



Program for Improved Public Performance Reporting

# What can we learn from effective public performance reporting?

*Good Practices for Central Agencies,  
Legislators, Auditors, and Report Producers*

**What can we learn from effective public performance reporting**  
Good Practices for Central Agencies, Legislators, Auditors, and Report Producers

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# Preface

This report contains concrete, practical ideas for improving public performance reporting. The ideas are drawn from the experiences of public sector institutions in eight jurisdictions – two in Canada, and six from elsewhere.

CCAF, in consultation with the British Columbia Ministry of Finance, selected these jurisdictions for study because they have made public performance reporting a key element in their accountability systems. Our goal was to capture some of the creative and innovative ways that leaders in these jurisdictions – including report producers, central agencies, legislative auditors and legislators – are working to strengthen performance reporting.

We believe public performance reports are key components in the process through which a government accounts to the public for its activities. When done well, performance reports inform citizens of what a government intends to do on their behalf, and subsequently whether or to what extent it has succeeded.

Because of our strong belief in the importance of public performance reporting, we are pleased to share the findings of our research with other organizations.

We know there are other good practices in use beyond the ones we describe here. We want to hear from you about them. We also want to hear from jurisdictions that apply any of the practices in this report – let us know what works for you, what doesn't, what might be better.

This project is one of several in CCAF's Program for Improved Public Performance Reporting that aim at helping Canadian jurisdictions strengthen their reporting. The program itself is generously supported by the Alfred P. Sloan Foundation, a non-profit institution established in 1934 by Alfred Sloan, Jr., then President and Chief Executive Officer of the General Motors Corporation.



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Michael J. McLaughlin, FCMA  
Chair  
CCAF-FCVI Inc.



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# Executive Summary

## *Introduction*

This report, *What can we learn from effective public performance reporting?*, identifies a number of practices intended to help public sector organizations in Canada to improve their public performance reports. It is not a guide to good performance reporting, but a collection of good practices drawn from organizations with positive reputations in the field.

CCAF, Canada's leader in research on public sector accountability, strongly believes that effective public performance reporting is an essential element of public sector accountability. We also believe that improvements in public performance reporting will require a much closer link between the needs of public performance report users and the production of performance reports.

We explored this issue in depth in our 2006 report *Users and Uses: Towards Producing and Using Better Public Performance Reporting – Perspectives and Solutions*. We noted that governments have made much progress in improving their public performance reports – and that they still have a long way to go to make them truly useful to key audiences.

In *Public Performance Reporting: What can we learn from effective reporters?*, we capture good reporting practices from eight jurisdictions – two in Canada and six in other countries. We selected jurisdictions that are working to improve their reporting, and examined reports from two well-regarded organizations in each of those jurisdictions.

We acknowledge that performance plans and reports are valuable documents to organizations and their employees in setting high-level direction (to which detailed planning and reporting at the business unit and even individual level can be aligned), and in tracking progress on critical aspects of performance. However, in this report, we focus on external users of public performance reports – elected representatives, the media, non-governmental organizations and the public.

## *Performance Reporting: Whose Responsibility?*

Improving performance reporting is often seen, quite appropriately, as a responsibility of the organizations that produce performance reports – departments, agencies, government corporations and other such public sector entities. Our research uncovered a number of good practices employed by report producers to strengthen their *capacity* to produce a good report and to ensure their reports can be used effectively by users (*user capability*).

However, report producers do not bear the sole responsibility for the quality of public performance reports. Central agencies also play a major role in improving performance reporting. They set the expectations for reporting, they help report producers develop the capacity to report, and they help users to use public performance reports (user capability).

Legislative auditors and legislators can also act to encourage good public performance reporting. In some jurisdictions, *expectations* for public performance reporting are set out by legislators. Legislators and legislative auditors, in their oversight roles, can provide *incentives* (through praise and criticism) for report producers to produce good reports. They can also help report producers develop the *capacity* to report by providing advice and guidance.

With this framework of expectations, capacity, incentives and user capability in mind, we identified 27 good practices for improving public performance reporting: 11 that could be employed by central agencies, 5 that apply to legislators and legislative auditors, and 11 that report producers could use. They are as follows:

## **CENTRAL AGENCIES**

Central agencies can **set expectations** by

- ◆ Providing guidelines, principles, criteria or standards
- ◆ Producing a government-wide planning document

Central agencies can **develop capacity** by

- ◆ Engaging senior managers in the development of standards
- ◆ Reviewing and commenting on public performance reports
- ◆ Producing a good practices guide
- ◆ Encouraging departments to consult experts about performance information

Central agencies can **promote user capability** by

- ◆ Involving senior communications managers in reviewing central agency reporting standards
- ◆ Encouraging awareness of user needs
- ◆ Producing a government-wide performance report
- ◆ Engaging users directly
- ◆ Establishing a website for legislators to access performance information

## **LEGISLATORS AND LEGISLATIVE AUDITORS**

Legislators can **set expectations** by

- ◆ Legislating a requirement for public performance reports

Legislators and legislative auditors can **create incentives** by

- ◆ Reviewing public performance reports and reporting
- ◆ Recognizing good public performance reports

Legislative auditors can **develop capacity** by

- ◆ Providing advice on performance measures

Legislators and legislative auditors can **develop capacity** by

- ◆ Encouraging improved performance reporting

## **REPORT PRODUCERS**

Report producers can **develop capacity** by

- ◆ Aligning internal and external reporting systems
- ◆ Using technology to manage performance information
- ◆ Engaging senior management
- ◆ Ensuring continuity of membership in the performance reporting team

Report producers can **promote user capability** by

- ◆ Reporting against explicit targets set out in plans
- ◆ Linking performance to broader government priorities
- ◆ Using performance measures consistently from year to year but maintaining flexibility for continuous improvement
- ◆ Paying particular attention to relevance and understandability
- ◆ Disclosing the level of assurance on the reliability and relevance of performance information
- ◆ Consulting users
- ◆ Producing performance reports in formats that meet user needs

We do not present our findings as any kind of comprehensive guide to good performance reporting or criteria for writing a good performance report. Rather, we offer readers a range of practices that appear to have helped officials in the jurisdictions we studied to produce good performance reports.

In reviewing these practices, public sector managers will need to determine for themselves which practices are likely to work in their particular jurisdiction or organization. They will also need to weigh the merits of investing in public performance reporting improvements relative to other priorities. We would simply note that at least some organizations have found the practices we describe here to be worthwhile.

# Acknowledgements

This project, Good Practices in Public Performance Reporting, is one of several that CCAF is carrying out as part of the Foundation's Program for Improved Public Performance Reporting (PIPPR). Our appreciation goes out to the following individuals and organizations:

CCAF's IPPRP Task Force provides strategic advice on the direction, conduct and progress of the program. The Task Force members expressed their enthusiasm for this project, stressed the importance of good practices to the advancement of performance reporting in Canada, and indicated what they as users of the research would hope to see in the way of research results.

We received special assistance from two members of the Task Force:

- ◆ *Wilson Campbell* identified sources of information about public performance reporting and facilitated contacts with individuals in Oregon and Washington.
- ◆ *Lee McCormack* and two other Treasury Board of Canada Secretariat employees – *Louise Bellefeuille-Prégent*, Senior Director, Parliamentary Reporting and Accountability, and Senior Analyst *Tim Wilson* – briefed us on the evolution of public performance reporting in the Government of Canada.

*Barry Leighton*, Principal, Results Measurement/Statistics Canada, Office of the Auditor General of Canada, together with two of his staff members, *Catherine Livingstone* and *Paul Pilon*, provided highly constructive advice on the design of the questionnaire we used to survey jurisdictions in Canada and several other countries.

We also received advice on the questionnaire (as well as substantive information on good practices in the Government of Canada) from *Paula Folkes*, a Senior Analyst at Treasury Board of Canada Secretariat.

Our thanks go to all those who completed the survey, and those who guided us to those who could complete the survey. We received survey responses from government officials in Australia, the Australian state of New South Wales, New Zealand, Washington State, Alberta and the Government of Canada. We also received input from officials in the United Kingdom and Oregon.

We want to acknowledge the additional contribution of *David Campbell*, Director of the Planning and Annual Reporting Division at the Canada Revenue Agency, who with two members of his staff provided an in-depth look at the development of their agency's public performance report.

The lead researchers on this project were CCAF Research Associates *Chris Hyde* and *Greg Gertz*. They received valuable advice from two former CCAF researchers, *Michael Weir* and *David Moynagh*, and ongoing guidance and support from CCAF Director of Capacity Development *Geoff Dubrow* and CCAF Executive Director *Michael Eastman*.

CCAF's Program for Improved Public Performance Reporting receives generous financial support from the Alfred P. Sloan Foundation, a philanthropic non-profit institution based in New York City. We express especially our thanks to *Ted Greenwood*, a Program Director at the Sloan Foundation, for facilitating this support, without which this project could not have proceeded.

CCAF also acknowledges the generous financial support from the Government of British Columbia.

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**Lee McCormack** is the Executive Director of Results-based Management at the Treasury Board of Canada Secretariat.

**Graham Steele** is the Member of the Legislative Assembly of Nova Scotia for Halifax Fairview.

**Chris Waddell** is the Carty Chair in Business and Financial Journalism at the Carleton University School of Journalism and Communication.

# Project Objectives

In planning this project on Good Practices in Public Performance Reporting, we recognized that there is no shortage of information available in Canada on what a good public performance report should contain.

Canadian producers of performance reports can look for guidance to, among other sources, CCAF's nine principles for better performance reporting; criteria developed by legislative auditors in a number of provincial jurisdictions and at the federal level; central agency guidelines such as the four reporting principles of the Treasury Board of Canada Secretariat; and the reporting principles developed jointly in British Columbia by the legislative auditor and the government, and endorsed by the legislature's Select Standing Committee on Public Accounts.

Most pertinently, the Public Sector Accounting Board's *Statement of Recommended Practice 2, Public Performance Reporting (SORP-2)* brought together the accumulated wisdom and experience of Canada's leaders in public performance reporting. It provides recommended practices for reporting performance information in a public performance report of a government or a government organization.

For our project, we saw no benefit in attempting to revisit this ground. Instead, we began from the premise that SORP-2 is state of the art in describing what a performance report should ideally contain.

We recognized, however, that there are challenges in moving from what should be in a public performance report, to actually producing a good report and sustaining an effective reporting system. Our focus, therefore, was on seeking out ideas – good practices – that could help those involved in producing, using and assessing performance reports to better achieve the ideal set out in SORP-2.

Our aim was to identify conditions that reinforce an organization's ability to produce a good performance report, and good practices in high-performing jurisdictions and organizations.

Although we recognize the vital role that performance reporting can play for stakeholders within an organization, we paid particular attention to efforts to engage and meet the needs of external users. CCAF's *Users and Uses* study showed this to be a significant challenge, and convinced us that closing the gap between what governments report and what users need is the route to reinvigorated public performance reporting in Canada.

# Methodology

Our approach was to study reporting entities that have produced good performance reports, in jurisdictions that are working to improve performance reporting.

## *Jurisdictions Studied*

To identify the jurisdictions, we drew on CCAF's knowledge, consulted with the British Columbia Ministry of Finance, and sought input from knowledgeable people in the Treasury Board of Canada Secretariat and the US Governmental Accounting Standards Board (GASB).

Through this process, we identified eight jurisdictions we wanted to examine:

- ◆ Canada
- ◆ Alberta
- ◆ Washington State
- ◆ Oregon
- ◆ New Zealand
- ◆ United Kingdom
- ◆ Australia
- ◆ New South Wales.

## *Reporting Entities Studied*

We then looked for organizations within these jurisdictions that had reputations for producing quality reports. To do so, we again consulted with knowledgeable individuals - in legislative audit offices, central agencies, GASB, CCAF, etc. We also noted the results of annual report competitions, such as:

- ◆ the Auditor General of Canada Award for Excellence in Annual Reporting by Crown Corporations ([http://www.oag-bvg.gc.ca/domino/other.nsf/html/98award\\_e.html](http://www.oag-bvg.gc.ca/domino/other.nsf/html/98award_e.html))
- ◆ the Public Reporting and Accountability Awards sponsored by the United Kingdom Chartered Institute of Public Finance and Accountancy and PricewaterhouseCoopers (<http://www.cipfa.org.uk/awards/accountability/>)
- ◆ the Premier's Annual Reports Award coordinated by the Public Bodies Review Committee of the Legislative Assembly of New South Wales (<http://www.parliament.nsw.gov.au/prod/parlament/committee.nsf/0/8CDB0795648DFEF0CA25723000000D86>)
- ◆ the Australasian Reporting Awards ([http://www.arawards.com.au/Intro\\_Criteria.html](http://www.arawards.com.au/Intro_Criteria.html)).

Through this process, we identified two reporting entities in each jurisdiction that were recognized for producing good performance reports – a ministry, and a government corporation. These are the organizations we selected:

## **CANADA**

- ◆ Canada Revenue Agency
- ◆ Export Development Corporation

## **ALBERTA**

- ◆ Alberta Health and Wellness
- ◆ ATB Financial

## **WASHINGTON STATE**

- ◆ Washington State Department of Health
- ◆ Washington State Department of Transportation

## **OREGON**

- ◆ Department of Human Services
- ◆ Oregon Commission on Children and Families

## **NEW ZEALAND**

- ◆ Ministry of Justice
- ◆ Landcare Research

## **UNITED KINGDOM**

- ◆ Her Majesty's Prison Service
- ◆ Department for Environment, Food and Rural Affairs

## **AUSTRALIA**

- ◆ Department of Families, Community Services and Indigenous Affairs
- ◆ Grains Research and Development Corporation

## **NEW SOUTH WALES**

- ◆ Office of Liquor, Gaming and Racing
- ◆ Delta Electricity.



## *Identifying Good Practices*

Next, we set out to identify good practices at both the organizational level and the jurisdictional level.

At the organizational level, for example, we looked for ideas that other reporting entities could adapt to improve their own public performance reports. At the jurisdictional level, we sought out practices employed by central agencies, legislative auditors and legislators that serve to encourage good public performance reporting by reporting entities.

We used a variety of means to help us identify these good practices. A key tool was a questionnaire we asked reporting entities and central agencies in each of the eight jurisdictions to complete (see Annex B). The following organizations responded to our questionnaire:

- ◆ Treasury Board of Canada Secretariat
- ◆ Canada Revenue Agency
- ◆ Export Development Canada
- ◆ Alberta Finance
- ◆ Alberta Health and Wellness
- ◆ ATB Financial (Alberta)
- ◆ Washington State Office of Financial Management
- ◆ Washington State Department of Health
- ◆ Oregon Progress Board
- ◆ Australia Department of Finance and Administration
- ◆ New Zealand State Services Commission
- ◆ Landcare Research (New Zealand)
- ◆ New South Wales Treasury
- ◆ Delta Electricity (New South Wales).

Early on in our research, we took advantage of our location in Ottawa to conduct extensive interviews with officials from Treasury Board of Canada Secretariat and the Canada Revenue Agency. These interviews gave us an opportunity to test out our questionnaire and to explore some preliminary lines of enquiry.

We also asked officials in the Results Measurement/Statistics Canada section of the Office of the Auditor General of Canada to critique our draft questionnaire. Their very helpful advice led to significant improvements to the document.

Beyond Ottawa and in addition to the completed surveys, we received input through e-mail correspondence with officials in Alberta, New Zealand, Australia, and New South Wales. The United Kingdom National Audit Office provided information on the criteria, guidelines and practices in use there.

Lastly, we examined key documents from each of the eight jurisdictions. These included the public performance reports of our selected reporting entities; legislation affecting performance reports; central agency standards and guidelines for performance reports; auditor general reports on public performance reporting; and relevant legislative committee reports. Some of these we identified through our own research; others were brought to our attention by our contacts in the various jurisdictions.

## *Analyzing and Reporting our Research Results*

Once we had completed our research, we analyzed the findings and drafted this report.

We did not seek out – nor did we find – the “ideal” public performance report. As several people told us, no one report can be singled out as perfect or as a model for others. Some reports are strong in some areas, some in others. Each is shaped by the organization's mandate and operating environment.

Similarly, we do not present our findings as any kind of comprehensive guide to good performance reporting or criteria for writing a good performance report. Rather, we offer readers a range of practices that appear to have helped officials in the jurisdictions we studied to produce good performance reports.

Finally, we note that one person's good practice may be a minor factor in producing a good report to another person.

For example, some organizations are required by law to produce a public performance report. In our questionnaire, we asked what impact this requirement has on an organization's ability to produce a good report. Most said it has a positive or very positive impact; a couple said that it has only a neutral impact.

In our findings, reflecting the majority view of those who completed our questionnaire, we identify legislation as a good practice. Individual jurisdictions would need to determine if this practice is appropriate in their particular context. The same is true of all the good practices we cite below.

# Study Findings

## *An Introduction to our Findings*

In this study, we sought good practices that have the potential to improve public performance reporting so that reports better meet the needs of users. To find such practices, we looked at those who play a role in public performance reporting:

**Central agencies:** Central agency officials (usually in an Executive Council or Finance or Treasury department) influence the production of public performance reports by report producers. They set the *expectations* for reporting, they help report producers develop the capacity to report, and they help users to use public performance reports (*user capability*).

**Legislators and legislative auditors:** In some jurisdictions, *expectations* for public performance reporting are set out by legislators. Legislators and legislative auditors can provide *incentives* (through praise and criticism) for report producers to produce good reports. They can also help report producers develop the *capacity* to report by providing advice (legislative auditors) and guidance (legislators and legislative auditors).

**Report producers:** Public performance reports are produced by officials working in public sector departments and agencies. In the context of the *expectations* and *incentives* provided by central agencies, legislators and legislative auditors, these officials need to develop the means to produce a good report (*capacity*). They also need to ensure their reports can be used effectively by users (*user capability*).

In this report, we use this framework of *expectations*, *incentives*, *capacity* and *user capability* to organize the good practices we uncovered through this project.

For central agencies, we identified:

- ◆ 2 practices that set expectations
- ◆ 4 practices that develop capacity
- ◆ 5 practices that promote user capability.

For legislators and legislative auditors, we identified:

- ◆ 1 practice that sets expectations
- ◆ 2 practices that create incentives
- ◆ 2 practices that develop capacity.

For report producers, we identified:

- ◆ 4 practices that develop capacity
- ◆ 7 practices that promote user capability.

A description of these practices will follow.

### FRAMEWORK DEFINITIONS

*Setting expectations:* requiring organizations (e.g. through legislation or standards) or directing them (through guidance or good example) to report effectively on their performance

*Creating incentives:* motivating producers to improve their reporting practices by rewarding effective public performance reporting, or drawing attention to reporting weaknesses

*Developing capacity:* educating and encouraging the producers of public performance reports through a variety of techniques to produce improved reports

*Promoting user capability:* taking action to make public performance reports easier for users to access and understand and more likely to meet user needs.

# What Central Agencies can do to Encourage Improved Public Performance Reports

Central agencies can, potentially, play a key role in influencing the quality of departmental public performance reports. They can set the expectations for reporting; they can help develop capacity for good reporting in a jurisdiction; and they can promote user capability. We found good practices in all three areas.

## *Set Expectations*

### **GOOD PRACTICE: PROVIDE GUIDELINES, PRINCIPLES, CRITERIA OR STANDARDS**

In most of the jurisdictions we studied, central agencies direct or advise departments<sup>1</sup> on what to put into their public performance plans and reports.

For example:

- ◆ Australia's Department of the Prime Minister and Cabinet issues Requirements for Annual Reports for Departments, Executive Agencies and *Financial Management and Accountabilities Act* Bodies,<sup>2</sup> which are approved by the Joint Committee of Public Accounts and Audit; the Department of Finance and Administration provides guidance for annual reporting for *Commonwealth Authorities and Companies Act* bodies. The Australian government has endorsed a set of performance management principles.
- ◆ Oregon's guidelines, which are issued in executive branch budget instructions, include theory, criteria, and performance measure forms. Oregon's Progress Board provides a template for departments to use in reporting their performance. The template was designed to help Oregon agencies meet GASB reporting criteria.
- ◆ NSW Treasury administers the state's annual reporting legislation and provides agencies and statutory bodies with guidelines on mandated disclosures and better practices.<sup>3</sup>
- ◆ Treasury Board of Canada Secretariat publishes integrated guidance for the preparation of the reports on plans and priorities and departmental performance reports.<sup>4</sup> In updating the guidelines, TBS reflects comments made by Parliamentary committees.

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<sup>1</sup> For brevity, we use the terms “department” and “departments” to cover the range of government organizations that produce performance reports, including ministries, agencies and government corporations, unless noted otherwise.

<sup>2</sup> [http://www.pmc.gov.au/guidelines/docs/annual\\_report\\_requirements.pdf](http://www.pmc.gov.au/guidelines/docs/annual_report_requirements.pdf)

<sup>3</sup> <http://www.treasury.nsw.gov.au/annfaq/arpag.htm>

<sup>4</sup> [http://www.tbs-sct.gc.ca/rpp/0708/guide/guide\\_e.asp](http://www.tbs-sct.gc.ca/rpp/0708/guide/guide_e.asp)

- ◆ In New Zealand, the State Services Commission (the lead advisor on the government's public management system) and the Treasury provide guidance and requirements for annual reports.<sup>5</sup>

Most of our contacts saw such information as having a positive or very positive impact on performance reporting. As one Canadian agency said, “Clear guidelines from Treasury Board certainly help us to ensure that we are at least meeting our shareholder and stakeholder expectations.”

We would, of course, encourage Canadian central agencies to ensure their guidelines and standards are consistent with SORP-2.

*Why this is a good practice: Guidelines provided by a central agency help departments determine key components of their performance reports, and foster the performance reporting culture in a jurisdiction. Guidelines can also promote user accessibility by creating reporting consistency across organizations.*

## **GOOD PRACTICE: PRODUCE A GOVERNMENT-WIDE PLANNING DOCUMENT**

A government-wide planning document can set the stage for departmental plans and reports. It can allow departments to link their performance to the achievement of governmental strategic priorities.

Only some of the jurisdictions we studied produce government-wide planning documents. Our survey results indicate, however, that where government-wide planning documents exist, they are seen as having a positive impact, and where they do not exist, they are often missed.

Washington State has a unique approach, described for us by an individual in the state's Office of Financial Management:

For the past five years we have developed and used an approach we call the “Priorities of Government” that brings staff from the Governor's budget and policy offices and cabinet executives together to identify priority outcomes in each of ten “result areas” (health, education, public safety, etc.), to recommend the most effective strategies the state should pursue to achieve those outcomes, and to propose spending for the result area that will maximize results. This report serves as a kind of strategic planning document, though its focus is very limited to achieving results and by design ignores other considerations and influences.

The Washington State Department of Health told us the government-wide planning report has a “very positive impact” on the organization's ability to produce a good report. The government-wide report cites six key priorities of the Washington State government that fall under the authority of the Washington State Department of Health. These key priorities comprise the critical areas of performance that are reported against in the department's annual reports.

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<sup>5</sup> See <http://www.ssc.govt.nz/display/document.asp?NavID=253&DocID=4867> and <http://www.treasury.govt.nz/publicsector/annualreport/> respectively

The Government of Alberta produces a three-year Strategic Business Plan,<sup>6</sup> and departments are directed to link their plans to the goals in the government-wide plan. One government priority is to “Improve Albertans' quality of life.”

### 3 Improve Albertans' quality of life

*“Albertans deserve world-class services to make sure our province really is the best place to live and raise a family.”*

PREMIER ED STELMACH

Albertans expect nothing but the best in health care services, and quality supports for families and people in need. They place a high value on clean air, water and open spaces, as well as culture and recreation opportunities.

**Alberta government actions to improve quality of life include:**

- increasing health care productivity and making changes to ensure long-term sustainability of the system;
- ensuring government policies reflect the needs of persons with disabilities; and
- recognizing the value of the voluntary sector to our society by promoting increased charitable giving through a new community spirit program.



*This example from the Government of Alberta Business Plan discloses in clear terms the government's expectations for the health sector. In its business plan, Alberta Health and Wellness links its objectives to this priority of the government (see [http://www.finance.gov.ab.ca/publications/budget/budget2007/health.html#link\\_to\\_goa](http://www.finance.gov.ab.ca/publications/budget/budget2007/health.html#link_to_goa)).*

The Government of New South Wales released the state plan *A New Direction for NSW*<sup>7</sup> in November 2006. We were told by an NSW central agency official:

This document sets whole-of-government priorities and performance targets, and establishes new governance structures to promote collaborative service delivery and accountability for progress against targets. It is expected that the new framework will move towards 'line of sight' in performance reporting, but implementation is in the very early stages.

<sup>6</sup> See Report to Albertans: The Alberta Government Plan, March 2007 at [http://www.gov.ab.ca/home/documents/Report\\_LetterSizeV03.pdf](http://www.gov.ab.ca/home/documents/Report_LetterSizeV03.pdf)

<sup>7</sup> [http://www.nsw.gov.au/stateplan/pdf/Summary\\_complete.pdf](http://www.nsw.gov.au/stateplan/pdf/Summary_complete.pdf)



Citizens in Oregon helped to create *Oregon Shines* in 1989 as a blueprint to jumpstart Oregon's economic recovery.<sup>8</sup> *Oregon Shines II*, released in 1997, focused as much on community and environment as on economic issues. It is portrayed as a vision for all of Oregon, not just the state government. (Release of *Oregon Shines III* is planned for 2009.) Approximately 90 benchmarks measure progress towards the vision set out in *Oregon Shines II*.<sup>9</sup> State agencies link their key performance measures to these benchmarks where it makes sense to do so.

New Zealand does not have a government-wide planning document. We were told that the absence of such a document has “some negative impact as a government-wide planning document would provide further context for the reporting of performance by organisations.”

Similarly, an Australian contact wrote us:

In the absence of a government-wide planning document, agencies are limited to a focus on their own outputs and outcomes rather than being able to set their own objectives in the context of broad government and cross-agency objectives and strategies. The result is a set of agency-specific goals and measures that do not take much account of developments and plans in other agencies.

The Government of Canada does not have a government-wide planning document, but may introduce one as part of an overhaul of the government's Expenditure Management System. As a senior Treasury Board Secretariat official noted in 2006, “You need a common whole-of-government planning and reporting framework if you want to do real strategic planning and reporting.”<sup>10</sup> He added that a whole-of-government performance report could present the results and actual spending vis-à-vis such a plan.

We note that departments/ministries may be more likely to benefit from a government-wide planning report than such arms-length organizations as government corporations. The latter tend to have more tightly-focused mandates that may be less connected to high-level government plans and strategies.

*Why this is a good practice: A government-wide plan allows departments to link their plans to the bigger picture and focus their reporting on issues that matter in the larger context. Both public servants and the users of performance information can then better understand how individual departments contribute to the achievement of government priorities.*

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<sup>8</sup> <http://www.oregon.gov/DAS/OPB/os.shtml>

<sup>9</sup> [http://www.oregon.gov/DAS/OPB/docs/obm/New\\_Benchmark\\_Numbers.doc](http://www.oregon.gov/DAS/OPB/docs/obm/New_Benchmark_Numbers.doc)

<sup>10</sup> [http://www.ppx.ca/Symposium/2006\\_symArchive/Presentation06/Moloney\\_PresentationE.pdf](http://www.ppx.ca/Symposium/2006_symArchive/Presentation06/Moloney_PresentationE.pdf)

# Develop Capacity

## **GOOD PRACTICE: ENGAGE SENIOR MANAGERS IN THE DEVELOPMENT OF STANDARDS**

It is one thing for central agencies to develop reporting standards and direct departments to follow them. It is another thing to actually involve departments in the development of those standards.

In Alberta, performance report standards are developed by a cross-departmental business planners group and then approved by the Senior Financial Officers' Council. This likely gives them added credibility over central agency-issued standards, and encourages senior-level buy-in and focus on departmental performance reports.

The 2006-2007 standards document states:

The Standards establish consistency in the fundamental principles, format and information presentation in ministry annual reports. A standardized format allows readers to easily compare reported results from year-to-year, as well as across ministries. However, the Standards provide enough flexibility to allow individual ministries to be creative and innovative in the presentation of their ministry's activities while satisfying the requirements of the *Government Accountability Act*.<sup>11</sup>

Departments are invited to address questions regarding the preparation of their annual reports to Financial and Reporting Standards, Alberta Treasury Board.

*Why this is a good practice: By involving departments in the development of broad reporting standards, central agencies can ensure the standards reflect departmental perspectives, enhance understanding of the standards within departments, and increase departmental buy-in to the requirements set out in the standards.*

## **GOOD PRACTICE: REVIEW AND COMMENT ON PUBLIC PERFORMANCE REPORTS**

Central agencies and other institutions can provide valuable feedback to departments on the content of public performance reports. Central agency review also adds another link in the accountability chain.

The NSW Treasury conducts an annual review of NSW agency performance reports, evaluating agencies for compliance with all annual reporting requirements, noting progress, and identifying opportunities for improvement, with links to examples of good reporting.

Alberta undertakes an extensive review of its performance reports. Reports are reviewed by an Audit Committee, Deputy Ministers' Committee, Treasury Board, Cabinet Policy Committee, and Public Accounts Committee.

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<sup>11</sup> 2006-2007 Ministry Annual Report Standards, Alberta Treasury Board. 2006, Pg. 1.



New Zealand's State Services Commission invites departments to seek comments on annual reports before publication. Its website says, "There will be instances where departments may want external comment from central agency teams on drafts. This should be arranged with the relevant agency on a case-by-case basis."

Washington State is currently building an online community website "for discussing performance measurement and sharing information and best practices among Washington State agencies."<sup>12</sup>

*Why this is a good practice: Having established guidelines, principles, criteria or standards for performance reports, central agencies can help departments by providing feedback on draft or final reports. Departments can then take this learning and incorporate the feedback into their reporting efforts in current or subsequent years.*

## **GOOD PRACTICE: PRODUCE A GOOD PRACTICES GUIDE**

Central agencies can go beyond simply reviewing departmental public performance reports. They can take the best practices they find and incorporate them into public performance reporting good practices guides for departments.

In Australia, the Department of Finance and Administration collaborated with the Australian National Audit Office to produce the guide *Better Practice in Annual Performance Reporting*.<sup>13</sup> New Zealand and the United Kingdom also produce good practice guides.

Treasury Board Secretariat of Canada has just developed the draft publication *Performance Reporting: Good Practices Handbook*. A TBS official described the publication, which will be available in July 2007, in these terms:

The handbook focuses on illustrating what it means to apply the Government of Canada reporting principles to departmental performance reports. It identifies good examples and practices in public reporting that exemplify the application of public reporting principles to demonstrate how quality reporting can be achieved. The aim is to support departments and agencies in preparing public reports that are reliable, credible, balanced, concise, clear, and of the highest quality for Parliamentarians and Canadians.

We note that the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has recently released (May 2007) a *Guide to Preparing Public Performance Reports*.<sup>14</sup>

*Why this is a good practice: Good practices guides can illustrate not only how to meet specific jurisdictional reporting standards and criteria, but also effective ways to transmit performance information to users.*

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<sup>12</sup> Additional information is available at <http://www.accountability.wa.gov/guidelines/resources.asp>

<sup>13</sup> [http://www.anao.gov.au/uploads/documents/Better\\_Practice\\_in\\_Annual\\_Performance\\_Reporting.pdf](http://www.anao.gov.au/uploads/documents/Better_Practice_in_Annual_Performance_Reporting.pdf)

<sup>14</sup> [http://www.psab-ccsp.ca/client\\_asset/document/3/7/6/9/0/document\\_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf](http://www.psab-ccsp.ca/client_asset/document/3/7/6/9/0/document_6BFB4803-CED5-093C-93BC611D9BC5AB38.pdf)

## **GOOD PRACTICE: ENCOURAGE DEPARTMENTS TO CONSULT EXPERTS ABOUT PERFORMANCE INFORMATION**

Departments do not have to struggle in isolation to develop effective performance management systems.

They can obtain advice and support on relevance (are we measuring the right things?) from outside experts, including national and international associations, other jurisdictions, and academics or consultants who are subject matter experts. Government corporations may be able to look to private sector organizations, industry associations, ratings agencies or other bodies for relevant information on measures and benchmarks. Central agencies can encourage departments to obtain such advice and support.

Our research indicated that internal and external auditors are frequently a source of valued information on the reliability (are we measuring right?) of performance management systems.

The Canada Revenue Agency, unlike regular Government of Canada departments, is required by its legislation to obtain an assessment by the Auditor General of Canada on the fairness and reliability of the Agency's performance information. CRA officials believe this requirement has a very positive impact on the Agency's reporting.

In New Zealand, departments are encouraged to consult with their auditors prior to selecting performance indicators. According to New Zealand's Landcare Research Corporation, "The financial statements must be audited; we generally choose to have the non-financial performance audited as well."

In Alberta, the Ministry Annual Report Standards direct departments to obtain an auditor's report from the Office of the Auditor General on the results of applying specified auditing procedures to ministry performance measures. The Auditor General's report must be included in departmental annual reports.

Alberta's Ministry of Health and Wellness has recognized the value that the Auditor General can bring to the development of performance information: the ministry sought the Auditor General's helps in developing performance measurement criteria and reporting systems to meet accountability requirements.

Where legislative auditors are willing to provide such support, central agencies could encourage departments to avail themselves of it. Our research suggests that departments appreciate the input. As one told us, "If the Auditor General likes it, then it must be good."

*Why this is a good practice: Selecting and reporting on key performance measures, benchmarks and reporting methodologies can be difficult. Central agencies can encourage departments to consult experts in this area, so that departmental reports reflect state-of-the-art thinking and practices and users can have greater confidence in the reliability and relevance of performance information.*

## *Promote User-Capability*

### **GOOD PRACTICE: INVOLVE SENIOR COMMUNICATIONS MANAGERS IN REVIEWING CENTRAL AGENCY REPORTING STANDARDS**

Communications professionals are trained to be attentive to the needs of audiences. Departments usually involve them in the design and distribution of their performance reports. It makes sense, however, to involve communicators earlier in the process, so they can provide advice on key messages and on options for reaching key audiences.

Alberta's Ministry Annual Report Standards are reviewed by the provincial government's Communications Directors before the standards are issued. This demonstrates that the government is alert to the importance of performance reports as external communication vehicles.

*Why this is a good practice: Communications managers are skilled at expressing information concisely. They are also often the conduit through which departmental information passes to reach external audiences. By engaging communications managers in the development of performance report standards, central agencies can tap into the communicators' talents, and encourage their early involvement in the production and distribution of departmental performance reports.*

### **GOOD PRACTICE: ENCOURAGE AWARENESS OF USER NEEDS**

Good public performance reports meet the varying needs of different report users. But as noted above, the needs of many users are not being met by today's public performance reports. Central agencies, in their guidelines and standards, can encourage departments to identify and be attentive to the needs of users.

For example, central agencies can remind departments that public performance reports serve not only internal users, but also legislators, private sector partners, program beneficiaries, non-governmental organizations, and other audiences. They can quote parliamentary committee comments concerning performance reporting, drawing conclusions about the overall usability and accessibility of reports.

They can encourage departments to produce their reports in a variety of formats (e.g. printed, CD-ROM, Internet). If legislative or policy requirements for performance reports result in reports that are far too detailed or lengthy for some users, central agencies can guide departments in the production of summary or highlight versions.

The Oregon Progress Board reporting template requires departments to describe how they communicate performance results to staff, elected officials, and citizens, and for what purpose. The forms and budget instructions stress such citizen-friendly advice as writing at an eighth-grade level, providing a drill-down capability, and using bullets, lists, tables, short titles and fewer words.

New Zealand's State Services Commission, in its Guidance and Requirements document, advises that “the annual report should seek to use plain language and be in a format that is easy to read for the general public and that meets the needs of the department's stakeholders.” Departments are required to continually seek out user feedback throughout New Zealand's performance management process (called Managing for Outcomes).

One jurisdiction we surveyed said it is developing training courses for government officials on its planning and reporting process. Central agencies could use such courses to encourage and coach departments to meet user needs in their public performance reports.

*Why this is a good practice: External users are the primary audience of public performance reports. Central agencies can reinforce this message with departments in a variety of ways, encouraging departments to take action to learn about and meet the needs of users.*

## **GOOD PRACTICE: PRODUCE A GOVERNMENT-WIDE PERFORMANCE REPORT**

A government-wide performance report can provide a clear and concise indication of how departmental program activities and outcomes are contributing to the overall performance of the government and how they are aligned with the government's key priorities.

The governments of Alberta and Canada both produce government-wide performance reports: *Measuring Up*<sup>15</sup> and *Canada's Performance*<sup>16</sup> respectively.

*Canada's Performance* describes outcomes in four key policy areas: Economic Affairs, Social Affairs, International Affairs and Government Affairs. Within each section readers can link to relevant departmental performance information.

If a government-wide performance report is released before departmental performance reports, then departmental report producers have the opportunity to align their individual messages to the messages in the government-wide report.

In Alberta, the Auditor General carries out specified auditing procedures on performance measures and societal measures in the annual report, verifying for completeness, reliability, comparability and understandability.

In December 2005, Oregon's Citizen Advisory Committee on Performance Reporting recommended that the state government create a government-wide report that ties performance measures to broad state-wide

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<sup>15</sup> <http://www.finance.gov.ab.ca/publications/measuring/measup06/>

<sup>16</sup> [http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc\\_e.asp](http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.asp)

priorities – something the Oregon Progress Board is working towards. “The report should offer users the ability to drill down to applicable Oregon Benchmark analyses and to individual agency performance reports, in order to fit their individual needs,” the committee said.<sup>17</sup>

New Zealand does not have a government-wide performance report. A central agency official told us such a report “would be useful for stakeholders to understand and assess the government's performance on priority areas; however this should not impact on the organization's ability to report on its priority areas.”

A government-wide performance report is likely to have more salience with line departments than with government corporations. Two of the corporations we surveyed did not even know whether their governments produced a government-wide performance report. Another said its government-wide report had a neutral impact on the corporation's reporting.

*Why this is a good practice: Government-wide performance reports provide users with the “big picture” of government performance. They can be designed to allow users to drill down to individual departmental performance information. Government-wide performance reports can also enable departments to better understand and illustrate over time how their performance contributes to higher-level government outcomes.*

## **GOOD PRACTICE: ENGAGE USERS DIRECTLY**

CCAF's *Users and Uses* report recommended that public performance report producers consult with users on the content and format of reports, to ensure that reports meet user needs.

However, public servants in many departments are often constrained from directly engaging users, especially legislators. And legislators may not have time to respond to requests from numerous individual departments. In such circumstances, it may make sense for a central agency to take the lead in discussions with users about performance reporting requirements.

Furthermore, central agencies often set the parameters for departmental performance reporting through their reporting guidelines or standards. It would be highly desirable for these guidelines or standards to truly reflect user needs, established in direct conversation with users.

Although it is not a central agency per se, the Oregon Progress Board administers Oregon's performance measurement system. An independent state planning and oversight agency created by the Oregon Legislature in 1989 to monitor the state's strategic vision, the Board provides a vivid example of a centralized initiative to consult citizens. In 2004, it received a grant from the National Center for Civic Innovation, with support from the Alfred P. Sloan Foundation, to improve the State of Oregon's effectiveness in engaging citizens with government performance measurement.

As part of the project, an eight-member Advisory Committee for Citizen-Friendly Reporting was established. The committee examined the annual performance reports of four state agencies. It also provided feedback on how to get the general public interested in

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<sup>17</sup> <http://www.oregon.gov/DAS/OPB/docs/kpm/NCCI/NCCIfinal.doc>

government performance data posted online, and on how to present complex customer service data in a user-friendly way. (The committee's eight recommendations can be found at <http://www.oregon.gov/DAS/OPB/docs/kpm/NCCI/NCCIfinal.doc>.)

*Why this is a good practice: Central agencies are often uniquely placed to engage external users directly about public performance reporting. They may be perceived by users as powerful players in government, and therefore worth engaging with. They may have well-established relationships with such key user groups as public accounts committees or taxpayers federations. In any event, central agencies can demonstrate leadership to departments in the critically important task of engaging users by doing so themselves. They can also pass on and apply what they learn by engaging users when they provide guidance to departments.*

### **GOOD PRACTICE: ESTABLISH A WEBSITE FOR LEGISLATORS TO ACCESS PERFORMANCE INFORMATION**

Central agencies often serve as the “town square” for public performance reports, tabling the reports in the legislature, making the reports available to users through the Internet, providing user guides, etc. Central agencies can go beyond this to respond to the unique needs of one group of users – legislators.

In a 2006 article for CCAF, Nova Scotia MLA Graham Steele wrote, “My experience as a legislator, and on a Public Accounts Committee, has led me to the conclusion that most legislators, most of the time, do *not* have the motivation and resources to do meaningful, substantive, wide-ranging accountability work.”

Central agencies can help legislators fulfill their accountability responsibilities by making key accountability information easily accessible to legislators and other users.

Treasury Board of Canada Secretariat, as part of its efforts to improve reporting to Parliament, established a website to provide Parliamentarians with quick access to both financial and non-financial planning and performance information. The site has links to information from individual departments and the Government of Canada as a whole.<sup>18</sup> It also provides tools and resources for the external users of public reports.

For 2007-2008, Treasury Board Secretariat has produced an *Overview for Parliamentarians*<sup>19</sup> to help parliamentarians and their staffs navigate through 91 Reports on Plans and Priorities and locate consolidated information on horizontal and government-wide outcomes.

*Why this is a good practice: Most legislators have limited time and minimal resources to seek out and comprehend performance reports. When central agencies make it easier for legislators to access and manipulate performance information, they increase the likelihood that legislators will actually use the performance reports on which so many people have worked so hard.*

<sup>18</sup> [http://www.tbs-sct.gc.ca/audience/pp\\_e.asp](http://www.tbs-sct.gc.ca/audience/pp_e.asp)

<sup>19</sup> <http://www.tbs-sct.gc.ca/wgpp-prpg/Home-Accueil-eng.aspx?Rt=991>



# What Legislators and Legislative Auditors can do to Encourage Improved Public Performance Reports

## *Set Expectations*

### **GOOD PRACTICE: LEGISLATE A REQUIREMENT FOR PUBLIC PERFORMANCE REPORTS**

Among the 14 respondents to our questionnaire, there was very strong support (12 respondents) for the argument that a requirement in legislation to produce a public performance report has a positive impact on an organization's ability to produce a good report. In fact, 8 respondents said legislation has a very positive impact.

Government of Canada line departments are not required by law to produce annual reports. However, the two good practice organizations we chose for this project, the Canada Revenue Agency and Export Development Canada, do have legislated requirements to produce reports. Both said this has a very positive impact on their reporting.

As a representative from the Treasury Board of Canada Secretariat told us, “Where an Act has reporting requirements, that's a fairly serious thing.”

*Why this is a good practice: A legislated requirement to produce a public performance report tends to create a performance culture within a department, from the most senior levels down to line staff. Measuring, improving and reporting on performance are more likely to be considered important activities worthy of senior management attention. Departments will understand that legislators, having created the requirement for the public performance report, are key audiences for the report.*

## *Create Incentives*

### **GOOD PRACTICE: REVIEW PUBLIC PERFORMANCE REPORTS AND REPORTING**

When legislators and legislative auditors use their limited time to address a particular matter, the media and public are likely to consider that matter to be important. And if the media and public consider something important, departments will too – particularly if the matter could affect their reputation.

Legislators and legislative auditors can encourage departments to produce good public performance reports by paying serious attention to them, noting their strong points and offering advice on how to strengthen weak areas.

For example, the Office of the Auditor General of Canada looked at departmental performance reporting in 1997, 2000, 2003 and 2005.

We were told the Public Bodies Review Committee of the NSW Parliament examines annual reports of all public bodies and enquires into and reports on the adequacy and accuracy of all financial and operational information, and on any matters arising from the annual report concerning the efficient and effective achievement of an agency's objectives.

The Auditor General of Alberta reported on Government of Alberta and Ministry Annual Reports in 2006.

*Why this is a good practice: Reviews of public performance reports by legislators or legislative auditors let departments and agencies know that performance reports merit attention. Such reviews can encourage senior departmental managers to devote resources to reporting. The feedback contained in reviews can promote improvement in reporting.*

### **GOOD PRACTICE: RECOGNIZE GOOD PUBLIC PERFORMANCE REPORTS**

Award programs for public performance reports can draw attention to good practices and provide an incentive for departments to improve their reports. In some jurisdictions, legislators and legislative auditors play central roles in such award programs.

In 2006, the New South Wales Public Bodies Review Committee, in conjunction with the Public Accounts Committee, hosted the inaugural Premier's Annual Reports Awards. These awards recognize and reward excellence in Public Sector annual reporting in the state. An extensive report by the Public Bodies Review Committee describes the background to the awards, reviews the quality of the reports that were submitted, compares NSW reporting practices with other jurisdictions (including Canada), provides examples of good practice, and makes recommendations.<sup>20</sup>

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<sup>20</sup> [http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/94f835ffec828723ca25722f0083a805/\\$FILE/Final%20Report.pdf](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/94f835ffec828723ca25722f0083a805/$FILE/Final%20Report.pdf)



The report also notes the existence of other performance report awards programs in Australia (Australian Capital Territory, Tasmania, South Australia, Western Australia, Queensland).

There are also several award programs in the United States for public sector performance reports.

In Canada, the Office of the Auditor General of Canada launched the Award for Excellence in Annual Reporting by Crown Corporations in 1994. However, we are not aware of any other awards programs in Canada for public sector performance reports.

*Why this is a good practice: By recognizing good public performance reports through formal award programs, legislators or legislative auditors - possibly in concert with other institutions - can highlight good reporting practices, signal that good reporting is an accomplishment in itself, and motivate departments to improve their reporting.*

## Develop Capacity

### **GOOD PRACTICE: PROVIDE ADVICE ON PERFORMANCE MEASURES**

In the central agencies section of this report, we noted that some departments consult auditors about their performance information. Auditors may be able to offer an outside perspective on such report issues as reliability and validity of data, credibility and understandability.

By providing such advice (where mandates and resources allow), auditors can help departments improve the quality of their public performance reporting.

*Why this is a good practice: Departments may lack the ability internally to develop reliable performance management systems. Legislative auditors may be able to help departments develop their capabilities in this area, leading to improvements in performance reporting.*

### **GOOD PRACTICE: ENCOURAGE IMPROVED PERFORMANCE REPORTING**

Legislators and legislative auditors can encourage central agencies to provide departments with effective guidance for preparing public performance reports. They may even play a role in the production of such guidance.

In 2002, the Australian Parliament's Joint Committee of Public Administration and Audit encouraged the Department of Finance and Administration and the Australian National Audit Office “to publish better practice guides in relation to measuring, assessing and reporting agency performance.”<sup>21</sup> Finance and ANAO subsequently published a guide in 2004. The Committee also approves Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies, which are then issued by the Department of the Prime Minister and Cabinet.

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<sup>21</sup> See Preface in the guide:  
[http://www.anao.gov.au/uploads/documents/Better\\_Practice\\_in\\_Annual\\_Performance\\_Reporting.pdf](http://www.anao.gov.au/uploads/documents/Better_Practice_in_Annual_Performance_Reporting.pdf)

The NSW Audit Office prepared a Guide to Preparing Performance Reporting Information for Annual Reports in 2000 as part of a review of the performance reporting of eight public sector agencies.

The Office of the Auditor General of Canada produced criteria for good-quality performance reporting in 2002 and presented the criteria as a model for rating departmental performance reports.

As noted in the Background section of this report, the BC Public Accounts Committee, the Auditor General and the government in British Columbia established a set of performance reporting principles for the BC public sector.

*Why this is a good practice: Public accounts committees and legislative auditors are well positioned to influence central agency guidance to departments regarding public performance reports. When they contribute to the development of that guidance, they can bring a user perspective to the process.*

# What Producers can do to Improve their Public Performance Reports

The producers of public performance reports can take action to develop their capacity to produce good reports, and promote the capability of users to obtain value from their reports.

## *Develop Capacity*

### **GOOD PRACTICE: ALIGN INTERNAL AND EXTERNAL REPORTING SYSTEMS**

In addition to their externally-oriented public performance reports, departments also usually produce internal reports that facilitate decision making by senior managers and employees.

In some departments, the system that produces external reports is separate from the system that produces internal reports, sometimes due to monitoring requirements for initiatives not yet subject to public release. We learned, however, that both decision making and external accountability can be enhanced when one system serves both internal and external performance management and reporting purposes.

The Government of Australia introduced its Outcomes and Outputs framework in 1999-2000 as the basis of budgeting and reporting for public sector agencies and the means by which the Parliament appropriates funds in the annual budget context.

In a 2006-2007 performance audit of the framework,<sup>22</sup> the Australian National Audit Office wrote:

An agency's capacity to implement the framework to improve decision making and accountability is enhanced when outcomes and outputs are aligned with agencies' organizational structures and the framework elements are integrated, to the extent appropriate, into agencies' internal performance management regimes.

The audit office then recommended that:

to enhance the integration of the framework into agency operations, details of outcomes and outputs and Portfolio Budget Statement indicators be incorporated into agency and work area business plans, and individual performance agreements, to the extent appropriate.

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<sup>22</sup> [http://www.anao.gov.au/uploads/documents/2006-07\\_Audit\\_Report\\_23.pdf](http://www.anao.gov.au/uploads/documents/2006-07_Audit_Report_23.pdf)

The office made a similar point in a 2003 report on Annual Performance Reporting: “coherence and consistency of reported performance information is supported if it is derived from information used on an ongoing basis for internal management.”<sup>23</sup>

Washington State Governor Chris Gregoire introduced the Government Management Accountability and Performance (GMAP) program when she took office in 2005. She meets regularly in public sessions with agency directors to review agency results, determine what is working and what is not, and decide how to improve results. The government's GMAP guidelines for departments say:

If your agency has an effective scorecard, dashboard, or federal reporting requirement in place that you manage to, use it. Align and clearly link GMAP measures with measures your agency reports to the Governor, OFM [Office of Financial Management], and the stakeholders.<sup>24</sup>

In our questionnaire, we asked if the organizations surveyed use the same performance targets for internal and external reporting. Almost all answered yes, and every one that responded in the affirmative indicated that this practice had a positive or very positive impact on their reporting.

We also asked if the evaluation of employee performance related directly to a person's contribution to the achievement of organizational performance targets. About half answered yes; the rest answered no or said they did not know. Those who responded positively were in general lukewarm about this practice's impact on the organization's reporting ability. We did not ask about the impact on the actual performance of the organization.

*Why this is a good practice: When internal and external reporting systems are aligned, external reporting is more likely to reflect the issues that matter to departmental management. This provides external audiences with enhanced insight into the key factors that influence performance and results. Furthermore, when external reporting is expected to reflect departmental contributions to higher-level government priorities, the alignment of internal and external reporting systems means departmental management is more likely to focus on those higher-level priorities.*

## **GOOD PRACTICE: USE TECHNOLOGY TO MANAGE PERFORMANCE INFORMATION**

Advancements in the capabilities of information and communication technologies are having a significant impact on public sector performance management and reporting. One area where technology is helping is in access to and manipulation of performance data.

Alberta Health and Wellness has created a web-based tool accessible by all employees that captures the department's business and operational plans in one location: the Strategic Planning and Operational Reporting Tool or SPORT. Throughout the year, staff members provide electronic progress reports that

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<sup>23</sup> [http://www.anao.gov.au/uploads/documents/2003-04\\_Audit\\_Report\\_11.pdf](http://www.anao.gov.au/uploads/documents/2003-04_Audit_Report_11.pdf)

<sup>24</sup> <http://www.accountability.wa.gov/guidelines/agencies.asp>

then form the basis for the first draft of the department's annual report. “This has helped to streamline the process and exposed more staff to the importance of the planning process and accountability,” we were told. The tool is also used by staff members to develop individual performance plans for the year.

Technology can be used at the government level too. For example, visitors to the online version of Oregon's new 2007 Benchmark Report (<http://benchmarks.oregon.gov/>) can select the benchmarks that interest them and generate a customized report.

*Why this is a good practice: Technology is opening up new opportunities to collect, manage, report and use performance information. The skillful use of new technologies can allow a department to better understand and influence the factors affecting its performance, and better account to the public for its performance.*

## **GOOD PRACTICE: ENGAGE SENIOR MANAGEMENT**

Public servants will devote time and attention to matters that they perceive as important to their senior managers. If management accords a high priority to public performance reporting, then those responsible for producing the performance report will be more likely to aim for excellence. They will also be more likely to obtain good cooperation from their colleagues.

Our questionnaire asked if senior management in the organization plays a substantial role in the production of the public performance report. Virtually all respondents answered yes, and said senior management's involvement had a positive or very positive impact on reporting.

One respondent said its senior management does not play a substantial role in the production of the organization's public performance report:

Senior managers have a substantial role in the strategic direction of the company and setting indicators to measure progress towards goals; however, [they] do not get very involved in the actual production of the report, although all the planning and proposed reporting plans must be signed off by them.

We were told that, for this organization, the absence of senior management involvement in the reporting process has a somewhat negative impact.

*Why this is a good practice: Evidence from our research indicates there is a strong link between quality public performance reporting and an active, interested senior management team. The involvement of senior leaders in the reporting process signals to other departmental employees that the activity is important. This is likely to elicit greater effort on the part of those providing input into the performance report. It could also entice talented employees to look for jobs within the department's performance management and reporting area.*

## **GOOD PRACTICE: ENSURE CONTINUITY OF MEMBERSHIP IN THE PERFORMANCE REPORTING TEAM**

Our questionnaire results showed that in most of the departments we studied, the public performance plans and reports are written by the same team every year. Most respondents believe this has had a positive or very positive impact on the quality of the department's report.

One department said its reports are “written by the same team but not normally by the same people. This provides advantages in terms of new ways of looking at things but disadvantages in terms of (usually) only incremental improvement.”

In one jurisdiction, we were told, reports are not written by the same team, and the impact on reporting is 'somewhat negative.' “Indications are that there is a high turnover in annual report production areas,” our contact said. “This results in a loss of corporate knowledge and additional work to determine appropriate practices.”

*Why this is a good practice: Producing good public performance reports is very challenging. The task may require knowledge of statistical analysis, writing and presentation skills, political sensitivity, people skills, knowledge of technology, etc. An experienced reporting team can more quickly identify areas of critical importance and will likely have a greater understanding of the nuances of departmental plans and performance.*

## *Promote User-Capability*

### **GOOD PRACTICE: REPORT AGAINST EXPLICIT TARGETS SET OUT IN PLANS**

The essence of quality public performance reporting is to report on performance against planned targets. This allows both internal and external users to understand if objectives were met, if programs are functioning effectively and whether outcomes are being achieved.

In our questionnaire, we asked if reporting entities report performance against publicly disclosed plans and if they set out explicit performance targets and indicators. Almost every respondent answered yes to both questions. And every respondent said explicit performance targets and indicators have a positive or very positive impact on an organization's ability to produce a good report.

The best of the public performance reports we studied presented their performance in very concrete terms, explaining what they had achieved relative to targets identified earlier.

Her Majesty's Prison Service sets out explicit performance targets in its corporate plans, and results in its annual report. For example, in its 2005-2006 Annual Report and Accounts, the Service indicated that one target (of more than a dozen) was “to deliver 6,590 accredited offending behavior programme

completions in 2005-2006, including 1,160 sex offender treatment programmes.” And it reported its results:

- ◆ 7,445 offending behavior programmes completed (target met) and
- ◆ 1,106 sex offender treatment programmes completed (target not met).

Similarly, the New Zealand Department of Justice's 2006 Annual Report compared planned targets in 12 areas from the Department's Statement of Intent (its annual plan) with the actual results.

- ◆ One target was to submit 90% of draft replies to Ministerial correspondence to Ministers within 15 working days of receipt; actual performance was 97%.
- ◆ Another target was to submit to Ministers 100% of draft replies to official information requests to Ministers within statutory timeframes; actual performance was 97%.

Export Development Canada's 2006 Annual Report<sup>25</sup> provides these examples of comparison of planned and actual results:

Measures	2006 Plan	2006 Results	2007 Plan Growth Rate
Business Volume (\$B)	59.6	66.1	10%
Customer Acquisition & Retention	6,400	6,091	10%
Customer Satisfaction	80	85.2	n/a*
Customer Value Index*			
Product & Service Component	83.3-85.2	83.9	improvement
Value Added Component	77.2-78.9	79.5	improvement
Partnership Volume (\$B)	9	10.1	12%

\* New measures developed after publication of 2006-2010 Corporate Plan.

Measures	2006 Plan	2006 Results	2007 Plan Growth Rate
Investments Facilitated			
Volume (\$B)	5.0	5.9	20%
No. of deals*	65	80	31%

\* New measure developed after publication of 2006-2010 Corporate Plan.

*These examples from Export Development Canada's 2006 Annual Report illustrate how EDC performed in comparison to planned results. Throughout EDC's report, performance in key areas is clearly presented. The information could be used by stakeholders to assess the performance of the organization across key areas, and to ask questions where expected results were not met.*

<sup>25</sup> [http://www.edc.ca/english/docs/2006\\_annualreport\\_e.pdf](http://www.edc.ca/english/docs/2006_annualreport_e.pdf)



The UK's Department for Environment, Food and Rural Affairs not only reports against targets, but provides an explanation for the performance, as this excerpt from its 2006-2007 Annual Report<sup>26</sup> illustrates:

Target	Performance
<p><b>9. To improve the health and welfare of kept animals, and protect society from the impact of animal diseases, through sharing the management of risk with industry, including:</b></p> <ul style="list-style-type: none"> <li>• a reduction of 40 per cent in the prevalence of scrapie infection (from 0.33 per cent to 0.20 per cent) by 2010;</li> <li>• a reduction in the number of cases of BSE detected by both passive and active surveillance to less than 60 in 2006, with the disease being eradicated by 2010; and</li> <li>• a reduction in the spread of Bovine TB to new parishes to below the incremental trend of 17.5 confirmed new incidents per annum by the end of 2008.</li> </ul>	<p><b>Scrapie: Slippage:</b> Moves to introduce EU-wide compulsory breeding programmes for scrapie resistance were abandoned in early 2006. Consequently, a review of the existing GB-wide Ram Genotyping Scheme was carried out. This recommended that two options for the future of the scheme (closure and a cost-shared animal health scheme) be put for public consultation. The consultation is due to be launched early in the summer of 2007.</p> <p><b>BSE: Slippage</b> in relation to the 2006 target. The epidemic continues to show a steady decline but the number of BSE cases in 2006 slightly exceeded the 60 case target. There were 104 BSE cases in Great Britain in 2006 of which 87 were born before August 1996.</p> <p>BSE cases in Great Britain declined by 47 per cent between 2002 and 2003; by 44 per cent between 2003 and 2004; by 34 per cent between 2004 and 2005; and by 49 per cent between 2005 and 2006.</p> <p><b>Bovine TB: On course.</b> At the end of 2006 approximately 3.5 per cent of British herds were under Bovine TB restriction due to a Bovine TB incident. Over 93 per cent of British herds were officially Bovine TB free at the end of 2006.</p>

*The above example comes from the 2007 annual report of the UK Department for Environment, Food and Rural Authority. It illustrates how DEFRA performed in critical areas relative to expectations laid out within the department's 2004 Business Plan Service Agreement (<http://www.defra.gov.uk/corporate/busplan/spending-review/psa2004.htm>) and DEFRA PSA Technical Notes, pgs 34-35 (<http://www.defra.gov.uk/corporate/busplan/spending-review/pdf/tn.pdf>).*

*Why this is a good practice: Departments create performance plans for a reason. Reporting against explicit targets set out within plans makes the performance report relevant, and allows users to understand the extent to which a department has achieved its goals, and the actions it plans to undertake to address missed targets.*

<sup>26</sup> <http://www.defra.gov.uk/corporate/deprep/2007/2007-depreport.pdf>, p. 201.



## GOOD PRACTICE: LINK PERFORMANCE TO BROADER GOVERNMENT PRIORITIES

In the central agencies section of this report, we said government-wide planning documents can allow departments to link their results to higher-level goals.

Regardless of whether a jurisdiction produces a government-wide plan, several of the departments we studied found ways to link their performance to broader government priorities in their public performance reports. This allows users to assess departmental performance in a broader context.

In its 2005-2006 Annual Report,<sup>27</sup> Alberta Health and Wellness includes the following:

### VISION

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The Government of Alberta's vision for Alberta is:

*A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.*

That vision is supported by Alberta Health and Wellness' vision:

*Albertans are healthy and live work and play in a healthy environment.*

*This example from Alberta Health and Wellness's annual report illustrates how the department's priorities align with the overall priorities of the Government of Alberta. This alignment allows users to better understand how departmental activities contribute to broad government goals and objectives, and to assess the department's performance in that light.*

<sup>27</sup> [http://www.health.gov.ab.ca/resources/publications/AR06\\_sec1.pdf](http://www.health.gov.ab.ca/resources/publications/AR06_sec1.pdf), p. 10

Export Development Canada says in its 2006 Annual Report that its results “underscore EDC's contribution to Canadian prosperity and to the Government of Canada's Global Commerce Strategy.” Looking forward, EDC writes:

EDC worked more closely with the government in developing the 2007-2011 Corporate Plan. A key element to ensure that EDC's activities reflect the government's expectations is the Minister's “Statement of Priorities and Accountabilities.” This Statement addresses the Minister's vision of EDC's role in helping promote Canada's global commerce agenda. The new Corporate Plan supports the government's agenda with three pillars: to connect with exporters and investors, facilitate integrative trade and leverage the organization's resources.

The report then identifies performance measures and targets for 2007 in each of these areas.

Some government corporations may link to narrower portfolio priorities, or priorities of stakeholders beyond government. Australia's Grains Research and Development Corporation, for example, is funded not only by government but by a levy collected from grain growers. In its 2005-2006 Annual Report, it says its overall outcome<sup>28</sup> “is consistent with the Department of Agriculture, Fisheries and Forestry's portfolio goal of achieving more sustainable, competitive and profitable Australian agricultural, fisheries, food and forestry industries.”

At the same time, it notes:

The GRDC determines its priorities together with industry, government and research providers, and acts in partnership with public and private researchers, other R&D funding organizations, agri-business and grower groups.

*Why this is a good practice: When departments can link their objectives and outcomes to higher level government objectives, priorities and key areas, transparency is increased. Users can more clearly understand the contribution a department has made to broader government performance.*

### **GOOD PRACTICE: USE PERFORMANCE MEASURES CONSISTENTLY FROM YEAR TO YEAR BUT MAINTAIN FLEXIBILITY FOR CONTINUOUS IMPROVEMENT**

Most of the organizations we surveyed said their performance indicators stay relatively static from year to year, and most saw this as contributing to the quality of their reports.

The tables below from the Canada Revenue Agency's 2005-2006 Annual Report<sup>29</sup> illustrate that performance measures reported consistently over time can help readers identify performance trends:

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<sup>28</sup> Through its commitment to innovation, an Australian grains industry that is profitable and environmentally sustainable for the benefit of the industry and wider community.

<sup>29</sup> [http://www.cra-arc.gc.ca/agency/annual/2005-2006/performance-e/ar\\_2005-06-e.pdf](http://www.cra-arc.gc.ca/agency/annual/2005-2006/performance-e/ar_2005-06-e.pdf), p. 19 and 39

## Filing Compliance – Rates of filing on time without direct intervention by the CRA

		Performance rating	Data quality
	<b>2005-2006</b>	<b>Met</b>	<b>Good</b>
	2004-2005	Met	Good

### Our Indicators

	Target	2002-2003	2003-2004	2004-2005	2005-2006
✓ Individuals <sup>1</sup>	90%	93.1%	92.6%	92.6%	92.8%
☑ Corporations <sup>2</sup> – taxable incorporated businesses	90%	87.2%	87.1%	86.0%	85.9%
✓ Businesses <sup>3</sup> – GST/HST returns	90%	91.6%	92.0%	92.6%	91.8%
✓ Employers – T4 returns	90%	96.4%	96.5%	94.5%	94.5%

<sup>1</sup> This estimate uses census data from Statistics Canada.

<sup>2</sup> Source: CRA T2 corporate tax database.

<sup>3</sup> Prior year figures have been restated as a result of improved estimates.

## Expected Result – Non-compliance is identified and addressed

	2005-2006	Performance Rating	Data Quality
		<b>Met</b>	<b>Good</b>
	2004-2005	Mostly Met	Good

### Our indicators

	Target	
✓	95%	Percentage of CCTB recipients that receive the proper entitlement under random sample (Benefit Measurement Sample)
✓	5%	Percentage of CCTB accounts reviewed
✓	50%	Percentage of CCTB accounts reviewed that were adjusted
✓	N/A	Dollar value of validation adjustments resulting in recouped benefits
✓	N/A	Dollar value of validation adjustments in favour of benefit recipients

✓ Met

☑ Mostly Met

✗ Not Met

<sup>1</sup> In 2004-2005, these indicators, along with the indicators for our first two expected results were reported together in a single expected result called "Clients receive timely, accessible, reliable, and fair service, that is responsive to their needs". The performance rating was judged to be 'met'.

*The examples above from Canada Revenue Agency illustrate the consistency and flexibility that contribute to a quality report. The first example illustrates a consistent use of performance indicators over time. The second table contains new indicators; the link to previous indicators is clearly footnoted, enabling the user to refer to relevant performance results in earlier plans and reports.*

Australia's Department of Finance and Administration maintains tight control over public sector agency outcomes, which form the basis for reporting there. In its guidance to departments, it indicates:

To change an existing outcome structure, agencies must, in this order:

- ◆ consult with the Department of Finance and Administration;
- ◆ obtain legal advice to confirm that the new outcomes form "valid appropriations" under Sections 81 and 83 of the Constitution;
- ◆ obtain approval from their Minister;
- ◆ obtain approval from the Minister for Finance and Administration.

Changes to outcomes should only be undertaken if there will be a material improvement in the specification and such improvements are not outweighed by the need for year-on-year consistency.<sup>30</sup>

However, the Department also notes that:

Agency outcomes, outputs and performance information structures can be expected to evolve with experience to meet contemporary needs and changing policy objectives or priorities. Performance information for any purpose is most effective where trends can be compared over time. However, this needs to be carefully balanced against changes in needs, and the availability of more relevant or more reliable information. Performance information should be regularly assessed for appropriateness through systematic review and evaluation of departmental outputs and administered items and, where necessary, review and evaluation of the Government outcomes they support.<sup>31</sup>

Our contact at the Department told us, "Agencies do not update their performance measures as often as would be ideal. While this has advantages in providing a consistent time series, it also means that many agencies have outdated measures that are less relevant than they could be."

A few of our survey respondents commented on the need for at least some flexibility in performance indicators. New Zealand's Landcare Research said that if indicators are too static, then you are "not challenging yourself or staying abreast of new issues as they arise." Washington's Office of Financial Management said performance indicators remained relatively static there, but identified this as having a somewhat negative impact on reporting. Alberta Health and Wellness said "More significant changes occur when there are shifts in policy direction."

*Why this is a good practice: Few departmental performance outcomes can be met in one year. When departments report on the same indicators year after year - updating them as appropriate - users can get a much better sense of the direction and rate of change of performance over time.*

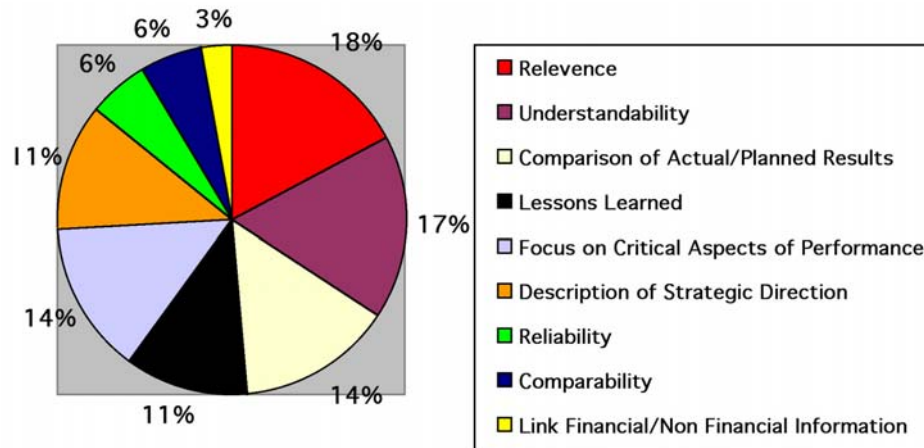
<sup>30</sup> [http://www.finance.gov.au/budgetgroup/Commonwealth\\_Budget\\_-\\_Overview/process\\_for\\_changing\\_outcome\\_s.html](http://www.finance.gov.au/budgetgroup/Commonwealth_Budget_-_Overview/process_for_changing_outcome_s.html)

<sup>31</sup> [http://www.finance.gov.au/budgetgroup/Commonwealth\\_Budget\\_-\\_Overview/performance\\_reporting.html](http://www.finance.gov.au/budgetgroup/Commonwealth_Budget_-_Overview/performance_reporting.html)

## GOOD PRACTICE: PAY PARTICULAR ATTENTION TO RELEVANCE AND UNDERSTANDABILITY

As SORP-2 demonstrates, there is much that goes into a good public performance report. In our questionnaire, we presented a list of 19 characteristics of a good report, drawn largely from SORP-2, and asked respondents to identify up to 5 that they consider to be most important to the success of the organization's report.

Our approach had its limitations (we did not, for example, rotate the items on the list) and our sample was small. Nevertheless, we found the results interesting.



Of the 19 characteristics on our list, 9 were checked off by at least one person. The most important characteristics, according to our survey results, are:

- ◆ relevance
- ◆ understandability
- ◆ comparison of actual to planned results
- ◆ focus on the critical aspects of performance.

### RELEVANCE

According to SORP-2, performance information is relevant when it:

- ◆ is linked to what was stated in the plan
- ◆ enables users to assess performance
- ◆ contributes to decision making
- ◆ helps users appreciate those aspects of performance that are key
- ◆ is timely.

### UNDERSTANDABILITY

According to SORP-2, performance information must be capable of being understood by users if it is to be useful. It should:

- ◆ be precise
- ◆ be clearly stated in plain, non-technical language

- ◆ focus on critical facts and matters
- ◆ avoid oversimplifying or omitting relevant details
- ◆ use a variety of media and methods (e.g. charts and graphs) to enhance understanding
- ◆ organize and sequence information effectively.

### **COMPARISON OF ACTUAL TO PLANNED RESULTS**

According to SORP-2, performance reports should describe actual results, compare them with planned results, and explain any significant variances. “While there may be reluctance to report on objectives that have not been met, it is nonetheless a necessary element for a complete picture of performance and for a balanced performance report.”

### **FOCUS ON THE CRITICAL ASPECTS OF PERFORMANCE**

According to SORP-2, only the key strategies, goals and objectives should be described in a public performance report. “The intent is not to overwhelm the users with excessive information but to provide sufficient information regarding critical aspects of performance for users to better understand what has been achieved during the period.”

*Why this is a good practice: Relevance and understandability scored highest among our survey respondents as characteristics that are most important to the success of an organization's public performance report. Report producers can benefit from the collective wisdom of the people we consulted by ensuring their reports are relevant and understandable.*

### **GOOD PRACTICE: DISCLOSE THE LEVEL OF ASSURANCE ON THE RELIABILITY AND RELEVANCE OF PERFORMANCE INFORMATION**

When users read a performance report, they find it helpful to know how much confidence they can have in the performance information contained in the report. Report producers can provide users with a range of assurance about the reliability of performance information. Four levels of assurance are often discussed:

- ◆ Assurance is *inferred* if the user must assess the report content to determine how much confidence to place in the performance information.
- ◆ Assurance is *affirmed* if management affirms its legal responsibility for reporting.
- ◆ Assurance is *described* if management describes the basis for its judgments, the steps it has taken to validate information, and the limitations of the data.
- ◆ Assurance is *corroborated* if a third party (such as an auditor) examines the report and adds assurance (or delivers cautions).

The level of assurance provided may be influenced by such factors as affordability or the need to address past errors or to deal with situations where there is significant cost or impact related to error.



A 2003 Australian National Audit Office report on Annual Performance Reporting noted:

Parliamentarians and other stakeholders need to know the extent to which they can rely on performance information. Sound arrangements for coordination and clearance of the annual report and sound data assurance arrangements are measures that support accurate, coherent and consistent performance information in annual reports.<sup>32</sup>

The ANAO report says that, in one agency it studied, annual performance report information must be reviewed and approved by the agency's central statistics section, before it can be included in the annual report. However, it said most of the agencies studied for the report “had not developed agency standards and procedures in relation to data quality and coherence. This meant that there were no established minimum expectations of, or bases for improvement in, data quality.”

Australia's Department of Finance and Administration told us that currently, some agencies undertake their own validation and quality assurance procedures, though practices vary across agencies.

The New South Wales Treasury Department has seen some improvement in this area in the performance reports of NSW departments. In its 2006 Annual Reporting Update, it wrote:

In previous reviews many agencies reported quantitative measures (or statistics) on outcomes / outputs delivered but often did not compare these to targets or benchmarks. As a consequence, it was difficult for a reader of the report to gauge how well the agency performed... More agencies are linking performance data to targets or benchmarks and providing reasons where targets were not achieved.<sup>33</sup>

According to New Zealand's State Services Commission, its chief executive is required by law to provide assurance regarding its performance information.

As we noted in the central agencies section of this report:

- ◆ Alberta's Ministry Annual Report Standards require departments to obtain input from the Office of the Auditor General regarding performance measures used in performance reports.
- ◆ The Canada Revenue Agency is required by its legislation to obtain an assessment by the Auditor General of Canada on the fairness and reliability of the Agency's performance information.

In its annual performance report, CRA provides data quality ratings, defined as follows:

Data Quality Ratings	
<b>Good</b>	Results rating based on management judgment <b>supported by an appropriate level of accurate information</b> (including management estimates) obtained from reliable sources or methods.
<b>Reasonable</b>	Results rating based on management judgment <b>supported, in most cases, by an appropriate level of accurate information</b> (including management estimates) obtained from reliable sources or methods.
<b>Weak</b>	<b>Significant gaps in robustness of results information</b> ; results rating based on management judgment <b>supported by entirely or predominantly qualitative information</b> from informal sources or methods.

<sup>32</sup> [http://www.anao.gov.au/uploads/documents/2003-04\\_Audit\\_Report\\_11.pdf](http://www.anao.gov.au/uploads/documents/2003-04_Audit_Report_11.pdf)

<sup>33</sup> See Treasury Circular NSW TC 06/21, 23 August 2006, [http://www.treasury.nsw.gov.au/pubs/06\\_tcirc/nswtc06-21.pdf](http://www.treasury.nsw.gov.au/pubs/06_tcirc/nswtc06-21.pdf)

At ATB Financial, customer satisfaction and employee engagement scores are provided by independent third parties.

*Why this is a good practice: Identifying the level of assurance of performance information helps report users determine how much confidence they can have in the performance data, and provides a basis for making timely, accurate decisions about the information enclosed within a report.*

## **GOOD PRACTICE: CONSULT USERS**

A key conclusion of CCAF's *Users and Uses* project was the following:

Legislators, the general public and the media have different needs for information on government performance than does government... Government producers of PPRs [public performance reports] should not rely solely on their sense of what users would need, but should ask the various categories of users what they would, in fact, find useful.

We had hoped to find that the jurisdictions and departments we studied for this project would provide examples of constructive engagement with users. However, our research showed little evidence that even well-regarded organizations are doing much to engage users about performance reporting.

Most of our survey respondents say they consulted users (including internal users) on the selection of performance indicators. However, only a small minority consult users on what should go into the performance report. Few seek feedback from users after publication, or find the feedback they receive to be of much value. Although many indicate they take steps to encourage audiences to use their reports, none described any steps beyond saying they place their reports on their websites or distribute them to stakeholders.

Nevertheless, almost all survey participants identify external users as primary audiences for their performance reports.

We interpret these results as an indication of just how difficult it is for departments to talk directly to external audiences. And we offer the following suggestions:

- ◆ Ask departmental policy analysts or communications professionals to enquire about performance reporting when they are consulting external audiences
- ◆ Take advantage of existing research that is based on consultation with users about public performance reporting, such as the Governmental Accounting Standards Board's *Report on the GASB Citizen Discussion Groups on Performance Reporting*<sup>34</sup> and CCAF's *Users and Uses* report<sup>35</sup>

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<sup>34</sup> Available at <http://gasbpsubs.stores.yahoo.net/publications-research-reports.html>

<sup>35</sup> Available at <http://www.ccaf-fcvi.com/english/publications.html>



- ◆ Learn from the results of centralized consultation exercises, such as Oregon's Advisory Committee for Citizen-Friendly Reporting.

*Why this is a good practice: Governments report publicly on their performance to account to the citizens they serve. As CCAF's Users and Uses report said, "We need to create trust between the government producers and intended users of PPRs. We need to develop opportunities for them to communicate with each other so that each begins to listen to and understand the other's unique and important perspective."*

## **GOOD PRACTICE: PRODUCE PERFORMANCE REPORTS IN FORMATS THAT MEET USER NEEDS**

Today, public performance reports are routinely produced in hard (printed) and electronic formats, with the latter including .pdf, html and/or Word versions posted on the Internet. Some departments produce CD-ROM versions.

Electronic formats have the potential advantage of being interactive. Mordecai Lee of the University of Wisconsin-Milwaukee, cited in the Background section of this report, has written that, "Two key developments in contemporary public administration – performance information and electronic government – have converged to permit the transformation of traditional 20<sup>th</sup> century public reporting (such as through printed annual reports) into 21<sup>st</sup> century electronic reporting, or *e-reporting*." Lee defines E-reporting as:

"The administrative activity that uses electronic government technology for digital delivery of public reports that are largely based on performance information. E-reporting is a tool of e-democracy that conveys systematically and regularly information about government operations that is valuable to the public at large, in order to promote an informed citizenry in a democracy and accountability to public opinion. E-reports are planned to be citizen-friendly, by being understandable and meaningful to the lay public."<sup>36</sup>

Lee provides examples of advanced e-reporting initiatives in the United States in his report. (See the box at the end of this section for more information.)

Recognizing that one size does not fit all, some of the departments we examined produce detailed performance reports that meet all regulatory and legislative requirements, and shorter versions (highlights, executive reports, summary reports, etc.) that are more likely to be used by legislators, the media and the public.

For example, Alberta Health and Wellness produces an 8-page summary ([http://www.health.gov.ab.ca/resources/publications/AR\\_Highlights.pdf](http://www.health.gov.ab.ca/resources/publications/AR_Highlights.pdf)). As we noted above, Alberta's 2006-2007 Ministry Annual Report Standards suggest that departments issue an extract from their annual report to meet the information requirements of certain stakeholders.

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<sup>36</sup> [http://www.businessofgovernment.org/pdfs/Lee\\_Report.pdf](http://www.businessofgovernment.org/pdfs/Lee_Report.pdf)

The Canada Revenue Agency provides Performance Highlights in a 24-page document ([http://www.cra-arc.gc.ca/agency/performance\\_highlights/2005-2006/rc4262-e.pdf](http://www.cra-arc.gc.ca/agency/performance_highlights/2005-2006/rc4262-e.pdf)).

We found a number of other interesting approaches to reporting, designed to meet the needs of users:

- ◆ In addition to its annual report, the Washington State Department of Transportation publishes a quarterly performance report in two versions: detailed (The Gray Notebook) and highlights (Gray Notebook Lite) (<http://www.wsdot.wa.gov/accountability/default.htm>).
- ◆ As noted above, visitors to the online version of Oregon's new 2007 Benchmark Report (<http://benchmarks.oregon.gov/>) can select the benchmarks that interest them and generate a customized report.

## **IDEAS FOR EFFECTIVE E-REPORTING**

In *E-Reporting: Strengthening Democratic Accountability*, Professor Mordecai Lee assessed the depth of utilization of technology in electronic performance reports through these questions:

- a. Self-directed to get more in-depth information? Are there links for additional specialized information such as: “If you are interested in more information about this, click here,” etc.?
- b. Well maintained? Are those links kept up-to-date regarding both content and not “broken” due to changed URL addresses?
- c. Are the contents of the report searchable?
- d. Are there archives of reports from previous years so that a user can go back and compare results?
- e. Is there a listing of a webmaster or contact person responsible for content and a means to e-mail that person?
- f. Is it easy or hard for readers to share the report with someone else they think might be interested? For example, some commercial websites have a function that makes it easy to e-mail content (as opposed to the URL) to someone else. Alternately, if the document is in PDF format, it is relatively easy to e-mail the URL of the PDF file.
- g. Informational/opinion feedback? At the end of the report, is there an electronic “tear-off” coupon to fill out and e-mail back: “I read it and here's my reaction” or “I read it and would like more information”?
- h. Participative? Does the report include a feature along the lines of “I read it and would like to get involved”?
- i. Future dissemination? Can a person sign up for an e-mail notification when the next report is posted?

- ◆ The Australian Department of Families, Community Services and Indigenous Affairs uses its annual report as a benchmark for the accessibility of the department's information online. The annual report home page menu links to an Accessibility page (<http://www.facsia.gov.au/annualreport/2006/accessibility.html>) that outlines in detail what the department has done to make the report accessible to the largest possible audience. There is ample encouragement for users to provide feedback.
- ◆ In New South Wales, a legislative committee that examined performance reporting in the state noted that many stakeholders are requesting CD-ROM versions of annual reports. CD-ROMs have lower production, postage and storage costs.

In 2003, the Standing Committee On Government Operations And Estimates of the House of Commons of Canada released the report *Meaningful Scrutiny: Practical Improvements To The Estimates Process*. The report said:

It is essential that, in reports submitted to Parliament, the federal government enhance its ability to communicate clearly the information considered relevant by its clients – MPs and the Canadian public – and release it in an appropriate format... reports submitted to Parliament should make more intensive use of statistical tools such as trends and annual variations and present ideas and findings in tables and graphs; these tables and graphs should be accompanied by brief texts with value added to substantiate the figures.

Governments often set out broad requirements that public servants must follow when communicating with the public. For example:

- ◆ Washington Governor Chris Gregoire's "Plain Talk" Executive Order 05-03 requires all state agencies to use simple and clear language when communicating with citizens and businesses.<sup>37</sup>
- ◆ The Communications Policy of the Government of Canada<sup>38</sup> sets out extensive requirements to ensure that all communications of the Government of Canada take into account the needs of Canadians. Among its 31 policy requirements are sections on Plain Language, Official Languages, and Internet and Electronic Communication.

Public performance reports prepared in the spirit of such policies are more likely to meet user needs.

*Why this is a good practice: Research by CCAF and others has demonstrated that key public performance report audiences are not making much use of performance reports. Departments can help turn this situation around by finding innovative ways to make reports more accessible to users. Balancing the inclusion of important performance information with the needs and limitations of users is a key challenge.*

<sup>37</sup> [http://www.governor.wa.gov/execorders/eo\\_05-03.pdf](http://www.governor.wa.gov/execorders/eo_05-03.pdf)

<sup>38</sup> [http://www.tbs-sct.gc.ca/pubs\\_pol/sipubs/comm/comm\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/sipubs/comm/comm_e.asp)

# Concluding Observations

Although we did not intend to draw any grand conclusions from this project, we did arrive at several observations.

The first is that public performance reporting is very difficult to do well. A good report must be built on an effective performance management system, must provide enough information to meet user needs without overwhelming the reader, and must survive often highly critical scrutiny in a political environment.

Our second observation is that, despite the challenges, and despite the many competing priorities for resources, a number of jurisdictions and reporting entities are finding ways to strengthen their performance reports. We identify some of those ways in this report; others undoubtedly exist. The progress being made in the face of challenges and other priorities gave us reason for optimism about the future of public performance reporting.

Finally, in noting the complementary roles played by central agencies, legislators, legislative auditors and report producers, we were struck by the potential for enhanced collaboration to strengthen performance reporting. We have seen examples of collaboration in Canada in the past: in the development of CCAF's performance reporting principles between 1999 and 2002, and in the 2003 agreement reached by the British Columbia government, legislators and the Auditor General regarding performance reporting principles for the public sector.

We think there is room for more such cooperation, both within and across jurisdictions. We applaud the efforts of the Public Sector Accounting Board and the Public Reporting Advisory Group of the Canadian Council of Legislative Auditors to move public performance reporting forward in this country. And through the various projects of CCAF's Program for Improved Public Performance Reporting, we will contribute as best we can to achieving this worthwhile objective.

# Annex A – Background to this Project

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## WHAT IS PUBLIC PERFORMANCE REPORTING?

CCAF defines public performance reporting as:

the formal mechanisms that a government uses to communicate with the public and legislatures in accordance with agreed guidelines. It is the formal response to a desire or need to report performance to those who have a legitimate interest in knowing, understanding and assessing performance, and then acting on this information.

The Treasury Board of Canada Secretariat defines performance reporting as:

The process of communicating evidence-based performance information. Performance reporting supports decision-making, accountability and transparency.<sup>39</sup>

The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants issued a Statement of Recommended Practice (SORP-2) on Public Performance Reporting in September 2006, based on principles developed in 2002 by CCAF.<sup>40</sup> The PSAB statement says:

The main purpose of a public performance report is to explain in a clear and concise manner the extent to which intended **goals** and **objectives** were achieved and at what cost.

As SORP-2 notes, public performance reporting is part of a continuous management cycle that includes strategic planning; annual planning; measuring, monitoring and assessing results; and performance reporting.

In some jurisdictions, the annual plan and the performance report are seen as two parts of what is essentially the same document (the public performance report) – the first part defining the goals, objectives, performance measures and targets, and the second indicating the results relative to the plan. Although in this document we discuss the annual plan and the performance report as separate documents, we recognize their inter-connectedness. Often the good practices we cite are relevant to both.

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## THE EVOLUTION OF PUBLIC PERFORMANCE REPORTING

In some respects, public performance reporting has an extensive history. Mordecai Lee, Associate Professor of Governmental Affairs at the University of Wisconsin-Milwaukee, has identified early examples of institutionalized public reporting in the 19<sup>th</sup> century. “A formal theory of public reporting emerged in the

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<sup>39</sup> Treasury Board of Canada Secretariat, Results-Based Management Lexicon: [http://www.tbs-sct.gc.ca/rma/lex-lex\\_e.asp](http://www.tbs-sct.gc.ca/rma/lex-lex_e.asp)

<sup>40</sup> More information on SORP-2 is available at [http://www.psab-ccsp.ca/index.cfm/ci\\_id/35495/la\\_id/1](http://www.psab-ccsp.ca/index.cfm/ci_id/35495/la_id/1)

first half of the 1900s as part of the gradual development of public administration as both a profession of practitioners as well as an academic field for faculty and researchers,” Lee has written.<sup>41</sup>

According to Lee,

Public reporting was conceptualized as a way that government would contribute to the existence of an informed citizenry. Reporting would have two purposes. First, it would be *informative* by sharing facts and figures with the public at large on the activities of the government... The second purpose of reporting in mass democracy would be to *educate* the public.

Despite its roots in the 19<sup>th</sup> century, public performance reporting is in many respects still in its early stages. This is certainly the case in Canada.

The Government of Alberta adopted a multi-year business planning process in 1993-1994, developing its first set of three-year ministry business plans. In 1995, Alberta released *Measuring Up*, its first annual government-wide performance report and the first of its kind in Canada.

The Government of Canada began moving towards a more comprehensive, results-based reporting approach in 1995. Sixteen departments agreed to report on the results they achieved for the fiscal year ending March 31, 1996. Their individual Performance Reports provided information on results actually obtained in serving Canadians, and on the cost of serving them. In 2001, the government released its first government-wide performance report, *Canada's Performance 2001*.

In British Columbia, the *Budget Transparency and Accountability Act* of 2000 (as amended) mandates annual reporting of three-year service plans and service plan reports. In 2003, the government, legislators and the Auditor General reached agreement on a set of performance reporting principles for the British Columbia public sector. These principles have become the basis on which ministries and Crown agencies prepare their service plans and reports, and the Auditor General of British Columbia has annually assessed the quality of ministry and Crown agency service plan reports in BC.

In 2005, the Manitoba government released *Reporting to Manitobans on Performance*, leading to standardized performance measurement sections contained within each departmental performance report.

In these and other jurisdictions in Canada, legislators, legislative auditors, and public servants are advancing public performance reporting.

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## CCAF'S RESEARCH IN THIS AREA

CCAF began working to improve Public Performance Reporting in 1999. The Foundation's most significant contribution to date has been in the area of reporting principles. This work culminated in the public release in 2003 of *Reporting Principles: Taking Public Reporting to a New Level*.

British Columbia, Alberta, Manitoba, Saskatchewan and Quebec all incorporated the CCAF principles into their performance reporting frameworks or used them as guidance in developing their own principles.

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<sup>41</sup> See E-Reporting: Strengthening Democratic Accountability at [http://www.businessofgovernment.org/pdfs/Lee\\_Report.pdf](http://www.businessofgovernment.org/pdfs/Lee_Report.pdf). Appendix I is a History of Public Reporting.

Canada's legislative audit community is using the principles as the basis for audit criteria that it is developing in relation to performance reporting. The community has also used the principles for its performance audit programs.

In June 2006, CCAF published *Users and Uses: Towards Producing and Using Better Public Performance Reporting – Perspectives and Solutions*. This research report notes that governments have made much progress in improving their public performance reports – and that they still have a long way to go to make them truly useful to such key audiences as elected officials, journalists, non-governmental organizations and the public.

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## **CURRENT CHALLENGES IN PUBLIC PERFORMANCE REPORTING**

Many jurisdictions have recognized the importance of public performance reporting, and have launched initiatives to strengthen their reporting. However, our research at CCAF indicates that much public performance reporting is missing the mark – that is to say, it is not meeting the needs of the intended users of the information.

In a 2005 report on the state of performance reporting at the federal level in Canada, the Auditor General of Canada found that “departments do not generally report credible and balanced results.” The report suggested that “it is important to report performance shortcomings as well as successes; this would reduce the risk that users, such as parliamentarians, might discount the positive results as biased, incomplete, and lacking in credibility.”

Other legislative auditors are finding little increase in the quality of performance reports over time, despite the fact that audit offices expend considerable resources providing feedback to their legislatures on the state of government performance reporting.

In meetings CCAF has held with preparers of performance reports in several Canadian jurisdictions, many public servants expressed the view that they do not have the opportunity to meet with users to receive feedback on performance reports. Similarly, public servants indicate that users rarely provide feedback on how performance reports could be improved.

Another common theme expressed by public servants in discussion with CCAF is that it is difficult for a single performance report to satisfy the needs of all users. Performance reports can be crucial planning documents for the bureaucracy. However, if they are prepared with only internal purposes in mind, they may be written in a language that is not easy for other users, such as legislators and the public, to understand.

Organizations also struggle to determine whether they should devote their limited resources to improving performance reports – or to other priority requirements. And finally, public servants face an ongoing challenge in attempting to produce balanced and credible reports for signature by Ministers and discussion in the partisan environment of a legislature.

Faced with these and other issues confronting both users and producers of public performance reports, one is tempted to conclude that the entire concept is in trouble.



To do so, however, would be to ignore the substantial progress that has taken place in Canada in the relatively short period of time since Canadian jurisdictions have launched efforts to report on performance to key audiences.

It would also disregard the experience of some jurisdictions in other countries, where governments have taken up public performance reporting enthusiastically and where users have demonstrated their strong interest in and support for improvements in performance reporting.

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## **CCAF'S PROGRAM FOR IMPROVED PUBLIC PERFORMANCE REPORTING**

CCAF believes the time is right to build on the successes, and address the shortcomings, in public performance reporting in Canada. There are lessons to be learned from our experiences here and from other jurisdictions. There are also opportunities to experiment with innovative new approaches to performance reporting.

CCAF's vision is the achievement of excellence in public sector governance, management and accountability. We strongly believe that effective public performance reporting is an essential element of public sector accountability. And we believe that progress will require a much closer link between the needs of public performance report users and the production of performance reports.

In June 2006, in partnership with the Alfred P. Sloan Foundation, CCAF launched its three-year program – the Program for Improved Public Performance Reporting – to improve the quality and usage of public performance reporting.

The aim of the program is not simply to promote the use of performance reports, but to realign performance reporting with the needs of report users (legislators, non-governmental organizations, the media and the public).

This is being accomplished through a number of initiatives, including best practices research, pilot projects, structured discussions with users, and the dissemination of information about public performance reporting to both producers and users.

The program has two sets of objectives:

- ◆ Users: to obtain feedback from users on how to improve the readability and usability of public performance reports, and stimulate demand for reports among users.
- ◆ Governments: to provide governments with user feedback, and apprise governments (and other institutions of governance) of best practices in public performance reporting.

In this report, *Public Performance Reporting: What can we learn from effective public performance reporting?*, we provide the findings of our international research on good practices in public performance reporting.



# Annex B – Questionnaire

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## CCAF PUBLIC PERFORMANCE REPORTING GOOD PRACTICES STUDY

Public Performance Reporting Organization: \_\_\_\_\_

Survey completed by: \_\_\_\_\_

Title and organization: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Date completed: \_\_\_\_\_

CCAF, a non-profit research and capacity building foundation and Canada's leader in research on public sector accountability, is conducting an international study to identify conditions and practices that are conducive to good public performance reporting. We have identified the public performance report (PPR, or annual report) of the organization above as a good report. We thank you for agreeing to take the time to complete this survey.

Most of the survey consists of a series of yes/no questions. For each question, please answer Yes or No. If you do not know the answer to the question, just answer Don't Know and move on to the next question.

IF YOU ANSWER *YES* or *NO*, please indicate what impact you think the presence (or absence) of the factor noted in the question has on the organization's reporting.

For example, the first question reads, “Is the organization required by law to produce a public performance report?” If the answer is yes or no, please indicate whether you think this fact has a:

- very negative impact
- somewhat negative impact
- neutral impact
- somewhat positive impact
- very positive impact

on the organization's reporting.

We are not asking you to assess the quality of the report, but to indicate the relative importance of various conditions and practices on the quality of the organization's reporting. Please feel free to elaborate on your answers whenever you think it would be helpful.

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## THE GOVERNMENT'S PLANNING AND REPORTING PROCESS

1. Is the organization required by law to produce a public performance report (PPR)?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                                   somewhat negative impact  
                                   neutral impact  
                                   somewhat positive impact  
                                   very positive impact

2. Is the PPR produced as part of a government-wide planning and reporting cycle?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                                   somewhat negative impact  
                                   neutral impact  
                                   somewhat positive impact  
                                   very positive impact

If YES, does the cycle result in the timely production of the PPR?

*Please select one:*     Yes    No    Don't Know

3. Is performance reported against publicly disclosed plans?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                                   somewhat negative impact  
                                   neutral impact  
                                   somewhat positive impact  
                                   very positive impact

4. Does the government produce a government-wide planning document?

Please select one:  Yes  No  Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

5. Is the PPR an input into a government-wide performance report?

Please select one:  Yes  No  Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

6. Does any body (e.g. government agency, legislature, auditor, standards body) set out guidelines or principles or standards for the production of public performance reports?

Please select one:  Yes  No  Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

If YES, we would appreciate it if you could identify the organization(s) here and provide us with a copy of the guidelines/principles/standards!

- government agency  legislature
- auditor  standards body
- other

7. Does any body (e.g. legislative committee, auditor, central agency) review the organization's PPR?

Please select one:  Yes  No  Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

Please select one:  very negative impact  
 somewhat negative impact  
 neutral impact  
 somewhat positive impact  
 very positive impact

If YES, please identify the organization(s) here:

legislative committee  auditor  
 central agency  other

8. Has any individual or organization acted as a champion for public performance reporting in your jurisdiction (e.g. an elected official, auditor, senior official, agency)?

Please select one:  Yes  No  Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

Please select one:  very negative impact  
 somewhat negative impact  
 neutral impact  
 somewhat positive impact  
 very positive impact

9. Are any significant changes likely to occur in the next two years to the government's planning and reporting process?

Please select one:  Yes  No  Don't Know

If YES, please describe.

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## THE ORGANIZATION'S PLANNING AND REPORTING PROCESS

**10. Does the organization use a formal performance management process?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

If YES, is the PPR an integral part of that process, or a separate exercise?

*Please select one:*     Yes    No    Don't Know

**11. Does the organization set out explicit performance targets and indicators?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

**12. Are the same performance targets and indicators used for internal and external reporting?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

*Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

**13. Do the report's performance indicators stay relatively static from year to year?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

**14. Is the evaluation of employee performance related directly to a person's contribution to the achievement of organizational performance targets?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

**15. Is assurance provided in the PPR on the reliability and relevance of the performance information?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

**16. Does senior management in the organization play a substantial role in the production of the PPR?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

**17. Are or were any users of the PPR consulted about the organization's selection of performance indicators?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

If YES, which users were consulted?

- Legislators                                 Program users  
 Partner organizations     Non-governmental organizations  
 Internal users                                 Other

**18. Are users of the PPR consulted in advance about what the PPR itself should contain?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
                               somewhat negative impact  
                               neutral impact  
                               somewhat positive impact  
                               very positive impact

**19. Who is the primary audience for the PPR?**

- Legislators                       Program users  
 Partner organizations       Non-governmental organizations  
 Internal users                       Other

**20. Does the organization seek out user feedback following the release of a PPR?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
 somewhat negative impact  
 neutral impact  
 somewhat positive impact  
 very positive impact

**21. Is user feedback on past PPRs used to improve the next one?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
 somewhat negative impact  
 neutral impact  
 somewhat positive impact  
 very positive impact

**22. Has the organization taken any steps to encourage audiences to use the PPR?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*     very negative impact  
 somewhat negative impact  
 neutral impact  
 somewhat positive impact  
 very positive impact



If YES, please describe those steps:

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23. Is the PPR written by the same team every year?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

24. What have you found most difficult in preparing the reports?

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## REPORT CONTENT

25. From the following list of characteristics of a good PPR, PLEASE SELECT UP TO 5 that you consider to be most important to the success of the organization's PPR:

- Reliability and validity
- Relevance
- Fairness
- Comparability and consistency
- Understandability
- Practical trade-off between characteristics
- Focus on the few critical aspects of performance
- Description of the entity's strategic direction
- Comparison of actual results with planned results
- Comparison with trends, benchmarks, baseline data or the performance of other similar organizations
- Description of lessons learned and key factors influencing performance and results
- Link between financial and non-financial performance information
- Disclosure of the basis for reporting
- The report's accessibility to users
- Discussion of broad, high-level outcomes
- Discussion of intermediate outcomes
- Discussion of shared outcomes, i.e. outcomes involving other organizations
- Discussion of risk
- Discussion of the implications of past performance for future performance

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**REPORT FORMAT**

26. Does the PPR stand out physically in any way from other PPRs?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

If YES, how?

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27. Is the writing style of the PPR notably different from that of other PPRs in your jurisdiction?

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

If YES, how?

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**28. Is the report available in multiple formats?**

*Please select one:*     Yes    No    Don't Know

If YES or NO: What impact does this have on the organization's ability to produce a good report?

- Please select one:*
- very negative impact
  - somewhat negative impact
  - neutral impact
  - somewhat positive impact
  - very positive impact

If YES, please describe the formats:

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**29. Are any changes to the process or format planned?**

*Please select one:*     Yes    No    Don't Know

If YES, please describe the planned changes:

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**30. Are there any other factors not addressed above that have had a significant impact, positive or negative, on the organization's reporting? Please describe:**

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# Annex C – Questionnaire Results

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## TABULATION

1. Is the organization required by law to produce a public performance report (PPR)?

Answers: Yes: 14 No: 0 Don't Know: 0

Very negative impact

Somewhat negative impact

Neutral impact 2

Somewhat positive impact 4

Very positive impact 8

2. Is the PPR produced as part of a government-wide planning and reporting cycle?

Answers: Yes: 13 No: 0 Don't Know: 1

Very negative impact

Somewhat negative impact

Neutral impact 4

Somewhat positive impact 1

Very positive impact 8

2a. IF YES, does the cycle result in the timely production of the PPR?

Answers: Yes: 12 No: 0 Don't Know: 1

Very negative impact

Somewhat negative impact 2

Neutral impact 2

Somewhat positive impact 6

Very positive impact 2

**3. Is performance reported against publicly disclosed plans?**

*Answers:* Yes: 12 No: 0 Don't Know: 2

Very negative impact

Somewhat negative impact

Neutral impact 1

Somewhat positive impact 6

Very positive impact 5

**4. Does the government produce a government-wide planning document?**

*Answers:* Yes: 8 No: 3 Don't Know: 3

Very negative impact

Somewhat negative impact 3

Neutral impact 2

Somewhat positive impact 4

Very positive impact 2

**5. Is the PPR an input into a government-wide performance report?**

*Answers:* Yes: 7 No: 2 Don't Know: 5

Very negative impact

Somewhat negative impact

Neutral impact 2

Somewhat positive impact 3

Very positive impact 4

**6. Does any body (e.g. government agency, legislature, auditor, standards body) set out guidelines or principles or standards for the production of public performance reports?**

*Answers:* Yes: 10 No: 3 Don't Know: 1

Very negative impact

Somewhat negative impact

Neutral impact 3

Somewhat positive impact 5

Very positive impact 5

**6a. Advising Bodies on Standards, Principles, Practices**

Government Agency	8
Legislature	4
Auditor	4
Standards Body	4
Other	2

**7. Does any body (e.g. legislative committee, auditor, central agency) review the organization's PPR?**

*Answers:* Yes: 13 No: 0 Don't Know: 1

Very negative impact	
Somewhat negative impact	1
Neutral impact	
Somewhat positive impact	7
Very positive impact	5

**7a. Identify the Organizations**

Central Agency	5
Legislative Committee	6
Auditor	11
Other	1

**8. Has any individual or organization acted as a champion for public performance reporting in your jurisdiction (e.g. an elected official, auditor, senior official, agency)?**

*Answers:* Yes: 9 No: 1 Don't Know: 4

Very negative impact	
Somewhat negative impact	1
Neutral impact	
Somewhat positive impact	2
Very positive impact	7

**9. Are any significant changes likely to occur in the next two years to the government's planning and reporting process?**

*Answers:* Yes: 2 No: 0 Don't Know: 12



**10. Does the organization use a formal performance management process?**

*Answers:* Yes: 12 No: 2 Don't Know: 0

Very negative impact

Somewhat negative impact

Neutral impact 1

Somewhat positive impact 6

Very positive impact 7

**10a. If YES, is the PPR an integral part of that process or a separate exercise?**

*Answers:* Yes: 9 No: 3 Don't Know: 0

Very negative impact

Somewhat negative impact

Neutral impact 4

Somewhat positive impact 3

Very positive impact 5

**11. Does the organization set out explicit performance targets and indicators?**

*Answers:* Yes: 14 No: 0 Don't Know: 0

Very negative impact

Somewhat negative impact

Neutral impact

Somewhat positive impact 6

Very positive impact 8

**12. Are the same performance targets and indicators used for internal and external reporting?**

*Answers:* Yes: 9 No: 4 Don't Know: 1

Very negative impact

Somewhat negative impact

Neutral impact 2

Somewhat positive impact 6

Very positive impact 5

13. Do the report's performance indicators stay relatively static from year to year?

Answers: Yes: 12 No: 0 Don't Know: 2

- Very negative impact
- Somewhat negative impact 1
- Neutral impact 1
- Somewhat positive impact 7
- Very positive impact 3

14. Is the evaluation of employee performance related directly to a person's contribution to the achievement of organizational performance targets?

Answers: Yes: 7 No: 3 Don't Know: 4

- Very negative impact
- Somewhat negative impact 1
- Neutral impact 4
- Somewhat positive impact 3
- Very positive impact 2

15. Is assurance provided in the PPR on the reliability and relevance of the performance information?

Answers: Yes: 12 No: 0 Don't Know: 2

- Very negative impact
- Somewhat negative impact
- Neutral impact 3
- Somewhat positive impact 1
- Very positive impact 8

16. Does senior management in the organization play a substantial role in the production of the PPR?

Answers: Yes: 12 No: 1 Don't Know: 1

- Very negative impact
- Somewhat negative impact 1
- Neutral impact 1
- Somewhat positive impact 4
- Very positive impact 7

**17. Are or were any users of the PPR consulted about the organization's selection of performance indicators?**

*Answers:* Yes: 12 No: 0 Don't Know: 2

Very negative impact

Somewhat negative impact

Neutral impact 1

Somewhat positive impact 6

Very positive impact 5

**17a. If YES, what user group(s) were consulted**

Legislators 7

Program Users 5

Partner Organizations 6

Non-Governmental Organizations 3

Internal Users 9

Other 3

**18. Are users of the PPR consulted in advance about what the PPR itself should contain?**

*Answers:* Yes: 13 No: 0 Don't Know: 1

Very negative impact

Somewhat negative impact

Neutral impact 4

Somewhat positive impact 1

Very positive impact 8

**19. Who is the primary audience for the PPR?**

Legislators 11

Program Users 6

Partner Organizations 7

Non-Governmental Organizations 6

Internal Users 8

Other 1

20. Does the organization seek out user feedback following the release of a PPR?

Answers: Yes: 8 No: 5 Don't Know: 1

- Very negative impact
- Somewhat negative impact 4
- Neutral impact 4
- Somewhat positive impact 1
- Very positive impact 4

21. Is user feedback on past PPRs used to improve the next one?

Answers: Yes: 4 No: 6 Don't Know: 4

- Very negative impact
- Somewhat negative impact
- Neutral impact 7
- Somewhat positive impact
- Very positive impact 3

22. Has the organization taken any steps to encourage audiences to use the PPR?

Answers: Yes: 6 No: 6 Don't Know: 2

- Very negative impact
- Somewhat negative impact 3
- Neutral impact 4
- Somewhat positive impact 4
- Very positive impact 1

23. Is the PPR written by the same team every year?

Answers: Yes: 9 No: 4 Don't Know: 1

- Very negative impact
- Somewhat negative impact 2
- Neutral impact 4
- Somewhat positive impact 3
- Very positive impact 4

24. What have you found most difficult in preparing the reports?

25. From the following list of characteristics of a good PPR, PLEASE SELECT UP TO 5 that you consider to be most important to the success of the organization's PPR:

*See page 37.*

26. Does the PPR stand out physically in any way from other PPRs?

*Answers:* Yes: 5 No: 0 Don't Know: 9

Very negative impact

Somewhat negative impact 1

Neutral impact 7

Somewhat positive impact 6

Very positive impact

27. Is the writing style of the PPR notably different from that of other PPRs in your jurisdiction?

*Answers:* Yes: 2 No: 6 Don't Know: 6

Very negative impact

Somewhat negative impact

Neutral impact 6

Somewhat positive impact 2

Very positive impact

28. Is the report available in multiple formats?

*Answers:* Yes: 13 No: 0 Don't Know: 1

Very negative impact

Somewhat negative impact

Neutral impact 6

Somewhat positive impact 7

Very positive impact

29. Are any changes to the process or format planned?

*Answers:* Yes: 4 No: 0 Don't Know: 10

30. Are there any other factors not addressed above that have had a significant impact, positive or negative, on the organization's reporting? Please describe:

*Answers:* Yes: 3 No: 0 Don't Know: 11



