

MAKING THE CONNECTIONS

Using Public Reporting to Track the Progress
on Child Care Services in Canada

**Child Care Advocacy
Association of Canada**



Lynell Anderson, B. Comm., CGA
Project Director

Tammy Findlay, M.A.
Senior Researcher

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FORWARD AND ACKNOWLEDGEMENTS

This project report has been prepared by the Child Care Advocacy Association of Canada (CCAAC), working with federal, provincial, territorial and sectoral community members and partners. The intended audience for this report includes the broad range of stakeholders interested in how effective public policy and investment can improve and expand services and supports for young children and their families in Canada. Stakeholders include parents, child care workers, legislators, civil servants, community organizations, researchers, academics and the media.

We are pleased to provide an overview of our *Child Care Policy: Making the Connections* project as well as our analyses, observations and recommendations regarding public reporting under the federal, provincial and territorial (FPT) agreements related to child care services. For those interested in more detail, Appendix I contains specific analyses of FPT public reporting.

As with all of the CCAAC's work, the tools and analyses developed through this project are:

- **Grounded in** the voices and views of parents, child care workers and other community members
- **Informed by** our work with regional and sectoral partners across the country, particularly as represented on our Steering Committee (Council of Child Care Advocates), and
- **Built from** current research about effective child care policy and funding as well as established standards on public reporting and accountability.

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We have had opportunities to share our project work with communities and governments across the country. We would like to take this opportunity to thank everyone for their invaluable input to date, and encourage ongoing and collaborative efforts by all stakeholders and governments to strengthen both public reporting and, more importantly, the child care services on which these public reports are based. While pockets of progress under the FPT agreements are evident, it is equally clear that we're still a long way from broadly achieving access to quality, affordable child care services across Canada.

Lynell Anderson

Tammy Findlay

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COMMON ACRONYMS/SHORT FORMS USED IN THE REPORT

Bilateral Agreements/Bilaterals – the Bilateral Agreements-in-Principle on Early Learning and Child Care

CCAAC – Child Care Advocacy Association of Canada

ECD – Early Childhood Development

FPT – Federal, Provincial and Territorial

Multilateral – Multilateral Agreement on Early Learning and Child Care (also Multilateral Framework)

MTC – Making the Connections

PSAB – Public Sector Accounting Board

SORP – Statement of Recommended Practice

EXECUTIVE SUMMARY

Starting in 2001/02, agreements between the federal government and provincial and territorial governments other than Quebec have resulted in new federal transfers to improve and expand access to quality, affordable child care and other Early Childhood Development (ECD) services across Canada. In November 2004, the Child Care Advocacy Association of Canada undertook this *Making the Connections* project to support communities and governments in their analysis and discussions of child care policy and funding under these agreements.

To facilitate this dialogue, we began by developing tools and resources to explain the federal transfers and to highlight the importance of key child care system indicators and comprehensive child care planning.

While the child care community and others promote an accountability framework for federal transfers that includes legislated standards, audited information and reporting to Parliaments/Legislatures, the recent Federal/Provincial/Territorial (FPT) agreements propose that accountability can be addressed solely through commitments by governments to provide clear annual public reporting that allows the public to track progress on child care and other ECD services.

In this report, we analyze the extent to which the public reports released to date by governments demonstrate that the FPT Agreement commitments have been met. We base our analysis on the requirements set out in the agreements, as well as on the public performance reporting recommendations of the Public Sector Accounting Board (PSAB).

Our project findings show that few governments have clear public reporting that allows the public to easily track progress throughout the required reporting period (2000/01 through 2005/06). None meet all of the performance and reporting requirements outlined in the FPT Agreements. This central finding is highlighted by the fact that of the 13 jurisdictions reviewed, 8 are missing reports for one or more of the required years so the public cannot track all of the federal transfers and total investments in child care services.

One of this project's goals is to help communities to understand public reporting, but our experience indicates that not all reports are understandable. Project staff spent over 30 hours analyzing some governments' reporting, trying to extract both financial and non-financial information that was not clearly and consistently presented and/or comparable from year to year. These problems were also reflected in feedback from a range of stakeholders – including parents, child care workers and academics – who view the reports as too long, confusing and difficult to understand.

Some governments do not provide complete baseline expenditure information, or do so inconsistently. Without a baseline, overall progress and use of federal transfers cannot be tracked and confirmed.

Some reports are outright confusing. For example, the words and/or investment levels described in the text of the report do not match the words and/or investments shown in the financial section of the same report, or related information from previous years.

Because the FPT Agreements permit governments to report only on their chosen “priorities”, some reporting appears to be skewed in favour of good news, providing no explanation of apparent funding and/or service reductions. This approach is at odds with community expectations and PSAB guidelines for unbiased reporting. And when key information is missing, or when expenditure reductions are not explained, the credibility of public reporting is diminished.

Nonetheless, from our detailed analysis of child care services and brief review of other ECD programs we note evidence of improvement trends in:

- **Accessibility and affordability indicators for ECD programs other than child care services**, including increased income supports for families and relatively substantial increases in both targeted programs (for lower income families, Aboriginal communities, and children with disabilities) and universal programs (emphasis on early literacy and supporting families in their parenting roles). Improvements to these other ECD programs appear to be largely publicly funded, with minimal or no parent fees.
- **Quality and availability indicators for child care services**, such as a modest increase in the numbers of trained staff and regulated spaces. (Child care services remain largely funded by parent fees, and the public reports did not provide evidence of improved affordability for families overall.)

These improvement trends affirm the importance of federal leadership in policy and funding to advance ECD programs, particularly child care services, and to protect Canada’s commitment to comparable services across jurisdictions. Evidence from the public reports also highlights the reality of what is required to significantly improve child care services. For example, between 2001/02 and 2003/04, child care staff compensation in one of Canada’s smaller provinces rose from \$7.04 to \$8.44/hour as a result of federal transfers under the FPT Agreements.

Although we’ve been able to identify some improvement trends across the country, these FPT agreements specifically note that governments are reporting to their own publics, and not to each other. Our experience suggests that it is not practical for citizens to track the public reporting on their own, and raises questions about the heavy reliance on this approach as the sole accountability mechanism when parents and community groups are already time-strapped and over-burdened.

However, given this reliance on public reporting, the introduction of generally agreed-upon public reporting recommended practices becomes a critical component of accountability. This is particularly true given that more recent federal transfers for child care services are no longer part of a specific FPT Agreement.

Therefore, in order to promote clear public reporting that supports the public in tracking the ongoing progress in child care services, **we have one overarching recommendation: FPT governments should expedite the implementation of key public performance reporting guidelines** outlined in the PSAB Statement of Recommended Practice (SORP-2).

Specifically, FPT governments should:

- 1. Implement immediate public reporting improvements to improve** ease of access to, as well as clarity, comprehensiveness and comparability of public reporting. Governments could learn much from reviewing each other’s reports.
- 2. Involve stakeholders** by establishing and resourcing meaningful citizen engagement in the development of goals and plans and monitoring of results. In particular, develop and implement a defined role for legislators as the primary users of public reports.

- 3. Focus on the few critical aspects of performance** to ensure that the most relevant and significant performance indicators for child care services are monitored and reported. These key indicators include parent fees, caregiver compensation and training, and percentage of children with access to regulated child care spaces.
- 4. Develop plans, with targets and benchmarks** for quality, affordability and accessibility of child care services, and then publicly report actual results compared to the plan.
- 5. Audit the public reports** to add credibility and increase public confidence.

To conclude, we suggest that this is a critical moment in the evolution of accountability for federal transfers to provinces and territories. The findings of this project demonstrate that the existing FPT public reporting does not currently meet community needs, nor does it fulfil either the accountability expectations outlined under the FPT Agreements or those recommended by the PSAB.

Whether or not public reporting on its own can ever provide sufficient accountability, as some propose, remains an open question. But one thing is crystal clear – in order for public reporting to make a meaningful contribution to accountability, FPT governments must expedite the implementation of key public reporting recommended practices.

Effective public reporting *Makes the Connections* between public policy, public funding and public accountability – all of which are essential to improving access to quality, affordable child care services in Canada.

PROJECT OVERVIEW

Child Care Policy: Making the Connections is a project of the Child Care Advocacy Association of Canada (CCAAC). The CCAAC is a pan-Canadian, non-profit, membership-based organization dedicated to promoting quality, inclusive, publicly-funded, non-profit child care that is accessible to all. Through affiliates and member organizations, the CCAAC reaches more than 4,000,000 Canadians including parents, caregivers, researchers and students as well as women's, anti-poverty, Aboriginal, labour, social justice, disability and rural organizations at the provincial, territorial, regional, and pan-Canadian levels.

CONTEXT

Over the last several years federal, provincial and territorial (FPT) governments have acknowledged the importance of public investment in young children, and the need for increased public funding to significantly improve access to quality, affordable early childhood services. As the evidence clearly shows, a comprehensive approach to early childhood development (ECD), with a system of regulated early learning and child care (in short, child care)¹ services as a foundation:

- Supports healthy child development and parents in all of their roles;
- Fosters women's equality;
- Builds communities; and
- Strengthens our economy.

Accordingly, three agreements between FPT governments have resulted in substantial new federal transfers to provinces and territories since 2001/02 to advance services and supports, including child care, for young children (under six) and their families:

1. 2000 Early Childhood Development (ECD) Agreement — supports investments in four areas: healthy pregnancy, infancy, and birth; parenting and family supports; early childhood development, learning and care (which typically includes child care services); and community supports.
2. 2003 Multilateral Agreement on Early Learning and Child Care (Multilateral) — specifically directs federal transfers to improving access to affordable, quality, provincially and territorially regulated early learning and child care programs and services.
3. 2005 (Bilateral) Agreements-in-Principle on Early Learning and Child Care — committed \$5 billion over 5 years towards a national child care system, working in cooperation with provinces and

¹ The CCAAC uses the terms 'early learning and child care' and 'child care' interchangeably because quality child care includes early learning.

territories and building on the Multilateral Framework requirement to invest in regulated child care.² This FPT agreement was cancelled in 2006, and is not directly addressed in this report.³

It is important to note that these agreements represent political rather than legal commitments. Federal transfers under both the ECD and Multilateral Agreements (and more recently, the \$250 million annual federal transfer for child care spaces confirmed in the 2007 federal budget) flow (or will flow) annually to provinces and territories through the Canada Social Transfer, which does not have program-specific spending conditions attached to it.⁴

In a range of circles from the community to the Auditor General of Canada, questions have been raised about accountability for federal transfers. Without legal agreements or spending conditions in place, the ECD and Multilateral Agreements address accountability through commitments by FPT governments to produce annual public reports that describe each government's priorities, investments and progress. This approach to accountability relies on stakeholders reviewing these public reports and providing feedback to governments.

Annual reporting that promotes and elicits public feedback is not a new concept for governments. Year end financial reporting, for example, has long been an important component of public accountability. What *is* new is the suggestion, within the FPT agreements, that public reporting, on its own, provides sufficient accountability. This is a significant shift in approach. Traditional financial reporting occurs within a comprehensive accountability framework that requires information to be:

- Prepared in accordance with relevant standards (legislative standards, such as the federal government's *Financial Administration Act*, as well as applicable public standards, such as generally accepted accounting principles);
- In many cases, audited;
- Presented to the legislature; and
- Shared with the general public.

What we have now, under the FPT Agreements, is a sole reliance on public reporting. Therefore, components of the more comprehensive accountability framework are either missing or potentially weaker because:

- The standards related to public reporting are still under development. In 2006, a Statement of

² For more information on the FPT Agreements related to child care, see MTC Fact Sheet #2 Part A: What are the Federal Provincial Territorial Agreements? http://www.ccaac.ca/mtc/en/pdf/mtc_factsheet2a.pdf. For details on federal transfers under these agreements, see <http://www.fin.gc.ca/fedprov/fsce.html>.

³ During the term of this project, funding under the Bilateral Agreements was in place and therefore included in our discussions with communities and governments. Furthermore, some provinces have publicly reported on their investments under these agreements in 2005/06, so they are included in the financial analyses within this report. However, we were advised by Human Resources and Social Development Canada (HRSDC) that this project report should utilize only the public reporting standards currently in effect as the benchmark for this report.

⁴ The \$250 million transfer in Budget 2007 will flow through the CST starting in 2008/09 (The Budget Plan 2007, p. 357). For a discussion of these points see The Budget Plan 2007, pages 354 & 358. (<http://www.budget.gc.ca/2007/pdf/bp2007e.pdf>), as well as comments by Shawn Tupper, Director General, Social Policy, Human Resources and Social Development Canada to the Standing Senate Committee on Social Affairs, Science and Technology. *Proceedings of the Standing Senate Committee on Social Affairs, Science and Technology*. Issue 24. June 7, 2007. http://www.parl.gc.ca/39/1/parlbus/commbus/senate/Com-e/soci-e/24evb-e.htm?Language=E&Parl=39&Ses=1&comm_id=47.

Recommended Practice for Public Performance Reporting was issued, but recommendations do not have the same force as accounting standards.⁵

- The FPT Agreements do not have the same force as legislation.
- There is no requirement for the FPT public reporting to be audited or presented to the legislature.

The one element of the accountability framework that remains solidly in place in this approach is reporting to the public. This element relies on the public to utilize the reports to assess progress and provide feedback to government. Aside from questions about the public's ability to conduct such a review, we note that public reporting under the FPT Agreements requires the public to carry out this role without the usual 'accountability goalposts' in place: without standards, audits and a defined role for legislators.

Given that public reporting is now taking such a central place in the accountability process, and considering the heavy responsibility this places on the public, effective public reporting is more crucial than ever.

GOALS

Within this context, the *Making the Connections* (MTC) project provides tools and resources to support stakeholders in their analysis of and commentary on the implications of child care policy and investments made under FPT agreements. The FPT public reporting forms the basis for our work.

As outlined in the agreements, this project considers both financial indicators (changes in investments) and non-financial indicators (for example, changes in number of child care spaces, parent fees or trained staff) that help stakeholders to advance and clearly track the progress on child care services. In other words, the project focuses on *Making the Connections* between the public policy, funding and accountability mechanisms that indicate improved and expanded access to quality, affordable and inclusive child care services. Ultimately, the project goal is to

build the capacity of the child care community, provincial and territorial governments, and other interested parties including communities, to better understand and comment on the implications of the development of Early Learning and Child Care (ELCC) policy investments ... In addition ... the project will strive to improve understanding of the process surrounding the financial analysis of government investments.⁶

SCOPE

Introduced in November 2004, the project's mandate covers child care policy and funding developments (outside of Quebec)⁷ under existing FPT agreements (such as the ECD and Multilateral) as well as those

⁵ Public Sector Accounting Board, Introduction to Statements of Recommended Practice (SORP) paragraph 3. "SORPs do not form part of generally accepted accounting principles. They are not prescriptive, but offer general guidance to encourage and assist public sector entities in effectively reporting relevant information that is useful in evaluating the entity's financial condition at the financial statement date and its financial and non-financial performance during the reporting period."

⁶ Schedule A, Project Description, Contribution Agreement with Human Resources and Social Development Canada (HRSDC).

⁷ As pointed out in the Multilateral Agreement, "While the Government of Québec supports the general principles of the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care, it did not participate in developing these initiatives because it intends to preserve its sole responsibility on social matters. However, Quebec receives its share of federal funding and the Government of Québec is making major investments toward programs and services for families and children." See: http://www.ecd-elcc.ca/en/elcc/elcc_home.shtml. Since Quebec did not participate in the ECD and the Multilateral Agreements, it is not part of the analysis of the MTC project.

under any future new agreements. It is a three-year project funded by the federal government's Social Development Partnerships Program.

In addition to individuals, groups, and governments interested in child care services, the project is supported by a Steering Committee and Reference Group. The Steering Committee is comprised of representatives of the CCAAC's Council of Child Care Advocates, which provides both regional and pan-Canadian sectoral perspectives. The Steering Committee acts as a liaison between FPT groups and governments, and performs an information sharing, input, advice and feedback function. Reference Group members serve a technical or peer review function, bringing a range of expertise on child care policy analysis and financing, intergovernmental relations and community and citizen engagement.

The project works with all stakeholders – parents, caregivers, researchers, and other interested community members – because everyone has a role to play in developing an effective early learning and child care system within an integrated ECD strategy.

APPROACH

The early stages of our project work involved an initial assessment of the public reports. We shared some of the weaknesses we observed – for example, in timeliness and ease of access – in our early meetings with and presentations to various governments and stakeholders. This work led us to develop tools and resources in three priority areas:

- 1. Federal transfers and the FPT Agreements** – we observed that the FPT Agreements were not broadly understood and, in particular, that the federal transfers provided to provinces and territories were not highly visible or clear to stakeholders. We developed a series of fact sheets to support the development of a shared understanding between stakeholders and governments regarding the opportunities for child care services created by the FPT Agreements and related federal transfers.
- 2. Child Care Planning** – we also observed that the public reports did not include comprehensive child care plans with budgets, timelines and performance benchmarks. Some reports included various elements of a plan, but none included all of the elements that stakeholders identified as important. We developed a Child Care Planning Checklist to assist stakeholders and governments in working together to develop a comprehensive child care plan.
- 3. Key System Indicators** – finally, we observed that there was a gap between the key system indicators that stakeholders believe are critical to tracking progress on child care services, and the indicators that governments are more typically tracking. Building on work undertaken in a previous project, we developed the Child Care System Implementation Model to facilitate the dialogue between stakeholders and government about the policy and funding approaches that are most likely to measurably improve access to quality, affordable child care services.

These tools and resources are all posted on our project web site.⁸

On an ongoing basis, we have been sharing our work with the Steering Committee and Reference Group, parents and communities, service providers, FPT governments, researchers, and academics. In March 2006 we held a national forum, which provided an opportunity to discuss the project materials in detail. Throughout the course of the project, we are developing new, and enhancing existing, community networks and partnerships.

⁸ MTC Fact Sheets can be accessed at: <http://www.ccaac.ca/mtc>

This report represents the final step in the project, as we now complete and share our detailed analyses of FPT public reporting related to child care services (Appendix I).

With the Making the Connections (MTC) project, we are creating a common framework for analysis of public reporting in order to confirm if the FPT Agreement commitments are met, and whether child care services are improving as a result. The common framework links the *words* used in public reports with the *results* achieved and evidence provided by both financial and non-financial information.

Based on the FPT Agreement commitments and a review of the existing public reports, we developed a high-level, simplified investment chart to track annual expenditures. This common framework for financial analysis was first drafted in the fall of 2005, using the federal government's annual reporting as an example, and has been used in various presentations, discussions and meetings with communities and governments since that time.

All figures in the investment charts (Appendix I) are taken directly from the FPT public reports. The figures are totalled and summarized in Appendix I to support the public in tracking the changes in investments from the baseline year to present (2000/01 to 2005/06). Blank areas in the investment chart indicate that the information is not available, or is not clear, consistent and/or comparable.

The total investment in ECD programs, including child care services, is broken down into two components: the federal transfers and the resulting provincial contribution. This component of the analysis supports the public in understanding the extent to which increased investments were funded through federal transfers and/or provincial contributions. The federal transfers not yet invested in ECD, including child care services, are also identified.

It is important to note that, at this point in our project, we did not follow up with individual governments to discuss the gaps in their public reporting and then try to fill in those gaps based on what would essentially be 'private' information. Primarily, that's because the goal of this specific project component is to analyze the extent to which available *public* reporting addresses the requirements of the FPT agreements.

However, in August 2007, FPT governments received the standardized template used to summarize our financial analysis.⁹ And, in order to support ongoing dialogue between stakeholders and governments about public reporting, we are providing our detailed financial analyses to FPT Directors and the CCAAC Director in each jurisdiction.

We also turned to the publicly reported non-financial indicators to assist in assessing the progress on early learning and child care services, particularly for availability, affordability and quality as outlined in the Multilateral Agreement. All of our analyses were submitted to an external reviewer, Gordon Gray, CGA, whose report is included in Appendix 2.

As elaborated later on, in order to evaluate the reporting we considered the requirements set out in the FPT agreements themselves, as well as those of the Public Sector Accounting Board (PSAB). The PSAB is a body, independent from government, which sets accounting standards that are developed over time through consultation with governments. PSAB's goal is to influence public sector reporting so it can be understood and trusted by the public.¹⁰

⁹ The Open Letter to Ministers and FPT Staff Responsible for Early Childhood Development, Learning and Care (ECDLC) Services, August 2007, can be accessed at: <http://www.ccaac.ca/mtc/en/pdf/Open%20Letter%20Aug%207%20ENG.pdf>

¹⁰ For more information, see: Chartered Accountants of Canada, "About PSAB," http://www.cica.ca/index.cfm/ci_id/1053/la_id/1.htm#PSAB.

Relevant guidelines are outlined in the PSAB's September 2006 Statement of Recommended Practice, *Public Performance Reporting* (SORP-2) and in its "Guide to Preparing Public Performance Reports." The latter document helpfully explains for both governments and the public the features of public performance reports that suggest if the recommended practices are, or are not, being applied. These guidelines provided a useful lens for our analysis.

PUBLIC REPORTING – ANALYSIS

GOVERNMENT COMMITMENTS: TWO KEY QUESTIONS

Under the FPT agreements governments made overarching commitments to:

- *Improve* and *expand* ECD programs for Canadian families, including child care services; and
- *Provide clear reporting* so that the public can track progress towards this broad goal.

Therefore, our assessment of public reporting seeks to answer two basic questions related to governments' commitments:

1. Can progress be clearly tracked through the public reporting?
2. Have there been improvements in ECD, including child care services?

The following section of the report starts with an assessment of progress tracking and ends with an analysis of the evidence of improvement in ECD.

1) CAN PROGRESS BE CLEARLY TRACKED THROUGH THE PUBLIC REPORTING?

This project is based on the idea that public reporting is vital to accountability. We agree with FPT governments that: “Clear public reporting will enhance accountability and will allow the public to track progress in improving the well-being of Canada’s young children.”¹¹ However, our preliminary review of public reporting under the FPT agreements¹² indicates several challenges for the public in clearly tracking the progress on child care.

Specific Requirements: FPT Agreements

First and foremost, we consider the extent to which governments have met the specific performance and reporting commitments they agreed to under the ECD and Multilateral Agreements.

As part of the ECD Agreement, governments signed on to a “Shared Framework for Reporting on Progress in Improving and Expanding Early Childhood Development (ECD) Programs and Services.”¹³ Through this framework, governments made a number of important commitments to help ensure accountability to their publics. In the framework, FPT governments lay out their shared principles – namely a respect for the

¹¹ First Ministers’ Meeting Communiqué on Early Childhood Development, September 11, 2000. http://www.ecd-elcc.ca/en/ecd/ecd_communique.shtml.

¹² While our analysis includes the territories, we have not emphasized their reporting in this section because: (1) we had very limited capacity to engage with territorial communities and governments and (2) public performance reporting is still in its relatively early stages and we want to respect differing capacities to be able to implement the recommended practices. As noted previously, Quebec is not included in our analysis.

¹³ For complete text of the Shared Reporting Framework, see: http://www.ecd-elcc.ca/en/ecd/ecd_sharedframe.shtml

diversity of jurisdictions, a pledge to improve reporting over time, and an agreement to consult with third parties on indicators and progress “as appropriate.” In addition, they agreed that in their reporting, which would take place annually, they would:

- Acknowledge the federal contribution;
- Report on *changes* in expenditures from the previous year;
- Report on investments in the 4 ECD areas;
- Describe the programs, including: objectives, target population, program description, department(s) responsible, and delivery agent(s);¹⁴ and
- Report on program indicators: expenditures (*changes* from previous year), availability (number of children served, number of families served, and/or number of program “spaces” or equivalent, number of program sites); accessibility (increase in the percentage of the target population served, change in the socio-demographic profile of the client population); affordability (changes in the fee and/or subsidy structures of the relevant programs); quality (improvement in the education/training of service providers, increases in wage rates, increases in provider-to-client ratios, increases in client satisfaction).¹⁵

Furthermore, under the Multilateral Agreement governments made specific performance and reporting commitments from 2002/03 onwards related to early learning and child care services. They agreed to provide public reports with descriptive and expenditure information on all early learning and child care programs and services, as well as indicators of availability, affordability and quality (specific indicator requirements are explained later in this report).¹⁶

General Requirements: Public Performance Reporting

Since the focus of our project is child care services, this report pays particular attention to the extent to which governments meet the Multilateral Agreement commitments and related reporting requirements. But these commitments and requirements do not exist in a vacuum. The FPT agreements call for “clear public reporting”. While this phrase is somewhat general, clarity in public reporting has a long history and is broadly understood to include information that is relevant, timely, consistent and comparable. More specifically, FPT agreement requirements for comparable indicators and third party consultation relate to public performance reporting guidelines that have been developing over the last ten years in Canada.

As noted in our description of the project approach, the most current guidelines issued by the Public Sector Accounting Board (PSAB) have informed our analysis. The PSAB recommendations emphasize that clear public reporting is easily accessible and identifiable and contains information that is reliable, valid, relevant, fair, comparable, consistent and understandable. Clear public reporting should focus on critical performance measures and demonstrate a link between planned and actual results and between financial and non-financial information.¹⁷

¹⁴ In addition, governments can report on optional information such as intersectoral linkages, consultation and community involvement, community capacity-building, voluntary or private sector participation, program evaluation findings, program models, pilot project results, changes in regulatory environment, and capital and/or infrastructure investments

¹⁵ “Federal/Provincial/Territorial Communiqué on Early Childhood Development - Shared Framework for Reporting on Progress in Improving and Expanding Early Childhood Development (ECD) Programs and Services,” http://www.ecd-elcc.ca/en/ecd/ecd_sharedframe.shtml

¹⁶ “About the Federal/Provincial/Territorial Multilateral Framework on Early Learning and Child Care”, March 2003. <http://www.ecd-elcc.ca/en/elcc/about.shtml>.

¹⁷ Public Sector Accounting Board (PSAB), *Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007. p. ii. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf.

We use key elements of these recommended practices to assist in our assessment of FPT reporting because they:

- Help to explain the technical terms used in the FPT agreements;
- Were developed over time with government input, and therefore are generally accepted by governments as guidelines to work towards; and
- Increase the objectivity of our assessment.

Together, the FPT agreements and the PSAB guidelines provide the foundation for our determination of the extent to which the progress on child care services can be clearly tracked using public reports.¹⁸

Observations

We have summarized our observations regarding government's public reporting into two broad areas: i) ease of access and ii) clarity, comparability and comprehensiveness of reporting.¹⁹ These observations are followed by our assessment of the extent to which the specific reporting requirements of the FPT Agreements have been met.

i) Is the Reporting Easily Accessible?

Accessing the annual reporting information appears to require internet access and skills, which are not available to all Canadians.²⁰ For instance, Aboriginal organizations have noted that the internet is an inaccessible medium for the majority of Aboriginal peoples who do not have access to computers or the internet. Furthermore, the Household Internet Use Survey, conducted by Statistics Canada in 2004, found that only 59.1% of Canadians used the Internet from home to access government information, and another 2004 survey by Comscore Media Metrix, found significant regional differences in internet access and use across Canada.²¹ In order to provide information more broadly to parents, service providers, and other community members, governments are encouraged to explore a range of reporting formats. In fact, one of the key indicators of access, according to the PSAB, is that public reports are available in both electronic and paper copies.²²

The PSAB also suggests that accessible public reports require *working* and *direct* website links, which raises more questions about the ECD/Multilateral Agreement reporting. Even if one has regular internet access, reports and information are not always easy to find or access for a number of reasons including:

- The links from the main federal ECD/ELCC website (<http://www.ecd-elcc.ca/>) to several provincial and territorial sites are not kept up to date.
- The links from the federal site do not always lead directly to the provincial/territorial reports – they may only lead to the relevant provincial/territorial ministry, so additional searching is often needed.

¹⁸ It is possible that some of the issues identified with public reporting have been addressed now. Our analyses and observations are based on FPT public reporting as of August 28, 2007.

¹⁹ For instance, timeliness of reporting falls under “ease of access”, ability to follow changes to programs from year to year fall under “clarity” and/or “comparability” and extensiveness of reporting on program indicators fall under “comprehensiveness”.

²⁰ While most FPT reports on-line indicate that hard copies are available, this requires *initial* internet access in order to request a paper copy.

²¹ Public Works and Government Services Canada. <http://www.pwgsc.gc.ca/onlineconsultation/text/statistics-e.html>

²² Public Sector Accounting Board (PSAB), *Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007. p.1. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf.

- Some reports have been removed from the site, in some cases temporarily, but in other cases, permanently. The links to some reports have been removed.
- Several provincial reports are available only in English, and do not seem to be available in accessible formats for people with visual disabilities.
- Once reports are found, many are quite long and PDF files take time to download, especially those with a lot of pictures. For example, Alberta's 2003/04 report is 44 pages long, and 13 of those pages contain pictures on at least one half of the page. In our community meetings, rural participants expressed concerns about accessing reports with dial-up service. Such reports can also be costly for parents and caregivers to print out. In addition, community members frequently tell us that they simply do not have the time to read reports that are 50+ pages. Lengthy, detailed reports are important for some stakeholders, such as researchers. Others may be looking for a brief summary of the key policy and investment changes and the resulting achievements.
- Many reports are not released on a timely basis, are not dated, or are not clearly dated. Under the ECD Agreement, reports are to be published in September each year, and under the Multilateral, in November. Few governments have consistently achieved this goal. For instance, although the federal government's reports are now up to date, the 2004/05 and 2005/06 combined report was released in August 2007.²³

Late reporting is common and it is a significant concern in Canada because a lack of timeliness affects the usability and relevance of a report.²⁴ It was clear from our work in this project that communities want to know about and discuss child care services in the here and now. There was little interest in older reports and disappointment that up to date information was not available.

ii) Is the Reporting Clear, Comprehensive and Comparable?

Other central standards of public reporting, as outlined by the PSAB, relate to clarity, comprehensiveness and comparability. The PSAB notes that in effective public reporting: information is complete (i.e. whenever possible, information is not missing); financial and non-financial information are clearly linked; trends are visible and information is unbiased.²⁵

The ECD/Multilateral reporting does not always meet these standards. As a result, project staff spent over 30 hours analyzing some governments' reporting, trying to extract both financial and non-financial information that was not clearly and consistently presented and summarized in a way that was comparable from year to year. These concerns were also reflected in feedback from a range of stakeholders – including parents, child care workers and academics – who view the reports as too long, confusing and

²³ In his June 2007 comments to the Standing Senate Committee on Social Affairs, Science and Technology, Shawn Tupper, Director General, Social Policy, Human Resources and Social Development Canada acknowledged the problem of late reporting across FPT governments. He advised, however, that governments have confirmed their commitment to public reporting. See: *Proceedings of the Standing Senate Committee on Social Affairs, Science and Technology*. Issue 24. June 7, 2007. http://www.parl.gc.ca/39/1/parlbus/commbus/senate/Com-e/soci-e/24evb-e.htm?Language=E&Parl=39&Ses=1&comm_id=47. Indeed, several public reports have been posted since June 2007.

²⁴ For instance, the CCAF-FCVI found that “a lack of timeliness in releasing information undermines Canada's system of government, hurts public trust, and limits accountability” (38). See CCAF-FCVI, *Users & Uses: Towards Producing and Using Better Public Performance Reporting: Perspectives and Solutions*, 2006. The CCAF-FCVI was previously called the Canadian Comprehensive Auditing Foundation – La Fondation canadienne pour la vérification intégrée and is now known as the CCAF-FCVI Inc.

²⁵ Public Sector Accounting Board (PSAB), *Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007. pp. 4, 5, 12. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf.

difficult to understand. One of this project's goals is to help communities to understand public reporting, but our experience indicates that not all reports are understandable.²⁶

Some provinces (Alberta, Ontario, Prince Edward Island, Saskatchewan) do not provide complete baseline ECD and/or child care expenditure information, or do so inconsistently. Without a baseline, overall progress and use of federal transfers cannot be tracked and confirmed.

While federal transfers are generally acknowledged in the report text, the federal financial contribution is often not clearly reflected in the financial reporting section.

Some reports are outright confusing. For example, the words and/or investment levels described in the text of the report do not match the descriptions and/or investments shown in the financial section of the same report, or related information from previous years. Two examples can be drawn from the public reporting. First, in Alberta's 2003/04 report the program descriptions and expenditures (pages 36-39) are not all clearly comparable to the table listing the previous year's programs (page 42). Another example is found in New Brunswick's 2002/03 reporting, where the financial information shown in the text (pages 4-13) does not appear to be consistent with the table summarizing these investments (page 14). The following table summarizes this discrepancy:

Comparison of New Brunswick ECD Agenda Summary of Expenditures for 2002/03*

	(\$ 000's)	per Table p. 14	per Text pp. 4-13
Prenatal Benefit Program		920	1,800
Enhanced child day care services (training & working conditions)		3,950	3,950
Children's Support Program (transition houses) (intro Dec/01)		400	400
Communities Raising Children/Excellence in Parenting		800	550
EC Initiatives Enhancements – Early Intervention, Integrated Daycare, Inf/Parent Attach		1,700	1,672
Talk with me/Parle-moi Early language program		1,330	1,330
Administration & program support		600	not included
Total reported		9,700	9,702

* All figures as reported in *Greater Opportunities for New Brunswick Children: An Early Childhood Development Agenda, Investments and Outcomes* (2002-03)

Furthermore, comparable investment information is not always provided, so the investments may be difficult to track from year to year. The PSAB suggests that one indication of reporting that does *not* meet the standards of being comparable and consistent is that:

Performance information changes from period to period and inhibits the user's ability to identify trends. Continuous improvement of performance information is desirable, but there is a need for some fundamental consistency between reports.²⁷

²⁶ This seems to be a common issue with public performance reporting. The CCAF-FCVI's study found that legislators, the public, non-governmental organizations (NGOs) and the media have made similar observations about the clarity and usability of public performance reports (pp. 14-15, 29, 31, 38, 43).

²⁷ Public Sector Accounting Board (PSAB), *Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007. p. 5. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf

Also, reporting templates vary significantly across governments. Some governments separate other ECD programs from child care services (for example, Ontario), attributing federal transfers under the ECD Agreement to the former and transfers under the Multilateral and Bilateral Agreement to the latter. Others report on total ECD programs, including child care services (for example, Manitoba, Newfoundland and Labrador), in which case the federal transfers may also be combined.

British Columbia combines other ECD and child care expenditures in the early years of public reporting and then separates them in the later years. British Columbia's financial information appears to be relatively clear, comparable and consistent throughout the entire reporting period. However, the separation of early learning and child care services from other ECD programs from 2002/03 onwards raises questions about the information provided, and highlights the importance of explanatory notes to support the public's ability to clearly track progress.

Specifically, British Columbia's 2002/03 public report indicates that child care subsidies decreased from \$101.8 million in 2000/01 to \$78.2 million in 2002/03. No explanation is provided for this decrease. Subsequent public reports, which separate early learning and child care services from other ECD programs, indicate that child care subsidies for 2002/03 were \$46.6 million. Again, no explanation is provided for this adjustment. It may be that the investment in child care subsidies from 2002/03 onwards is calculated using different criteria than the subsidies in earlier years, such that the financial information is not as comparable as it appears to be. If that's the case, the financial story told in British Columbia's existing public reports requires clarifying or explanatory notes.

The FPT agreements allow for diverse approaches, which supports provincial and territorial autonomy, but fundamental differences across reporting means it is much more difficult for the public to track the progress on child care investments in some jurisdictions than in others.

We also note that some jurisdictions (for example, the federal government) do not consistently total the financial information, so the public is unable to easily see and compare overall trends in total investments.

The FPT Agreement requirements themselves allow for unclear reporting. This can be seen in both the ECD and Multilateral Agreements,²⁸ which permit governments to report only on their chosen "priorities". As a result, some reporting appears to be skewed in favour of good news, providing no explanation of apparent funding and/or service reductions. This approach is at odds with community expectations and the PSAB's guidelines stating that reporting be unbiased. This is also unfortunate because when key information is missing, or when expenditure reductions are not explained, the credibility of public performance reporting – already a widely recognized concern – is further diminished.²⁹

The federal government's most recent public report provides an interesting example of both sides of this point. On the one hand, their report clearly and comparably includes all programs from previous years, even those that have been discontinued, and generally includes an explanation for any expenditure reductions.

On the other hand, the federal governments' 2004/05 and 2005/06 combined public report does not

²⁸ According to the ECD Agreement, "Each government will report annually, using the shared framework, on the activities that they have selected as priorities for investment." (http://www.ecd-elcc.ca/en/ecd/ecd_sharedframe.shtml) and the MLF, "Each government will determine its priorities within this initiative." (http://www.ecd-elcc.ca/en/elcc/elcc_multiframe.shtml)

²⁹ The CCAF-FCVI makes this point as well. Their findings reveal that legislators, citizens, NGO's [Non-Government Organizations] and the media believe that public performance reports read like public relations tools and lack credibility (pp. 17, 27, 32, 38, 42). For instance, some legislators commented that reports put information "in the 'best light' and tend to 'smooth out the bumps' too much" and give citizens the impression that they are "being spun all the time" (pp. 17, 32). NGOs and the media were also concerned about "spin" (pp. 38, 42).

include clear information on a significant federal transfer that occurred during this time period. The report describes federal transfers to provinces and territories under the ECD Agreement (pp. 1, 3-4) and Multilateral Agreement (pp. 1, 51-52) totalling \$500 million and \$300 million respectively in 2005/06. In addition, this public report describes future transfers of \$250 million committed in Budget 2007 (p. 2). However, there is no mention of the now-terminated Bilateral Agreements on Early Learning and Child Care, which were introduced by a previous government and transferred \$700 million to provinces and territories in 2004/05 and 2005/06 combined.

At the same time, it is also important to note that some public reports have already moved beyond the specific requirements in the ECD/Multilateral agreements to include some of the PSAB recommendations. For example, Newfoundland and Labrador, Nova Scotia, and the federal government already incorporate PSAB recommendations to show trends over time in that their recent reports provide a table(s) showing the baseline and subsequent annual investments by ECD program. Furthermore, the federal government's most recent report suggests movement towards a PSAB recommendation to consider an external audit opinion on the public performance report. The 2004/05 and 2005/06 combined federal government report indicates that "significant effort has been made to obtain Comptroller or Senior Financial Advisor approval of expenditures in this report" (p. 5). We support an external audit approach, and will return to it in our recommendations below.

Assessment: Have the FPT Agreement Conditions Been Met?

To this point, we have provided both general and specific observations on the existing public reports, showing how they either support, or detract from, clear reporting that allows the public to track progress. We conclude this section by assessing the extent to which the specific requirements of the ECD/ Multilateral Agreements have been met.

We start by explaining the performance and related reporting commitments made under these agreements and then list the public expectations arising from these requirements. Next, we summarize the findings of our individual analyses of the FPT reports, as shown in Appendix I, in relation to these expectations. Our conclusion follows.

Public Reporting Requirements:

Under the Multilateral Agreement governments made specific performance and reporting commitments from 2002/03 onwards related to early learning and child care services. For example, governments agreed "to further invest in provincially/territorially regulated early learning and child care programs for children under six." They agreed to "publicly recognize and explain the respective roles and contributions of governments to this initiative" and to use the federal transfers to improve "access to affordable, quality early learning and child care programs and services", providing evidence of progress achieved by publicly reporting:

- "Descriptive and expenditure information on all early learning and child care programs and services;
- Indicators of availability, such as number of spaces in early learning and child care settings broken down by age of children and type of setting;
- Indicators of affordability, such as number of children receiving subsidies, income and social eligibility for fee subsidies, and maximum subsidy by age of child; and
- Indicators of quality, such as training requirements, child/caregiver ratios and group size, where available."³⁰

³⁰ See: "Multilateral Framework Agreement on Early Learning and Child Care" at http://www.ecd-elcc.ca/en/elcc/elcc_multiframe.shtml.

All governments except Ontario included at least some early learning and child care programs as part of their ECD investments as well, so similar reporting requirements for child care services apply to the 2000/01 (baseline) and 2001/02 time periods.

Public Expectations:

1. Early learning and child care programs and services from 2000/01 baseline through 2005/06 clearly identified (Ontario – 2002/03 onwards).
2. Explanatory notes as required to clearly define the provincially/territorially regulated early learning and child care services included in the public reports, and the methodology utilized to determine the proportion of those services applicable to children under six.
3. Both financial and descriptive information provided on individual programs, and the total investment in child care services is shown.
4. The total investment is broken down by funding source, showing how much is contributed from federal transfers and how much from the province or territory.
5. On an annual basis, the total investment in child care services increases by at least the amount of the federal transfers – or, reports acknowledge the extent to which federal transfers have not yet been invested in ECD/child care services, where applicable, and describe a plan to invest these funds in the future.
6. Comparative indicators of availability, such as number of spaces from baseline 2000/01 through 2005/06 (6 years in total), are included.³¹
7. Comparative numeric indicators of affordability are included, such as number of children or families receiving subsidies, and/or comparative descriptive information on the subsidy program (e.g. changes in eligibility levels and criteria) for a minimum of four years (2002/03 through 2005/06). Where improved affordability was the objective of an investment in 2001/02 under the ECD Agreement, these and other indicators, such as changes in fees, are included.
8. Comparative numeric indicators of quality, such as number of professional staff, and/or comparative descriptive information such as training requirements, child/caregiver ratios and group size (where available) for a minimum of four years (2002/03 through 2005/06). Where improved quality was the objective of an investment in 2001/02 under the ECD Agreement, these and other indicators, such as increases in wage rates and client satisfaction, are included.

Findings:

- Of the 13 jurisdictions reviewed, 8 are missing reports for one or more years so the public cannot track all of the federal transfers and investments in child care services through 2005/06 for Alberta, Newfoundland and Labrador, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island and the Yukon.
- Of the 5 remaining jurisdictions with public reporting available through 2005/06, 3 have information gaps that mean the public cannot clearly track all of the federal transfers and investments in child care services through 2005/06 in Ontario, Saskatchewan and the federal government.
- The remaining jurisdictions, British Columbia and Manitoba, provide information that allows the public to track total investments in child care services through 2005/06. However, these

³¹ See above. Also, where child care is included under ECD reporting, the Shared Framework specifically requires governments to report on the availability of ECD programs.

jurisdictions do not meet the public reporting requirements because:

- i. While the 2005/06 federal transfers related to the Bilateral Agreements are acknowledged, the extent to which they were utilized is not clearly shown in either provincial report. Our analysis of the public reports indicates that both provinces have unspent federal transfers related to the Bilateral Agreements in 2005/06 (Manitoba – \$3.2 million; British Columbia – \$75.7 million), but the reports do not include this calculation or explain how these funds will be invested in the future.
- ii. In their 2005/06 reports, neither province includes a clear definition of the regulated early learning and child care services that are funded under the Multilateral Agreement, or the methodology for determining the proportion of expenditures related to children under six.
- iii. The financial tables in each of the British Columbia reports do not meet the requirement of showing how much of the total investment comes from federal transfers and how much from the province.
- iv. The Manitoba reports do not meet the requirement of providing expenditure information by individual program.

Regarding indicators of availability:

- Of the 13 jurisdictions reviewed, only Ontario fully meets this reporting requirement. The federal government's report is very close, as it provides information on spaces (or, similarly, number of children served) for most of its directly funded programs (2005/06 information not available for Aboriginal Head Start).
- Manitoba provides this information through 2004/05 (5 years).
- New Brunswick, Nunavut and Saskatchewan each provide 4 years of comparable data, Northwest Territories provides three, and Alberta and Yukon provide two years of data.
- Newfoundland and Labrador, Nova Scotia and Prince Edward Island do not provide any comparative information on availability.
- British Columbia provides 4 years of comparative information showing growth in the number of spaces receiving contributions from the child care operating fund, but not on the actual number of spaces available.

Regarding indicators of affordability:

- Only Ontario provides indicators of affordability throughout the required reporting period, as it lists the number of children receiving fee subsidies in the regulated child care system.
- Manitoba provides information on numbers of children receiving subsidized child care, as well as comparative fee and operating grant information, for 2001/02 through 2004/05.
- British Columbia, Saskatchewan and Newfoundland and Labrador provide information on number of subsidies for 4 years, while New Brunswick reports this information for 3 years.
- Nunavut reports on number of subsidy applications approved for two years, and Yukon reports on average/median monthly fees for two years.
- Alberta, Northwest Territories, Nova Scotia, and Prince Edward Island do not provide comparative numeric information on affordability.

- The federal government does not provide numeric information on affordability, but some descriptive information is included.

Regarding indicators of quality:

- Manitoba provides 4 years of data (through 2004/05) on the number of trained, centre-based Early Childhood Educators, while Nova Scotia provides information for the same time period on the number of staff and facilities that received wage enhancement grants. Newfoundland and Labrador provides similar information for three years (through 2003/04).
- British Columbia provides 4 years of data on the number of workshops/courses held as well as participants.
- New Brunswick provides 3 years of data on average licensed child care staff wages, while Yukon provides 2 years of data on training and hourly wages.
- Northwest Territories provides 3 years of data on the number of Language Nest programs.
- Alberta provides 2 years of data on certified staff providing child care.
- Nunavut, Ontario, Prince Edward Island, Saskatchewan and the federal government do not provide comparative numeric information on quality, although Prince Edward Island's reporting includes a chart with baseline and second observation results of a quality improvement program.
- Ontario, Prince Edward Island and the federal government provide descriptive information on quality in their most recent reports.

CONCLUSION

Specifically in regards to early learning and child care we conclude that none of the jurisdictions reviewed have met all of the public reporting requirements under the ECD/Multilateral Agreements. While Manitoba and the federal government stand out as having relatively strong public reports that meet many of these requirements, the majority of provincial and territorial reporting is deficient in multiple areas.

2) HAVE THERE BEEN IMPROVEMENTS IN ECD, INCLUDING CHILD CARE SERVICES?

Requirements

The public reports include some descriptive information (words) as well as financial and non-financial indicators (numbers) as evidence of improvements in quality, availability and/or accessibility and affordability of ECD programs, including child care services. We assess this evidence first on its own merits and then, in regards to child care services, from a community perspective.

Considering CCAAC's role as a third party in assessing progress:³²

- We draw from the CCAAC's own compatible commitment to improving and expanding child care

³² Not only is the role of third parties such as the CCAAC acknowledged in the FPT Agreements, the importance of such a role is explicitly recognized in the Public Sector Accounting Handbook's Statement of Recommended Practice (SORP-2) for Public Performance Reporting, which states that "the primary users of the public performance report are elected officials and the public they represent. Their perspectives are important in considering what to report and how to report it (Paragraph 11)." Further, "other external users ...include...key intermediaries such as advocacy groups and the media who play an important role in the public policy, communications and accountability processes (Paragraph 12)".

programs and services in Canada based on the indicators set out in the FPT agreements.³³

- We gather communities' understanding of improvement and expansion, which is central to the MTC project's mandate and process. The CCAAC (a national organization) works with communities across the country in their local and regional contexts, and it is well understood that "having a good understanding of users' perspectives will contribute to the usefulness of these reports."³⁴

In the following section we examine the evidence of progress in improving and/or expanding access to income supports for families, other ECD programs and child care services. For each of these investment areas, we consider both descriptive information on improvements as well as supporting numeric evidence.

Observations

Income Supports

Public reporting of ECD investments that are paid directly to parents and are intended to supplement or replace income are categorized in our investment chart (Appendix I) as income supports. While these payments may have specific goals attached (e.g. supporting improved nutrition) it is generally up to parents to decide how to spend these funds.

From a financial perspective at least, the most significant ECD investment in Canada is an income support program: maternity and parental benefits.³⁵ The federal government's 2003/04 ECD report describes substantial improvements to this program. Since December 31, 2000 the combined benefit entitlement has increased from 25 to 50 weeks (page 31). The related public investment has also increased from \$1.25 billion in 2000/01 to \$2.97 billion in 2005/06 (2005/06, p.6), demonstrating that maternity and parental benefits have received the highest increase in public investment of any program publicly reported on since the 2000/01 baseline. Despite the significance of this investment, maternity and parental benefits are not particularly highlighted in the federal government public reports. The descriptive information provided is similar in length and detail to other federally funded programs.

Where income supports are provided by provinces and territories, they are generally paid to lower and modest income families (e.g. Ontario). Nutrition-related allowances are provided in Newfoundland and Labrador and New Brunswick, and Manitoba has restored the full amount of the National Child Benefit Supplement for children whose parents receive income assistance benefits.

ECD Programs, other than child care services

Across the country, public reports celebrate the introduction or expansion of a broad range of programs that promote healthy pregnancy and early childhood, support families to parent, strengthen community supports, and advance early learning since federal transfers for ECD began in 2001/02. We also note that both Manitoba and Alberta began to implement ECD initiatives prior to 2001/02, and public reports show that their provincial contributions increased prior to the 2000/01 ECD Agreement baseline year. Descriptive information in the public reports indicates that availability, accessibility and affordability are priority areas for these ECD investments:

³³ The CCAAC works toward a *quality* and *universal* child care system. "Universality" encompasses three objectives identified in the FPT agreements – accessibility, affordability, and inclusion. A system that has all three of these elements will essentially be universal.

³⁴ Public Sector Accounting Board (PSAB), *Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007. p. 3. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf

³⁵ Frequently, we found a lot of sensitivity about this point in the community, with many emphasizing that this program is funded by employers and employees through payroll taxes, rather than from government's general revenue.

Availability and Accessibility³⁶ — By far the biggest emphasis in the public reporting on ECD other than child care services is on improved and expanded availability of and access to programs. Several new universal programs have been introduced, notably in the areas of early literacy and supports to families in their parenting roles. For many other pre-existing programs, the public reports describe expanded access for targeted groups such as children with disabilities, lower income families, and Aboriginal communities.

Affordability — Affordability is rarely mentioned in relation to ECD programs (other than child care services). Public reports do not provide specific program fee or subsidy structure information for these programs. In fact, we conclude that affordability is a priority for other ECD services because the public reports indicate that federal transfers have been used to introduce or expand ECD programs (other than child care services) with minimal or no user fees. These programs are substantially publicly funded.

Quality — While the public reports contain some information related to quality improvements in other ECD programs (e.g. education & training, policy and standard development), the public reporting suggests that this has not been a primary objective of investment in most jurisdictions.

It is beyond the scope of our project to conduct an in-depth analysis of ECD programs, other than child care services, and link the descriptive information to numeric evidence of progress (financial and non-financial indicators). Furthermore, the incomplete public reporting described in the previous section also applies to other ECD programs and services: without up-to-date reporting the public cannot track the overall progress on ECD services through 2005/06. However, **a brief review of the non-financial indicators that have been reported on, as well as the financial information that can be determined, affirms the descriptive information: federal transfers have resulted in improvement and/or expansion trends in ECD programs other than child care services.**

Early Learning and Child Care Services

With child care services, relative to other ECD programs, descriptive information in the public reports show that federal transfers have generally been focused on a narrower range of specific public policies that aim to improve the quality of existing child care spaces and, to a limited extent, affordability and expanded access through new spaces. In the following section we link this descriptive information to the supporting evidence provided by financial and non-financial indicators. **Again, we need to stress that since no jurisdictions have complete and up-to-date reporting of both financial and non-financial information, we are unable to confirm overall progress on improved access to quality, affordable child care services through 2005/06. Therefore, our analysis is limited to an examination of the evidence suggesting progress trends.**

Quality — Policy and funding that aims to improve child care quality has been a primary focus of investment in most jurisdictions. Several reports describe recruitment and retention of qualified staff as a critical issue related to quality. The child care community echoes these concerns, and corroborating evidence abounds.³⁷ Research consistently shows that child care worker compensation is a key indicator of quality. As a result, several provinces have introduced or expanded direct funding to programs or staff, specifically tying these funds to improved wages and usually to professional training as well (Alberta, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia, Yukon).³⁸

³⁶ We have placed these in the order that they were generally emphasized in the reports.

³⁷ See, for instance, Gillian Doherty and Barry Forer, "Shedding New Light on Staff Recruitment and Retention Challenges in Child Care," Child Care Human Resources Sector Council, 2004. http://www.ccsccssge.ca/english/pdf/research/SheddingNewLight_en.pdf

³⁸ In BC, the Child Care Operating Funding Program assists eligible licensed group and family child care providers with the cost of providing care (2005/06, page 31). The 2005/06 report does not indicate specific requirements for the use of these funds.

Despite the recruitment and retention concerns, and the fact that several governments have introduced wage enhancement-type programs, most public reports do not include wages as one of the non-financial indicators. New Brunswick and the Yukon are the only jurisdictions to report on improved wages over time (3 years and 2 years respectively) as one of their non-financial performance indicators.³⁹ The impact of dedicated federal child care transfers on reported child care wages in New Brunswick highlights both the significance of this federal funding and the reality of what is required to build a system. Between 2001/02 and 2003/04, average hourly wages and/or bonuses rose from \$7.04 to \$8.44/hour.⁴⁰

Other provinces report on other quality indicators for some years, providing evidence of increased number or percentage of trained child care staff (Manitoba, Yukon), increased wage-related funding for staff or centres (Alberta, Newfoundland and Labrador, Nova Scotia), and improved quality measurement scores (Prince Edward Island).

All of these indicators meet or exceed the reporting requirements of the Multilateral Agreement, which only requires training, child/caregiver ratios and group size data “where available”. However, and as mentioned in the previous section, comparative information has not been provided throughout the reporting period, so we are limited to confirming evidence of partial progress, or trends, on quality indicators. To that end, several provinces are increasing the number of trained staff working in child care programs and 2 provinces have confirmed increased child care worker wages in some years.

Availability — Evidence of overall growth in the number of regulated spaces is shown in Ontario’s public reporting and through similar trend information (3 or more years of consistent growth) provided by Manitoba, New Brunswick, Northwest Territories, Nunavut, Saskatchewan and the federal government. Some public reports also indicate heightened attention to inclusion, with British Columbia, Manitoba, New Brunswick and Prince Edward Island providing trend information for three or more years demonstrating increased number of child care spaces available for children with disabilities, or increased number of children served.

Clearly, including comparative information on the actual number of existing spaces is necessary to track progress. However, this indicator on its own lacks context. Historically and internationally, the other related indicator of interest is “percentage of children with access to a regulated child care space”. The latter indicator puts the number of spaces in context, so that we can see whether space growth is equal to, higher or lower than the change in child population. This is particularly important given that, generally speaking, less than 20% of children in Canada (outside of Quebec and the Yukon) currently have access to regulated child care services.⁴¹

Nonetheless, only Manitoba publicly reports on both of these indicators for 3 or more years. Their reports show that, while the number of spaces for preschool children grew by 1,717 between 2001/02 and 2004/05, the percentage of preschool children for whom there was a regulated space grew from 21.2% to 22.7% over the same time period.⁴²

³⁹ In its most recent report (2002/03, p. 39), Prince Edward Island indicated that a 2001 survey reported median gross hourly wages for centre-based certified staff (\$8/hr), uncertified staff (\$7.01/hr) and staff working with children with special needs (\$9/hr). Wages were not reported in other years.

⁴⁰ 2003/04 Report, p. 4. This example also shows that a substantial financial commitment from governments will be required to make a more considerable impact on wages.

⁴¹ See, for instance, OECD Early Childhood Education and Care Policy: Canada Country Note – October 2004, Funding and Financing Recommendations #1, <http://www.sdc.gc.ca/en/cs/sp/sdc/socpol/publications/reports/2004-002619/page00.shtml> Also see Trends & Analysis: Early Childhood Education and Care in Canada 2004, Child Care Resource and Research Unit, p. 6, Figure 4, http://www.childcarecanada.org/pubs/other/TandA/TRENDS_ANALYSIS.pdf

⁴² It needs to be emphasized that while there has not been large growth in spaces, the increase in both federal transfers and provincial contribution has been prioritized to quality in Manitoba (training, wages and benefits), rather than to expansion.

Affordability — Affordability of child care services is also widely recognized as a critical issue because, unlike other ECD programs, child care services are primarily funded through parent fees. Typically, subsidies are provided for lower and modest income families. The ECD (through the shared reporting framework) and Multilateral Agreements identify changes in both parent fees and subsidies as indicators of affordability, and stakeholders consistently point out that data on both indicators is essential to tracking progress. However, most provinces do not report on parent fees as one of their non-financial performance indicators (nor are they required to under the specific public reporting requirements of the Multilateral Agreement).

The two exceptions to this observation are Manitoba and the Yukon. Yet, public reports for both of these jurisdictions actually show that parent fees have increased at least once throughout the reporting period.

Regarding subsidies, some jurisdictions describe improvements to their subsidy infrastructure (eligibility levels, etc).⁴³ However, none of the public reports provide a consistent break down of the child care subsidy expenditure throughout the required reporting period, so we are unable to confirm that the policy changes have resulted in increased investment in child care subsidies.

For the years in which non-financial indicators on child care subsidies are available and clear, only Newfoundland and Labrador shows a trend of progressive increases to the number of subsidies provided for families.

Without public reporting on fees, we cannot confirm that affordability overall has improved even in Newfoundland and Labrador. While more families in that province are definitely receiving subsidies in some years, if fees have increased during the same time period then child care services have become less affordable at least for families who aren't eligible for subsidies.

If the policy goal is to increase affordability, research and evidence shows that increased subsidies do not necessarily advance that goal. In fact, communities know from experience that they can often do the opposite, by driving up fees for families. In order to fully understand affordability, information on parent fees is essential.

So, have the FPT agreements led to improved access to quality, affordable child care services in Canada? Once again, we stress that overall improvements cannot be determined due to missing information. However, from the public reports, we summarize and confirm evidence of improvement trends in:

- **Quality indicators, such as increasing numbers of trained staff in some jurisdictions and increased staff compensation in New Brunswick and Yukon.**
- **Availability indicators, such as increasing numbers of spaces, both typical and inclusive, in several jurisdictions.**

Importance of Dedicated Federal Transfers for Child Care Services

We complete this section of our analysis by commenting on the extent to which dedicated federal transfers for child care services were central to the progress trends that have been observed to date.

Under the ECD agreement provinces and territories were not required to invest specifically in child care services. In fact, although child care services were suggested as areas for investment under “Early Childhood Development, Learning and Care”, provinces and territories were not even required to include child care services in their baseline and subsequent ECD reporting. Ontario chose not to, and provinces

⁴³ Although a few provinces show reduced investments in subsidies in some years, with no explanation for the reduction (for example, Alberta, BC, New Brunswick).

such as Alberta and Prince Edward Island included some but not all of their child care services within the ECD investment envelope (this explains some of the investment tracking information gaps previously noted). If child care services weren't included in the ECD reporting, they weren't benefiting from federal transfers under the ECD agreement.

Furthermore, of the 7 jurisdictions (British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Nunavut, Yukon and the federal government) for whom we can trace annual investment in total ECD programs and services from the 2000/01 baseline onwards for at least 3 years, we note that the proportion of total ECD invested in child care services decreased between 2000/01 and 2002/03 in 6 jurisdictions (all except Nunavut). For the federal government, this result was largely attributed to the growth in maternity and parental benefit payments.

However, 2003/04 was the first year of dedicated federal transfers for child care services under the Multilateral Agreement. We note that, for the 5 remaining jurisdictions listed above (British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Yukon), once the dedicated Multilateral transfers are in place the relative decline in child care services starts to level off (Manitoba, Nova Scotia) or reverse completely (British Columbia, Newfoundland and Labrador, Yukon). As more updated public reports become available, one can expect that the additional increases to federal transfers specifically dedicated to child care services should increase the proportionate investment in early learning and child care, leading to more substantial improvements in access to quality, affordable child care services in the future.

This analysis reinforces the child care community's desire for federal leadership in child care policy and funding. The introduction of dedicated federal transfers helps to focus specific attention on improvements to child care services, while at the same time promoting and protecting Canada's commitment to comparable social services across jurisdictions.

PUBLIC REPORTING — RECOMMENDATIONS

The FPT agreements specifically note that governments are reporting to their publics, and not to each other. The agreements imply that the only accountability mechanism for investments in child care services is through public monitoring and pressure, which places a lot of responsibility on communities. Our observations indicate that it is not practical for citizens to track the public reporting on their own, and they raise questions about the heavy reliance on this approach as *the* accountability mechanism when parents and community groups are already time-strapped and over-burdened.

Projects like *Making the Connections* can support the community in their review of and feedback on public reports, but as noted previously, the child care community has long recommended that governments use additional reporting avenues, including reporting to Parliament/Legislatures. And the CCAAC and other groups have recommended that public reporting should be complemented with other accountability measures, such as legislated standards and auditing.

At this point, however, public reporting seems to be the only mechanism for demonstrating accountability for federal transfers and effective use of public funding for ECD programs, including child care services.

OVERARCHING RECOMMENDATION: Expedite the Implementation of Key Public Performance Reporting Guidelines

Sole reliance on public reporting makes the introduction of generally agreed-upon public performance reporting recommendations a critical component of accountability. This is particularly true given that recent federal transfers are not (or are no longer) part of an FPT Agreement. We have not found detailed public guidelines for provincial and territorial investment of federal transfers related to:

- The now-terminated Bilateral Agreements on Early Learning and Child care (funding provided from 2004/05 through 2006/07); and
- The federal child care space transfers introduced in Budget 2007.

Therefore, in order to promote clear public reporting that supports the public in tracking the ongoing progress in child care services, we have one overarching recommendation: **FPT governments should expedite the implementation of key public performance reporting guidelines outlined in the PSAB Statement of Recommended Practice (SORP-2).**

This recommendation acknowledges that different governments are at different places in terms of their capacity for public performance reporting, and in terms of available information. It is important to note that this Statement only “offers general guidance. It is not prescriptive with respect to the structure of the report and is not intended as a template for a public performance report.”⁴⁴

⁴⁴ Public Sector Accounting Board (PSAB), *Statement of Recommended Practice: Public Performance Reporting (SORP-2)*, September 2006, paragraph 2.

However, as the FPT agreements suggest, and as the Statement clearly states

the main purpose of a public performance report is to explain in a clear and concise manner the extent to which intended **goals** and **objectives** were achieved and at what cost. Previously, entities focused their attention mainly on **inputs** and **activities**. The primary concern was what resources were being used and how they were being used. These matters continue to be important. However, there is now an increased focus on what is actually being achieved with the resources consumed, in relation to what was planned.⁴⁵

While much has been accomplished in public reporting to date, our analysis confirms that much more work remains in order to meet this public performance reporting objective, so clearly highlighted in the FPT agreement (quoted earlier).

In order to break down this overarching recommendation into manageable short term pieces, we offer the following 5 specific recommendations:⁴⁶

- 1. Implement immediate improvements to public reporting;**
- 2. Involve stakeholders;**
- 3. Focus on the few critical aspects of performance;**
- 4. Develop plans, with targets and benchmarks for quality, affordability and accessibility; and**
- 5. Audit the public reports.**

1. Implement immediate improvements to public reporting

In addition to learning from each other, we recommend that FPT governments take immediate steps to improve public reporting as follows:

- To improve ease of access, the provincial links on the main federal ECD website should link citizens *directly* to a central provincial or territorial site where all public reporting related to ECD, including child care services, can be found in one place. Make sure all reports are available, from the baseline onwards. Provide printer-friendly versions of the reports without pictures. Provide a contact to obtain written copies of the reports, and find ways for those without regular internet access to get information about the reports. (For instance, distribute summaries or pamphlets to places convenient to parents and child care workers so that information about the reporting is more widely available.)
- To improve clarity, date all reports with the actual release date and ensure they are appropriately notated if subsequently amended.
- To improve both clarity and ease of access, provide a summary in or with each report that captures key public policy and investment changes over time. Include total investment in major categories of programs (for example, and as outlined in the investment chart used in this project, ECD-child care services, ECD-income supports, ECD-all other programs and services).
- To improve comprehensiveness and comparability of reporting, in the next public report provide

⁴⁵ Public Sector Accounting Board (PSAB), *Statement of Recommended Practice: Public Performance Reporting* (SORP-2), September 2006, paragraph 3.

⁴⁶ Relevant sections of SORP-2 as follows: recommendation 2 (Paragraphs 11, 12, 75, 78, 82); recommendation 3 (Paragraphs 34, 35, 36); recommendation 4 (Paragraphs 15, 16, 50); recommendation 5 (Paragraph 77).

tables that not only show new financial and non-financial indicators but also trace changes in all ECD programs, including child care services, from the baseline and in each subsequent year. As noted previously, some jurisdictions have already developed these tables for their financial information. While it may involve some time to go back and find missing information, all provinces and territories have been provided with a detailed spreadsheet identifying the information gaps that precluded us from being able to complete the investment chart – hopefully this will help pinpoint the areas requiring further follow up or clarification. We acknowledge that sometimes information needs to be revised in subsequent reports. Improving and correcting information is important, but the reader should be able to clearly understand and trace the changes.

- To improve on clarity, adopt a comparable template. While FPT governments have broadly agreed on a shared framework for reporting on how their investments are improving and expanding services,⁴⁷ there is still a general lack of consistency in reporting. Our review of the public reports suggests that there are common programs and approaches across the country, so a common, high level reporting template should be achievable. Such commonality recognizes that individual programs may differ across the country, but that at a certain level the reporting on financial and non-financial indicators can be done consistently.

2. Involve stakeholders

Governments have made broad commitments to citizen engagement, both through FPT agreements and through the PSAB public performance reporting recommended practices. With the commitments to citizen engagement in mind we recommend that FPT governments:

- **Establish a mechanism** for a broad range of citizens (including parents, child care workers and employers, advocates, researchers and academics) to be involved in developing goals and plans and monitoring results.⁴⁸ Community consultations and input may also be needed.⁴⁹
- **Provide resources and infrastructure** at FPT government levels to support a comprehensive approach to citizen engagement. Throughout this project we've heard from researchers and academics in particular about the uniqueness of our project work. Yet our project has relied on the volunteer work of the people committed to child care at the CCAAC and in provinces and territories who, on their own time, find ways to try to engage in policy discussions. While we believe that this project has supported some capacity-building in communities, the reality is that communities do not have the resources to actively participate in this kind of citizen engagement on their own – even if they are invited to.
- **Develop and implement a defined role for legislators** as the primary users of public reports. Governments must be seen as central stakeholders in the accountability process. As the CCAF-FCVI states, "Governments should be the primary user of performance measurement and information" as this information can "provide a sound basis for helping the Legislature hold the government to account."⁵⁰

⁴⁷ See http://www.ecd-elcc.ca/en/ecd/ecd_sharedframe.shtml

⁴⁸ At a minimum, following the PSAB's recommendation, public reporting should describe the extent to which users were involved in the report and in the selection of performance measures. See: *Public Sector Accounting Board (PSAB), Public Performance Reporting: Guide to Preparing Public Performance Reports*, May 2007, p. 13. http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf

⁴⁹ Although community members express frustration at how some government consultations are conducted, and the limited impact that these consultations have on resulting child care policy and funding.

⁵⁰ CCAF-FCVI, *Users & Uses: Towards Producing and Using Better Public Performance Reporting: Perspectives and Solutions*, 2006, p. 11.

3. Focus on the Few Critical Aspects of Performance

The PSAB recommendations regarding public performance reporting suggest that the chosen indicators should focus on the few critical aspects of performance. Governments should work with stakeholders to determine which indicators are critically important to improving access to quality, affordable child care services.

For example, we noted previously that some of the most relevant and significant performance indicators for child care services (parent fees and child care worker wages) are not widely reported by governments, even though their importance is acknowledged in several public reports:

“The cost of licensed early childhood education and care programs is one of the most significant barriers to participation for families with young children. Despite the relatively high cost to parents, fees charged in licensed programs do not allow the centres to provide wages and benefits commensurate with the level of education and responsibility of early childhood educators.” (Prince Edward Island, 2002/03, p. 36)

“The most critical factor inhibiting quality in the child care sector in ... Canada may likely be the challenges in attracting and retaining adequate numbers of trained and highly skilled staff.” (Nova Scotia, 2003/04, p. 24)

Based on the existing FPT objectives of improved access to quality, affordable child care services, the PSAB guidelines, the experience in and views of the child care community, and the research and international evidence, we recommend that FPT governments consider the following **Key Child Care Performance Indicators** as the few critical aspects of performance:

KEY CHILD CARE PERFORMANCE INDICATORS		
Objective	General Indicator	Suggested Specific Indicator
Improved Quality	Training	Number of staff with professionally-recognized training
	Staff Compensation	Average hourly wage, including benefits
Improved Affordability	Fees	Average parent fees, by age group and care type
	Subsidies	Monthly average # of children or families on subsidies; monthly average subsidy per child
Improved Availability and/or Accessibility	Spaces – general	% of children with access to regulated space (requires information on # children and # spaces)
	Spaces – inclusive	% of children from various targeted groups (Aboriginal communities, children with disabilities) with access to regulated space

In making this recommendation, we acknowledge that all of this data may not currently exist for each jurisdiction. A data collection strategy may be required, and of course there will be an associated cost. However, we believe that these indicators are so essential to effective child care public policy and investments that all reasonable efforts should be made to collect and track this data.

4. Develop plans, with targets and benchmarks for quality, affordability and accessibility

The PSAB recommendations speak to the importance of planning for effective management (e.g. paragraphs 14-16), yet the lack of public plans was notable in the public reporting reviewed to date. This is perhaps not surprising because the ECD/Multilateral Agreements do not require a plan to be developed; only that governments demonstrate service improvements.

While some of the annual public reports include some elements of child care plans, none report:

- Targets or benchmarks for critical aspects of child care service quality, affordability and accessibility; or
- Planned as compared to actual results, explaining significant variances arising.

Therefore, we recommend that once the few critical aspects of performance are agreed upon, FPT governments should develop long-term goals and shorter-term plans that specifically address each indicator. The development of targets for key indicators should help to break down the overall goals and objectives into measurable components of quality, affordability and accessibility.⁵¹

5. Audit the Public Reports

While the PSAB does not actually recommend that governments obtain an external audit opinion on their public performance reports, it does note that “external assurance can add credibility to a public performance report, which further enhances confidence in the report” (paragraph 77). The recommendation goes on to suggest factors that governments might consider in deciding to obtain an external audit opinion.

Regrettably for those of us who firmly believe in the important role governments play in advancing the public good, our experience in this project affirms other research describing public cynicism about government’s public performance reporting. As a result, we believe that an external audit would add credibility to the public reports.

Even more fundamentally, it is critical for us to note that our review of the public reporting neither resembled, nor could it take the place of, an external audit. We did not have the mandate, the authority or the resources to confirm the accuracy of the information provided by governments in their public reports, the reasonableness of the estimates used or the appropriateness of the methodology employed.

⁵¹ Some of these performance targets may already be established in departmental business plans, but it is important that they are reflected in the public performance reports as well. PSAB states that “Users should be able to use the public performance report to understand reported performance without having to consult other documents.” (paragraph 37).

CONCLUSION

While we believe that public reporting is a key component of an effective accountability framework, we acknowledge and share the accountability concerns that have been raised throughout this project. Many are worried about the growing reliance on public reporting as *the* accountability mechanism in the public sector. We heard from those who fear that other important elements of an accountability framework – the ‘accountability goalposts’ that include service and reporting standards and a defined role for legislators – appear to have diminished or disappeared at the same time as public performance reporting has grown in importance.

Without strong accountability goalposts in place, questions remain about the effectiveness of a process that relies solely on public review of government’s reports. Can the public effectively review information that is neither standardized nor audited? Can the public effectively evaluate progress based on a general political intent to improve and expand early learning and child care services?

These questions are integral to the analyses, observations and recommendations contained in this report. Our project findings indicate that the public reports issued to date under the FPT Agreements are not yet living up to the promises of accountability and transparency. And given the increasing primacy that governments are placing on public reporting, this is a serious problem.

The mandate of our project involved working with communities to assess the existing public reports, to confirm whether or not the commitments made in the FPT agreements are clearly fulfilled. While several of the public reports analyzed through this project show evidence of improvement trends for child care service quality and availability, few have clear public reporting that allows the public to easily track progress through 2005/06 and none meet all of the performance and reporting requirements outlined in the ECD/Multilateral Agreements.

The public reporting gaps identified throughout this report are applicable across the political spectrum and frequently involve previous, rather than sitting, governments. Nonetheless, child care exists in a politicized context and so we can anticipate public critiques of governments arising from this report. We would like to point out that with criticism comes responsibility.

Under this project, we had a responsibility to fairly assess the extent to which public reporting demonstrated that the objectives and requirements of the FPT agreements were achieved. Our report provides specific recommendations for improvement, all of which fall within existing public performance reporting recommendations.

It is equally important to note that adopting these recommendations will help to solidify the accountability goalposts. Improved public reporting which is audited and follows the recommendations issued by the Public Sector Accounting Board will increase standardization and, ultimately, the public’s ability to effectively review the information. The inclusion of stakeholders, particularly legislators, in goal-setting,

planning and determining key performance indicators will provide benchmarks that increase the public's ability to effectively evaluate progress.

That's why all legislators, the media and the general public have a responsibility to be involved in the public reporting process.

But this public responsibility must be balanced with the reality that communities lack the time and resources required to engage extensively with governments. Furthermore, widespread cynicism about the public's ability to actually achieve meaningful public policy dialogue with governments must be addressed. A serious commitment to citizen engagement requires significant support for community participation.

Projects like MTC are a good start. Throughout the course of our work, the project has been met with keen interest, and we have received very positive feedback from many who have used the project tools and analysis to advance the work in their own communities. As a distinctive experiment in citizen engagement, MTC provides a glimpse into the potentially powerful role that the public could play, if community capacity-building was truly integral to the accountability framework.

Given the time and effort that communities across Canada have lent to this project, we hope that governments will now accept their responsibility to use this and other feedback to improve their public reporting in the future.

In fact, we would suggest that this is a critical moment in the evolution of accountability for federal transfers to provinces and territories, and that our analysis makes a valuable and timely contribution. The findings of this project demonstrate that the existing FPT public reporting does not currently fulfil the accountability expectations outlined under the ECD/Multilateral Agreements or those promoted by the Public Sector Accounting Board.

Whether or not public reporting on its own can ever provide sufficient accountability, as some propose, remains an open question. But one thing is crystal clear – in order for public reporting to make a meaningful contribution to accountability, FPT governments must expedite the implementation of key public performance reporting recommendations.

An effective public reporting process *Makes the Connections* between public policy, public funding and public accountability – all of which are essential to improving access to quality, affordable child care services.