

# **An Evaluator General for Canada – A Solution for Filling the Accountability Void?**

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## **The Accountability Void**

Accountability of government is a hallmark of democracy. Free peoples expect to receive clear assurance that their governments are honest, well-informed and wise. They can expect to be told how program funds are used and what those programs produced.

We can think about accountability as telling two important stories. The first story is in answer to the public question “Is our government doing things right?” We want to know if money is being spent properly and programs are being well managed. And we want to hear it from a storyteller that we trust. In Canada this is the Auditor General (AG). If the AG tells us a program is well managed, most of us will believe her. If she says that a program is out of control, most of us will believe her. But accountability involves another story besides a tale of government program expenditure and management. The second story should answer the question “Is our government doing the right things?” We want to know the extent to which the public resources that are being spent on programs are achieving results. And we want assurance that the government is constantly considering whether there are new and better ways of delivering desired outcomes. Unfortunately, there is no storyteller that we can trust.

Could the Auditor General tell both stories? Could she give us assurance not only that government programs are being well managed but also that they are achieving results?

The answer is a qualified no. It is a “no” unless Parliament is willing to change the Auditor General’s Act and broaden the AG’s mandate to cover measurement of program effectiveness. We think that Parliament is not likely to do that, for many reasons, but most of all because it would blur the lines between assessment of management controls and assessment of program results.

So there is an accountability void. There is no-one to provide assurance that programming is logical, the best-available and is achieving results. Let’s peer down into this void.

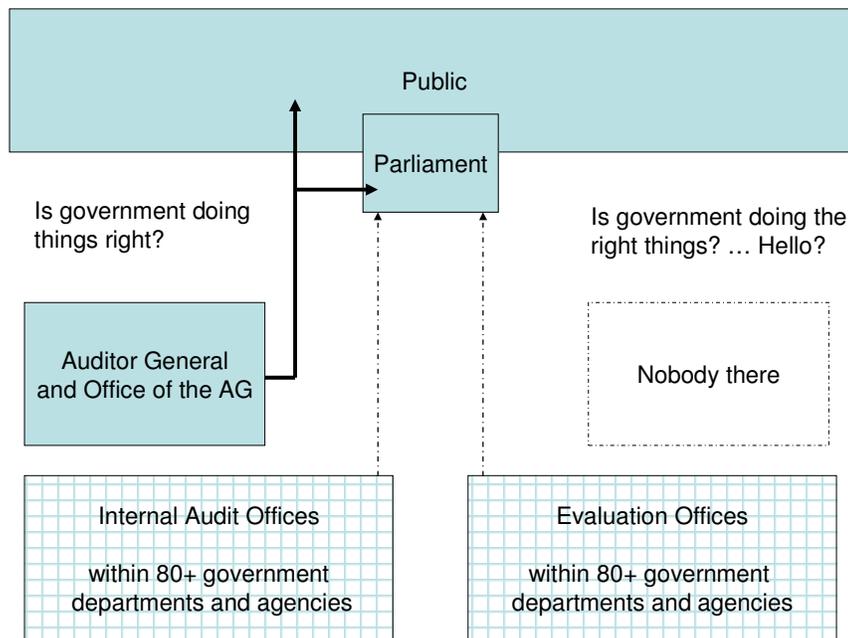
## **The Current Situation**

Here is a diagrammatic representation of the two key accountability questions (*See Figure 1*). You can see that the question about propriety and careful management of programs (Is government doing things right?) is being answered by the Auditor General and that information is clearly flowing to the public and Parliament, primarily through the

press, radio and television. The diagram also shows that individual departments and agencies of government have their own audit offices to maintain accountability at a detailed, day-to-day operational level.

In addition, there are also 80 or so separate offices for program evaluation in the various departments and agencies of government. Couldn't they fill the void? Couldn't they tell us about the effectiveness of the programs that are funded through our taxes? Well, you will notice that there is no direct line of communication from these many evaluation offices to the Canadian public. When did you last read about a government program evaluation in the *Globe and Mail* or *Le Devoir*?" You will find articles about the Auditor General's reports on control of spending, but rarely will you read about departmental reports on program results. And notice that in the diagram the thin, weak link between departmental evaluation offices and Parliament. If you think that assessment is inaccurate, consider another question. "How often do you hear about a departmental program evaluation being discussed in Parliament?"

*Figure 1 - Current Situation: An Accountability Void*



There are many reasons why this communications link between departments and Parliament is weak and will probably always be that way. Here are a few of them.

Most important is lack of credibility. There is no one credible person to vouch for the validity and reliability of the program evaluations produced by the departments and agencies. Suppose that instead of having one Auditor General the government had 80 mini Auditor Generals with different credentials and different personalities, using different methodologies and reporting formats. Would the press be covering their

reports? No. Would Parliament be interested in their reports? No. There is not a unified, coherent, consistent message about the effectiveness of federal programs, just a jumble of 80 different voices that, by the time it reaches Parliament, is nothing but noise.

The communications line between departments and Parliament is also weak because the evaluations of program effectiveness produced by departments are relatively immaterial at the national policy level. Why would Parliament want to consider an evaluation of a 20 million dollar program run by a government department or agency? The program accounts for less than .01% of annual government expenditures. A program evaluation that may be useful for departmental officials is not necessarily useful to Parliamentarians. They need big picture evaluations that can help inform policy making and resource allocation.

A third reason that the information channel from departmental evaluation offices to Parliament is dysfunctional is the number of filters that information must pass through along the way. In general, senior managers want to prevent negative information from circulating. Very few deputy ministers or agency heads want the world to know that one of their programs is not achieving objectives. So evaluations get edited at many stages. Anyone who has been involved in writing a report to Parliament on departmental performance knows that the primary intention is to put a good face on the department. Sure, if putting on a good face means sheepishly admitting to a few minor imperfections, that will be done, but generally the story is a happy one about new initiatives, successful partnerships, improved management of risk and human resources and so on and so forth. It would be a naïve member of Parliament who took a departmental performance report or program evaluation at face value.

So the evaluation offices of departments and agencies will not fill the accountability void.

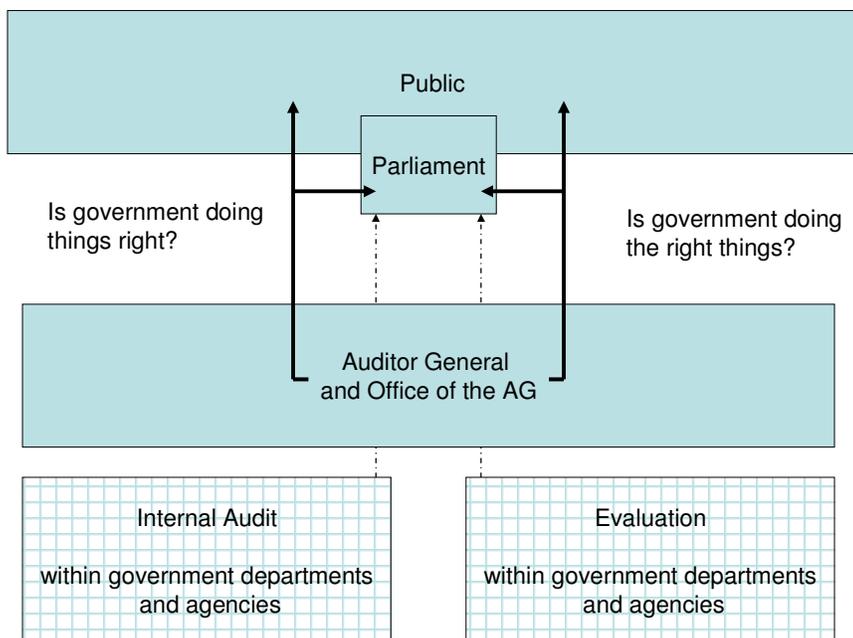
### **A Possible Solution: The Auditor General Fills the Void**

What about the Auditor General? Suppose we were wrong in our prediction that Parliament would not want to expand the mandate of the Auditor General to include the measurement of program effectiveness? Suppose that the Auditor General was charged with answering two questions, not only “Is government doing things right” but also “Is government doing the right things?” Here is a visual depiction of that scenario (*See Figure 2*).

We have indicated one problem already. This arrangement could lead to confusion by blurring the lines between the audit of management control processes and the evaluation of program results. The Auditor General would sometimes, as now, be criticizing the management of federal programs, citing cases of financial impropriety, breach of regulations or wastefulness. At other times, the Auditor General would be pointing out the inability of a program to achieve objectives, despite being well managed. There would be potential for confusion between bad management and weak program design.

But the main problem with having an Auditor General examine program effectiveness is that evaluation requires a different frame of reference from audit. In effect, the Auditor General would have to operate within two different paradigms at the same time. The audit paradigm is based primarily on documentary evidence – documentation of financial transactions, and documentation that policies, procedures and accountability charts are in place and have been respected. In this paradigm, flows of money are the primary concern. Even when an audit moves beyond the “tracking of cash” to a more comprehensive examination of management systems, the primary referent remains money. Hence the term “value for money” to describe audits that examine the relationship between inputs and outputs. In contrast, the “evaluation of effectiveness” paradigm is based primarily on information derived not only from documents and databases but also from people, through surveys, opinion polls, direct observations, interviews and focus groups. In assessments of program effectiveness, the primary concern is the social benefit that resulted. And unlike money, where a dollar is always a dollar, social benefit is relative to the perceiver’s value system.

*Figure 2 - A Possible Solution: The Auditor General Fills the Void*



Of course, people can move into and out of the respective discourses of audit and evaluation. Auditors can appreciate that there is a world beyond attestation of financial figures and assurance that proper procedures have been followed. And evaluation specialists can appreciate the importance of reliable financial data and intelligent management systems. But it would be a mistake to expect that one person, the Auditor General, would be able to function in both paradigms simultaneously, just as it would be erroneous to imagine that an audit official grounded in chartered accountancy could work

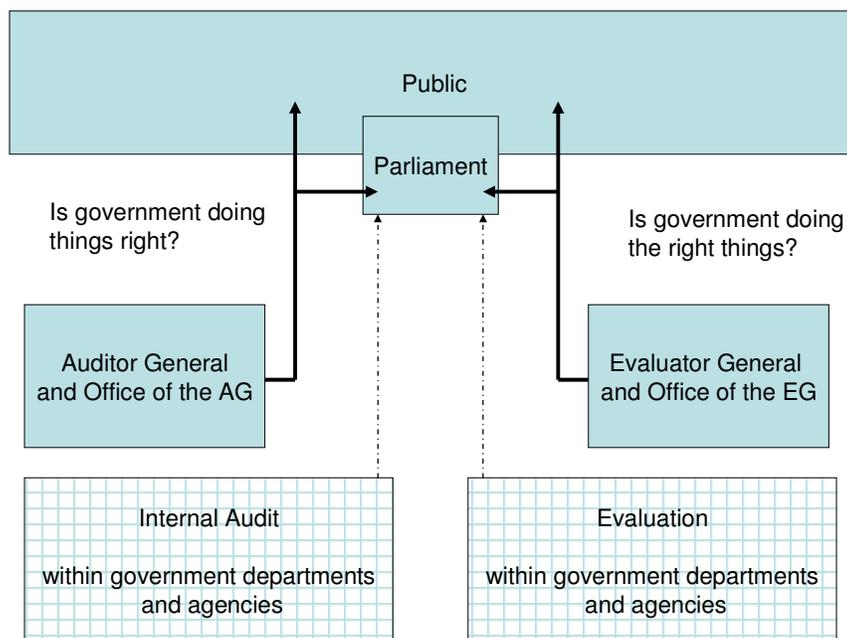
effectively in the area of effectiveness assessment where no absolute bottom line can ever be reckoned.

So, expansion of the mandate of the Auditor General would not be a good way to fill the accountability void. This brings us to the proposal for an Evaluator General with a mandate to inform Canadians and Parliament on the results of public expenditures and to recommend ways and means of improving the delivery of desired results.

### **Preferred Approach: An Evaluator General for Canada**

This third figure indicates how an Evaluator General would help restore balance in a system that currently can only differentiate well-managed programs from mismanaged programs. We need also to be able to differentiate effective programs from ineffective programs (*See Figure 3*).

*Figure 3 - Preferred Approach: An Evaluator General for Canada*



Several key points will be immediately obvious from the diagram. First, it should be clear that the Evaluator General, like the Auditor General, would function at a strategic level. Responsibility for the regular evaluation of departmental programs would continue to rest with the internal evaluation units that are currently within departments and agencies. Of course, if Parliament wanted the Evaluator General to attest to the quality of major departmentally-conducted evaluations (just as the Auditor General is required to attest to the annual financial reports of some agencies) then the Evaluator General would provide an opinion on the extent to which the evaluations met professional standards. But overall, the responsibilities of departmental evaluation units would be unchanged.

The Centre for Excellence in Evaluation at the Treasury Board Secretariat would continue to be the hub of the internal evaluation function, just as the Centre for Excellence in Internal Audit serves that function for the internal audit function.

Second, the diagram makes it clear that the Evaluator General would not be involved in ongoing departmental performance measurement and performance reporting. Performance information would continue to be transmitted to Parliament from departments via the Treasury Board Secretariat.

What then would the Evaluator General do? A primary responsibility would be to establish priorities for trans-departmental studies of the effectiveness of government expenditures. These would be issue-based rather than program-based studies examining the effectiveness of public investment in broad areas. The EG would consult widely in determining those priorities, the stakeholder groups, and the design of studies, some of which could involve partners in other levels of government or other sectors. We cannot predict what the priorities would be. However, we could expect that they would be as broad as the issues that the Auditor General has examined from a management perspective. We know that in 2005 the Auditor General examined trans-departmental issues such as national security in Canada, support to cultural industries, the electoral process, treaties with aboriginal peoples, development of non-renewable resources in the north, and power reactor regulation. With priorities and timelines for studies of similar importance established, the Evaluator General, supported by professional staff in the Office of the EG, would examine effectiveness through evaluative research and report to Parliament and Canadians several times per year on findings, observations and recommendations.

The presence of an Evaluator General on the federal scene would have tremendous positive impact on the evaluation function within departments and agencies.

First, the fact that the effectiveness of public programs was being conducted at a national, strategic level, coupled with media coverage of the Evaluator General's reports, would raise awareness of evaluation in all sectors. Senior managers in government departments and agencies would see effectiveness evaluation in a different perspective. It would be surprising if such awareness did not lead to a greater appreciation of departmental evaluation offices and the information that they deliver.

Second, the presence of an Evaluator General, and a corps of excellent evaluation researchers in the Office of the Evaluator General, would provide a model of professionalism in the assessment of program effectiveness. Departmental evaluation experts would come into contact with the EG's professional staff in the course of trans-departmental evaluations that touched upon their jurisdictions. And an Office of the Evaluator General would provide opportunities for secondment of departmental evaluation staff, broadening both their perspective on government and their evaluation skills.

Third, to the extent that an Evaluator General was involved in assessing the quality of the evaluative work in departments and agencies, we could anticipate improvements in the research and reporting by departmental units. We would expect to see more evaluation reports that clearly set out issues examined, techniques used, findings, conclusions and recommendations.

Fourth, the Evaluator General would be a spokesperson for effectiveness evaluation. The EG would have the authority to speak decisively about the relationship between study timelines, study quality and study price. With an Evaluator General as an officer of Parliament, there would be someone to tell governments that their “government-wide reviews of all federal programs” do not qualify as valid assessments of program effectiveness. There would be someone to say that decisions of importance to Canadians should be based on solid, carefully derived evidence not cursory reviews of performance data provided by departments and agencies for other purposes.

## **Summary**

We make the case for creating the position of Evaluator General of Canada supported by an Office staffed with evaluation research professionals.

- There is a void or gap in the accountability of the federal government for its expenditures on social programs. There is no objective, strategic level assessment of the effectiveness of program expenditures.
- Canadians have the Auditor General to examine the propriety of expenditures and to assess the extent to which management control systems are in place and are being respected. Mismanaged programs can be identified. However we have no-one systematically examining the results achieved by publicly funded programming at a level that is both non-partisan and meaningful to the public, the press or Members of Parliament.
- The evaluation functions in government departments and agencies generate information that is useful within departments. Information on program effectiveness can lead to improved departmental programming, and sometimes even interdepartmental programming. However, for the following reasons, the departmental evaluations are not of use at the strategic level:
  - They are relatively narrow in scope and materially insignificant in terms of the strategic management of public resources;
  - They are influenced by the desire of departmental managers to suppress negative findings;
  - They vary in quality and methodological rigour and hence lack credibility.
- It would not be wise for government to extend the mandate of the Auditor General to include measurement of the effectiveness of expenditures because it would create confusion between specific accountabilities for good management and

general accountabilities for achieving desired results. Also, audit operates in a paradigm where money is the principal referent and there are “absolutes” in terms of financial balances and document trails. Evaluation operates in a different paradigm that recognizes the relativity of values, perceptions and evidence.

- An Evaluator General would provide the public, the press, politicians and public servants with non-partisan, objective, materially significant, trans-departmental assessments of the effectiveness of public expenditures in areas of broad interest.
- The major result would be a better informed public. The presence of an EG would also raise the profile of evaluation both outside and within government. This raised profile and increased understanding of effectiveness assessment should logically lead to desirable spin-offs such as greater willingness to provide resources for internal evaluations and, increased professionalism in their conduct.