

Results Reporting, Parliament and Public Debate: What's New In Accountability?

By Donald G. Lenihan, Director of CCG, John Godfrey, M.P. and John Williams, M.P.

Introduction

Finance Minister John Manley's recent budget speech declared that government is taking accountability for results seriously. "Simply put," he said, "Canadians want to know what they are paying for, and they want to get what they are paying for. They want results. They want value for money". But what does it mean for government to be accountable for results? Is there a bigger picture here?

This is the first in a series of three short articles on accountability that we plan to publish over the coming months. They will examine how a new and emerging trend in the field—accountability for results—could strengthen government accountability.

This paper has three main tasks. First, it explains how results reporting is supposed to work; second, it identifies two key challenges that must be met in providing reliable information on results; and, third, it proposes some basic principles to guide the use of this information to hold government accountable for results through public debate.

The second article in the series will build on the discussion by exploring issues around accountability for learning and the challenges of admitting error in public debate. The third and final paper will tackle the sometimes vexing issue of so-called "shared accountability."

Holding Government Accountable: Compliance vs. Results

What is it to hold government accountable? Traditionally, it has involved two separate ideas. One is to ensure that governments comply with the rules that govern them. The other is to ensure that they keep their commitments and achieve their goals.

The compliance approach treats accountability as largely black-and-white. Either the rule was observed or it was not. For example, if public funds were spent on a program, either they were expended in a manner that accords with the rules set out in the *Financial Administration Act*, or they were not. In this view, rules are not supposed to be bent or broken. Partial observance of a rule is not acceptable.

The simplicity of the model is attractive and over the years compliance has become the principal focus of efforts to hold government accountable. It has also been a major cause of the

ribbons of red tape around government, by encouraging the creation of rules of all kinds to ensure that government remains accountable.

By contrast, holding government to account for its commitments to achieve goals—accountability for results—is usually a question of degree. If the compliance model does not easily allow for deviation from a rule, focusing on the achievement of results is just the opposite. It encourages experimentation and innovation. But this, in turn, involves risk, which means that failure and error should also be expected. Why has accountability for results become important now?

The contemporary world is one of constant change. Adjusting to it requires innovation, risk-taking and experimentation. Today, there is wide agreement that we want governments to be risk-takers and innovators but that, if they are to play this role, they must be liberated from too many rules and too much red tape.

To achieve this, many governments agree that there should be a shift in the emphasis away from compliance with rules and onto accountability for results. The goal is not to replace compliance- or rules-based accountability with results-based accountability. Rules are extremely important and no one is suggesting that governments should pursue results with no concern for the means they use to achieve them. Governments must continue to respect rules of process to ensure, for example, transparency and fairness.

The real challenge is to create a balanced approach to accountability, one that combines rules and results, compliance and achievement. We can call such an approach performance-based accountability, where "performance" is taken to refer to both the observance of rules and the achievement of results.

The idea is a good one but it has been difficult to realize—at times painfully so. Nevertheless, it should not be given up. If there have been some worrying setbacks, there have also been successes. Much remains to be learned about how to make accountability for results work and how to balance it with compliance, but there is increasing clarity around some key challenges.

How Results Reporting Works

A key challenge in developing a performance-based approach to accountability is to provide accurate and reliable information on results. There is a simple conceptual framework underlying government's efforts to do so. It provides the

foundation for understanding how results reporting is supposed to work and how the new information could be used to hold government accountable for results. We can describe the framework in terms of three separate levels at which government can provide the public with information on what it does: inputs, outputs and outcomes.

Inputs

Inputs are the resources that have been allocated to meet a department's needs. For example, it will need money for salaries, capital investment, maintenance, etc. Reporting on inputs requires that the department list the sums of money it has received in each basic category and the things it has purchased with that money to carry out its duties. By itself, however, information on inputs tells us nothing about the achievement of results because it tells us nothing specific about what was produced with the inputs. For example, if an MRI machine was purchased with money from a hospital budget, how many times was it used?

Outputs

Outputs are the specific tasks that governments perform with their inputs. For example, if 10 million dollars were set aside for capital investment, reporting on inputs would tell us what things were purchased with the money—a new wing in the plant, various new pieces of machinery, etc—but it would not tell us what work the inputs were used to perform. How many widgets did the new machinery produce? Insofar as output-based reporting tells us about the work that was performed, it gives us information on what we got for the money spent. Nevertheless, it tells us nothing about how effective the outputs were in achieving a policy goal. Perhaps the new machines were poorly suited to the task, or perhaps the task contributed little to the goal.

Outcomes

Although the public certainly cares about inputs and outputs, in the end, what it is most interested in knowing is the impact that a policy or program has had on the world. What has it changed? If officials used 20 million dollars to buy three new MRI machines (inputs), and if 3000 patients were able to access those machines for diagnostic purposes (outputs), what did the sessions contribute to improving the health of the patients or the community (outcomes)?

Two Challenges

Why has it taken so long for government to begin providing information on results? It faces at least two major challenges. The first one involves practical issues around gathering information on results. In the past, collecting it has been too difficult and too costly for governments to pursue on a large scale.

That is changing.

Sophisticated data-collection and measurement systems are coming online that will make data collection and analysis far less costly and far more effective. For example, over the next decade, information on long-term societal trends should become more plentiful and more sophisticated. Such data are important for results assessments.

Although it would be wrong to assume that new technology will make data collection, integration and analysis easy, it should vastly improve government's capacity in these areas. As a result, governments around the world are now trying to fill the information gap by investing significant resources and energy into results reporting.

The Government of Canada is a case in point. For example, it recently introduced reforms to Part III of the Estimates so that each spring all departments must table reports setting out the goals they aim to achieve over a three-year period, and each fall they must table a second report on their progress in achieving them.

The second challenge facing accountability for results is a conceptual one. Establishing that results information is a reliable guide to a policy's or program's impact can be difficult, as the following example shows.

Suppose that a particular community has a high crime rate, which has its residents worried. When a local election is held, a candidate promises that, if elected, he will tackle the problem. He wins and as the new mayor initiates a study which concludes that drug trafficking is a key cause of the high crime rate. The Mayor responds by increasing the police presence in key parts of the town. After a year, however, his government's own reports show that there has been no drop in the crime rate. Should the citizens conclude that the initiative has failed? If so, should they hold the Mayor accountable for the failure?

In fact, neither conclusion is clear. High crime rates often have more than one cause, which can include poverty, lack of education, racial tension or unemployment. It could be that a change in one of these conditions, such as a rise in racial tensions, has offset the gains that resulted from the increased police presence. Unfortunately, the crime

About this Series Policy, Politics & Governance

Over the last decade, governments in OECD countries have been experimenting with "new tools," ranging from Internet technologies to community partnerships. They could greatly improve government and democracy. But it is increasingly clear that these tools change how modern governments work, what they do and how they make decisions. Learning to use them well will require experimentation and careful analysis from the public service. It will require informed debate, strong leadership and good decision-making from politicians. This series is dedicated to exploring the issues from both points of view.

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rate may remain unchanged, even though the police presence had a significant effect.

This can also work in reverse. For example, a lessening of racial tensions may lead to a drop in the crime rate. The drop may have no connection to the increased police presence, but because the crime rate is a key indicator for determining the impact of the police presence, it appears as evidence that the initiative is working.

So the problem is that the results or outcomes that governments want to achieve, such as safer streets, cleaner air or a healthier population, are often influenced by multiple factors. NGOs, the private sector and other governments may all be engaged in activities that contribute to, or prevent, the outcome. This raises a number of questions around efforts to provide information on results, and to use this information to hold governments to account for them. How do we decide which events or interventions actually caused a particular outcome? If there are multiple causes, can we measure the contribution that a particular event or intervention made to producing an outcome? How do we know what information or indicators we need to track progress toward an outcome?

Holding Government Accountable for Results: Three Ways to Improve Public Debate

As these reflections show, the issues around results reporting are deep and complex. This, in turn, makes holding government to account for results a challenging task. By comparison, the compliance approach is relatively simple. As we saw, it treats issues around accountability as far more black-and-white.

At present, public debate clearly favours the compliance model of accountability. It has difficulty managing shades of grey or questions of degree. If in future we are to hold government accountable for results, our public discourse must be expanded to include some new concepts around accountability, such as learning, shared responsibility and the admission of error. (They will be discussed later in this series.) In the 21st century, governments will need a public discourse that is nuanced enough to manage an informed debate over matters of degree or shades of grey in a principled and rigorous way.

As a first step, the final section of this paper identifies three aspects of public debate that could be improved through more attention to the differences between compliance and results, and the concepts that define their respective approaches to accountability. It also prepares some of the ground for the discussions around learning, error and shared accountability that will taken up in the next two papers in this series.

Disciplining Public Debate

Historically, there has been a discontinuity between public debate and government reporting. On one hand, government reporting has been limited to providing information on resources (inputs) and how they have been used (outputs). On the other hand, debate has moved freely between inputs, outputs and outcomes. Because little information has been available on outcomes, public debate has been

less than disciplined about how it uses the information available on inputs and outputs to support claims about outcomes. For example, debate jumps easily from claims about how many MRI machines were purchased to how well or poorly the health system is working. At the same time, because of the lack of information on results, government has not been pressured to state its policy goals very clearly.

By helping to fill the information gap, results reporting could contribute to a more disciplined debate. First, it could provide new evidence about outcomes that could help inform the public about the effectiveness of the government's policies and programs. Second, it could put pressure on the government to clarify its policy goals, which, in turn, would lead to a more productive debate over their soundness.

But if this is to happen, at least two distinctions must be kept clear. First, public debate must respect the distinction between, on one hand, resources (inputs) and the work they have been used to perform (outputs) and, on the other hand, the policy goals that the work is supposed to achieve. Second, it must respect the difference between using the new information to assess, on one hand, the effectiveness of government programs and, on the other, the soundness of government policy.

Respecting the Difference between Policy and Administration

As reports on results come online, it will be important that we remain clear on the different roles that Parliament and appointed officials play in holding government to account. The recent debate over the gun registry system demonstrates how public debate can begin to confuse the roles of Parliament and its officers. In response to the Auditor General's report on the gun registry, many of the provinces demanded a full 'value for money' audit of the gun registry system, while others used the report to declare the program and its goals a failure.

At this stage, the most we can expect from a full value-for-money audit by the AG is a clearer statement of the relationship between inputs and outputs, with, perhaps, some speculative comments on whether the outputs are likely to contribute to the goals.

In future, however, it will be possible for government officials to provide more reliable information on—and to make more informed assessments of—the success of a particular program in achieving its policy goals, that is, on the relationship between outputs and outcomes. That is one of the benefits of results reporting. **But such conclusions should not be treated as an assessment of the soundness of the policy goals.** Rather, they address the effectiveness of a program at achieving them. Even if a program has been thoroughly discredited by such findings, the goals may still be sound. Determining whether they are is the task of Parliament, not the Auditor General. If we do not keep this separation of roles clearly in mind, we risk using the new system to weaken, rather than strengthen, the role of Parliament.

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Setting a New Standard on the Clarity of Policy Goals

As we have seen, deciding what information is needed to provide a reliable report on the results of a policy or program is a complicated task. It requires that government examine, assess and record the impact of a policy or program on people and communities. Officials must decide what information they should collect and what standards or indicators they will use to evaluate the programs.

In theory, such choices should be guided by clearly stated policy goals. If the goals are not clear, officials will have no reliable basis for deciding what information is relevant or what indicators should be used. Both will begin to look arbitrary. In such circumstances it will be difficult to hold government accountable for the results because there will be no clear statement of what the government was trying to achieve.

Some commentators reply that vague policy goals are not always a bad thing. They can—and often do—serve a constructive end. Parties who disagree on a clear goal may reach agreement on a vague one. This can allow a process to move forward that otherwise might have become bogged down in political differences. Moreover, reports on results that are tied to a vaguely stated goal can still be very useful. For example, they may provoke debate over the real intentions of the government or the real value of a program, which may lead to greater clarity and agreement on the goal.

Notwithstanding these points, however, the general rule remains sound: clearly defined policy goals are an important standard in holding government to account for results. Public-policy debate should strive to promote them.

Conclusion

In a democracy such as Canada, government accountability involves a complex mixture of institutions, processes, people and information. Over the next decade huge amounts of results information will come on stream. If it is of high quality, it could be used to strengthen accountability in a variety of forums, including Question Period, parliamentary committees, the news media and election campaigns. Making it work well is in the interest of the whole public-policy community.

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About the Authors

Don Lenihan, PhD, is Director of the Centre for Collaborative Government at Kaufman, Thomas and Associates Inc. He is the author of numerous articles and studies and is Chair of the Crossing Boundaries III project.

John Godfrey is the Member of Parliament for Don Valley West. He is currently the Chairman of The National Children's Agenda Caucus Committee, Social Policy Caucus and of the House of Commons Standing Committee on Children and Youth at Risk. He is also a member of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources

John Williams is the Member of Parliament for St. Albert. He is currently the Chairman of the House of Commons Standing Committee on Public Accounts. He is also author of the Waste Report, as well as President of the Global Organization of Parliamentarians Against Corruption (GOPAC).

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1354 Wellington Street
Ottawa, ON, K1Y 3C3

Tel: 613-594-4795 Fax: 613-594-5925, Email: main@kta.on.ca