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REPORT 2

Required Reporting by Federal Organizations



Office of the Auditor General of Canada

OAG

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada under the authority of the *Auditor General Act*.

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- report both positive and negative findings,
- conclude against the established audit objectives, and
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Introduction

Background

Reporting in the federal government

2.1 Reporting in the federal government serves a number of purposes, according to the Treasury Board of Canada Secretariat (the Secretariat):

Reporting is one of the principal means through which departments fulfill their commitment to the public service value of transparency. Through reporting, a department's management successes and failures are opened to the scrutiny of Treasury Board, Parliament and the public. Reporting is also the means through which departments demonstrate compliance with policy and statute, allowing for appropriate monitoring and oversight.

2.2 **Federal organizations** respond to a wide array of requirements to provide information to external organizations and individuals. Those requiring information include

- federal departments, such as Public Works and Government Services Canada;
- **central agencies**;
- officers or members of Parliament; and
- private individuals making Access to Information requests.

2.3 In addition, the Expenditure Management System and the Estimates process require each federal department or agency to prepare and submit two major reports to Parliament yearly: a Report on Plans and Priorities and a Departmental Performance Report.

2.4 In some cases, information is to be provided on a predictable schedule, such as annually or quarterly. Other requirements are ad hoc and may not recur. The volume of the resulting reports is significant. For example, members of Parliament submitted 3,565 information requests to federal organizations in the 2013–14 fiscal year. Federal organizations responded to 55,145 Access to Information requests in the 2012–13 fiscal year.

Federal organization—A federal department or agency, or a Crown corporation.

Central agency—An organization that works across government in a central coordinating role to ensure policy coherence and coordination. Central agencies may have either formal or informal authority over other federal organizations. In this report, we use the term to refer to the Treasury Board of Canada Secretariat and the Public Service Commission of Canada.

2.5 The Secretariat and the Public Service Commission of Canada (the Commission) require information from federal organizations on both a recurring and an ad hoc basis. Approximately two thirds of recurring requirements have been in place since before the 2009–10 fiscal year, when our audit period began.

2.6 The Secretariat and the Commission acknowledge that **reporting requirements** place a significant burden on federal organizations. In the 2008–09 fiscal year, the Secretariat committed to minimizing the reporting requirements set out in Treasury Board policies. Similarly, the Commission committed to reducing the staffing-related reporting required of federal organizations in its annual monitoring exercise. In their reports on plans and priorities for the 2013–14 fiscal year, both of these central agencies reaffirmed their commitments to streamline the reporting required of federal organizations.

Roles and responsibilities

2.7 **The Treasury Board of Canada Secretariat.** In support of the Treasury Board, the Secretariat

- develops policy advice for the Treasury Board,
- provides advice to federal organizations on the implementation and application of Treasury Board policy,
- assesses compliance with Treasury Board policies and acts on non-compliance, and
- reports to Parliament and the public on whole-of-government management performance.

2.8 **The Public Service Commission of Canada.** The mandate of the Commission is to promote and safeguard merit-based appointments and to protect the non-partisan nature of the public service. It is accountable to Parliament for the overall integrity of the staffing system in the federal public service and for organizations included under the *Public Service Employment Act*. The Commission also holds deputy heads accountable for how they exercise delegated staffing authorities in their organizations.

2.9 **Deputy heads.** Deputy heads apply the Treasury Board's mandatory policy instruments within their organizations. In addition, they monitor and audit the application of the Treasury Board's policy instruments, take corrective action in cases of non-compliance, report to the Secretariat on compliance with Treasury Board policies, and provide advice on policy development. They are also responsible for their organizations'

Reporting requirements—Recurring requirements for federal organizations to provide information as established by statutes or specified by the Treasury Board or the Public Service Commission of Canada.

compliance with the terms and conditions of delegation of staffing authorities by the Commission, taking action in cases of non-compliance, and reporting to the Commission, as required, on the exercise of delegated authorities.

Focus of the audit

2.10 This audit focused on recurring reporting requirements set out in Treasury Board policies, by the Public Service Commission of Canada, and in statute. The overall objective of the audit was to determine whether selected reporting requirements for federal organizations efficiently support **accountability** and transparency, and generate information used for decision making in policy development and program management.

2.11 This audit is important because federal organizations must respond to an extensive list of reporting requirements. Therefore, it is necessary to ensure that reporting requirements are **efficient** and serve their intended purposes. Some of these requirements are intended to support accountability and transparency, whereas others are intended to support the internal management of reporting organizations.

2.12 In addition to examining eight reporting requirements (Exhibit 2.1), we looked at the roles played in those requirements by seven federal organizations:

- the Treasury Board of Canada Secretariat (as both a central agency and a reporting department),
- the Public Service Commission of Canada (as both a central agency and a reporting department),
- Transport Canada,
- Western Economic Diversification Canada,
- the Canadian Polar Commission,
- the Canada Mortgage and Housing Corporation, and
- the Canadian Tourism Commission.

We also analyzed data from an online questionnaire, completed by 51 federal organizations, regarding the selected reporting requirements.

2.13 More details about the audit objectives, scope, approach, and criteria are in **About the Audit** at the end of this report (see pages 24–28).

Accountability—A relationship based on obligations to demonstrate, review, and take responsibility for performance, which consists of both the results achieved in light of agreed-upon expectations and the means used to achieve them.

Efficient reporting requirement—A reporting requirement that can be demonstrated to have served its intended purpose without unnecessary effort, burden, or duplication.

Exhibit 2.1 Reporting requirements selected for examination

Selected reporting requirement	Source/basis	Intended purposes	Frequency
Annual Report on the Performance Management Program for Executives	Treasury Board policy	Support accountability to Treasury Board for the administration of executive performance pay Support transparency	Annually
Departmental Investment Plan	Treasury Board policy	Provide a management tool to support investment planning in federal organizations	Every three years
Departmental Security Plan	Treasury Board directive	Provide a management tool to support security planning in federal organizations	By June 2012; updated as needed thereafter
Official Languages Annual Review	Treasury Board policy	Support accountability to Treasury Board under section 46 of the <i>Official Languages Act</i> on use of the official languages in the public service Support Treasury Board reporting responsibility under section 48 of the <i>Official Languages Act</i>	Varies by entity (some annually, others every three years)
Proactive Disclosure of Contracts	Budget 2004 Treasury Board policy	Support transparency	Quarterly
Quarterly Financial Reports	<i>Financial Administration Act</i>	Support accountability to Parliament and transparency	Quarterly except for the final quarter (when the annual report is required)
Departmental Staffing Accountability Report	Public Service Commission of Canada's Accountability Policy	Support accountability to the Commission on staffing in federal organizations Support reporting by the Commission to Parliament on staffing in federal organizations	Annually
Monitoring Report on Official Languages Qualifications in Staffing	Public Service Official Languages Exclusion Approval Order	Support accountability to the Commission on official languages in staffing in federal organizations Support reporting by the Commission to Parliament on official languages in staffing in federal organizations	Annually

Findings, Recommendations, and Responses

Establishing and meeting reporting requirements

Overall finding



2.14 Overall, we found that clear purposes and timelines had been established for the selected reporting requirements, and that central agencies had provided guidance and support to help federal organizations meet them. However, neither the Treasury Board of Canada Secretariat (the Secretariat) nor the Public Service Commission of Canada (the Commission) had determined the level of effort or cost required to meet these reporting requirements. Furthermore, the Secretariat has not maintained a comprehensive inventory of the Treasury Board's reporting requirements. Although the Secretariat had made some accommodation for the sizes and mandates of reporting organizations when reporting requirements were established, we found that the Canadian Polar Commission, a small organization with 11 staff members, was still subject to 25 annual or quarterly reporting requirements.

2.15 In addition, while the federal organizations we examined were meeting the requirements intended to support accountability and transparency, they were not meeting other requirements intended to support their internal decision making for policy development and program management.

2.16 These findings are important because reporting by federal organizations supports public administration by ensuring compliance with policies and statutes, and by generating information useful to both central agencies and reporting organizations for their own decision making.

Context

2.17 Reporting by federal government organizations is extensive and serves a number of purposes, such as supporting accountability to central agencies, transparency to Canadians, and internal decision making. The Secretariat and the Commission are two central agencies that require information from federal organizations.

Required reporting had clear purposes and timelines, and central agencies provided guidance and support for meeting selected reporting requirements

What we found

2.18 We found that clear purposes and timelines had been established for the selected reporting requirements. We also found that both central agencies provided guidance and support to federal organizations to help them meet the requirements.

2.19 Our analysis supporting this finding presents what we examined and discusses

- purposes of the selected reporting requirements,
- timelines for meeting the reporting requirements, and
- guidance and support provided to federal organizations.

Why this finding matters

2.20 This finding matters because the information provided by federal organizations to the Secretariat and to the Commission is necessary for these two central agencies to fulfill their responsibilities.

Recommendations

2.21 We made no recommendations in this area of examination.

Analysis to support this finding

2.22 **What we examined.** We examined whether reporting requirements established for federal organizations by the Treasury Board and the Commission, as well as in statute, had clear purposes and timelines. We also examined whether central agencies provided federal organizations with guidance and support for meeting the reporting requirements, and whether the organizations found this guidance to be adequate.

2.23 **Purposes of the selected reporting requirements.** We found that the reporting requirements we examined helped central agencies to carry out their responsibilities. Both central agencies have specified their reporting requirements in policy instruments such as policies, directives, and standards. We found that five of the reporting requirements we examined had a primary purpose of supporting the accountability of federal organizations to central agencies—in particular, the purpose of monitoring and reporting on compliance with government policies. Three of the reports we examined supported transparency to Canadians. (As noted in Exhibit 2.1, some reports had more than one intended purpose.)

2.24 **Timelines for meeting the reporting requirements.** We found that clear timelines had been established for the reporting requirements we examined, ranging from every three months to every three years (see Exhibit 2.1). We also examined the rationales for the timelines and found that they were based on various factors. These included the time required to ensure that information would be available for reporting to Parliament,

alignment with the fiscal year, and timeliness for providing feedback to federal organizations so that they could best use the information for internal purposes.

2.25 Guidance and support provided to federal organizations. We found that both the Secretariat and the Commission provided guidance and support to federal organizations to help them meet their reporting requirements. We also found that the contents of the required reports were specified when the requirements were first established, and that both central agencies later provided additional guidance and support—for example, templates, guidelines, checklists, and information sessions. We also found that federal organizations had the opportunity to contact analysts from the central agencies who could provide additional guidance and support.

2.26 However, guidance was not always clear for all of the eight reporting requirements we examined. In one of the federal organizations we examined in detail, officials responsible for completing departmental investment plans told us that the Secretariat’s guidance increased the effort needed to complete that organization’s plan. Although guidance was provided in the form of documents or through direct communication between officials, it was not sufficiently clear and consistent. Responses to the questionnaire administered as part of our audit supported this view, with approximately half of responding organizations identifying “guidance clarity” or “guidance completeness,” or both, as factors that increased the effort required to complete departmental investment plans. As of 2013, the Secretariat was aware that the guidance associated with departmental investment plans needed attention.

Central agencies reviewed and adjusted some reporting requirements, but did not determine the level of effort or costs involved in meeting them

What we found

2.27 We found that both the Secretariat and the Commission had undertaken reviews of reporting requirements and made adjustments to how federal organizations should meet some of them. However, the two agencies had not determined the level of effort or the costs involved in meeting these requirements, either when they were first proposed or after federal organizations started complying with them.

2.28 Our analysis supporting this finding presents what we examined and discusses

- the Secretariat’s review and adjustment of reporting requirements,
- the Commission’s review and adjustment of reporting requirements,
- federal organizations’ efforts to meet reporting requirements, and
- uniformity of reporting requirements.

Why this finding matters

2.29 This finding matters because there have been long-standing concerns about the burden created by federal reporting requirements. In our view, reviews by central agencies of reporting requirements may identify opportunities for adjusting them so that they remain relevant and can be met efficiently—that is, without incurring unnecessary effort, burden, or duplication. In addition, by determining the level of effort and cost involved, central agencies could better understand the resource implications for federal organizations and support adjustments to the requirements in accordance with the size and mandate of each reporting organization.

Recommendations

2.30 Our recommendations in this area of examination appear at paragraphs 2.43 and 2.44.

Analysis to support this finding

2.31 **What we examined.** We examined whether the Secretariat and the Commission had reviewed and adjusted the reporting required of federal organizations to ensure that the reported information efficiently achieved its purposes. We also examined whether the two central agencies had determined the effort (in hours) or the costs involved in meeting the reporting requirements, and whether federal organizations had themselves estimated these efforts or costs. In addition, we asked the entities we audited to provide estimates of the effort needed to meet the selected reporting requirements.

2.32 **The Secretariat's review and adjustment of reporting requirements.** We found that the Secretariat reviewed reporting requirements in Treasury Board policies several times during the audit period.

- The Policy Suite Renewal (2006 to 2009) was intended to allow an examination of Treasury Board policy instruments to make them more consistent and coherent. After reviewing a subset of the policies in effect at the time, Treasury Board reduced the number of its reporting requirements by 27 percent. In addition, this exercise established a requirement that the Secretariat review each policy instrument every five years and determine the cost of meeting related reporting requirements.
- The Web of Rules Action Plan for 2008–09 communicated the commitment of Treasury Board and the Commission to address the issue of reporting. We found that established targets were met, and that the Secretariat reduced its reporting requirements related to the Management Accountability Framework and human resources.
- The Targeted Review (2011 to 2013) focused on factors affecting reporting. The federal organizations consulted during this review commented on, for example, concerns about capacity resulting from government-wide deficit reduction initiatives. The Secretariat

informed us that the implementation of proposed action plans from this exercise will be built into the Policy Reset.

- The Policy Reset was launched in 2014 and is ongoing. Secretariat officials told us that some of the policies related to the reporting requirements we examined would be included in the exercise.

2.33 We found that adjustments were made to four of the six Treasury Board reporting requirements we examined. The adjustments included

- use of information technology to improve efficiency for the annual report on the Performance Management Program for Executives,
- streamlined reporting for the official languages annual review through collaboration with other entities, and
- modification of the approval process for departmental investment plans prepared by small entities.

2.34 **The Commission's review and adjustment of reporting requirements.** In the 2009–10 fiscal year, the Commission committed to a review of its reporting requirements. The review began in 2011 and was completed in 2013–14. We found that the Commission had started implementing some of the recommended changes stemming from the review. For example, it has adjusted its requirements for organizations that are reporting for the first time and has reduced requirements during periods of government-wide deficit reduction initiatives.

2.35 We found that, as a result of the review and adjustment, the Commission reduced the number of Staffing Management Accountability Framework indicators used in the Departmental Staffing Accountability Report from 29 to 12. In addition, reporting on all 12 indicators is not required every year. According to the Commission, these reductions focused the reporting on areas of risk and made it more useful to reporting organizations for internal management.

2.36 **Federal organizations' efforts to meet reporting requirements.** We found that the Secretariat and the Commission had not estimated or determined the effort expended, or the cost incurred, by federal organizations in meeting the reporting requirements we examined, either when the requirements were first established or during any subsequent reviews.

2.37 As previously stated, as of 2009, all Treasury Board policy instruments must be reviewed every five years. Policies undergoing renewal are required to have an implementation plan as part of the Secretariat's approval process. Among other things, the plans provide information to senior management regarding the resources required to comply with the policies, including related reporting. In the three implementation plans we examined, we found that neither the effort nor the cost required to meet related reporting requirements had been determined.

2.38 Similarly, in reviewing its reporting requirements, the Commission consulted with federal organizations and found that one of the key concerns raised was the reporting burden. When we asked why the effort and cost required to meet reporting requirements had not been determined, officials told us that the Commission did not have a framework for determining these costs. Furthermore, we found that federal organizations themselves did not track the effort or cost of completing the reports we examined.

2.39 Given the absence of this information, we included in the questionnaire we administered to 51 federal organizations a component for estimating the hours required to complete a single, recent version of each report we examined. The responses to the questionnaire provided information on hours spent specifically to meet each reporting requirement, beyond the time already spent collecting this information in the absence of the requirement (Exhibit 2.2).

Exhibit 2.2 Median hours spent to prepare a single version of each report

Report	Median hours spent	Interquartile range (hours)*
Departmental Security Plan	250	80–300
Departmental Investment Plan	125	40–300
Quarterly Financial Report—Crown corporations	100	40–250
Quarterly Financial Report—departments and agencies	55	30–94
Departmental Staffing Accountability Report	49	30–145
Official Languages Annual Review	43	13–75
Annual Report on the Performance Management Program for Executives	25	5–68
Proactive Disclosure of Contracts	20	10–60
Monitoring Report on Official Languages Qualifications in Staffing	4	1–60
<p>* The interquartile range is used to assess the spread in a set of data. It is the span across the middle 50 percent of the data. It eliminates the influence of extreme values, as the highest 25 percent and the lowest 25 percent are removed.</p> <p>Source: Questionnaire administered to 51 federal organizations for this audit</p>		

2.40 In our view, determining the level of effort and cost involved in meeting reporting requirements, including any new reporting requirements, would lead to a greater understanding of their resource implications for federal organizations and would allow the requirements to be adjusted according to their costs. Such adjustments have the potential to increase the overall efficiency and value of reporting.

2.41 **Uniformity of reporting requirements.** The Treasury Board policies we examined did not explicitly establish different reporting requirements on the basis of the characteristics of reporting organizations. We found that only one Treasury Board policy, the 2009 Policy on Evaluation,

explicitly established different reporting requirements for small and large federal organizations. However, Secretariat officials told us that the sizes and mandates of reporting organizations were taken into account in establishing some of the reporting requirements. For example, small federal organizations may follow a simplified approval process when submitting their departmental investment plans to the Secretariat: Instead of submitting a formal plan, they may submit a brief letter tailored to their specific circumstances. Similarly, while the Secretariat requires some organizations to provide their official language review information annually, it requires other organizations to submit this information only once every three years.

2.42 Despite such accommodation for the sizes and mandates of reporting organizations, the Canadian Polar Commission—an organization with 11 staff members—was still subject to 25 Treasury Board annual or quarterly reporting requirements. In our view, the efficiency and value of federal organizations' reporting will improve if reporting requirements systematically take into account the sizes and mandates of reporting organizations.

2.43 **Recommendation.** The Treasury Board of Canada Secretariat and the Public Service Commission of Canada, as they review existing policies or introduce new policies, should systematically adjust required reporting on the basis of its effort, cost, and value.

***The Secretariat's response.** Agreed. Currently, the Treasury Board's Foundation Framework states that the Treasury Board of Canada Secretariat will adhere to the following principles when designing reporting requirements:*

- *Reporting requirements should respect the oversight responsibilities and accountabilities of deputy heads.*
- *Reporting requirements should have a clear purpose.*
- *Reporting requirements should seek timely and meaningful information to meet the purpose.*
- *Reporting requirements should be efficient—the cost to create and submit information should be minimal.*
- *Reporting requirements should leverage existing data sources and should not duplicate other requirements.*

When reviewing existing policies or introducing new policies, the Secretariat will develop additional guidance clarifying that effort, incremental costs, and value are also to be taken into consideration during the design of reporting requirements.

The guidance will be in place by 31 March 2016.

***The Commission's response.** Agreed. Through its Enhanced Integration Project, which began in January 2014, the Public Service Commission of*

Canada is examining its policy development process and its related oversight mechanisms to ensure that expected reporting considers levels of effort, cost, and value.

2.44 Recommendation. The Treasury Board of Canada Secretariat, as it reviews existing policies or introduces new policies, should adjust required reporting on the basis of the sizes and mandates of reporting organizations.

The Secretariat's response. *Agreed. Further to the response to the recommendation in paragraph 2.43, the Treasury Board of Canada Secretariat will also include in the guidance that will be developed on reporting that the size and mandate of a reporting organization are also to be taken into consideration.*

The Secretariat did not have a comprehensive and up-to-date inventory of the Treasury Board's reporting requirements

What we found

2.45 We found that Treasury Board had many reporting requirements for federal organizations. However, the Secretariat has not maintained a comprehensive, up-to-date listing and schedule of its reporting requirements for sharing internally, with other federal organizations, or publicly.

2.46 Our analysis supporting this finding presents what we examined and discusses

- the Secretariat's understanding of the scope of Treasury Board reporting requirements.

Why this finding matters

2.47 This finding matters because a comprehensive understanding of the range and timing of recurring reporting requirements would help central agencies to review these requirements and coordinate them with deadlines for multiple information requests. An inventory could also improve overall efficiency by helping to avoid or eliminate duplicate requirements. Moreover, it could help federal organizations to plan the resources needed to efficiently meet recurring reporting requirements.

Recommendation

2.48 Our recommendation in this area of examination appears at paragraph 2.53.

Analysis to support this finding

2.49 **What we examined.** We examined information provided by the Secretariat on all recurring reporting requirements. We also examined selected reporting requirements established in statutes.

2.50 **The Secretariat's understanding of the scope of Treasury Board reporting requirements.** It was difficult to determine the overall scope of Treasury Board reporting requirements. After extensive discussion with the Secretariat, we determined that the Treasury Board had 60 recurring reporting requirements stemming from its policies, directives, and standards. We also found that there was no comprehensive, up-to-date list or schedule of the requirements, and that the Secretariat did not track whether Treasury Board reporting requirements were increasing or decreasing.

2.51 In consultations with the Secretariat in 2012, federal organizations asked for an overall calendar or inventory of reporting that would help them coordinate deadlines and allocate resources to meet the reporting requirements. The federal organizations also recognized the value of a calendar for addressing the issues of duplication and enhancing data collection, which are important elements of efficiency. We were also told of the need for an inventory when we consulted with the Small Agencies Administrators Network, a consultative body composed of officials from small federal organizations.

2.52 We found that the Secretariat had not acted on this request for an inventory. In our view, such a tool would help the Secretariat to address the burden of Treasury Board reporting requirements for federal organizations. It would also help reporting organizations to efficiently prepare the required reports.

2.53 **Recommendation.** The Treasury Board of Canada Secretariat should develop and make publicly available a comprehensive and up-to-date inventory and schedule of Treasury Board reporting requirements.

***The Secretariat's response.** Agreed. Through this audit, the Treasury Board of Canada Secretariat and the Office of the Auditor General of Canada developed an inventory of the recurring reports that departments and agencies are required to provide. The Secretariat will make this inventory publicly available on its website by spring 2016, including a schedule of any corresponding deadlines. The inventory will be continually updated.*

Federal organizations were not meeting the reporting requirements intended primarily to support internal decision making

What we found

2.54 We found that federal organizations prepared most of the selected reports as required. Exceptions across government were the departmental security plans and departmental investment plans. These reports are intended primarily to support internal decision making.

2.55 Our analysis supporting this finding presents what we examined and discusses

- meeting reporting requirements, and
- monitoring of compliance by central agencies.

Why this finding matters

2.56 This finding matters because reporting requirements are created to support effective public administration, including the gathering of information for use in informing internal decision making in areas such as policy development and program management. If the required reports are not prepared, federal organizations may be operating without information deemed important for their internal management.

Recommendation

2.57 Our recommendation in this area of examination appears at paragraph 2.68.

Analysis to support this finding

2.58 **What we examined.** We examined whether the seven federal organizations in our audit had prepared the required reports, and whether these organizations had processes to ensure the quality of the reports. In addition, we reviewed information from central agencies and entity websites to determine whether all federal organizations had prepared the reports required of them. Furthermore, we examined whether central agencies monitored compliance with the requirements and acted on non-compliance. We also looked at data from the questionnaire sent to 51 entities to determine how they used the reported information.

2.59 **Meeting reporting requirements.** We found that the seven federal organizations we examined met most of the selected reporting requirements. We also found that they had established quality assurance processes for the reports, including internal review and approval of report content.

2.60 In addition, we examined whether all federal organizations subject to the selected reporting requirements had prepared the reports required of them. We found that most had done so (Exhibit 2.3). We also found that small federal organizations were generally less compliant than larger organizations.

2.61 Although we found that compliance was high for most of the examined reporting requirements, we observed relatively low compliance for departmental investment plans, and still lower compliance for departmental security plans. These two reporting requirements were intended primarily to support internal decision making. Federal organizations that do not comply with these requirements may be operating without information that is important for their internal

management. Of all the reports we examined, departmental security plans were rated by the respondents to our questionnaire as the most useful for internal decision making.

Exhibit 2.3 Federal organizations consistently prepared reports required for accountability and transparency, but not reports intended primarily to support internal decision making

	Prepared required report (Yes/No)					Compliance rate of all federal organizations subject to the requirement
	Treasury Board of Canada Secretariat	Public Service Commission of Canada	Transport Canada	Western Economic Diversification Canada	Canadian Polar Commission	
Quarterly Financial Reports*	Yes	Yes	Yes	Yes	No	94%
Departmental Security Plans	Yes	No	No	Yes	No	51%
Departmental Investment Plans	Yes	Yes	Yes	Yes	No	80%
Proactive Disclosure of Contracts	Yes	Yes	Yes	Yes	No	95%
Official Languages Annual Review	Yes	Yes	Yes	Yes	Yes	99%
Annual Report on the Performance Management Program for Executives	Yes	Yes	Yes	Yes	Exempt	100%
Departmental Staffing Accountability Report	Yes	Yes	Yes	Yes	Exempt	100%
Monitoring Report on Official Languages Qualifications in Staffing	Yes	Yes	Yes	Yes	Exempt	100%
<p>* The Canadian Tourism Commission and Canada Mortgage and Housing Corporation met the requirement for Crown corporations to prepare quarterly financial reports. The overall compliance rate for Crown corporations was 93 percent.</p> <p>Sources: Information obtained from central agencies and other entities</p>						

2.62 **Monitoring of compliance by central agencies.** We found that the Secretariat and the Commission used various approaches to monitor compliance with reporting requirements, and had established consequences for non-compliance with these requirements.

2.63 We found that the Commission used departmental staffing accountability reports to monitor compliance with requirements in the Staffing Management Accountability Framework. We also found that the Commission had established measures for addressing non-compliance with its reporting requirements. For example, if a federal organization does not submit its Departmental Staffing Accountability Report, the Commission can limit or rescind its delegated staffing authorities until compliance is achieved.

2.64 We found that the Secretariat used various approaches to monitor compliance with Treasury Board reporting requirements. The approaches included the Management Accountability Framework and engagement by Secretariat analysts with federal organizations. Through our review of the way compliance was monitored, we found that compliance was high if the Secretariat had actively reminded entities of the need to comply. Conversely, if no follow-up had been conducted, compliance was lower.

2.65 We found that the approaches followed by the Secretariat to monitor compliance with the requirement for departmental security plans varied over time and did not cover all organizations subject to the requirement. This requirement was established in 2009 and called for all entities subject to it to develop a departmental security plan by June 2012. The compliance rate for these reports was 51 percent (see Exhibit 2.3).

2.66 The first attempt by the Secretariat to determine the extent of compliance with this requirement was in the fall of 2011, through its annual Management Accountability Framework assessment. At that time, the Secretariat required 25 of the 109 federal organizations subject to the requirement to provide a copy of their draft or final plans. Of the 25 entities, 3 had submitted final plans and 22 had submitted draft plans.

2.67 In June 2012, the Secretariat sent a questionnaire to 95 of the 109 federal organizations subject to this requirement, asking whether they had developed a security plan. Of the 95 organizations, 81 responded to the questionnaire and 14 did not. As a result, the Secretariat did not know the status of departmental security plans for 28 of the 109 federal organizations subject to this requirement. This was the Secretariat's most recent systematic effort to understand how many federal organizations had complied with the requirement to develop a departmental security plan.

2.68 **Recommendation.** The Treasury Board of Canada Secretariat should monitor compliance of federal organizations with the Treasury Board's reporting requirements on a risk basis and should follow up on non-compliance where warranted.

The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will continue to monitor compliance with Treasury Board requirements, including reporting requirements, on a risk basis, following up where warranted in a manner consistent with the Treasury Board Framework on the Management of Compliance, which respects the primary responsibility of deputy heads to ensure compliance with Treasury Board policies.

In terms of the Office of the Auditor General's findings related to departmental security plans, the Secretariat will strengthen efforts to support organizations to achieve full compliance with the Treasury Board policy requirement to have an approved departmental security plan in place. The Policy on Government Security monitoring framework will be enhanced, and the Secretariat will examine risk-based processes, through which departments will be asked to provide an annual confirmation that the departmental security plan has been reviewed and determined to be up to date.

The revised monitoring framework will be in place by 1 April 2016.

Using reported information

Overall finding



2.69 Overall, we found that reports intended to support accountability by demonstrating compliance with policies and statutes were serving those purposes. However, federal organizations made limited use of reported information for internal decision making, even when this was its primary purpose. In addition, we found opportunities to increase the use of the reported information beyond its intended purposes to better support decision making by federal organizations and parliamentarians.

2.70 This is important because federal organizations are required to meet extensive reporting requirements, and they expend resources to do so. If these resources are to be used efficiently, then the reports generated should both meet their intended purposes and respond to the broadest possible range of needs.

Context

2.71 Reporting is one of the means through which federal organizations fulfil their commitment to the public service value of transparency, confirm compliance and demonstrate their accountability to central agencies, and compile information in support of internal decision making. It is therefore important for reporting requirements to generate information that serves its intended purposes.

Most required reporting served its intended purposes

What we found

2.72 Of the reports we examined, we found that those intended to support transparency and accountability were serving those purposes. However, although the quarterly financial reports were serving the purpose of transparency by being publicly available on organizations' websites, we did not determine the extent to which they were used to support accountability to Parliament. In addition, for the two reports intended to support internal decision making (departmental security plans and departmental investment plans), we found that one was not consistently serving this purpose.

2.73 Our analysis supporting this finding presents what we examined and discusses

- use of reported information by federal organizations,
- use of reported information by central agencies, and
- use of quarterly financial reports.

Why this finding matters

2.74 This finding matters because federal organizations are required to meet extensive reporting requirements and to expend resources in doing so. If these resources are to be used efficiently, the reports generated should serve their intended purposes.

Recommendation

2.75 Our recommendation in this area of examination appears at paragraph 2.85.

Analysis to support this finding

2.76 **What we examined.** We examined whether federal organizations that are subject to the selected reporting requirements used the information they prepared for the intended purposes of transparency, accountability to central agencies, or internal decision making. In addition, we examined whether the Treasury Board of Canada Secretariat (the Secretariat) and the Public Service Commission of Canada (the Commission), in their roles as central agencies, used the information that was generated in response to their reporting requirements. We also analyzed data from a questionnaire administered to 51 federal organizations to determine how and to what extent they used the information generated in response to the selected reporting requirements.

2.77 **Use of reported information by federal organizations.** For the federal organizations subject to the reporting requirements that we examined, we found that the reports intended primarily for external purposes of accountability, compliance monitoring, and transparency were being used for those purposes. For example, organizations used

proactive disclosure of contracts for the purpose of transparency. Similarly, they used the Departmental Staffing Accountability Report as a compliance and accountability tool.

2.78 Although some reports we examined were rated as useful for purposes of external transparency and accountability, their rating on usefulness for internal decision making varied. For example, respondents indicated that the official languages annual review was useful for organizational planning purposes, and that the report on the Performance Management Program for Executives was useful for internal human resource management.

2.79 In contrast, we found that departmental investment plans—which were intended to support the internal management of resources in federal organizations—were rated as having a low level of usefulness by more than half of the organizations that responded to our questionnaire. In our view, the efficiency of reporting is enhanced when reports contain information of use to the reporting organizations.

2.80 **Use of reported information by central agencies.** We also found that the Secretariat and the Commission, in their central agency roles, used the reported information primarily for its intended purposes of accountability and compliance monitoring. For example, the Commission used the information generated in response to the Departmental Staffing Accountability Report to monitor compliance with authorities it had delegated to departments and agencies. Similarly, information on official languages that was required by the Secretariat and the Commission was used for monitoring compliance and reporting to Parliament.

2.81 **Use of quarterly financial reports.** The primary intended purpose of quarterly financial reports is to support accountability and transparency, especially to Parliament. The requirement for federal organizations to prepare quarterly financial reports was established in a 2009 amendment to the *Financial Administration Act*. While the general content of these reports was set out in the Act, the Treasury Board was assigned responsibility for their specific form and manner. These requirements were subsequently defined in Treasury Board Accounting Standards.

2.82 In 2014, the Secretariat completed a review of quarterly financial reports. The review concluded that the reports could be revised to better address the information needs of parliamentarians and to require less effort to prepare.

2.83 We identified only one routine use of the information in quarterly financial reports—the Office of the Parliamentary Budget Officer used them to prepare assessments of in-year spending for parliamentarians. However, this organization found the reports to be of limited use in their current form. Our audit work did not include direct contact with parliamentarians.

2.84 Looking beyond the intended purpose of quarterly financial reports, we found that few of the 51 respondents to our questionnaire, including Crown corporations, indicated that they used quarterly financial reports in internal decision making. They were also not used by the Secretariat in its central agency role.

2.85 **Recommendation.** The Treasury Board of Canada Secretariat should follow up on its 2014 review of quarterly financial reports by reviewing the reports' specific form and manner of preparation to assess whether there are more efficient ways of meeting the quarterly accountability requirements established in the *Financial Administration Act*.

***The Secretariat's response.** Agreed. The Treasury Board of Canada Secretariat will undertake a review of the usefulness of the quarterly financial reports, in their current form, in conjunction with new reporting mechanisms that have been implemented since the requirement was enacted in the Financial Administration Act (for example, the TBS InfoBase), to ensure that the accountability requirements are achieved in the most efficient and effective means possible.*

Reporting efficiency has not received enough attention

What we found

2.86 We found that opportunities existed to improve the efficiency of reporting by federal organizations. As highlighted in previous sections, several of our findings have implications for efficiency.

2.87 Our analysis supporting this finding draws on findings from other sections in this report and discusses

- estimation of the effort required to meet reporting requirements, and
- preparation and use of required reports.

Why this finding matters

2.88 This finding matters because federal organizations are subject to extensive reporting requirements that are intended to support accountability, transparency, and the internal management of reporting organizations. For these requirements to be efficient, they should serve their intended purposes without unnecessary effort, burden, or duplication.

Recommendations

2.89 Our recommendations relating to efficiency in reporting appear at paragraphs 2.43, 2.44, 2.68, 2.85, and 2.100.

Analysis to support this finding

2.90 **What we examined.** Our findings about efficiency are derived from our work documented in other “What we examined” sections of this report.

2.91 **Estimation of the effort required to meet reporting requirements.** We found that central agencies had not determined the effort expended to meet the reporting requirements we examined. We also found that the Secretariat had not developed an inventory of Treasury Board reporting requirements, although such a tool could be useful to avoid duplication, track the full range of these requirements, and help reporting organizations to efficiently prepare the required reports (see related findings in paragraphs 2.36–2.40 and 2.50–2.52).

2.92 **Preparation and use of required reports.** We also found that some of the required reports were not being prepared, with the result that important information for decision making was not available (see paragraphs 2.59–2.67). In addition, the information in some reports that were prepared was not used to its full potential (see paragraphs 2.93–2.99). In these circumstances, it is possible that significant resources were being expended to prepare reports having limited or no use (see paragraphs 2.72–2.84).

Reported information was not used to its full potential

What we found

2.93 We found possible uses for the reported information beyond its intended purposes, and we identified opportunities for improving its usefulness to meet the broader needs of federal organizations.

2.94 Our analysis supporting this finding presents what we examined and discusses

- use of reported information beyond intended purposes, and
- potential approaches to increase the use of reported information.

Why this finding matters

2.95 Federal organizations are subject to extensive reporting requirements, and they expend resources to meet these requirements. If they are to make efficient use of their resources, the reports generated should meet the intended purposes and also respond to the broadest possible range of needs.

Recommendation

2.96 Our recommendation in this area of examination appears at paragraph 2.100.

2.97 **What we examined.** We examined whether federal organizations used the information generated from the selected reporting requirements for purposes beyond those intended.

2.98 **Use of reported information beyond intended purposes.** We found that the uses of some reported information went beyond its intended purposes. For example, the Secretariat made extensive use of the information that federal organizations provided in their departmental investment plans, although the intended primary use of the information was to support the organizations' internal management. We found that various sectors within the Secretariat used this information—for example, to identify high-risk, complex investments and to assist federal organizations in improving their management practices by identifying management areas in need of guidance.

2.99 **Potential approaches to increase the use of reported information.** We identified potential ways to increase the use of the reports we examined:

- **Identifying horizontal issues and strategies.** We found that the Secretariat did not take advantage of the opportunity to use the information in the departmental security plans prepared by federal organizations. According to the Secretariat, the requirement for these plans was established because no other source of information provided a consolidated risk assessment of security on a horizontal, or government-wide, basis. Despite this, we found that the compliance rate for the requirement was the lowest of the reports we examined. Although the Secretariat reviewed the plans it received, and used them to support its policy review, it did not use the information in the reports to identify, for example, broader government security issues.
- **Using alternate publication methods.** In our view, the method of disseminating reported information may have an impact on its use. The Secretariat could increase the use of information required in certain reports by publishing it on centralized portals instead of on the individual websites of reporting organizations. In late 2014, the Secretariat used a centralized portal to post data on proactive disclosures of contracts from 20 medium-sized or large federal organizations, making the information publicly available. As a result, users have had easier access to data specific to their needs. For example, they can access information by contract type or vendor, and specified time periods, without having to visit the website of each organization individually.
- **Seeking feedback from reporting organizations.** Reported information might become more useful to federal organizations and key users if central agencies engage with them. For example, in reviewing its staffing-related reporting requirements, the

Commission sought feedback from deputy heads on how to make the information useful to them. Based on the feedback it received, the Commission modified its requirements to ensure that the information in reports was useful to the deputy heads' organizations. Respondents to our questionnaire indicated that departmental staffing accountability reports were useful in internal management areas, such as human resource management, risk management, and organizational planning.

2.100 Recommendation. The Treasury Board of Canada Secretariat and the Public Service Commission of Canada should enhance their identification of opportunities to increase the use of information provided in response to reporting requirements and should act on these opportunities.

***The Secretariat's response.** Agreed. Further to the responses to the recommendations in paragraphs 2.43 and 2.44, the Treasury Board of Canada Secretariat will also include in the guidance that departments and agencies are to be consulted on the design of reporting requirements, to identify opportunities to increase the usefulness of the information to the organizations themselves.*

***The Commission's response.** Agreed. The Public Service Commission of Canada will work with federal departments on opportunities to increase the use and value of required reporting for both the Commission and departments. This work has already begun in areas such as the Departmental Staffing Accountability Report.*

Conclusion

2.101 We concluded that of the reports we examined, those intended to support accountability and transparency were serving those purposes. This conclusion does not apply to quarterly financial reports. While these reports supported transparency, there were opportunities to improve the extent to which they supported accountability to Parliament.

2.102 We concluded that of the two reports we examined that were intended to generate information for internal decision making, one was not consistently serving this purpose.

2.103 We also concluded that reporting efficiency did not receive enough attention. Efforts to improve efficiency would be more effective if the costs of required reporting were known, and if the sizes and mandates of reporting organizations were taken into account. Efficiency of reporting by federal organizations would also be improved by ensuring that reported information served both its intended purposes and, where possible, broader purposes.

About the Audit

The Office of the Auditor General's responsibility was to conduct an independent examination of reporting requirements for federal organizations, to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs.

All of the audit work in this report was conducted in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Canada Handbook—Assurance. While the Office adopts these standards as the minimum requirement for our audits, we also draw upon the standards and practices of other disciplines.

As part of our regular audit process, we obtained management's confirmation that the findings in this report are factually based.

Objective

The objective of this audit was to determine whether reporting requirements for federal organizations efficiently supported accountability and transparency, and generated information used for decision making in policy development and program management.

Scope and approach

Our detailed examination included the Treasury Board of Canada Secretariat and the Public Service Commission of Canada as central agencies, along with the following departments that were subject to fulfilling selected reporting requirements:

- Treasury Board of Canada Secretariat (as a reporting department)
- Public Service Commission of Canada (as a reporting department)
- Transport Canada
- Western Economic Diversification Canada
- Canadian Polar Commission

For the part of our examination involving quarterly financial reports, we also examined the following Crown corporations:

- Canada Mortgage and Housing Corporation
- Canadian Tourism Commission

The selection of these entities was based on factors such as the size of the entity, distribution of the entity's activity between the National Capital Region and other regions, and the Office's audit coverage.

In addition to the seven entities selected for detailed examination, the Office administered an online questionnaire to a total of 51 small, medium-sized, and large federal organizations. The purpose of the questionnaire was to gain further insight into the level of effort expended to fulfill selected reporting requirements, and to determine how the resulting information was used by the entities that reported it.

Reporting requirements selected for detailed examination

While the audit documented the full range of reporting requirements established by the Treasury Board and by the Public Service Commission of Canada, the following requirements were selected for more detailed examination:

- departmental staffing accountability reports,
- monitoring reports on official languages qualifications in staffing,
- official languages annual reviews,
- annual reports on the Performance Management Program for Executives,
- departmental security plans,
- proactive disclosure of contracts,
- departmental investment plans,
- quarterly financial reports for departments and agencies, and
- quarterly financial reports for Crown corporations
(the sole reporting requirement examined for Crown corporations).

The selection of these requirements was intended to achieve a mix of financial and non-financial reports, and was based on the required frequency of reporting, whether specific concerns were expressed by entities, and whether the selected requirements overlapped.

Criteria

Criteria	Sources
To determine whether reporting requirements for federal organizations efficiently supported accountability and transparency, and generated information used for decision making in policy development and program management, we used the following criteria:	
The Treasury Board and the Public Service Commission of Canada establish reporting requirements for federal organizations that have clear purposes and timelines.	<ul style="list-style-type: none"> • Treasury Board Accounting Standard 1.3—Departmental and Agency Quarterly Financial Report (including Appendix A) • Standard on Quarterly Financial Reports for Crown Corporations (Appendix B), Treasury Board • Policy on Investment Planning—Assets and Acquired Services, Treasury Board • Guide to Investment Planning—Assets and Acquired Services, Treasury Board of Canada Secretariat • Contracting Policy, Treasury Board • Guidelines on the Proactive Disclosure of Contracts, Treasury Board of Canada Secretariat • Policy on Official Languages, Treasury Board • Policy on the Management of Executives, Treasury Board

Criteria	Sources
<p>To determine whether reporting requirements for federal organizations efficiently supported accountability and transparency, and generated information used for decision making in policy development and program management, we used the following criteria: (continued)</p>	
<p>The Treasury Board and the Public Service Commission of Canada establish reporting requirements for federal organizations that have clear purposes and timelines. (continued)</p>	<ul style="list-style-type: none"> • Directive on Departmental Security Management, Treasury Board of Canada Secretariat • Guideline on Developing a Departmental Security Plan, Treasury Board of Canada Secretariat • <i>Public Service Employment Act</i> • Accountability Policy, Public Service Commission of Canada • <i>Public Service Official Languages Exclusion Approval Order</i> • <i>Public Service Official Languages Appointment Regulations</i> • Appointment Delegation and Accountability Instrument, Public Service Commission of Canada • Official Languages in the Appointment Process, Public Service Commission of Canada • Selection and Appointment, Public Service Commission of Canada • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat • Budget 2004 (for the proactive disclosure of contracts)
<p>The Treasury Board of Canada Secretariat and the Public Service Commission of Canada provide guidance and support to federal organizations to meet their reporting requirements.</p>	<ul style="list-style-type: none"> • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat • Report on Plans and Priorities, 2013–14, Public Service Commission of Canada • Report on Plans and Priorities, 2013–14, Treasury Board of Canada Secretariat • Annual reports in scope of the audit, Public Service Commission of Canada

Criteria	Sources
To determine whether reporting requirements for federal organizations efficiently supported accountability and transparency, and generated information used for decision making in policy development and program management, we used the following criteria: (continued)	
The Treasury Board of Canada Secretariat and the Public Service Commission of Canada review and adjust requirements established by the Treasury Board and the Commission for federal organizations to ensure information efficiently achieves its purposes.	<ul style="list-style-type: none"> • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat • Public Service Commission of Canada, Report on Plans and Priorities 2013–14 • Report on Plans and Priorities, 2013–14, Treasury Board of Canada Secretariat • Annual reports in scope of the audit, Public Service Commission of Canada
Federal organizations efficiently meet reporting requirements established by the Treasury Board, by the Public Service Commission of Canada, and in statutes.	<ul style="list-style-type: none"> • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat
The Treasury Board of Canada Secretariat and the Public Service Commission of Canada use the information generated in response to selected reporting requirements to support accountability, transparency, and decision making.	<ul style="list-style-type: none"> • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat • Report on Plans and Priorities 2013–14, Public Service Commission of Canada • Budget 2004 (for the proactive disclosure of contracts) • Appointment Delegation and Accountability Instrument, Public Service Commission of Canada • Appointment Framework, Treasury Board of Canada Secretariat • <i>Public Service Official Languages Exclusion Approval Order</i> • <i>Public Service Official Languages Appointment Regulations</i>
Federal organizations use the information generated in response to the Treasury Board, the Public Service Commission of Canada, and statutory reporting requirements to support accountability, transparency, and internal decision making.	<ul style="list-style-type: none"> • Foundation Framework for Treasury Board Policies, Treasury Board of Canada Secretariat • The Web of Rules Action Plan, Treasury Board of Canada Secretariat • Staffing Management Accountability Framework, revised, Public Service Commission of Canada

Management reviewed and accepted the suitability of the criteria used in the audit.

Period covered by the audit

The audit covered the period between 1 April 2009 and 31 March 2014. Audit work for this report was completed on 6 February 2015.

Audit team

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List of Recommendations

The following is a list of recommendations found in this report. The number in front of the recommendation indicates the paragraph where it appears in the report. The numbers in parentheses indicate the paragraphs where the topic is discussed.

Recommendation	Response
Establishing and meeting reporting requirements	
<p>2.43 The Treasury Board of Canada Secretariat and the Public Service Commission of Canada, as they review existing policies or introduce new policies, should systematically adjust required reporting on the basis of its effort, cost, and value. (2.27–2.42)</p>	<p>The Secretariat’s response. Agreed. Currently, the Treasury Board’s Foundation Framework states that the Treasury Board of Canada Secretariat will adhere to the following principles when designing reporting requirements:</p> <ul style="list-style-type: none"> • Reporting requirements should respect the oversight responsibilities and accountabilities of deputy heads. • Reporting requirements should have a clear purpose. • Reporting requirements should seek timely and meaningful information to meet the purpose. • Reporting requirements should be efficient—the cost to create and submit information should be minimal. • Reporting requirements should leverage existing data sources and should not duplicate other requirements. <p>When reviewing existing policies or introducing new policies, the Secretariat will develop additional guidance clarifying that effort, incremental costs, and value are also to be taken into consideration during the design of reporting requirements.</p> <p>The guidance will be in place by 31 March 2016.</p> <p>The Commission’s response. Agreed. Through its Enhanced Integration Project, which began in January 2014, the Public Service Commission of Canada is examining its policy development process and its related oversight mechanisms to ensure that expected reporting considers levels of effort, cost, and value.</p>
<p>2.44 The Treasury Board of Canada Secretariat, as it reviews existing policies or introduces new policies, should adjust required reporting on the basis of the sizes and mandates of reporting organizations. (2.27–2.42)</p>	<p>The Secretariat’s response. Agreed. Further to the response to the recommendation in paragraph 2.43, the Treasury Board of Canada Secretariat will also include in the guidance that will be developed on reporting that the size and mandate of a reporting organization are also to be taken into consideration.</p>
<p>2.53 The Treasury Board of Canada Secretariat should develop and make publicly available a comprehensive and up-to-date inventory and schedule of Treasury Board reporting requirements. (2.45–2.52)</p>	<p>The Secretariat’s response. Agreed. Through this audit, the Treasury Board of Canada Secretariat and the Office of the Auditor General of Canada developed an inventory of the recurring reports that departments and agencies are required to provide. The Secretariat will make this inventory publicly available on its website by spring 2016, including a schedule of any corresponding deadlines. The inventory will be continually updated.</p>

Recommendation	Response
<p>2.68 The Treasury Board of Canada Secretariat should monitor compliance of federal organizations with the Treasury Board's reporting requirements on a risk basis and should follow up on non-compliance where warranted. (2.54–2.67)</p>	<p>The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will continue to monitor compliance with Treasury Board requirements, including reporting requirements, on a risk basis, following up where warranted in a manner consistent with the Treasury Board Framework on the Management of Compliance, which respects the primary responsibility of deputy heads to ensure compliance with Treasury Board policies.</p> <p>In terms of the Office of the Auditor General's findings related to departmental security plans, the Secretariat will strengthen efforts to support organizations to achieve full compliance with the Treasury Board policy requirement to have an approved departmental security plan in place. The Policy on Government Security monitoring framework will be enhanced, and the Secretariat will examine risk-based processes, through which departments will be asked to provide an annual confirmation that the departmental security plan has been reviewed and determined to be up to date.</p> <p>The revised monitoring framework will be in place by 1 April 2016.</p>
<p>Using reported information</p> <p>2.85 The Treasury Board of Canada Secretariat should follow up on its 2014 review of quarterly financial reports by reviewing the reports' specific form and manner of preparation to assess whether there are more efficient ways of meeting the quarterly accountability requirements established in the <i>Financial Administration Act</i>. (2.71–2.84)</p> <p>2.100 The Treasury Board of Canada Secretariat and the Public Service Commission of Canada should enhance their identification of opportunities to increase the use of information provided in response to reporting requirements and should act on these opportunities. (2.86–2.99)</p>	<p>The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will undertake a review of the usefulness of the quarterly financial reports, in their current form, in conjunction with new reporting mechanisms that have been implemented since the requirement was enacted in the <i>Financial Administration Act</i> (for example, the TBS InfoBase), to ensure that the accountability requirements are achieved in the most efficient and effective means possible.</p> <p>The Secretariat's response. Agreed. Further to the responses to the recommendations in paragraphs 2.43 and 2.44, the Treasury Board of Canada Secretariat will also include in the guidance that departments and agencies are to be consulted on the design of reporting requirements, to identify opportunities to increase the usefulness of the information to the organizations themselves.</p> <p>The Commission's response. Agreed. The Public Service Commission of Canada will work with federal departments on opportunities to increase the use and value of required reporting for both the Commission and departments. This work has already begun in areas such as the Departmental Staffing Accountability Report.</p>