

Guidelines for Annual Performance Reports

2019

Planning and Coordination
Office of the Executive Council
Government of Newfoundland and Labrador



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1 Introduction

The Guidelines for Annual Performance Reports are provided to guide government entities towards fulfilling the reporting requirements established under section 9 of the **Transparency and Accountability Act** (the Act). It provides a framework to enable each government entity to present a concise, coherent and consistent picture of its progress towards annual objectives as outlined in corresponding plans. Appendix A contains definitions of the terminology used in this document.

The annual performance report requirement is a critical element to enhance accountability of government and government entities to the public. Broadly speaking, accountability refers to the ownership (by a Minister, Chairperson, public entity or otherwise) of a specific set of responsibilities along with an obligation to report back on how those responsibilities have been carried out, the results obtained, as well as the effective management of both public funds and confidence. Performance reporting as undertaken in these annual reports should summarize an entity's performance (i.e., outcomes, outputs, activities) providing a clear comparison of planned results (as identified in corresponding performance-based plans) and those results actually achieved using objective performance measures (i.e., indicators).

The Planning and Coordination Office is available to provide advice to entities upon request regarding any aspect of this process.

2 Reporting Overview

Through the performance-based planning and reporting process, government entities have developed the capability to identify, measure and report on progress toward stated performance indicators. Annual performance reports should clearly and concisely provide meaningful information, based on the performance indicators identified in the plan, to the public in a brief, readable document. For this reason, communications personnel, where they exist, should be consulted throughout the development of the report. Accessible Communications Policy should also be adhered to.

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

3 Report Contents

There are a number of key sections that should appear in a government entity's annual report. The sections and content described are aligned with policy requirements for public annual reporting under the Act and entities are encouraged to follow suggested report content and sections. The suggested format for annual performance reports is summarized in the table below and described in detail in the text that follows. The suggested page

lengths for each section are provided as a guide and can be expected to vary depending upon the scope of an entity's activities and reporting.

Content for Annual Performance Reports

1. Table of Contents (1 page)
2. Responsible Person's Message (1 page)
3. Government Entity Overview (1-2 pages)
 - o Key Statistics (e.g., entity purpose, staff, breakdown, budget and expenditures, locations, etc.)
4. Highlights and Partnerships (1-2 pages)
5. Report on Performance (4-6 pages)
 - o Report on 2018-19 Objective
6. Opportunities and Challenges Ahead (1 page)
7. Financial Statements (if applicable)

Responsible Person's Message

The responsible person's message serves to introduce the report and meet two specific legislative requirements of annual reporting found under section 9 (9) of the Act. In the case of a department (or departmental equivalent), the responsible Minister must include a statement that he/she is accountable for the actual results reported and his/her signature must accompany the message. In the case of a public body, the Chairperson's message includes a statement that the governing body is accountable for the actual results reported and his/her signature is to be provided.

Aside from legislative requirements, the responsible person's message may include high-level detail on accomplishments, general commentary on a government entity's operations for the year and/or detail on the entity's mandate. For actions in 2018-19 and any comments on future-year work, inserting linkages to Government's overall vision, *The Way Forward*, is encouraged, if applicable and appropriate.

Government Entity Overview

The government entity overview can be presented immediately after the responsible person's message as the first main section of the annual report. This section should include general detail on the entity including the entity's purpose, key statistics (such as the number of employees, board membership and term of appointment (if applicable), physical location (including regional offices) and a brief, general description of revenues and expenditures). The content and subsections for the overview is largely established for most government entities in prior planning and reporting documents and may simply need to be revisited to make any necessary adjustments or updates.

While public bodies are not required to include information on the mandate and lines of business as part of the Government Entity Overview, they are directed to ensure that their respective websites include both the current mandate and lines of business of the organization. The overview should contain a link directing the reader to the appropriate website.

Way Forward Highlights and Partnerships

As in previous years, this section highlights good news stories as well as accomplishments and work completed in conjunction with internal and external partners, allowing entities flexibility to report on significant achievements

outside of the scope of the report on performance section of the report. Items reported in this section are expected to be distinct from those described through the entity's goal and objective reporting. Government departments are directed to make reference to progress made during 2018-19 towards commitments as set out in *The Way Forward*. Work that has been completed to support horizontal priorities should also be included.

Report on Performance

For each strategic issue identified in the associated plan, entities must report on the objective performance measures for the reporting period in question. As per section 9 of the Act, entities must clearly present projected versus actual results and explain any variances. When a variance is reported, entities are encouraged to be transparent regarding the reason(s) they were unable to achieve the planned results and should not cite external entities when explaining variances. It is important to ensure the actual results reported are clear, keeping in mind that these reports are intended for the public.

In consideration of legislation and best practices, the performance section of the annual report should include the following for each issue:

- Issue title
- Introductory text describing the issue
- Statement of the Goal for the 2017-20 planning cycle
- Stated Objective and indicators for the 2018-19 year
 - Reporting of planned versus actual results for each indicator
- Discussion of overall results
 - High level summary of how the entity achieved the objective and progressed toward achievement of the goal (and/or explanation of any variance as appropriate)
- Stated Objective and indicators for the 2019-20 year

Please refer to Appendix B for additional items to consider for annual performance reporting.

Opportunities and Challenges

This section enables entities to report on the environment in which they are operating in the context of performance-based planning and reporting. For example, if an environmental factor or trend arises which presents either an opportunity or challenge for an entity in meeting its mandate, it can be described in this section. Entities are encouraged to consider the content for this section on an annual basis. For example, an entity with a health-related mandate might identify the increasing use of technology in delivering services to rural locations as an opportunity to improve access. The same entity might identify the challenges associated with provision of health care considering an aging population. In developing the content for this section, entities might use a strengths, weaknesses, opportunities and threats (SWOT) analysis to develop content.

Financial Statements

Where audited financial statements are required, the financial statements must be included, complete with all required signatures from both the auditor(s) and governing body representatives. Accounting guidelines also require that the relevant auditor review the document in its entirety (inclusive of financial statements) prior to it being made public.

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

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

4 Review and Tabling Process

As per section 9(10) of the Act, an annual report shall be made public and tabled in the House of Assembly by the responsible Minister. Annual reports are expected to be tabled within six months after the end of their fiscal year, unless a timeframe of **less** than six months is stated in their enabling legislation. For example, for entities with fiscal year-ends of March 31, their annual reports must be tabled by September 30.

Prior to tabling, draft annual reports of entities reporting to Ministers (i.e., public bodies) must be submitted to the departmental accountability coordinator who will then forward those, plus departmental reports, to Planning and Coordination Office for central review (**Please Note:** Planning and Coordination will not be asking entities to submit 2018-19 annual reports for informal review). **Annual reports for all public bodies must be reviewed by the responsible Director of Communications, Deputy Minister and Minister prior to central review submission to the Planning and Coordination Office.** The typical review process takes place 1-2 months prior to tabling deadlines to allow adequate time for review. Annual reports submitted for central review must be in final format, complete with all content including full text, design and images. As in previous years, a template for core government department annual reports will be circulated to all Deputy Ministers by the Assistant Deputy Minister with oversight for Planning and Coordination Office.

Each year, the Planning and Coordination Office will notify departmental accountability coordinators of the critical dates for these review processes. **For entities with a September 30, 2019 tabling deadline, the deadline for submitting 2018-19 reports for central review is July 15.** The tabling process for 2019 is outlined in Appendix C and a sample transmittal letter that is to accompany reports being tabled when the House of Assembly is not in session is provided in Appendix D.

Appendix A: Terminology

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

Activities: Actions that are completed to fulfill an obligation outlined in an assigned mandate.

Annual Performance Report: Summary of the organization's outcomes (Category 1), outputs (Category 2) or activities (Category 3) which provides a clear linkage between its plan and the results actually obtained using the specified performance measures.

Goal: A specific statement of the desired results to be achieved over three years.

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

Indicator of Well-being

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

Indicator of Process

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

Lines of Business: Discrete and coherent sets of programs, services and/or products that represent what the entity delivers to its external clients.

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

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

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

Performance: Performance refers to actual results measured against defined standards.

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

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

Strategic Direction: A strategic direction is the articulation of a desired physical, social or economic outcome that would normally require action or involvement of more than one government entity. Current strategic directions of government flow from *The Way Forward* and its four focus areas: (a) a stronger economic foundation, (b) a more efficient public sector, (c) better services and (d) better outcomes.

SWOT: Analysis of the *Strengths, Weaknesses, Opportunities* and *Threats* for an entity.

Appendix B: Other Items to Consider when Reporting on Performance

Identification of Progress

Entities are reminded that if a goal, objective or indicator states a planned increase or improvement, then the progress identified must clearly demonstrate the change. For example, if a specific quantification was used, e.g., *Increased by 20%, the number of clients served as compared to 2017-18*, then the reporting should make it possible to determine the order of magnitude of the change.

Inadequate information: A total of 752 clients were served during 2018-19 (reader will be unable to determine an increase).

Adequate information: A total of 752 clients were served during 2018-19, marking an increase of 26 per cent over the 2017-18 fiscal year (six per cent higher than planned).

There are times when improvement may not be quantifiable over an established baseline. If words such as “improved” or “enhanced” are used in the wording of the objective or an indicator, then convincing and objective evidence must be provided which clearly illustrates an *improvement* over the current state; otherwise, an explanation of variance is required.

Ensuring that appropriate information is included in the report is necessary to ensure that the public is able to determine progress/achievement, or lack thereof. Furthermore, the entity should ensure consistency (between the plan and the report) with respect to the units of measurement, which were applied to the indicator.

Details of Work Undertaken to Achieve the Planned Result

Please ensure that the performance information provided in the report includes detail to give the reader an understanding of the extent of work undertaken to achieve the result(s). For example, reporting on an indicator of “Recommendations made to the Minister” with “Recommendations made to the Minister”, while technically compliant with legislation (in that it minimally reports success on the indicator), does not give the reader a full appreciation of the work involved leading to the entity’s ability to make recommendations or the impact of those recommendations. Elaboration on this indicator may have included details on the entity having engaged in several consultation processes, conducting surveys or other research etc., all resulting in the entity’s ability to make fully informed recommendations to the Minister.

Appendix C: Tabled Documents

Submission Guidelines

As of June 2008, all documents legislatively required to be tabled in the House of Assembly must be provided in both paper copy and electronic copy. This applies equally to items tabled when the House is in session, and to items deemed tabled when the House is not in session.

Paper Versions:

All documents which are legislatively required to be tabled in the House of Assembly must be supplied to the House in paper copy format.

- Issuing entities must supply 6* paper copies of each tabled document.
- Paper copy documents will be submitted to the Clerk's Office, Main Floor East Block.

*The House of Assembly may, on occasion, require and request additional copies.

Electronic Versions:

All documents which are legislatively required to be tabled in the House of Assembly must be supplied to the House in electronic format.

- Documents must be supplied in PDF. Other formats or URLs are not acceptable.
- Files must follow the naming convention outlined below:
 - IssuingBodyFileNameDate.pdf. For example, OCIOAnnualReport2018-19.pdf.
 - File name must **NOT** contain spaces or underscores, and initial capitalization is requested, as in the example above.
- Electronic documents will be submitted directly to the Legislative Library through Kimberly Puddester (kimpuddester@gov.nl.ca) and Andrea Hyde (andrea Hyde@gov.nl.ca).

Exceptions:

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

Up-dated August 2017

Appendix D: Sample Transmittal Letter

When tabling annual reports when the House of Assembly is not in session, a transmittal letter must be appended addressed to the Clerk of the House of Assembly. Typically, transmittal letters are issued by Directors of Policy and Planning at a departmental level to indicate the Minister's intent to table. A sample transmittal letter is provided below.



Government of Newfoundland and Labrador

XXX, 2019

[INSERT NAME]

Clerk of the House of Assembly

House of Assembly

P.O. Box 8700

St. John's, NL

A1B 4J6

Dear [insert Clerk's name],

This letter is to confirm the intent of the Minister of *insert department's name* or Minister Responsible for the *insert entity's full name* to table the 2018-19 Annual Report for the *insert entity's full name*. Six copies of this document are attached for tabling purposes. If you have any questions please feel free to contact me at 729-XXXX.

Respectfully,

Director of Policy and Planning
Insert department