



Around the moon and back?: Evaluation in the Canadian federal government

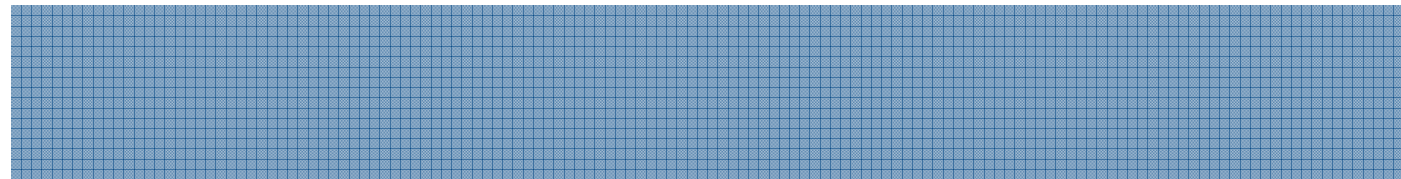
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Mission: to supply the evidence

- Original govt. mission for evaluation:
 - To supply evaluative information to meet the budgetary decision-making needs at the centre of government
- Government objective:
 - Be politically responsive
 - Exercise sound govt-wide management
 - “fiscal discipline”
 - evidence-based budgeting
 - Install results-based management in dept’s
 - evaluation
 - monitoring

Outline

1. Common ground
2. Synopsis
3. Brief history
4. Assessment of current status
5. Mission confirmed

Gov't use of evaluative information

- Departmental accountability reports -
 - results as evidence of program success
 - KPIs as evidence of progress towards program objectives or departmental targets
 - Results-based Management (RBM or MFR) –
 - *in departments* - results used to manage programs and departments for better results
 - *government-wide/whole-of-govt.* – results used at centre of govt. to allocate new funds and re-allocated existing funding
- = evidence-based decision-making

Terminology

- *Evaluative information*: results of impact evaluations and monitoring of programs (M&E)
- *Results-based management* (RBM or MFR): using evaluative information about program performance to manage for better results in future
- *Evidence-based decision-making*: making decisions on all available evidence vs. other considerations
- *Performance auditing*: examines, measures, reports on program performance against criteria, including program objectives & evaluation standards
- *Evaluation Supply & demand*: providing program evaluation results to meet the planned use

Key users in govt.

Context	Client
Operational	Program Managers
Departmental	Deputy Ministers, Agency Heads, CEOs
Governmental	Central agencies
Legislative	House Committees

Mission is not impossible

- Australian federal government, mid-1980s to mid-1990s
- Australian state governments ?
- UK, evidence-based decision-making?

Synopsis

- Original mission: to produce evidence for centre of govt. about how well programs work
- But eventually went off course:
 - Good foundation, built capacity in early years
 - Struggled with cutbacks, mission stalled
 - Turned off course - “let the managers manage”
 - Diverted to help with monitoring, accountability reporting
 - Final window of opportunity for mission success

Establishing the function

- **Pre-1977**
 - Proactive AG #1: comprehensive management
 - Royal Commission 1: decentralize power to depts
 - PPBS as genesis of the evaluation function
 - Proactive AG #2: loss of control of public purse
 - Royal Commission #2: do evaluations
- Laid the foundations
- No evaluations yet

Building Capacity:

- **1977-1985**
 - Auditor General Act: the 3 “E’s”
 - Office of Comptroller General established
 - 1st audit on evaluation
 - *Active attempts to carry out evaluations*
- Public Sector Reforms - *let the managers manage*
- Pre-conditions for sound evaluations now in place
- Few completed evaluations yet

Expectations unfulfilled:

- **1986-1994**
 - Program Review #1: found *inadequate program evaluation*
 - 2nd audit on evaluation: *not meeting expectations*
 - Program Review #2: downsizing programs by 40%
 - Evaluation Policy: Deputy heads responsible for evaluation
- Evaluations were produced but did not meet the needs of key users
- Capacity building stalled by cutbacks
- Leadership stalled

Declining function:

- **1995-2000**

- 3rd audit on evaluation: *focus is on operations*
- 4th audit on evaluation: *not used by management*
- Treasury Board study: focus shift to RBM

- Function stagnating
- Decline in capacity
- Marginalization of evaluation
- Focus on formative evaluations

Rebuilding capacity:

- **2001 - 2005**

- Accountability for results, RBM: *use KPIs*
- Revised evaluation policy: *everyone is responsible*
- Interim TBS evaluation:
- Govt. focus back on central control: *Regain control of the public purse*
- Expenditure Review exercise: *failed again*

- Diverted by other roles

- Still a promising role for evaluation

Auditor assessments

- Audit perspective on evaluation:
 - Provide assurance that a program is on course or has reached its mission, assessed against criteria (specific program objectives, generic standards, etc.)
- 4 key questions (lines of enquiry) –
 - Capacity
 - Quality
 - Leadership
 - Use

After 25 years...

- 4 audits in 25 years
- same findings each time
 - Capacity = good, growing
 - Quality = poor, still improving
 - Leadership = fluctuations, currently good
 - Use = little to none
- Same findings next time?
- What would make a difference?

Treasury Board assessment

- Study (2002 & 2003) –
 - 41 of 90 departments & agencies reported
 - 39 have evaluation units
 - 50% of planned evaluations were done
 - 250 evaluations a year, 83% contracted out
 - cost \$55M = 0.16% of dept. budgets
- Of 115 reports reviewed-
 - 26% were formative evaluations
 - 87% had findings about continuing/renewing
 - 77% had “adequate quality”

From supply to demand

- What would make a difference?
 - shift focus from supply side.....
 - to the demand/use side
- Supply side
 - Capacity
 - Quality
- Demand side
 - Use
 - leadership

Building supply

<i>Instrument</i>	“Carrots” Incentives	“Sticks” Requirements	“Sermons” Leadership
Policy		✓	
Financial	✓	✓	
Human resources	✓		
Information & Advice			✓
Audit		✓	

Main uses, by users

Context	Client	Emphasis	Use
Operational	Program Managers	Formative, implementation	Program improvement, etc
Departmental	Deputy Ministers, Agency Heads, CEOs	Formative & Summative	RBM, accountability reporting
Governmental	Central agencies	Summative	Budget allocation
Legislative	House Committees	Summative	Scrutiny of budgets

Use by program managers

- Mainly formative evaluations
 - information used for operational requirements - program efficiency, improvements, etc.
- Issues:
 - Funding: often from program manager
 - Independence: a challenge
 - Credibility: typically positive
 - Focus: implementation/operational driven
 - Internal audit: a competitor

Use by departments

- Describing program activities in external accountability reports (cf. explaining program performance)
- Implementing programs efficiently, economically
- Issues:
 - Selection: (cycle vs. risk)
 - Timeliness: results late for decisions, out of cycle
 - Relevance: evaluate low priority programs
 - Comptrollership: emphasizes control of inputs vs. outcomes
 - Incentives: few rewards for terminating a poor program
 - Risk: fear of loss of funding if program results poor
 - Political context: focus on new programs

Use by centre of government

- Evaluative information useful for accountability reporting and control
 - Gov't-wide & horizontal programs
 - “Post modern comptrollership”
 - Expenditure Review of strategic programs
- Cabinet & Treasury Board program funding decisions:
 - Evidence? “Questions *are* asked about evaluations”
- Issues:
 - Direct responsibility for evaluation does matter
 - Evaluation as a challenge function
 - Accountability reporting a trade-off against evaluating programs?

Use by the legislature

- Some evidence of a culture of scrutinizing results of program expenditures using evaluative information
 - e.g., Estimates Cycle (planning & reporting)
- Signs of interest:
 - Parliament - briefing MPs
 - Briefing Library of Parliament researchers
 - House committees - PAC; Govt. Ops. & Estimates

Original mission confirmed

- *Evaluation* is still relevant to meet demands of key users
- *Primary mission*: to supply evaluative information for decision-making at the centre of government = to manage government well
- *Support mission*: to manage programs & departments/agencies well

Lessons learned

- Show central leadership & dept. champion
- Elected officials demonstrate use/need
- Integrate main central govt. user & leadership roles
- Use mix of “carrots, sticks & sermons”
- Require dept/agency heads to evaluate programs
- Acknowledge program impacts take time & show impacts at different stages
- Conduct formative evaluations until impacts evaluations are possible
- Separate program reporting via monitoring vs. understanding program performance via evaluation
- Separate internal evaluation from internal audit & planning/reporting functions

Conclusion:

- Build supply/capacity side
- But meet the demand side
- Last shot at the mission?
 - last chance for program evaluation to be relevant external to federal government in Canada?

Follow-up

- Please send me examples of the use of the results of impact evaluations for funding decisions at the centre of government (e.g., Treasury, Dept. of Finance):

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