorities and goals.

What Does The Measure Tell Us?

A clear understanding of government priorities and goals is fundamental to making progress and achieving results. We measure survey respondent understanding of government priorities and goals through the bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 86% of survey respondents reporting having a good understanding of government priorities and goals. In our 2005 Client Survey, this percentage increased slightly 88%. Our target for 2004–2005 was to maintain this percentage at 86% which was achieved. We will continue to ensure a high level of understanding of government priorities and goals.

Core Business Area 3: Coordination of Corporate Policies and Priorities

Collaborative Policy Development

A core function of the Treasury and Policy Board Office is to coordinate corporate policies and priorities.

Desired Outcome: Collaborative policy development

Measure: Client survey: Percentage of survey respondents agreeing that TPB provides good leadership in coordinating corporate policy efforts.

What Does The Measure Tell Us?

The successful development and implementation of government-wide policies and priorities requires coordination across departments and agencies. Treasury and Policy Board Office provides an important leadership role in the coordination function. We measure satisfaction with TPB's leadership role through the bi-annual client survey.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 60% of survey respondents agreed that TPB provided good leadership in coordinating corporate policy efforts. In our 2005 Client Survey, this percentage increased 67%. Our target for 2004–2005 was to increase this percentage above 65% which was achieved. We will continue to work to improve the coordination of corporate policy development and implementation.

Core Business Area 4: Supporting Effective Corporate Administration of Government

A core function of the Treasury and Policy Board Office is to maintain administrative policies of government through regular updates to the Management Manuals.

Desired Outcome: Useful administrative policies that facilitate efficient government administration

Measure: Client survey: Percentage of survey respondents satisfied with the Management Manual updating process.

What Does The Measure Tell Us?

Useful and up-to-date administrative policies facilitate efficient government operations. Treasury and Policy Board Office maintains corporate administrative policies through the Management Manual update process. We measure satisfaction with the Management Manual update process through the bi-annual client survey.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 83% of survey respondents were satisfied with the Management Manual update process. In our 2005 Client Survey, this percentage declined to 71%. Our target for 2004–2005 was to maintain satisfaction levels at 80% or above. We are investigating the reason for the decline in client satisfaction and will take steps to improve satisfaction levels for the future.