

OFFICE OF THE COMPTROLLER GENERAL

MINISTERIAL ACCOUNTABILITY REPORT 2020/21



Ministerial Accountability Report

Ministry of Finance
Office of the
Comptroller General

For the Fiscal Year Ended
March 31, 2021



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July 28, 2021
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2020/21. This is the nineteenth report required under the *Balanced Budget and Ministerial Accountability Act*.

SELINA ROBINSON
Minister of Finance

July 28, 2021
Victoria, British Columbia

Honourable Selina Robinson
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expenses, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- Individual responsibilities—for members of the Executive Council with non-financial responsibilities, a list of expected and actual results as described for the member; and
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

CARL FISCHER
Comptroller General

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Ministerial Accountability for the Fiscal Year Ended March 31, 2021

The *Balanced Budget and Ministerial Accountability Act* (BBMAA) holds Ministers responsible, individually and collectively, for ensuring: Ministries operate within their budgets; government meets its overall financial commitment; and that Ministers of State with responsibility for non-financial targets meet their targets. The BBMAA ties Ministers' salaries directly to financial and non-financial targets. The Ministerial Accountability Report communicates the results.

The BBMAA requires that a comparison of expected and actual performance results be released with the Public Accounts. This reporting is separate from any other performance reporting requirements, such as the service plan reports required of each Minister under the *Budget Transparency and Accountability Act*.

The BBMAA requires a holdback of 20% of ministerial salaries until release of the Public Accounts for that fiscal year. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all Ministers participate, and half is related to individual ministerial responsibilities for meeting expense or non-financial targets. The government as a whole must meet its provincial budget target in order for Ministers to be entitled to receive the 10% collective holdback. Ministers and Ministers of State earn the other 10% by meeting their ministry budget or non-financial targets, which is their individual responsibility. Where requirements are met, the holdback for Ministers responsible for operating expense is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the BBMAA is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies and the government reporting entity applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2020/21 may be summarized as follows:

- If a summary surplus is forecast and the actual surplus is at least 50% of the estimate, the collective holdback is repayable.
- In any other case, if there is not a deficit the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the BBMAA are based on:

- Ministry spending for ministers with operating expense responsibilities.
- Specified expected results for Ministers of State with responsibility for non-financial targets.

Ministerial Accountability for the Fiscal Year Ended March 31, 2021—Continued

The BBMAA requires that the following information be reported:

- Schedule F of the Estimates discloses the individual ministerial financial targets for the fiscal year. If during the fiscal year a government reorganization takes place, as described in Section 1 of the legislation, or if a reallocation of spending authority occurs under a vote that authorizes spending by more than one Minister, as described in Section 6, a revised Schedule F must be published that discloses the revised operating expenses that are the responsibility of each Minister.
- The operating expense targets for 2020/21 are the amounts stated in the revised Schedule F.
- A comparison of actual results and the estimated amounts published in the revised Schedule F for the fiscal year ending March 31, 2021.
 - ◊ Where responsibilities were shared or changed during the year, actual spending is shown against the responsible Ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the revised Schedule F.
 - ◊ Changes and shared responsibilities are measured in monthly proportions of this annual result and are included in the applicable Minister's targeted and actual result amounts for the period of time they held the responsibility. Note that Contingencies (all ministries) and New Programs are the responsibility of the Minister of Finance.
- Actual results for Ministers of State with responsibility for non-financial targets are taken from the 2021 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 3/2020, 4/2020, 81/2021, and 83/2021.
- The Ministerial Salary Holdback Repayment Results schedule discloses amounts for all ministers held accountable under the BBMAA.
- The *Budget Measures Implementation Act (No. 2), 2009*, amended the BBMAA to remove statutory spending (Special Accounts, and statutory appropriations not included in the Estimates) from the individual responsibilities. The collective responsibilities are not affected by this change.

Ministerial Accountability Report Summary of Schedules

Comparison of Expected Results to Actual Results—this statement discloses the results of comparing actual operating expenses of the government as a whole, and individual ministries, against the financial targeted operating expenses.

This statement shows for each Minister with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount that must be made public with the Estimates under Section 6(1) of the BBMAA. This estimated amount is described in Section 5(1) of the BBMAA and represents the targeted operating expenses that are the responsibility of the Minister as set out in the main Estimates for the Fiscal Year Ending March 31, 2021, which includes any adjustments to reflect enacted legislation.

During the fiscal year, if a government reorganization takes place as described in Section 1 of the BBMAA, a revised Schedule F must be published that sets out the targeted operating expenses that are the responsibility of the Minister.

The statement also discloses the actual amount of operating expenses for each Minister as required under Section 6(2) of the BBMAA and communicates whether or not the collective and individual responsibility targets have been successfully achieved.

Comparison of Non-financial Targets to Results Achieved—this statement has been prepared in order to communicate the non-financial targets established through regulation and the results achieved by the responsible Ministers of State. In addition to the financial accountability reporting under the BBMAA, non-financial results are also required. Results are taken from the annual public service plan reports of each Minister or Minister of State.

Ministerial Salary Holdback Repayment Results—this statement discloses the amounts of the salary holdbacks of the responsible Ministers for both collective and individual results. These holdbacks are repayable based on the results achieved as communicated through this Ministerial Accountability Report.

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2021 Collective Responsibilities Results

	In Thousands			Actual Results Within Target
	Estimates Expected Results	Actual Results	Variance	
Summary Financial Statements Surplus (Deficit)	\$	\$	\$	
Provincial Budget Target per Estimates March 31, 2021 and actual results shown in Public Accounts' Statement of Operations.....	227,000	(5,467,959)	(5,694,959)	
Summary Surplus (Deficit) for <i>Balanced Budget and Ministerial Accountability Act</i> purposes.....	227,000	(5,467,959)	(5,694,959)	No

Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities

	In Thousands			Actual Spending Within Targets
	Expected Results ^{1,2}	Actual Results	Variance	
	\$	\$	\$	
Premier.....	11,334	11,203	(131)	Yes
Minister of Advanced Education and Skills Training.....	2,835,318	2,642,098	(193,220)	Yes
Minister of Agriculture, Food and Fisheries.....	82,204	82,171	(33)	Yes
Minister of Attorney General.....	947,030	892,330	(54,700)	Yes
Minister of Children and Family Development.....	2,228,446	2,220,689	(7,757)	Yes
Minister of Citizens' Services.....	551,915	548,891	(3,024)	Yes
Minister of Education.....	7,537,264	7,415,453	(121,811)	Yes
Minister of Energy, Mines and Low Carbon Innovation.....	110,935	110,783	(152)	Yes
Minister of Environment and Climate Change Strategy.....	209,614	207,746	(1,868)	Yes
Minister of Finance.....	12,299,670	11,061,726	(1,237,944)	Yes
Minister of Forests, Lands, Natural Resource Operations and Rural Development.....	629,297	626,596	(2,701)	Yes
Minister of Health.....	23,049,890	22,609,384	(440,506)	Yes
Minister of Indigenous Relations and Reconciliation.....	86,566	80,906	(5,660)	Yes
Minister of Jobs, Economic Recovery and Innovation.....	87,870	87,702	(168)	Yes
Minister of Labour.....	17,185	17,176	(9)	Yes
Minister of Mental Health and Addictions.....	9,712	9,712	0	Yes
Minister of Municipal Affairs.....	718,444	635,212	(83,232)	Yes
Minister of Public Safety and Solicitor General.....	843,589	842,328	(1,261)	Yes
Minister of Social Development and Poverty Reduction.....	3,682,480	3,681,738	(742)	Yes
Minister of Tourism, Arts, Culture and Sport.....	191,731	181,210	(10,521)	Yes
Minister of Transportation and Infrastructure.....	929,077	926,233	(2,844)	Yes
Total Individual Responsibilities Results.....	57,059,571	54,891,287	(2,168,284)	

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2021—Continued

Reconciliation of Summary Accounts Surplus (Deficit) to Stated Estimates Amount

In Thousands

	Expected Results ^{1,2}	Actual Results	Variance
	\$	\$	\$
Consolidated Revenue Fund Revenue	48,276,000	48,316,999	40,999
Less: Total Expenses from Individual Responsibilities Results.....	(57,059,571)	(54,891,287)	2,168,284
Estimates not included under the <i>Balanced Budget and Ministerial Accountability Act</i> :			
Less: Legislative Assembly.....	(85,014)	(79,467)	5,547
Less: Officers of the Legislature.....	(75,846)	(73,587)	2,259
Less: Special Accounts (Statutory).....	(1,069,329)	(1,507,163)	(437,834)
Plus: Inter-account and inter-fund transfers.....	61,760	331,073	269,313
Elimination of transactions between appropriations.....	20,000	14,863	(5,137)
Less: Other Statutory Appropriations not provided for in the Estimates.....		(1,676,770)	(1,676,770)
Total Consolidated Revenue Fund Operating Result.....	(9,932,000)	(9,565,339)	366,661
Plus: Taxpayer-supported Crown corporations and agencies earnings (loss)....	1,624,000	1,872,042	248,042
Plus: Self-supported Crown corporations and agencies earnings (loss).....	835,000	2,225,338	1,390,338
Less: Forecast allowance.....	(300,000)		300,000
Adjusted Summary Accounts Estimated Surplus (Deficit).....	(7,773,000)	(5,467,959)	2,305,041
Plus: Supplementary Estimates not included in Summary Surplus target.....	8,000,000		(8,000,000)
Actual Result shown in Public Accounts' Statement of Operations.....	227,000	(5,467,959)	(5,694,959)

¹The Ministry of Finance is accountable under the BBMAA for budgeted contingency amounts and their spending; therefore, both the contingency allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and the Ministerial Appropriations schedules published on the Ministry of Finance website at <http://gov.bc.ca/finance>.

²Expected Results are as disclosed in the revised Schedule F.

Comparison of Non-financial Targets to Results Achieved for the Ministers With Responsibility for Non-financial Targets for the Fiscal Year Ended March 31, 2021

<u>Expected Results</u>	<u>Results Achieved</u>
Minister of State for Child Care	
(a) continue to implement initiatives that support government's universal child care plan that provides affordable, accessible, inclusive and high-quality care and early learning for every child whose family wants or needs it;	Yes
(b) together with the federal government, engage in activities aimed at renewing the Bilateral Early Learning and Child Care Framework agreement;	Yes
(c) continue to engage with all levels of government, child care providers and the private and not-for-profit sectors to further inform implementation of the plan for universal child care;	Yes
(d) submit to Cabinet a report on the results referred to in paragraphs (a) through (c) on or before March 31, 2021.	Yes
Minister of State for Trade	
(a) promote the 2020 BC Export Awards;	Yes
(b) continue to participate in B.C. trade-related events including those organized by the Canadian Manufacturers & Exporters that aim to increase export opportunities for B.C. businesses;	Yes
(c) promote the benefits of free trade agreements to help B.C. businesses leverage new opportunities;	Yes
(d) continue to support Forestry Innovation Investment Ltd.'s efforts to actively maintain, create and diversify demand for B.C.'s manufactured wood products in key international markets;	Yes
(e) continue to work collaboratively with the Minister of Tourism, Arts and Culture to emphasize the importance of B.C.'s tourism industry on international trade missions and when engaging with the international delegations, the consular community in B.C. and other trade-related stakeholders;	Yes
(f) continue to promote B.C. food and agricultural exports in collaboration with the Minister of Agriculture;	Yes
(g) continue to participate in opportunities for expanding exports in the manufacturing sector;	Yes
(h) submit to Cabinet a report on the results referred to in paragraphs (a) through (g) on or before March 31, 2021.	Yes

Comparison of Non-financial Targets to Results Achieved for the Ministers With Responsibility for Non-financial Targets for the Fiscal Year Ended March 31, 2021—Continued

<u>Expected Results</u>	<u>Results Achieved</u>
Minister of State for Infrastructure	
(a) work with the Minister of Transportation and Infrastructure to develop a plan that will advance critical transportation infrastructure;	Yes
(b) support the work of the TransLink Mayors' Council 10-year planning process to extend the Millennium Line to Arbutus Street, with an eventual terminus at UBC, and ensure prompt design and construction of the Surrey-Langley Skytrain;	Yes
(c) support planning to improve the movement of goods and people in the Fraser Valley, including the widening of Highway 1;	Yes
(d) advance the work to replace the Massey crossing;	Yes
(e) support the work of the Pattullo Bridge Replacement Project to ensure a successful completion;	Yes
(f) support the planning and development of key transit projects, like high-speed transit links for the North Shore and the expansion of rail up the Fraser Valley;	Yes
(g) submit to Cabinet a report on the results referred to in paragraphs (a) through (f) on or before March 31, 2021.	Yes
Minister of State for Lands and Natural Resource Operations	
(a) continue to implement our government's partnership approach model to modernizing land use plans with Indigenous nations;	Yes
(b) continue to engage with all levels of government and across government, with communities, people and business, to deliver the ministry's economic recovery projects for the benefit of rural communities in every corner of this province;	Yes
(c) engage with the Minister's Wildlife Advisory Council as they initiate their work informing new strategies for wildlife and habitat;	Yes
(d) submit to Cabinet a report on the results referred to in paragraphs (a) through (c) on or before March 31, 2021.	Yes

Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2021

	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable ¹
	\$	\$	\$
Members of the Executive Council without Operating Expense Responsibilities			
Minister of State for Child Care.....	3,886	3,886	3,886
Minister of State for Trade.....	3,886	3,886	3,886
Minister of State for Infrastructure.....	3,886	3,886	3,886
Minister of State for Lands and Natural Resource Operations.....	3,886	3,886	3,886
	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable
	\$	\$	\$
Members of the Executive Council with Operating Expense Responsibilities			
Premier.....	9,992	9,992	9,992
Minister of Advanced Education and Skills Training.....	5,551	5,551	5,551
Minister of Agriculture, Food and Fisheries.....	5,551	5,551	5,551
Minister of Attorney General.....	5,551	5,551	5,551
Minister of Children and Family Development.....	5,551	5,551	5,551
Minister of Citizens' Services.....	5,551	5,551	5,551
Minister of Education.....	5,551	5,551	5,551
Minister of Energy, Mines and Low Carbon Innovation.....	5,551	5,551	5,551
Minister of Environment and Climate Change Strategy.....	5,551	5,551	5,551
Minister of Finance.....	5,551	5,551	5,551
Minister of Forests, Lands, Natural Resource Operations and Rural Development.....	5,551	5,551	5,551
Minister of Health.....	5,551	5,551	5,551
Minister of Indigenous Relations and Reconciliation.....	5,551	5,551	5,551
Minister of Jobs, Economic Recovery and Innovation.....	5,551	5,551	5,551
Minister of Labour.....	5,551	5,551	5,551
Minister of Mental Health and Addictions.....	5,551	5,551	5,551
Minister of Municipal Affairs.....	5,551	5,551	5,551
Minister of Public Safety and Solicitor General.....	5,551	5,551	5,551
Minister of Social Development and Poverty Reduction.....	5,551	5,551	5,551
Minister of Tourism, Arts, Culture and Sport.....	5,551	5,551	5,551
Minister of Transportation and Infrastructure.....	5,551	5,551	5,551

¹Holdback amounts are reported on the accrual basis. Ministers may be in a position less than a year; therefore, holdback amounts may vary.

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