

Treasury and Policy Board

**2006–2007
Accountability Report**



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Accountability Statement

The Accountability Report of the Treasury and Policy Board Office, for the year ended March 31, 2007, 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 2006–2007.

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 2006–2007.

Honourable Jamie Muir, Minister

Margaret MacDonald, 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 2006–2007.

As the province's central planning agency, the Treasury and Policy Board continues to play a key role in government's business planning, budgeting and accountability processes. Our progress in this core business area over the last fiscal year demonstrates our ongoing commitment to improving accountability and performance reporting in government.

Considerable progress has been made towards our goals for the Better Regulation Initiative, improving governance and accountability of third party entities, and the program inventory project.

You can learn more about the accomplishments of these initiatives and all of governments's priorities in the *2006/2007 Government Accountability Report* available on the Treasury and Policy Board website <http://www.gov.ns.ca/tpb/>

The Treasury and Policy Board has made considerable progress in 2006/2007 towards our effort to improve efficiency and good management in all departments and offices of government.

Honourable Jamie Muir

Introduction

Accountability reporting seeks to demonstrate performance by reporting on an annual basis on 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 2006–2007 business plan. The priorities are those major initiatives or planned accomplishments that are fundamental to the success of the Treasury and Policy Board office'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 2006–2007 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 (TPB) 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 TPB office monitors 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 TPB office values facilitation, collaboration, and shared accountability in guiding departments, agencies, and independent Crown corporations in their operations.

The TPB 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 TPB office had a budgeted staff complement of 31.0 full-time-equivalents for the 2006–2007 fiscal year. The number of forecasted full-time equivalents for 2006–2007 was 27.3 due to unfilled positions. The Assistant Deputy Minister, TPB, 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 works closely with the Department of Finance and line departments to develop the provincial budget, to manage expenditures through the expenditure forecast system and to evaluate new investments in services.
 - In 2006-2007, the Treasury Branch extended the Tangible Capital Assets (TCA) approval process to include requests for capital grants from the consolidated entities. This improvement to the process allowed decisions on capital funding to be made in the context of the greater capital requirements.
 - The long-term objective of the TCA Prioritization Committee will be to assist government and departments to anticipate their future costs and to propose investment directions.
- b)
 - Consolidated Entities impact the provincial government's bottom line because of the Consolidation of Financial results. In 2006-2007, the Treasury Branch implemented regular forecasting for many of the

consolidated entities. This reporting process provided early recognition of pressures and savings, as well as anticipated consolidation adjustments which resulted in more timely updating of the Province's financial position on a consolidated basis.

c)

- The Treasury Branch coordinated the government expenditure budget development and the business planning and accountability reporting processes for government, departments and agencies.
- The Treasury Branch worked closely with the Department of Finance, line departments and the consolidated entities to develop the provincial budget and prepare the Estimates book and other relevant budget documents.
- In 2006-2007 the Treasury Branch focused on increasing knowledge and relationships with their clients, and accepted suggestions to improve systems processes and procedures. Treasury Branch staff held regular meetings with key senior department staff and participated on various committees across government.
- The Business Planning, Budgeting and Accountability Framework project continued and is waiting on the results of a 2007-2008 Review of Business Documents before being finalized.

d)

- In 2006-2007, the Treasury Branch continued its support to the Public Service Commission in its labour management role, including financial analysis of the potential costs of upcoming wage settlements.

PRIORITY 1B:

The Policy Branch will develop and implement a plan to:

- a) continue to 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) implement a plan to increase policy capacity across government
- c) improve support for Executive Council, its Issues Committees, and the Legislation and Regulatory Review Committee through long range planning and increased coordination among government entities
- d) continue the integration of financial and policy analyses of Memorandum to Executive Council, and Reports and Recommendations (excluding appointments to agencies, boards and commissions)

ACCOMPLISHMENTS:

a) and b)

- Progress continues to be made with the implementation of the recommendations contained in the April 2006 report, *"Policy Excellence & The Nova Scotia Public Service"*. These recommendations are designed to increase the policy development capacity of government, including increasing inter-agency coordination. The recommendations focus on five key areas: Leadership; Strategic Visioning and Planning; Policy Coherence; Information and Knowledge; and Policy Skills and Workforce.
- The Policy Branch has improved the structure and effectiveness of the interdepartmental committee of senior policy officials. This body is now called the Senior Policy Executives' Forum (formerly the Policy Advisory Council). The focus of this forum is to provide analysis, research, discussion and advice on: 1) Long-term trends affecting the province; 2) Cross-departmental issues; 3) Developing policy capacity initiatives; and 4) Government's direction and its implementation;
- The Policy Branch has completed work towards the establishment of a "Policy Network". The focus of this network is on communication, awareness, knowledge and capacity building across the system. It will provide networking and learning opportunities for policy professionals of all levels and types in Nova Scotia's civil service.
- The Treasury and Policy Board office continues to co-lead the Better Regulations Initiative (see Priority 2C).
- The Policy Branch has led the establishment of a "Strategies Bank". All policy professionals now have access to a data base containing all of government's strategies.

c)

- The Policy Branch continues to lead the newly implemented Cabinet submissions process in partnership with the Senior Policy Executives Forum. 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 to implement any resulting Cabinet decisions.

d)

- 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 its 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 (ECO) co-ordinated business for Cabinet's consideration. This included ensuring Cabinet documents (Memos, R&R's, Presentations) conformed with policy and legal requirements and other requirements set out by Cabinet as well as overseeing the preparation and circulation of meeting agendas.
 - The ECO oversaw the timely and secure circulation of papers to Ministers.
 - The ECO ensured the organization of infrastructure requirements for meetings, including those outside of Halifax.
 - The ECO co-ordinated departmental briefs for the Premier and respective Ministers and staff on issues submitted to Cabinet.
 - The ECO advised departments on the proper procedures to be followed when submitting documents to Cabinet.
 - The ECO provided guidance on the conduct of government business to the public service during the June 2006 general election .
- b)
 - The ECO provided executive level leadership in the maintenance of the registry of Cabinet and Cabinet committee documents.
 - The activities associated with the TPB's and ECO's records management program were updated.
 - The ECO oversaw the production and circulation of Cabinet's record of decision(s) (minute letters and Orders in Council) in a timely and secure manner following meetings.
 - The ECO oversaw the registering, certifying, distributing, indexing and filing of Orders in Council (OICs).
 - The ECO ensured that OICs and other statutory instruments are prepared and promulgated in order to give effect to government decisions requiring the approval of the Governor in Council.
 - A draft of the 'Executive Council Operations Reference Book' was completed.

c)

- Oversight was provided in the government's multi-year initiative on Governance and Accountability for Nova Scotia Government Agencies.
- A permanent position at TBP titled Senior Corporate Analyst, Governance and Accountability, was created to implement and evaluate government's multi-year initiative on Governance and Accountability for NS Government Agencies.
- A corporate orientation program titled "Governing in the Public Sector: A guide for Province of NS Government Agencies" was released, in February 2007. Information sessions with the NS Government Agencies' Board members and CEO's on the project's objectives and initiatives was conducted.

PRIORITY 1D - HUMAN RESOURCES PLAN:

All branches will work collaboratively to develop a Human Resources Strategy for Treasury and Policy Board.

ACCOMPLISHMENTS

- In October 2006, TPB commenced implementation of its Human Resource plan.
- In 2006/07 work was completed on priorities relating to Performance Management, Team Building/Recognition and training for all employees.

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

PRIORITY 2A - PROGRAM INVENTORY AND COSTING:

The purpose of the project is to develop an inventory of programs with related cost information. Our priority for 2006–2007 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

- The initial phase of the PICI project over the past couple of years has involved consultations, research, and database and logic model development, with various stakeholders in Government.
- In 2006-2007, Treasury and Policy Board and the PICI Project Managers' Forum met monthly to create new business processes, definitions, tables, web applications, administrative tools, and design a new inventory system.

PRIORITY 2B - User Fees and Government Charges:

The purpose of this 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 2006-2007 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 2006-2007, this initiative was put on hold because of the work going on in the Program Inventory and Costing Initiative, and because the costing methodology needs to align to both initiatives.

PRIORITY 2C - "BETTER REGULATION - EVERYONE'S BUSINESS":

The legacy of the Red Tape Reduction Task Force is a focus on continuous improvement in the regulatory regimes across government. Treasury and Policy Board will lead a Corporate Policies and Procedures project to build a strong network of regulatory coordinators across government departments. TPB will develop training and orientation materials for coordinators to ensure that any new or amended regulations from their departments meet the Better Regulation principles.

ACCOMPLISHMENTS:

- Throughout 2006/07, the Treasury and Policy Board (TPB) office actively participated on the Better Regulation Initiative (BRI) Steering Committee as well as establishing and chairing the Corporate Policy and Procedures Working Group.
- The TPB office has continued to support the maintenance of the network of departmental coordinators who provide advice and operational input for the implementation of the Better Regulation Initiative at the departmental level.
- The TPB office has contributed to the development and piloting of a workshop to improve issue identification and analysis relevant to developing appropriate and quality regulatory programs.
- The TPB office has contributed to the development of 3-year BRI Strategic Plan which includes identifying 3 priorities for 2007-08:
 - Develop and implement a regulatory management framework across government.
 - Implement education and training modules to improve regulatory capacity in departments.
 - Improve the processes for corporate approval of significant social and economic regulatory initiatives.

PRIORITY 2D:

Third-Party Entity Reporting and Governance -

This multi-year initiative will continue in 2006–2007. In consultation with departments and third-party entities consolidated in the province's financial statements, TPB will continue working on strengthening governance and accountability policies and procedures for government's third-party entities. For 2006–2007, the ECO Branch will develop orientation materials for use by members of boards, prepare an analysis of the capacity in departments and at TPB to complement improved governance and accountability, and make recommendations to Cabinet on remuneration guidelines for the appointment process to ABC's.

ACCOMPLISHMENTS:

- In February 2007, the TPB office released a corporate orientation program titled *"Governing in the Public Sector: A Guide for Province of NS Government Agencies"*.
- Corporate capacity analysis resulted in the creation of a permanent position for a Sr. Corporate Policy Analyst of Governance and Accountabilities at the TPB office.

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

PRIORITY 3 - MANAGEMENT MANUALS:

The Treasury and Policy Board office has responsibility for maintaining the Management Manuals to ensure their currency and relevancy. All policies/procedures in the Management Manuals are reviewed at least once every three (3) years. Treasury & Policy Board office will continue to coordinate this review process and to meet the time frames. 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 Public Service Commission (PSC) manager/executive programs and working more closely with Crown Corporations to ensure each they understand their applicability and use. In addition, TPB analysts will be promoting the Management Manuals by making a standard presentation when meeting with Senior Management teams of departments.

ACCOMPLISHMENTS

As seen in the table below, most policies in Management Manual's 100 and 300 have been reviewed (93% and 78% respectively). The target is to review all policies within the 3-year minimum review requirement. Two policies continued to be under development for Manual 100 and three policies continue to be under development for Manual 300.

Most policies contained in Management Manual 200 are owned by the Department of Finance which has continued to work on a re-release of Management Manual 200. The Department is anticipating a re-release of Manual 200 by December 2007. Approximately 33% of the policies contained in Manual 200 are being reviewed and updated as part of the re-release.

A significant review of Management Manual 500 occurred during fiscal 2006/07 leading to its re-release on August 2006. To date, 44% of policies contained in Manual 500 have been reviewed within the minimum review requirement.

Treasury and Policy Board continued to promote the use of the management manuals and in the Spring of 2006, Treasury and Policy Board worked closely with Communications Nova Scotia to ensure the management manuals link on the Government home page was clearly identified, and also ensured a easy link to the Government's intranet site for all government employees.

TPB Policy and Financial Analysts met with senior management staff from departments and agencies of government. Part of this overview included a segment on management manuals.

The Treasury and Policy Board office continues with its work on Governance and Accountability Frameworks for third party entities. In February 2007 an orientation session was held for Government Agency Directors. This presentation also included an overview of the management manuals and the applicability to third party entities was discussed.

Management Manual Review Progress:

	(A) total # of policies (B + C)	(B) # policies under developmen t	(C) # of policies ready for review (A - B)	(D) # of policies reviewed	% of total policies that have been reviewed (D / A)	% of policies ready for review that have been reviewed (D / C)
Manual 100	28	2	26	26	93%	100%
Manual 200	49	33	16	16	33%	100%
Manual 300	40	3	37	31	78%	84%
Manual 500	43 + Preface	0	43	19	44%	44%

Note: Although less than 100% of policies have been reviewed in some cases, the accountability requirement is to complete the review of all policies every 3 years (as opposed to the 2006-07 reporting year of this accountability report).

Financial Results

Treasury and Policy Board - Estimated Budget Expenditures			
	Estimates 2006–2007	Actual 2006–2007	Variance
Total - Net Program Expenses (\$000's)	\$3,321.0	\$3,138.0	\$183.0
Salaries and Benefits (\$000's)	\$2,645.0	\$2,708.0	(\$63.0)
Funded Staff (FTEs)	31.0	27.3 (forecast)	4.4

Performance Measures

Treasury and Policy Board (TPB) 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 for the fiscal years of 2003-04 and in 2005-06.

Core Business Areas, Measures, and Outcomes

Core Business Area 1: Support to Treasury and Policy Board / Cabinet

A core function of the TPB 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 the TPB office'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 2006–2007 Targets

In 2003-04, 77% of our clients reported that they were satisfied with the document submission process to Treasury and Policy Board and Cabinet. In our 2005-06 Client Survey, 85% of our clients reported satisfaction with the document submission process. Our target for 2006–2007 was to maintain overall satisfaction of at least 85%. Unfortunately, data for this fiscal year are unavailable because the survey is conducted once every two years. The next survey will be for fiscal year 2007-08.

Where Do We Want To Be?:

With respect to this measure, maintain overall satisfaction of at least 85% for the 2008-09 fiscal year.

Core Business Area 2: Strategic Planning and Budgeting

A core function of the Treasury and Policy Board Office is government-wide strategic planning and budgeting. As part of this, the Treasury and Policy Board Office coordinates the government expenditure budget development and the business planning and accountability reporting processes for Government, departments and agencies.

Desired Outcome 1: 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 2006–2007 Targets

In 2003-04, 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 2005-06 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 2006–2007 was to increase satisfaction levels above the 2005-06 levels. Unfortunately, data for this fiscal year are unavailable because the survey is conducted once every two years. The next survey will be for fiscal year 2007-08.

Where Do We Want to Be?:

With respect to this measure, increase overall satisfaction above 2005-06 levels for the 2008-09 fiscal year.

Desired Outcome 2: 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's 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 2006–2007 Targets

In 2003-04, 86% of survey respondents reporting having a good understanding of government priorities and goals. In our 2005 Client Survey, this percentage increased slightly to 88%. Our target for 2006–2007 was to maintain this percentage at 88%. Unfortunately, data for this fiscal year are unavailable because the survey is conducted once every two years. The next survey will be for fiscal year 2007-08.

Where Do We Want To Be?:

Maintain the number of survey respondents who said they have a good understanding of Government's priorities and goals at 88% for the 2008-09 fiscal year.

Core Business Area 3: Coordination of Corporate Policies and Priorities

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 the TPB office 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 the TPB office's leadership role through the bi-annual client survey.

Where Are We Now and Reporting on 2006–2007 Targets

In 2003-04, 60% of survey respondents agreed that the TPB office provided good leadership in coordinating corporate policy efforts. In our 2005 Client Survey, this percentage increased 67%. Our target for 2006-2007 was to increase this percentage above 70%. Unfortunately, data for this fiscal year are unavailable because the survey is conducted once every two years. The next survey will be for fiscal year 2007-08.

Where Do We Want To Be?:

Increase the percentage of survey respondents agreeing that TPB provides good leadership in coordinating corporate policy efforts above 70% for the 2008/09 fiscal year.

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 2006–2007 Targets

In 2003-04, 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 2006-2007 was to return satisfaction levels back to 80% or above. Unfortunately, data for this fiscal year are unavailable because the survey is conducted once every two years. The next survey will be for fiscal year 2007-08.

Where Do We Want To Be?:

With respect to this measure, return satisfaction rating to 80% or above for the 2008/09 fiscal year.