

Paper 4 Appendix A Extracts from explicit frameworks relating to service performance reports referring to objectives

Explicit Framework	Objectives of service performance reports
NSW Government (<i>Better Practice Guide: A guide to preparing performance information for annual reports</i> , November 2000, Introduction, page 1)	“... a key mechanism by which they account for their performance. Information in annual reports should enable readers to clearly identify an agency’s objectives and the efficiency and effectiveness with which those objectives are achieved.”
Victoria Government – Standing Direction 4.2 <i>Reporting Requirements in terms of Part 7 of the FMA</i> (Background, page 1)	“... the principal medium through which Public Sector Agencies discharge their accountability to the Parliament, Government and the people of Victoria. ... should assist these users in making decisions about the utilisation of resources in the relevant entities.”
Queensland Government (<i>Annual Report Guidelines for Queensland Government Agencies Guidelines for the 2008-09 reporting year</i> , paragraph 1.1, page 8)	“... are key accountability documents and the principal way in which agencies report on their activities to provide a full and complete picture of agency performance to Parliament and the wider community.”
Western Australia Government (<i>Treasurer’s Instructions</i> , 904 Key Performance Indicators)	“... assists stakeholders and interested parties such as government, Parliament, the community and client groups to assess agency performance in achieving government desired outcomes and obtaining value for public funds from services delivered. In addition, it should assist agencies to understand their own performance: facilitating strategic planning, enhancing resource management and highlighting areas for improvement.”
NZ Financial Reporting Standards Board (FRSB) (Technical Practice Aid No. 9 <i>Service performance reporting</i> , paragraph 1.12)	“... to strengthen accountability for delivery of outputs as specified.”
UK Accounting Standards Board (ASB) (Statement of Principles For Financial Reporting – Interpretation for Public Benefit Entities, June 2007, paragraph 1.5)	“... the provision of information to assist in a user’s assessment of the efficient and effective use of funds and other resources.”
UK Charities Commission (<i>Accounting And Reporting By Charities: Statement of Recommended Practice</i> , 2005, paragraph 10, page 1)	“... to discharge the charity trustee’s duty of public accountability and stewardship.”
US Governmental Accounting Standards Board (GASB) (<i>Basic Facts about Service Efforts and Accomplishments Reporting</i> , www.gasb.org/SEA_fact_sheet_FINAL.pdf , page 1)	“... to know how efficiently government services were provided and how effective those services were.”
US CPA Journal (<i>SEA Performance Reporting – GASB’s Focus on Accountability for Results Stirs Controversy</i> , pages 1-2, January 2008, Dean Michael Mead)	“An objective of financial statements for governmental and not-for-profit organizations is to provide information useful for evaluating the effectiveness of the management of resources in achieving the organization’s goals. Performance measures should be quantified in terms of identified goals.”
Canada Public Sector Accounting Board (PSAB) (SORP-2 <i>Public Performance Reporting</i> , paragraph 3)	“... to explain in a clear and concise manner the extent to which intended goals and objectives were achieved and at what cost. ... there is now an increased focus on what is actually being achieved with the resources consumed, in relation to what was planned.”
PricewaterhouseCoopers Australia (PwC) (Transparency Awards Evaluation Criteria, PwC website: Foundation/Transparency Awards/Evaluation Criteria)	“... demonstrates how well the organisation understands the community need for their services, executed their strategy, and managed their resources and relationships.”

<p>Australia - <i>Outcome Statements Policy and Approval Process</i> (2009)</p>	<p>“What are outcome statements? Outcome statements articulate Government objectives and serve three main purposes within the financial framework:</p> <ul style="list-style-type: none"> ▪ to explain the purposes for which annual appropriations are approved by the Parliament for use by agencies; ▪ to provide a basis for budgeting and reporting against the use of appropriated funds; and ▪ to measure and assess agency and program non-financial performance in contributing to Government policy objectives . . . <p>What is the purpose of outcome statements? Outcome statements help to address three questions:</p> <ol style="list-style-type: none"> 1. What does government want to achieve? (Outcomes) 2. What activities does government undertake to achieve this? (Programs and activities) 3. How does government monitor its progress towards achieving this? (Performance reporting).”
<p>CPA Australia <i>Financial Reporting by Not-for-Profit Entities</i> (2000)</p>	<p>“Users require information on these to assess performance and make resource allocation decisions because:</p> <ol style="list-style-type: none"> a. The accomplishments of nonbusiness organizations generally cannot be measured in terms of sales, profit, or return on investment. b. Resource providers often are not in a position to have direct knowledge of the goods and services provided when they also are not users or beneficiaries of those goods and services.”
<p>NZ Controller and Auditor-General (OAG) <i>The Auditor-General's observations on the quality of performance reporting</i> (2008)</p>	<p>“6.13 Performance reports, including SSPs, help users to:</p> <ul style="list-style-type: none"> • assess a reporting entity’s service performance and achievements; • assess the reporting entity’s compliance with legislation, regulation, and contractual arrangements as they relate to the assessment of its service performance; and • make decisions about providing resources to, or doing business with, the reporting entity. <p>6.14 As with financial performance reports, non-financial statements fulfil an accountability role and a decision-making role. They can also be used as a framework to help public entities prepare policies about which outputs are likely to lead to which outcomes.”</p>
<p>NZ IAS 1 <i>Presentation of Financial Statements</i> (paragraph NZ 138.2)</p>	<p>NZ 138.2 This Standard refers to the statement in paragraph NZ 138.1 as a “statement of service performance”. The statement might, however, be differently named in legislation. The aim of such statements, by whatever name called, remains the providing of</p> <ol style="list-style-type: none"> (a) narrative and statistics on the entity’s performance in supplying goods and services; and (b) information on the effects on the community of the entity’s existence and operations.
<p>NZ Controller and Auditor-General (OAG) <i>AG-4 The Audit of Service Performance Reports</i> (paragraph 18(o)) (2009)</p>	<p>“<i>Service performance reports</i> – Service performance reports are reports to users that provide primarily non-financial information that records the output delivery performance of an entity against specified measures and targets. This information is usually shown in statements of service performance (or equivalent reports) and is compared with information contained in forecast non-financial performance reports (e.g. Information Supporting the Estimates of Appropriation, Statements of Intent, Statements of Corporate Intent, LTCCPs, and annual plans).</p> <p>Service performance is concerned not only with how well services are delivered (output delivery performance) but also with how effective the services are at achieving the entity’s objectives (achievement of impacts and outcomes). Service performance reports should therefore provide some link to impact and outcome information.”</p>