

Guidelines for Annual Performance Reports: Category 3 Government Entities

2011



Transparency & Accountability Office
Government of Newfoundland and Labrador

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1.0 Introduction

The Guidelines for Annual Performance Reports: Category 3 Government Entities are provided for use by all Category 3 government entities. These guidelines provide a framework to enable each entity to present a concise, coherent, and consistent picture of its progress towards annual objectives, goals, and/or mission (depending on the reporting year) as outlined in its activity plan, in accordance with the reporting component (section 9) of the *Transparency and Accountability Act*. While the guidelines are intended to provide a basic, consistent foundation for all annual performance reports, they may be customized as necessary to suit the purposes of individual entities.

Annual performance reports provide an excellent opportunity to communicate progress and achievements to the public. Entities will be expected to present meaningful and complete reports with an emphasis on quality in writing and accuracy in reporting. The Transparency and Accountability Office is available to provide advice to entities upon request.

2.0 Reporting Overview

Annual performance reporting is the formal vehicle that government uses to communicate with the public regarding its performance on its entities' activity plans. As such, reporting relates to broader public accountability and transparency; it does not exist independently, but plays an important role in governance through the planning cycle.

Through the planning process, entities have developed the capability to identify, measure, and report on progress toward stated performance measures. There is a fine balance between reporting accurate, useful information, and providing the public with infinite detail on every initiative undertaken in the reporting period. Presenting too much detail about too many topics may serve only to complicate and obscure the message. Annual performance reports should be used to clearly and concisely provide meaningful information, based on the performance measures identified in the activity plan, to the public in a brief, readable document.

Basic Reporting Principles

- Provide a coherent and balanced picture of progress that is concise and clear
- Link progress to earlier commitments, and explain any changes
- Set progress in context
- Link resources to activities
- Explain why the public can have confidence in the report

Annual performance reports should present information on your activities in a way that helps readers to understand the context and purpose. For this reason, communications personnel, where they exist, should be involved in preparing the annual performance report.

It is recommended that all entities follow the same general format and the same publication standards. While each entity is different, and the guidelines may be open to interpretation, it is suggested that the layout and length recommendations be followed, provided that they are suitable for the entity's needs.

The annual performance report is an opportunity to enhance public understanding of your entity and its strategic issues. Documents are to be produced (written and printed) by each individual entity. Minimum production standards are provided (see Appendix C) to facilitate consistent report production, but these may be customized as necessary to suit the purposes of individual entities.

3.0 Report Contents

There are a number of key sections that should appear in a government entity's annual report. While there is flexibility in terms of presentation and inclusion of sections in addition to those outlined below, the formatting and sections provided are aligned with legislative and policy requirements for annual reporting under the Act.

Suggested Format for Annual Performance Reports

1. Table of Contents (1 page)
2. Minister's or Chairperson's Message (1 page)
3. Government Entity Overview (2 pages)
 - a. Key Statistics
 - b. Physical Location or Representation
 - c. Description of Revenues and Expenditures
 - d. Lines of Business (if appropriate)
 - e. Vision
 - f. Mission (if appropriate)
4. Shared Commitments (1-2 pages)
5. Highlights and Accomplishments (1-2 pages or dispersed throughout report)
6. Report on Performance (5-6 pages)
 - a. Progress on strategic directions
 - b. Objective, Measures and Indicators for next fiscal year (unless in final plan year)
7. Opportunities and Challenges Ahead (1 page)
8. Financial Statements (if appropriate)

Minister's or Chairperson's Message

The message should take the form of a transmittal letter and identify acceptance of accountability for results and any variances explained in the report. It may also include the mandate of the entity and a general comment about the entity's success in contributing to the relevant strategic directions of Government as communicated by the responsible minister.

Government Entity Overview

The Government Entity Overview should be presented immediately after the Message, and include the entity's vision, primary clients, lines of business, as well as other key statistics, such as the number of employees, physical location (including regional representation), and brief, general description of revenues and expenditures (this could be presented in two small pie charts).

Shared Commitments

This section provides an opportunity to explain how others influence your activity plan (e.g. industry, government departments, and public bodies) and how the organization's strategic issues are influenced by that overlap. For example, if your organization's plan identified a strategic issue that your organization is unable to address autonomously, you may wish to indicate how you work with your partners to address this issue. Similarly, if your organization is addressing a strategic direction of government, identified in your operational or work plan which requires the support of partners, then you may wish to identify progress in this section.

Highlights/Accomplishments

This section highlights accomplishments and good news stories over the reporting period. This section should also include progress in strategic direction areas of government that the organization is addressing independently through operational or work plans. This section does not include a discussion of the strategic issues.

Report on Performance

For each strategic issue from the associated plan, entities must report on the relevant performance measures as given in the plan. Entities must clearly present planned versus actual results and explain any variances. It is important to ensure the actual results reported are as clear as possible, keeping in mind that these reports are intended for the public. Entities are encouraged to include a discussion of results to illustrate how indicators allowed the entity to meet the associated objectives. This section should include progress made within the planning period towards the relevant strategic directions of government and associated components that have been assigned to the activity plan. During the first and second years of the plan, measures and indicators for the following year's objectives must also be included.

Please note: If it is a goal-ending year (e.g. 2011) and/or a mission-ending year (e.g. 2011), results must also be presented for the goals and mission indicators as well (if applicable). In this year, the following year's objectives, measures and indicators do not have to be included as these would have been provided in the newly tabled plan.

Opportunities and Challenges Ahead

This section allows the entity to briefly inform readers about potential obstacles or opportunities that are likely to arise in the near future which may influence the organization's strategic issues or directions.

Financial Statements

Where the audited financial statements are required, the complete financial statements should be included and a brief explanation given of the overall deviation from the projected results. Accounting guidelines also require that the relevant auditor review the document in its entirety (inclusive of financial statements) prior to its being made public.

Where the entity is dependent on the release of government financial information, i.e. the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund, this source should be cited in the annual report as follows:

“Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 20XX.”

4.0 Critical Dates

All entities captured under the Act are expected to table annual performance reports within six months after the end of their fiscal year, unless a timeframe of less than six months is stated in their enabling legislation. For example, this means that for entities with fiscal year-ends of March 31, their annual reports must be tabled by September 30.

Prior to tabling, a copy of the annual report must be submitted to the departmental coordinator who will then forward the document to the Transparency and Accountability Office for preliminary and central reviews. Annual reports must be reviewed by the responsible minister prior to central review.

Each year, the Transparency and Accountability Office will notify departmental accountability coordinators of the critical dates for these review processes.

Appendix A: Tabling Process

When House is Open:

- 15 paper copies (unless otherwise specified) of each document to be tabled must be submitted to the House of Assembly. Copies are to be submitted to the Clerk's Office, Main Floor East Block, by 1:00 pm on the day of tabling.
- Two hard copies of the document must be forwarded to the Transparency and Accountability Office.
- Often times, ministers (or relevant personnel) will contact the Legislative Assistant of the Government House Leader as a courtesy prior to tabling documents, for example if they are tabling several documents. As the tabling of documents is a routine procedure on the agenda when the House is open, this is not a **necessary** step.
- An electronic copy of each document (ideally in PDF) must be e-mailed to the Information Specialist (Client Services) of the Legislative Library and copied to the Manager of the Legislative Library as well as the Transparency and Accountability Office.
- Both paper and electronic versions of the report must be received.
- The Clerk of the House of Assembly will ensure the reports are distributed/made available to the members of the House of Assembly.

When House is Closed:

- 10 paper copies (unless otherwise specified) of each document to be tabled must be submitted to the House of Assembly. Copies are to be submitted to the Clerk's Office, Main Floor East Block.
- The assigned personnel in the responsible department should prepare a transmittal letter to be attached to the 10 paper copies addressed to the Clerk of the House of Assembly. The transmittal letter will indicate the Minister's intent to table the associated documents (this letter does not have to be signed by the Minister).
- The transmittal letter must also be copied to the Transparency and Accountability Office along with 2 hard copies of the document.
- An electronic copy of each document (ideally in PDF) must be e-mailed to the Information Specialist (Client Services) of the Legislative Library and copied to the Manager of the Legislative Library as well as the Transparency and Accountability Office.
- Both paper and electronic versions of the report must be received.
- The Clerk of the House of Assembly will ensure the reports are distributed/made available to the members of the House of Assembly.

Exceptions:

- When the House is dissolved (e.g. when there is an election), reports are held until the House of Assembly is reconstituted.
- Where the relevant legislation for an entity specifies another process.
- Where otherwise directed by Cabinet Secretariat.

Appendix B: Terminology

Under no circumstances shall the terminology used conflict with the *Transparency and Accountability Act*. The terminology provided below supersedes any previous issuances. Some of the terms are accompanied by examples and/or explanations. These terms support the information contained in this document and all other documents of the Accountability Office.

Accountability

Accountability is the ownership of conferred responsibilities, combined with an obligation to report to a higher authority on the discharge of those responsibilities and the results obtained.

Activities

Activities are the actions that are completed to fulfill an obligation outlined in an assigned mandate.

Goal

A goal is a specific statement of the desired results to be achieved over three years.

Indicator

An indicator is a particular value or characteristic used to measure activities, outputs or outcomes. It is important that indicators are comparable. Comparable indicators are a specific set of common quantitative or qualitative data for the aspect of performance under consideration. There are two types of indicators:

Indicator of Well-being

An indicator of well-being is quantitative data that indicates changes in physical, social or economic states. It is usually multidimensional (i.e. expressed as a ratio or percentage). Indicators should be a fair reflection of the things the entity can reasonably control and of those things which have a logical connection to the information which the entity desires to report.

Indicator of Process

An indicator of process is qualitative or quantitative data that is used to indicate progress toward a desired objective, goal and/or mission. The indicator can be uni-dimensional (i.e. expressed as a data point that is a number or categorical value). Examples of process indicators include: Taught XX number of students in 200X; the committee met 5 times and has a policy document drafted; outcomes have been established for 10 of 20 program areas.

Lines of Business

Lines of business are discrete and coherent sets of programs, services and/or products that represent what the entity delivers to its external clients.

Measures

Measures provide specific information used when indicators are combined to assess the extent of accomplishment of results (activities/outputs/outcomes).

Mission

A mission statement is an outcome oriented statement which systematically diagrams the vision by answering the questions who, what and why. It is essential that it is realistic and achievable in 6 to 8 years (approximately 2 cycles of planning), tells the ultimate result of your work, answers who will do what and why they are striving to achieve this end, and is memorable.

Objective

An objective is a measurable statement or incremental milestone which specifies a change or benefit that the entity hopes to achieve within a one-year period as it strives to achieve a specific goal. Success in meeting the objectives can be readily evaluated using qualitative and quantitative measures.

Outcome

An outcome is a change as a consequence of specific policies, programs and initiatives undertaken by entities. Outcomes can be immediate, intermediate and ultimate. An immediate outcome could be a change in attitudes. An intermediate outcome could be a change in behavior. The ultimate outcome would be a lower or higher incidence of a specific result.

Well-being outcomes

Well-being outcomes are external physical, social or economic changes as a consequence of policies, programs and initiatives undertaken by an entity.

Process outcomes

Process outcomes are internal or external changes that result from a defined course of action as a consequence of the objectives and goals undertaken by an entity. These changes are often required if the well-being outcomes are to be eventually achieved.

Outputs

An output is what is produced as a direct result of transforming resources through an activity or process (series of activities) undertaken using the inputs (resources).

Performance

Performance refers to actual results measured against defined standards.

Performance Measurement

Performance measurement is a quantitative and qualitative process to assess if the entity has completed its intended activities or achieved its desired outputs or outcomes in the most cost effective and timely manner possible.

Performance Report

A performance report is a summary of the organization's activities (Category 3), outputs (Category 2) or outcomes (Category 1) which provides a clear linkage between its plan and the results actually obtained using the specified performance measures.

Result

The result is the accomplishment, desired or unintended, which arises from any process or operation. It may take more than one result to achieve a desired outcome.

Strategic Direction

A strategic direction is the articulation of a desired physical, social or economic outcome that would normally require action or involvement of more than one government entity.

Strategic Issue

A strategic issue is the most significant internal and/or external change which the organization must manage to realize its vision and the capacity of the organization to effectively manage the impacts of this change.

Values

Values are the fundamental principles, which can be described as actions that guide behaviors and decision making.

Vision

A vision is a short statement describing the ideal state an organization is striving to achieve for its clients or the ideal state that an organization sees for society. It answers the question, "What is the outcome for the citizens of the province if the entity achieves its mandate?"

Appendix C: Style Guide

All government entities are encouraged to follow the style points provided below to ensure some level of consistency among all entity reports.

- Avoid jargon and lengthy sentences. If it is necessary to use a technical term, ensure that it is explained properly.
- Use the active versus passive voice (e.g. “we wrote the reports” vs. “the reports were written by us”).
- Ensure that tense is correct and consistent. The annual report refers to activities already completed, so the past tense is appropriate.
- Write the fiscal year as **2010-11**. Follow this format for other fiscal years referenced.
- Use **per cent** not % (except when used in a table or graphics).
- Write out numbers when under 10 (e.g., nine) and when at the beginning of a sentence (Thirty-seven people...) But for 10 and over, use digits. Do not use “ten (10)”.
- Numbers larger than 999 use commas to prevent the number from being separated across two lines.
- Do not use “th” with a date - not June 17th, but June 17.
- When just using month and year, do not use a comma to separate the month and year (January 2007).
- Use “and” not “&”.
- When using the full name of an act, use italics (*Gasoline Tax Act*).
- For purposes of the annual report, Government, Province, and Department may be capitalized when standing alone. Use “province” when referring to the geographic area.
- Avoid the use of etc., e.g., and i.e.
- If using an acronym, ensure that it is spelled out on first use. Avoid the use of too many unfamiliar acronyms.
- Use hyphens to make it obvious when words work together as a single adjective conveying a single idea (one-year trades-related program).
- Type should be clear and legible. Standard fonts such as Times New Roman, Arial or Franklin Gothic Book at 12 point (excluding headings) are encouraged.
- Allow sufficient white space. Text should not appear crowded.