

QUICK REFERENCE GUIDE TO THE BC PERFORMANCE REPORTING PRINCIPLES

PURPOSE OF THIS GUIDE

This guide is intended primarily for use by Members of the Legislative Assembly of British Columbia. It explains:

- what the “BC Reporting Principles” are,
- how the principles are being used to strengthen government’s performance reporting, and
- how legislators can encourage meaningful reporting to the public.

WHAT ARE THE BC PERFORMANCE REPORTING PRINCIPLES?

Reporting principles serve as a guide to help government know what it should report to the public each year about the planned and actual performance of ministries and Crown agencies.

In British Columbia, government, the Public Accounts Committee and the Auditor General agreed—in October 2003—that the BC Reporting Principles should form the basis for how service plans and annual service plan reports are written and assessed.

This consensus means there is agreement about the basis on which the provincial government should tell its performance story.

BC’S PERFORMANCE REPORTING PRINCIPLES

- 1 *Explain the public purpose served*
- 2 *Link goals and results*
- 3 *Focus on the few critical aspects of performance*
- 4 *Relate results to risk and capacity*
- 5 *Link resources, strategies and results*
- 6 *Provide comparative information*
- 7 *Present credible information, fairly interpreted*
- 8 *Disclose the basis for key reporting judgements*

WHY IS HAVING THESE REPORTING PRINCIPLES IMPORTANT?

The agreement on the BC Reporting Principles is significant because it means the debate is no longer about what constitutes good reporting. Efforts can now be focussed on achieving it.

The essence of being an elected representative of thousands of people is continuous two-directional reporting, from the people to government, and to the people on government performance.

J. Patrick Boyer, Q.C., past MP, 2003

WHAT ARE PERFORMANCE REPORTS?

Performance reports can take many forms, but in this guide the term refers to strategic and multi-year service plans and related annual reports published by the government and each of its ministries and Crown agencies.

WHY REPORT ON PERFORMANCE?

Performance reports are a key means by which government is able to report on its performance and is held accountable to the Legislative Assembly and the public for its planned and actual performance. The requirement to report in this way is at the heart of the Budget Transparency and Accountability Act.

The purpose of reporting on performance is to:

- encourage healthy debate of plans and priorities,
- allow assessment of government’s actual performance,
- engage the public’s interest in the business of government, and
- demonstrate to the public that government is open and accountable.

HOW ARE THE BC REPORTING PRINCIPLES BEING USED TO ACHIEVE GOOD REPORTING?

All parties in the accountability cycle—government (through its ministries and Crown agencies) and the Legislative Assembly, supported by the Auditor General—are working toward better performance reporting.

- Government, via its central agencies, has incorporated the BC Reporting Principles in its guidelines to ministries and Crown agencies on preparing service plans and annual service plan reports.
- The Auditor General, in his Building Better Reports series, now assesses the quality of the annual service plan reports against the BC Reporting Principles.
- Members of the public service who prepare the reports are using the Auditor General’s assessment of their organization’s report (as discussed in one-on-one sessions with them) to improve the quality of their annual service plan reports.
- The Select Standing Committee on Crown Corporations publicly reviews the service plans and annual service plan reports of Crown agencies against similar principles, and reports its findings to the Legislative Assembly. It is the only committee of the Legislative Assembly to carry out this public review of government performance reports.

Sustainable advances in reporting depend upon the information being demanded and used at all stages of governance, management and citizen interaction.

CCAF~FCVI Inc., 2002

HOW CAN MLAS ENCOURAGE MEANINGFUL PERFORMANCE REPORTING TO THE PUBLIC?

Legislators can take several steps to encourage better public performance reporting:

- ☑ **Create demand by using performance information**
By using performance reports in a regular and systematic way—in essence, by creating demand for performance information—legislators also create incentives for better reporting.
- ☑ **Communicate your expectations**
Reporting principles give legislators a platform from which to communicate what they want and need from performance reporting. Those in the public service who do the reporting will welcome the opportunity to discuss the quality of their reporting—to know whether they are “getting it right.”
- ☑ **Push for reporting standards**
The BC Reporting Principles establish a common language for performance reporting in the province’s public sector. By pushing for reporting standards throughout all levels of government and across Canada, legislators can help bring about a “new common currency of communication and transparency” (J.P. Boyer, Q.C.).

The Public Accounts Committee strongly encourages ministries and Crown agencies to work towards the goal of incorporating into their contracts with non-ministerial service delivery agencies the eight principles

BC’s Public Accounts Committee
October 2003

For more information . . .

- *Performance Reporting Principles for the British Columbia Public Sector* (Province of British Columbia and the Office of the Auditor General of BC, November 2003.) www.bcauditor.com/PUBS/2003-04/performance/ReportingPrinciplesNov2003.pdf
- Minutes of the Select Standing Committee on Public Accounts, 2003 Legislative Session: 4th Session 37th Parliament of British Columbia, October 16, 2003
- *Reporting Principles: Taking Public Performance Reporting to a New Level* (CCAF~FCVI Inc., 2002.) www.ccaf-fcvi.com
- *Building Active Accountability: A Legislators’ Introduction to Reporting Principles* (J. Patrick Boyer, Q.C., undated.) www.ccaf-fcvi.com

To comment . . .

Should you wish to comment on the usefulness of this guide or suggest ways to improve it, please contact the Office of the Auditor General of British Columbia at 8 Bastion Square, Victoria, BC V8V 1X4 or at <http://www.bcauditor.com>.

BC'S PERFORMANCE REPORTING PRINCIPLES

1 Explain the Public Purpose Served

Public performance reporting should explain why an organization exists and how it conducts its business, both in terms of its operations and in the fundamental values that guide it. This is important to interpreting the meaning and significance of the performance information being reported.

2 Link Goals and Results

Public performance reporting should identify and explain the organization's goals, objectives and strategies, and describe how the results relate to the goals, objectives and strategies.

3 Focus on the Few, Critical Aspects of Performance

Public performance reporting should focus on the few, critical aspects of performance. "Few" means that the number of goals, objectives and performance measures are limited in number. "Critical" refers to significance, relevance and the focus on results.

4 Relate Results to Risk and Capacity

Public performance reporting should report results in the context of an organization's risks and its capacity to deliver its programs, products and services. "Risk" is the chance of something happening that will have an impact upon objectives. "Capacity" refers to the ability of an organization to achieve its intended results now and in the future.

5 Link Resources, Strategies and Results

Public performance reporting should link financial and performance information to show how resources and strategies influence results. Related to this is how efficiently the organization achieves its results.

6 Provide Comparative Information

Public performance reporting should provide comparative information about past and expected future performance and about the performance of similar organizations when it would significantly enhance a reader's ability to use the information being reported.

7 Present Credible Information, Fairly Interpreted

Public performance reporting should be credible—that is, based on quantitative and qualitative information that is fairly interpreted and presented, based on the best judgement of those reporting.

8 Disclose the Basis for Key Reporting Judgements

Public performance reporting should disclose the basis on which information has been prepared and the limitations that should apply to its use.

WITH THIS PRINCIPLE IN EFFECT	MLAs AND THE PUBLIC WILL KNOW:	REVIEWING PERFORMANCE REPORTS—KEY QUESTIONS TO ASK
<i>Explain the public purpose served.</i>	Whose interests are being served, how those interests are being met and by what standard. Legislators and the public will better appreciate the importance of the organization, understand how it conducts its work and what values underpin its relationships.	Is it clear: <ul style="list-style-type: none"> ■ why an organization exists? ■ what the organization does? ■ who the organization serves? ■ how its services are delivered? <ul style="list-style-type: none"> – operationally (its structure and partners) – what public sector values guide it
<i>Link goals and results.</i>	Whether the organization accomplished what it set out to accomplish and is still on track for the future. With this information, legislators and the public can make reasonable judgments about the performance of government.	Do you understand: <ul style="list-style-type: none"> ■ what the organization intended to achieve? ■ what it actually achieved? ■ the impact of the organization's results on its future direction? Is there a logical "chain of events" from the goals, objectives and strategies through to the performance measures and results?
<i>Focus on the few, critical aspects of performance.</i>	Where the organization is placing its emphasis and how it is measuring its success. The key issues that matter to the organization's performance will be apparent. Legislators and the public will have a clear, concise and balanced picture of the performance of the organization.	Did the report focus on what is important to: <ul style="list-style-type: none"> ■ the public and its elected representatives? ■ government at the overall corporate level? ■ the organization in terms of its priorities, goals and objectives? Are key results—both financial and non-financial—clear and readily apparent?
<i>Relate results to risk and capacity.</i>	The challenges and opportunities facing the organization and the trade-offs that a well-managed organization must make. From this, legislators and the public can derive increased comfort about the ability of the organization to manage its risks and achieve its objectives in the future.	Do you understand how the organization's results were affected by: <ul style="list-style-type: none"> ■ its risk management? ■ its current capacity? ■ the capacity of others? Do you know whether the organization has sufficient capacity to meet its objectives in the future and to manage its risks?
<i>Link resources, strategies and results.</i>	The costs of delivering government's programs, products and services, its goals and objectives or its results. Information about costs can lead to meaningful discussions about the choices that government makes and the impact of those choices on the people it serves.	Is it clear what the planned and actual costs were of the organization's: <ul style="list-style-type: none"> ■ core business areas (e.g., program, products or services)? ■ key goals, objectives and strategies? ■ results achieved?
<i>Provide comparative information.</i>	Whether an organization's performance is improving, deteriorating or remaining unchanged. Trend information on key performance measures, with comparisons to past performance or the performance of others, helps put the organization's current and expected future results in context.	Can you tell whether (and, if so, why) the performance of the organization is: <ul style="list-style-type: none"> ■ improving? ■ deteriorating? ■ remaining static? Do you understand how the organization expects to perform in the future?
<i>Present credible information, fairly interpreted.</i>	Whether the information is credible. Legislators and the public will have a clear sense of whether they can rely on the information when making decisions or judgements about government's performance.	Is the information in the report: <ul style="list-style-type: none"> ■ credible—that is, is it relevant and reliable? ■ consistently and fairly presented? ■ understandable?
<i>Disclose the basis for key reporting judgements.</i>	The kinds of choices the organization made in reporting and have confidence in using the information. By knowing the basis on which information has been prepared and the limitations that apply to its use, legislators and the public will also better understand how the performance report should be used.	Is it clear why the organization made the reporting choices it did, such as: <ul style="list-style-type: none"> ■ why it chose the performance measures it did? Are you confident in what has been reported? That is, have limitations in the information—and therefore in the way the information can be used—been made clear?