



March 30, 2006

**Building Better Reports:
Our Assessment of the 2004/05 Annual Service Plan Reports of Government**

What are the Annual Service Plan Reports of Government?

The *Budget Transparency and Accountability Act* requires ministries and certain government organizations to issue each year:

- a service plan, identifying goals, objectives and performance measures, and
- an annual report, comparing actual results with those expected in the service plan.

All ministries and most Crown agencies are required to issue these plans and reports.

Why are they important?

The responsibilities of Government are broad and diverse, covering a wide range of activities that affect the everyday lives of all citizens. Government is large and complicated and spends significant amounts of public money.

Good performance reporting provides ongoing accountability, describing:

- what government is doing;
- why government is doing it;

- how much it cost;
- what was achieved as opposed to what was planned;
- how performance compares with that in the past and with that of others; and,
- what government plans to deliver in the future.

Reporting should also outline the circumstances and rationale behind policy and spending priorities, explaining why government chose to focus on those particular areas.

The reporting of performance in the public sector is more important than financial reporting alone. This is an age of increased sensitivity about what public money was spent on and whether value for money was achieved.

Why does the Auditor General assess Annual Service Plan Reports?

It is the responsibility of each ministry and Crown agency to report comprehensive, high quality performance information. The Auditor General is committed to helping ensure legislators and the public receive the best information possible for assessing the performance of government. Our yearly assessment of the quality of the annual service plan reports is one way we contribute to this goal.

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This year's report includes the assessments of 14 ministries and 6 Crown agencies significantly involved in delivering services covered by government's new "Five Great Goals". It focuses more on the "big picture" of how provincial government delivers on its plan through a wide variety of organizations.

How does the Auditor General assess the quality of reporting?

The Auditor General used 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.

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 public accountability. Efforts can now be focused on achieving it, and on delivering the quality of information needed to assess government's performance.