

OFFICE OF THE  
COMPTROLLER  
GENERAL

.....  
MINISTERIAL  
ACCOUNTABILITY  
REPORT  
.....

*2016/17*



BRITISH  
COLUMBIA

# Ministerial Accountability Report

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Ministry of Finance  
Office of the  
Comptroller General

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For the Fiscal Year Ended  
March 31, 2017



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*August 22, 2017  
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 2016/17. This is the fifteenth annual report required under the *Balanced Budget and Ministerial Accountability Act*.

CAROLE JAMES  
*Minister of Finance*

August 22, 2017  
Victoria, British Columbia

Honourable Carole James  
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  
*Acting Comptroller General*

# Contents

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## **Reporting Requirements under the *Balanced Budget and Ministerial Accountability Act***

<i>Ministerial Accountability</i> .....	7
<i>Collective Responsibilities</i> .....	7
<i>Individual Responsibilities</i> .....	7
<i>Ministerial Accountability Report Summary of Schedules</i> .....	9

## **Reporting Results**

<i>Collective Responsibilities Results</i> .....	10
<i>Individual Responsibilities Results for Members of the Executive Council</i> <i>with Operating Expense Responsibilities</i> .....	10
<i>Reconciliation of Summary Accounts Surplus (Deficit) to Stated Estimates Amount</i> .....	11
<i>Comparison of Non-financial Targets to Results Achieved for Ministers of State With</i> <i>Responsibility for Non-financial Targets</i> .....	12
<i>Ministerial Salary Holdback Repayment Results</i> .....	13

## Ministerial Accountability for the Fiscal Year Ended March 31, 2017

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 the 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 applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2016/17 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, 2017—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 2016/17 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, 2017.
  - ◊ 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 2017 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 13/2016 and 23/2017.
- 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, 2017, 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, 2017 Collective Responsibilities Results

	In Thousands			Actual Results Within Target
	Estimates Expected Results	Actual Results	Variance	
<b>Summary Financial Statements Surplus (Deficit)</b>	\$	\$	\$	
Provincial Budget Target per Estimates March 31, 2017 and actual results shown in Public Accounts' Statement of Operations.....	264,000	2,736,738	2,472,738	
Adjustment due to changes in the Government Reporting Entity since the March 31, 2017 published Estimates <sup>1</sup> .....	_____	(191,061)	(191,061)	
<b>Summary Surplus (Deficit) for <i>Balanced Budget and Ministerial Accountability Act</i> purposes.....</b>	<b><u>264,000</u></b>	<b><u>2,545,677</u></b>	<b><u>2,281,677</u></b>	<b>Yes</b>

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

	In Thousands			Actual Spending Within Targets
	Expected Results <sup>2,3</sup>	Actual Results	Variance	
	\$	\$	\$	
Premier.....	8,998	8,989	(9)	Yes
Minister of Aboriginal Relations and Reconciliation.....	81,160	76,836	(4,324)	Yes
Minister of Advanced Education.....	2,292,851	2,160,459	(132,392)	Yes
Minister of Agriculture.....	69,472	69,248	(224)	Yes
Minister of Children and Family Development.....	1,451,160	1,446,947	(4,213)	Yes
Minister of Community, Sport and Cultural Development.....	248,532	248,105	(427)	Yes
Minister of Education.....	6,025,631	5,966,898	(58,733)	Yes
Minister of Energy and Mines.....	25,912	25,907	(5)	Yes
Minister of Environment.....	129,010	128,856	(154)	Yes
Minister of Finance.....	2,906,678	2,740,435	(166,243)	Yes
Minister of Forests, Lands and Natural Resource Operations..	493,126	491,257	(1,869)	Yes
Minister of Health.....	18,326,561	18,157,567	(168,994)	Yes
Minister of International Trade.....	50,291	50,271	(20)	Yes
Minister of Jobs, Tourism and Skills Training.....	196,234	196,206	(28)	Yes
Minister of Justice.....	493,079	492,004	(1,075)	Yes
Minister of Natural Gas Development.....	459,466	456,231	(3,235)	Yes
Minister of Public Safety and Solicitor General.....	666,552	666,551	(1)	Yes
Minister of Small Business and Red Tape Reduction.....	3,862	3,803	(59)	Yes
Minister of Social Development and Social Innovation.....	2,739,239	2,739,137	(102)	Yes
Minister of Technology, Innovation and Citizens' Services.....	491,997	490,532	(1,465)	Yes
Minister of Transportation and Infrastructure.....	872,646	866,097	(6,549)	Yes
<b>Total Individual Responsibilities Results.....</b>	<b><u>38,032,457</u></b>	<b><u>37,482,336</u></b>	<b><u>(550,121)</u></b>	

## Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2017—Continued

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

	In Thousands		
	Expected Results <sup>2,3</sup>	Actual Results	Variance
	\$	\$	\$
Consolidated Revenue Fund Revenue .....	38,402,000	41,850,559	3,448,559
Less: Total Expenses from Individual Responsibilities Results.....	(38,032,457)	(37,482,336)	550,121
Estimates not included under the <i>Balanced Budget and Ministerial Accountability Act</i> :			
Less: Legislation.....	(69,565)	(64,469)	5,096
Less: Officers of the Legislature.....	(53,576)	(52,029)	1,547
Less: Special Accounts (Statutory).....	(452,402)	(1,480,791)	(1,028,389)
Plus: Inter-account and inter-fund transfers.....		738,042	738,042
Elimination of transactions between appropriations.....	16,000		(16,000)
Less: Other Statutory Appropriations not provided for in the Estimates.....		(1,322,538)	(1,322,538)
Total Consolidated Revenue Fund Operating Result.....	(190,000)	2,186,438	2,376,438
Plus: Taxpayer-supported Crown corporations and agencies earnings (loss) ....	511,000	807,582	296,582
Plus: Self-supported Crown corporations and agencies earnings (loss).....	293,000	(257,282)	(50,718)
Less: Forecast allowance.....	(350,000)		350,000
<b>Actual Result shown in Public Accounts' Statement of Operations.....</b>	<b>264,000</b>	<b>2,736,738</b>	<b>2,472,738</b>

<sup>1</sup>Adjustment made pursuant to the *Balanced Budget and Ministerial Accountability Act* section 7(1)(a) for the additions to the Government Reporting Entity of the Forest Enhancement Society of BC, the Real Estate Council of British Columbia, the Real Estate Foundation of British Columbia, and the Real Estate Errors and Omissions Insurance Corporation.

<sup>2</sup>The 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 [www.fin.gov.bc.ca](http://www.fin.gov.bc.ca).

<sup>3</sup>Expected 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, 2017

<u>Expected Results</u>	<u>Results Achieved</u>
<b>Minister of State for Emergency Preparedness</b>	
(a) engage with British Columbia's provincial and territorial counterparts, local governments, First Nations and external partners in participation with the federal government to meet Canada's mandated commitment to better predict, prepare for, and respond to weather-related emergencies and natural disasters;	Yes
(b) support the Minister of Transportation and Infrastructure in finalizing discussions respecting the New Building Canada Fund and the National Disaster Mitigation Program;	Yes
(c) continue working with Emergency Management BC to support the implementation of initiatives that contribute to the delivery of Emergency Management BC's mandate;	Yes
(d) work with Emergency Management BC to support the conduct of Exercise Coastal Response, a full-scale earthquake and tsunami response exercise expected to be implemented in the Port Alberni region in June 2016;	Yes
(e) support further development of the BC Earthquake Immediate Response Plan based on the lessons learned from Exercise Coastal Response described in paragraph (d);	Yes
(f) continue to promote emergency preparedness within British Columbia;	Yes
(g) review legislation respecting emergency preparedness and fire prevention, suppression and investigation to determine whether to make recommendations about legislative changes;	Yes
(h) submit to Cabinet a report on the results referred to in paragraphs (a) to (g) on or before March 31, 2017.	Yes
<b>Minister of State for Rural Economic Development</b>	
(a) provide advice to government on ways to improve rural economic development by working with the Rural Advisory Council to develop a new rural economic development strategy by March 31, 2017;	Yes
(b) develop performance metrics that measure project outcomes and benefits to rural BC for the Rural Dividend Program by March 31, 2017;	Yes
(c) finalize funding announcements for the second intake of the Rural Dividend Program by March 31, 2017;	Yes
(d) support the Rural Education Strategy initiative by completing a discussion paper respecting rural school closures for the Ministry of Education by March 31, 2017;	Yes
(e) develop a community outreach workplan to encourage dialogue on economic development and diversification initiatives in communities impacted by the mountain-pine beetle and schedule delivery of one community outreach session, prior to March 31, 2017, by working with the Ministry of Community, Sport and Cultural Development and the Ministry of Jobs, Tourism and Skills Training;	Yes
(f) submit to Cabinet a report on the results referred to in paragraphs (a) through (e) on or before March 31, 2017.	Yes

## Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2017

	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable <sup>1</sup>
	\$	\$	\$
<b>Members of the Executive Council without Operating Expense Responsibilities</b>			
Minister of State for Emergency Preparedness.....	3,640	3,640	7,280
Minister of State for Rural Economic Development <sup>2</sup> .....	1,616	1,616	3,232

	Collective Fiscal Holdback	Annual Report Holdback Repayable	Total Holdback Repayable
	\$	\$	\$
<b>Members of the Executive Council with Operating Expense Responsibilities</b>			
Premier.....	9,361	9,361	18,722
Minister of Aboriginal Relations and Reconciliation.....	5,200	5,200	10,400
Minister of Advanced Education.....	5,200	5,200	10,400
Minister of Agriculture.....	5,200	5,200	10,400
Minister of Children and Family Development.....	5,200	5,200	10,400
Minister of Community, Sport and Cultural Development.....	5,200	5,200	10,400
Minister of Education.....	5,200	5,200	10,400
Minister of Energy and Mines.....	5,200	5,200	10,400
Minister of Environment.....	5,200	5,200	10,400
Minister of Finance.....	5,200	5,200	10,400
Minister of Forests, Lands and Natural Resource Operations.....	5,200	5,200	10,400
Minister of Health.....	5,200	5,200	10,400
Minister of International Trade.....	5,200	5,200	10,400
Minister of Jobs, Tourism and Skills Training.....	5,200	5,200	10,400
Minister of Justice.....	5,200	5,200	10,400
Minister of Natural Gas Development.....	5,200	5,200	10,400
Minister of Public Safety and Solicitor General.....	5,200	5,200	10,400
Minister of Small Business and Red Tape Reduction.....	5,200	5,200	10,400
Minister of Social Development and Social Innovation.....	5,200	5,200	10,400
Minister of Technology, Innovation and Citizens' Services.....	5,200	5,200	10,400
Minister of Transportation and Infrastructure.....	5,200	5,200	10,400

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

<sup>2</sup>Established October 21, 2016.

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