

# **The Institute of Public Administration of Canada's**

## **Centre of Excellence on Performance Management and Accountability (CEPMA)**

### **CONSULTATION REPORT**

*The Institute of Public Administration of Canada proposes to establish a Centre of Excellence on Performance Management and Accountability to promote and improve research and understanding of these issues and to provide this support to its members.*

*The CEPMA will commission and share research specific to the needs of its members, and provide a forum for the exchange of best practices, networking and the development of innovative approaches. The CEPMA will be a unique inter-disciplinary venue at the crossroad of public, private, BPS and non-profit sectors, to analyze trends and develop targeted approaches for performance management issues of common concern.*

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The Institute of Public Administration of Canada/  
L'institut d'administration du Canada

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## **Introduction: a conversation with IPAC members**

Members of the Institute of Public Administration of Canada (IPAC) have been discussing accountability in the public sector for many years: How do we do it? How do we know if we are succeeding? How can we improve? How can we measure results, improvements or failures? How can we affect change? Ultimately, how can we be most effective in delivering programmes and public services to Canadians?

All across Canada IPAC members are involved in the design of performance measurements, accountability frameworks, and results-based plans. IPAC members are also third-parties, tasked with delivering services within these agreements. Other IPAC members are senior officials and scholars interested in improving the methodology of accountability in large, complex, inter-connected bureaucracies. The community of IPAC members is passionate about the quality of public service and sensitive to the current environment of transparency and blame when errors occur. They also want to work in dynamic organizations in which excellence, achievement and innovation are part of their working lives.

IPAC is responding to these queries and anticipating an emerging need in developing the Centre of Excellence on Performance Management and Accountability (CEPMA).

## **Centre of Excellence on Performance Management and Accountability (CEPMA) Consultations - 2007**

IPAC undertook broad consultations through different channels and reaching a range of stakeholders in order to verify our understanding that there is a real need for the CEPMA. This consultation process also helped IPAC to gauge interest in future membership from these organizations. IPAC briefed its Board Members on the CEPMA proposal and informed its entire cross-Canada membership through its February 2007 newsletter.

Formal consultative sessions were hosted by IPAC in three cities: Edmonton, Toronto and Ottawa. Included were representatives of the Governments of Alberta and Ontario, the cities of Edmonton, Calgary, Ottawa and Toronto, the federal Government, as well as the Université d'Ottawa, Colleges Ontario, YMCA GTA, Toronto District School Board, Toronto Catholic School Board and others. These participants were drawn from all levels of government, and the Broader Public Sector.

Participants knew IPAC's history, mandate and expertise, but were not necessarily members of the organization. Participants were very familiar with the issues of performance management and accountability in their organizations. IPAC staff presented the CEPMA proposal at the sessions and all participants received a copy of IPAC's CEPMA Concept Paper. (Several have provided written comments to IPAC.)

There were several one-on-one interviews with key individuals familiar with IPAC and its expertise in accountability issues: they represented different governments, the

academe, private sector consultants, associations and research institutions (think tanks). As well, IPAC staff received comments on the CEPMA concept paper provided by people who were unable to attend the consultation sessions.

Through this consultative process, IPAC received valuable input from over 60 people. In its best collaborative tradition, IPAC has attempted to incorporate their suggestions and very insightful comments in the CEPMA proposal.

## **Environmental Scan**

As part of its environmental scan, IPAC undertook a search of the scholarly and professional public administration literature to ascertain whether there are comparable approaches and programmes available. Our study of articles and websites in Canada, the United States, the United Kingdom, New Zealand and Australia and the OECD concluded that the CEPMA proposal is indeed unique (see attached).

Expertise in the area of public sector Performance Management and Accountability (PM&A) resides primarily in government agencies and in private sector management firms. We were unable to find another independent non-profit association offering this public sector approach to all levels of government, the BPS and third-parties.

## **Findings of the Consultation**

### **1) IPAC is seen as the right Institute for the right issues at the right time**

Comments covered the range of technical, theoretical, philosophical, practical and political issues associated with accountability. Clearly these are issues of concern throughout governments, organizations and the academe, for executives, senior management and mid-level staff.

IPAC was commended for seizing this issue; many participants stressed that IPAC was “the right organization to take on this work” to bridge these different communities. Although finance and accounting professionals dominate the audit area of expertise, sectoral experts in public policy often implement PM&A agreements.

IPAC, as an association, has embraced both essential aspects of public sector governance since its inception. It has also provided accessible information and training pertaining to these issues.

### **2) IPAC has a niche to fill**

Participants said that IPAC should be clear in delineating its niche in public sector governance and training, in a field crowded with the private sector's perspective. Most indicated that they had greater confidence and comfort in participating in learning opportunities and training through IPAC, as a well-respected Canadian non-profit association. IPAC's expertise in sharing best practices, the quality of its research and events, its informal contacts and Knowledge Networks, and the integrity of the organization were cited. As well, they noted IPAC's ability to bring together all orders of government, the broader public sector, and academics. As a result CEPMA's focus should be:

#### **a) Commission and Conduct Research**

Participants wanted to see the CEPMA commission and conduct research on issues of particular and current concern to their organizations. They also wanted help to interpret the vast and growing PM&A literature to find appropriate studies, analyses and comparisons to best fit their needs. Again, IPAC was seen as the right institution to meet this information overload challenge.

Others commented that the CEPMA was a logical, domestic application of IPAC's extensive work in international good governance projects.

#### **b) Create Opportunities Networking among Peers**

Conversations at all sessions veered toward participants' need to discuss PM&A issues with people facing similar challenges in other organizations. The value of "story telling" among peers was discussed as a mechanism to work out serious issues. CEPMA would provide a much-needed private forum and network for this information-sharing and training.

#### **c) Develop Practical Case Studies**

Case studies were seen as good ways to demonstrate both successes and failures, and to remove the stigma of "errors cloaked in secrecy". Participants want CEPMA to develop research that they are unable to do on their own.

#### **d) Training**

CEPMA was viewed as an ideal organization to develop, facilitate and deliver training in PM&A to people in the Public Sector and BPS. Participants spoke of IPAC's unique combination of expertise and experience, and its ability to bridge different levels of government; they also stressed IPAC's knowledge of private sector innovations and how to apply them in the public sector.

### **3) Linking Accountability to Decision-Making and Outcomes**

Government participants wanted to see accountability agreements and measurements linked to decision-making. They also stressed the use of PM&A agreements both internally and externally: so staff and politicians alike know if their programmes are meeting the mark. Within government circles there is frustration about getting value for money and achieving results. There is also a heightened awareness of transparency and possible criticism from the media, politicians and the Canadian public when innovative approaches fail.

#### **4) A More Collaborative Approach – not “what is done to us”**

Non-profit Organization representatives expressed frustrations about their ability to implement government-funded programmes within accountability agreements that attempt to eliminate risk. These agreements are “like a noose” but they should be the “best friend for success” because they could help organizations accomplish their goals.

Non-profit Organisations often receive financial support from several sources and operating within several different accountability agreements. They wanted to be involved in the drafting of accountability agreements in order to fully understand objectives, and to develop more nuanced agreements structured with improved results in mind. They felt strongly that a collaborative approach could produce better results. Otherwise, PM&A agreements were “what is done to us” or “the moat around the castle”.

#### **5) Positive Frameworks and “Soft” Measures**

Program staff from government and Non-profit Organisation representatives hoped that CEPMA could help in an attitude shift regarding the PM&A agreements as effective tools and part of a stewardship model to ensure success for people and citizens.

They also wanted to see discussions of Accountability focus more on the achievement of results, using “soft” measures in addition to financial measures. Accountability regimes need to take social impact, community development and opportunity costs into consideration along with purely financial measurements.

Participants said they wanted the CEPMA to help in the development of the right incentives to positive outcomes, both “carrots and sticks”. They also felt that PM&A data gathering was seen most often by staff as a tool for making cuts, or for apportioning blame, and not as a tool for ensuring good results. The issues of trust and confidence are key in establishing a robust system.

#### **6) Integrate PM&A in Curricula**

They also noted that PM&A should be included in the management curricula in Executive Programmes, training and Schools of Public Administration and Public Policy. Modern governance requires an understanding of these important issues in order to get programmes approved, to set funding and to garner long-term support.

## **7) Sharpening the Focus on Results**

Participants from all sectors felt there should be increased focus on achieving better results and less emphasis on the administrative requirements of the agreements themselves. A recent article cited a retired Federal manager as saying “we were spending less than 45% of our time actually delivering the various programmes for which we were responsible”.

### **Some key comments:**

There is wide acceptance of the methodology of PM&A agreements: measures help staff and senior officials “know if something is working or not”. However, there were concerns about implementation and linkages to results and resources.

#### ***“What is accountability without consequences?”***

Participants were concerned that PM&A agreements were not linked to decision-making in any meaningful way. In the Federal Estimates Committee, Members of Parliament have a few days to examine line items with a total spending of billions of dollars for 4,000 programmes. Similarly, many managers and staff fail to use PM&A to guide their operations, quality improvements and strategic directions. Participants wanted the CEPMA to help find ways to make PM&A agreements relevant to decision-makers; they want to develop linkages between agreements, priorities, results and resources.

They also wanted to see information on results and measurements that could be easily used by the public. Participants said that no one requests copies of PM&A reports, nor are there any hits on websites with this information.

#### ***“About one quarter of our staff work on PM&A – There is too much accounting for too little in results”.***

There were concerns that the new Federal Accountability Act, 2006 (FAA), and similar provincial legislation or requirements are imposing a huge administrative burden without the concomitant improvements in the quality of public policy decisions, services or programmes. Government participants were concerned that they were dedicating resources and time to developing PM&A agreements in a vacuum.

As well, the administrative costs of compliance can be enormous for third parties.

“Our association receives half of its funding from 8 different Ministries: we use 8 totally different PM&A frameworks.”

In other organizations the PM&A “is just an update of last year’s report” to minimize the work.

“One of our (government) 5 year programmes had major benchmarking requirements at the 2, 3 and 5 year points. The burden of the evaluations were interfering with our ability to deliver the programme itself.”

### ***The Big Chill: “Enterprise Risk Management”***

Some people commented on the need to convey to politicians the unintended consequences of accountability measures: the fear of error, the unrealistic desire to eliminate all risk, and the stifling of innovation in the public sector. This is a difficult issue and governments are more and more risk averse. One participant noted that “politics overwhelm the conversation”. Participants spoke of the balance they seek between intelligent, reasonable risks and the potential gains from innovation.

Others described increasingly rule-based accountability frameworks, designed “so that nothing bad will happen” by auditors, while managers just want to get on with their programmes. This “tension between Rules and Risk” can paralyze the public sector into deferring difficult, controversial decisions for long periods of time: options then become more stark and expensive.

The culture of rules implies that there is no confidence in public institutions and that poor management can only be addressed by more controlling measures. This is a problem for politicians and the public, and it has greatly affected governments, institutions and organizations.

### ***“Lots of measuring, little measurement”***

There are surveys, report cards, benchmarking, and other tools of PM&A. Some participants were concerned about measuring the wrong things because they are easier to count. Others said that over emphasis on measuring can lead to the selective reporting of only the positive results: there is no incentive to include negative or neutral outcomes in reports.

### ***Media***

Many participants shuddered when asked about the media. They fear public ridicule for intelligent errors, as well as miscalculations or malfeasance that they cannot control through PM&A agreements, especially those with third parties. They also fear the “shock and awe” of exposure in the Auditor General’s report for calculated and reasonable risks that did not succeed.

### ***Public Perceptions***

Some participants commented on the lack of positive incentives and how accountability for results could focus on rewards. “Good stewardship” was a key goal. They also spoke of the declining confidence of citizens in their public institutions, and the perception that there is not real accountability to the public.

### **Conclusions:**

IPAC’s consultations on the CEPMA reached all three orders of government, representatives of key associations and universities, and many other interested individuals, and stimulated an important dialogue. There was overwhelming support for the creation of the CEPMA and for IPAC in taking on this new initiative to meet members’ needs. Most participants recognized the need in their organizations for expertise, research, learning opportunities and training, case studies and networking to deal with PM&A issues more effectively. Some comments did stress that IPAC should carefully develop its niche with a public sector, BPS and non-profit focus on PM&A expertise.

Several organizations have already contacted IPAC to express their interest in participating as soon as the CEPMA is established. Others offered to share their expertise and work with IPAC to develop the CEPMA.

### **Next Steps:**

- Form Advisory Committee
- Develop Business, Communication and Outreach Plans
- Finalize Partnerships, Founding Sponsorships
- Official Launch during Public Service Week (June 11-15, 2007)
- First Meeting of Knowledge Network to be held in Ottawa October 15, 2007 to coincide with University of Ottawa conference October 16, 2007