

Paper 4 Appendix E Extracts from relevant documents relating to the type of information included in service performance reports

Source	Types of information included in service performance reports
US GASB Concept Statement No. 1 <i>Objectives of Financial Reporting</i>	<p>“5. The essential components that set forth the types of information an effective SEA report needs to contain in order to provide users with information that will assist them in assessing the efficiency and effectiveness of government services are as follows:</p> <ol style="list-style-type: none"> Purpose and scope Major goals and objectives Key measures of SEA performance Discussion and analysis of results and challenges.”
Canada - <i>Transparency and Accountability Act (the Act) 2004</i>	<p>“Paragraph 9 of the Act requires the government and government entities to prepare and submit an annual report on its preceding fiscal year. The annual report compares actual results of the entity’s strategic plan (or business or activity plan) with the projected results of that plan for the applicable fiscal year, and provides explanation on the variance (paragraph 9(3)-(4) of the Act)”</p>
Canada - The Statement of Recommended Practice (SORP) 2 <i>Public Performance Reporting</i> , issued by the Public Sector Accounting Board (PSAB) in September 2006	<p>When preparing a public performance report, paragraphs 34-81 of SORP 2 recommend that the report:</p> <ol style="list-style-type: none"> focuses on the few critical aspects of performance including the commitments of the entity and matters of concern raised in prior periods, the financial areas that are significant, the essentials to achieving goals and objectives and policies or strategies that impact other entities; describes the strategic direction of the entity including the entity’s high-level priorities and long-term goals as stated in public policy announcements; describes the planned results (in terms of outputs and outcomes) for the reporting period and identifies the source of the commitments; describes actual results and compares them with planned results, explaining any significant variances; provides comparative information about trends, benchmarks, baseline data or the performance of other similar organisations where having these comparisons would be useful to users in interpreting and using the information provided; identifies significant lessons learned (as a result of significant variances) during the reporting period and the implications arising from them (i.e. how the issue is being addressed); includes information about key factors critical to understanding performance, including significant risks, capacity considerations and other factors that have had an impact on performance and results, and the nature of the impact; links financial and non-financial information to show how resources and strategies influence results; and discloses the basis on which it has been prepared.”
Canada - <i>Reporting Principles – Taking Public Performance Reporting to a New Level report</i> issued by the Canadian Comprehensive Auditing Foundation (CCAF)	<p>“Principle 4 Explain key capacity considerations – by putting results in proper context by relating results achieved to ongoing capacity to meet or improve on current performance expectations by:</p> <ol style="list-style-type: none"> explaining what the key risks are and how risk has influenced choices made in relation to policy, goals and performance expectations; relating results achieved to the risks and level of risk accepted; and describing other key performance factors that are central for users to understand why the entity is doing what it is doing and interpreting the meaning and significance of the performance information being reported.”
IASB - ED/2009/6 <i>Management Commentary</i> issued in June 2009	<p>“36 The disclosures of performance measures and indicators (both financial and non-financial) that are used by management to assess progress against its stated objectives can help users of the financial reports assess the degree to which goals and objectives are being achieved. Performance measures are quantified measurements that reflect the critical success factors of an entity. Indicators can be narrative evidence describing how the business is managed or quantified measures that provide indirect evidence of performance.</p> <p>37 The performance measures and indicators that are most important to understanding an entity are those that management uses to manage that entity. The performance measures and indicators will usually reflect the industry in which the entity operates. Comparability is enhanced if the performance measures and indicators are accepted and used widely, whether within an industry or more generally.</p> <p>38 ... When management changes the performance measures and indicators used, the changes should be identified and explained.”</p>

<p>The Charity Commission for England and Wales issued a Statement of Recommended Practice (SORP) <i>Accounting And Reporting By Charities</i> (revised 2005).</p>	<p>“47 ... the report should provide:</p> <ul style="list-style-type: none"> (a) A summary of the objects of the charity as set out in its governing document. (b) An explanation of the charity’s aims including the changes or differences it seeks to make through its activities. (c) An explanation of the charity’s main objectives for the year. (d) An explanation of the charity’s strategies for achieving its stated objectives. (e) Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives. ... <p>48 ... the report should contain:</p> <ul style="list-style-type: none"> (a) A review of charitable activities undertaken that explains the performance achieved against objectives set. Where qualitative or quantitative information is used to assess the outcome of activities, a summary of the measures or indicators used to assess achievement should be included. (b) Where material fundraising activities are undertaken, details of the performance achieved against fundraising objectives set ... (c) Where material investments are held, details of the investment performance achieved against the investment objectives set. (d) Comment on those factors within and outside the charity’s control which are relevant to the achievement of its objectives; these might include relationship with employees, users, beneficiaries, funders and the charity’s position in the wider community.”
<p>Australia - <i>Outcome Statements Policy and Approval Process</i> (2009)</p>	<p>“Key Principles for outcome statements An outcome statement should be specific, focused, and easily interpreted, and:</p> <ol style="list-style-type: none"> 1. identify the intended result(s) of the agency, with the level of achievement against the intended result(s) capable of being measured; 2. specify the target group(s) where this group is narrower than ‘Australia’ or ‘Australians’; and 3. specify the activities undertaken by the agency that contribute to the achievement of the intended result(s).” (page 3)
<p>Australia - <i>Requirements for Annual Reports</i> (17 June 2009) published by the Department of Prime Minister and Cabinet and approved by the Parliament by the Joint Committee of Public Accounts and Audit</p>	<p>“Part 3 – Annual Report Requirements</p> <p>10 Departmental Overview</p> <p>(1) The annual report must provide a description of the department, including:</p> <ul style="list-style-type: none"> (a) Role and functions; (b) Organisational structure; and (c) Outcome and output structure. <p>(2) The outcome and output structure must be consistent or reconcilable with information in the Portfolio Budget Statements and the Portfolio Additional Estimate Statements relating to the department for the year covered by the annual report. Where a department is reporting using a different structure, it must detail the variation and give the reasons for the change.</p> <p>(3) The annual report of a portfolio department must include an outline of the structure of the portfolio.</p> <p>11 Report on Performance</p> <p>The annual report must include:</p> <p>(1) a review of how the department has performed during the year in relation to the efficiency of the department’s outputs and their effectiveness in terms of achieving the planned outcomes. Descriptions of processes and activities should be avoided. Rather, reporting should be aimed at providing an assessment of how far the agency has progressed towards outcomes. The review must include:</p> <ul style="list-style-type: none"> (a) reporting of actual results against the specific performance standards for the outcomes and the outputs set out in the Portfolio Budget Statements/Portfolio Additional Estimate Statements. Relevant information should also be supplied for administered items. A tabular presentation of information, in landscape format, may be helpful. Reports should succinctly cover progress towards outcomes and the extent to which the agency is wholly or partly responsible for the outcome; (b) if the department is appropriated funds to deliver outcomes through purchaser/provider arrangements, the review should also report on the performance of those arrangements against targets set in the Portfolio Budget Statements; and (c) a concise narrative discussion and analysis of the detailed performance information at an appropriate level of reporting. Visual aids such as charts and graphs may assist the reader. While departments must address how they have performed in contributing to outcomes, departments have discretion as to the level of reporting below outcomes, having regard to materiality, parliamentary and public interest, and reader expectations...” (pages 5-6)
<p>Australia – Audit office of NSW - <i>Better</i></p>	<p>“Better Practice Principles</p> <ol style="list-style-type: none"> 1. <i>Objectives are clear and measurable</i>

<p><i>Practice Guide: A guide to preparing performance information for annual reports</i> (November 2000)</p>	<p>Aims and objectives should reflect the enabling legislation and government policy. Objectives need to: be specific; define impacts on the community, environment or the economy; and be measurable.</p> <p>2. <i>Focussing on results and outcomes</i> An annual report should provide a clear discussion on what the agency planned to achieve, did achieve and plans to achieve in the future. This includes reporting on: outputs to be delivered; outcomes to be achieved; the efficiency of service delivery outputs; and the effectiveness of programs.</p> <p>Reporting outcomes enables readers to judge the effectiveness of the agency. Therefore in annual reports, agencies should:</p> <ul style="list-style-type: none"> ▪ report results and outcomes not just activities and outputs ▪ relate outcomes directly to objectives ▪ express outcomes in terms of impacts on the community ▪ relate outcomes to goals and targets. <p>3. <i>Setting performance targets</i> Targets set by an agency provide measures against which readers can assess the success or otherwise of the agency's performance. Agencies need to report: actual results against the target; the reasons for any significant variance from the target; actions taken or planned to be taken to address unfavourable variances</p> <p>4. <i>Reporting is complete and informative</i> Performance reporting is complete and informative if: it covers key functions and programs of the agency (using key performance indicators); reports on performance against targets identified in the previous annual report; it includes honest coverage of both successes and setbacks; it includes trend data (for example, multi-year comparative tables and/or graphs ideally over the last three years) and a discussion and analysis of changes over time</p> <p>5. <i>Explaining changes over time</i> Agencies should report performance information consistently from one year to the next. Consistency builds reader confidence that performance is not being selectively reported and allows results to be compared from one year to the next</p> <p>6. <i>Providing evidence of value for money/benchmarking</i> In reporting value for money agencies should: define the population or client base the program is designed for; identify the main outputs and outcomes provided to clients; disclose the costs involved in providing each of the main outputs (and where possible) outcomes; benchmark their operations against similar organisations in other jurisdictions or the private sector</p> <p>7. <i>Discussing strategies, risks and external factors</i> Often factors outside the control of the agency affect its performance. Best practice suggests agencies discuss these issues in their annual report and provide readers with information on: the agency's operating environment, that is external and internal factors that affect or constrain the agency's day to day activities; internal and external factors that might impact on success, both present and those likely in the future; the agency's response to issues of significant public interest; the future operating environment and developments."</p>
<p>Australia – NSW - Auditor-General's Report: <i>Performance Audit Agency Use of Performance Information to Manage Services</i>, June 2006, pg 17</p>	<p>"Performance measures should provide data on all elements of service delivery, that is inputs, outputs and results or effectiveness. Timeliness, quality and the cost of services should also be monitored."</p>
<p>Australia – ANAO - <i>Better Practice Guide: Better Practice in Annual Performance Reporting</i> in 2004</p>	<p>"Figure 3.1: Features of a good performance reporting framework:</p> <ul style="list-style-type: none"> ▪ Specify desired outcomes (including any intermediate outcomes): <ul style="list-style-type: none"> ○ address any shared outcomes and provide information on the agency's contribution; and ○ identify the contributing departmental outputs and administered items (usually programmes), and assess their contribution to the outcome(s). ▪ Identify measurable performance indicators for effectiveness at the outcome level, and, at the departmental output and administered item programme level: <ul style="list-style-type: none"> ○ use valid, accurate and reliable measures and maintain information on methodology and sources; ○ establish links between financial and non-financial performance information and assess the efficiency and cost effectiveness of the agency; and ○ use researched and realistic targets, standards and bases for comparison including multi-year targets where necessary." (page 8)
<p>Australia – Victoria - Standing Direction 4.2 <i>Reporting Requirements in terms of Part 7 of the FMA</i> for the Report of Operations</p>	<p>"Requirements under Standing Direction 4.2</p> <p>a) The Report of Operations should include qualitative and quantitative information on the operations of the public sector agency and should be prepared on a basis consistent with the financial report prepared by the public sector agency pursuant to the FMA. This report should provide users with general information about the entity and its activities, operational highlights for the reporting period, future initiatives and other relevant information not included in the financial report. . .</p> <p>d) The Report of Operations must be signed and dated by the Accountable Officer in</p>

	<p>the case of a government department or, in the case of any other public sector agency, a member of the Responsible Body.</p> <p>e) Government departments must include a comparison of the output targets specified in the State Budget with actual performance against those targets.” (page 10 of the <i>Model Report</i>)</p> <p>“Legislative and Documented References</p> <p>Standing Direction 4.2 (k) requires entities to report on actual output performance for a Government department that includes a comparison of the output targets specified in the State Budget with actual performance against those targets.</p> <p>Financial Reporting Direction 22B states that the report should include a ‘summary of the entity’s operational and budgetary objectives, including performance against the objectives and significant achievements’ for the current reporting period. This section also adds to a department’s fulfilment of the requirement in Financial Report Direction 22B to detail the ‘objectives, functions, powers and duties’ of the entity (which is fulfilled in the earlier ‘Year in Review’ section).” (page 17 of the <i>Model Report</i>)</p> <p>“Guidance</p> <p>An introduction to this section should include an overview of the key output areas, as articulated in the budget papers, plus any explanation of changes to the output structure that occurred during the year (covered above in ‘<i>Structural Changes to the Department during 2008-09</i>’).</p> <p>Departmental output performance reporting should therefore include:</p> <ul style="list-style-type: none"> ▪ An overview of the key output area for which a department is responsible (as set out in the <i>Budget Paper No. 3: Service Delivery</i>) for that financial year; and ▪ Detailed output performance delivery information, in particular: <ul style="list-style-type: none"> ○ the actual result on an output by output basis against the budget target (as per <i>Budget Paper No. 3</i>) and the actual result for each quantity, quality, timeliness and cost performance measure. The output performance measures should be presented as published in the department’s output statements in <i>Budget Paper No. 3</i>. If new output performance measures are introduced during the course of the financial year, these should also be included, explaining why they are new; ○ appropriate commentary to explain the cause of significant or material variances between the <i>Budget Paper No. 3</i> targets and actual results. The commentary provided should be sufficient to assist the reader in understanding variances between actual and targeted results; and ○ explanation of any changes to the output structure that have occurred during the financial year, such as changes arising from Machinery of Government administrative changes and any other changes (i.e. new output created due to government policy decision, output name change from the previous financial year, consolidation or disaggregation of outputs from the previous financial year). <p>This detail may be shown in table form with some commentary on those targets that were met or exceeded and an explanation of any targets not met, as noted below.</p> <p><i>Significant or material variances in output performance reporting</i></p> <p>The following criteria is intended as general guidance for entities in determining whether or not to provide commentary to explain variations between budget and actual results:</p> <ul style="list-style-type: none"> ▪ 10 per cent increase or decrease from budget; ▪ a variance that arises from the implementation of new policy or existing policy, government decisions or actions; ▪ a variance that arises from other third party influences (i.e. Commonwealth, consumer trends, etc); and ▪ a variance that may be of public interest.” (page 18 of the <i>Model Report</i>)
Australia – ACT - <i>Financial Management Act 1996</i> (FMA)	<p>“(a) The statement must compare the department’s actual performance in providing each class of outputs within the budget or a revised budget by section 19D of the FMA or a supplementary budget for the year, and state the extent to which the output performance criteria set out in the budget, were met. (<i>Section 30A of FMA 1996</i>)</p> <p>(b) A department’s Statement of Performance must have endorsed on, or attached to it, a Statement of Responsibility signed by the responsible chief executive. The Statement of Responsibility must state that, in the chief executive’s opinion, the Statement of Performance fairly reflects the performance of the department in delivering each class of outputs during the financial year. (<i>Section 30B of FMA 1996</i>)”</p>
Australia – ACT Department of Treasury (Accounting Branch) <i>Statement of Performance for Agencies: Better Practice Guideline</i>	<p>“3.1 Departments and Territory Authorities Prescribed for Outputs</p> <p>From 2007-08 the Statement of Performance will report against the following output indicator:</p> <ul style="list-style-type: none"> ▪ <i>Accountability Indicators</i> - performance measures that measure a department’s effectiveness and efficiency in delivering outputs. <p>3.2.1 Output Information</p>

	<p>The Statement of Performance should include the following information for each output:</p> <ul style="list-style-type: none"> ▪ <i>Description of Output</i> Output descriptions are included to provide users with more information in relation to the outputs and services being provided by agencies. ▪ <i>Output Cost</i> The following information is required: <ul style="list-style-type: none"> ○ the original cost of the output as provided in the original budget papers; ○ the amended cost of the output, where the cost has been amended by either a Supplementary Appropriation Act (section 13A ‘Amendment of Budgets for Supplementary Appropriation’) or a section 19D instrument⁸ (‘Amendment of Performance Criteria’); ○ where a target has been amended, the reason for the amendment should be disclosed by way of note; ○ the actual cost of the output at the end of the financial year; ○ the percentage variance from the amended cost of the output; and ○ an explanation of material variances from the amended cost. ▪ <i>Government Payment for Outputs (GPO)</i> The following information is required: <ul style="list-style-type: none"> ○ the original GPO as provided in the original budget papers; ○ the amended GPO, where GPO has been amended by either a Supplementary Appropriation Act (section 13A ‘Amendment of Budgets for Supplementary Appropriation’) or a section 19D instrument⁹ (‘Amendment of Performance Criteria’); ○ where a target has been amended, the reason for the amendment should be disclosed by way of note; ○ the actual GPO received for the output at the end of the financial year; ○ the percentage variance from the amended GPO; and ○ an explanation of material variances from the amended GPO. <p>3.2.2 Accountability Indicators Accountability performance indicators measure a department’s effectiveness and efficiency in delivering its outputs, and may be measures of outcomes, outputs or inputs.</p> <p>Accountability indicators should be presented in a table that is consistent with the format included in the budget papers.</p> <p>Accountability indicators should report against the original target and the amended target for each output. Where actual performance differs materially from the amended target, an explanation of the reasons for, and nature of, that variance is to be included in the statement.”</p> <p>“3.3 Territory Authorities Not Prescribed for Outputs 3.3.1 Territory Authority Statement of Intent Indicators From the 2007-08 financial year, and for those Territory authorities that are NOT prescribed for outputs, the Statement of Performance should include the following for each Statement of Intent Indicator:</p> <ul style="list-style-type: none"> ▪ <i>Description of Objectives for the Year</i> ▪ <i>Statement of Intent Measures</i> ▪ <i>Original Target</i> ▪ <i>% Variance from Original Target</i> ▪ <i>Explanation of Material Variances</i> ▪ <i>Explanation of Measures”</i>
<p>Australia - Queensland - Section 95 of the <i>Financial Management Standard 1997: Annual Report Guidelines</i></p>	<p>“(e) a review of the progress in achieving the agency’s statutory obligations; ... (g) a review of the agency’s progress towards achieving its goals and delivering its outputs for the year, including details about the agency’s actual performance in relation to its goals and outputs measured using the performance measures in the agency’s strategic plan (h) a review of the proposed forward operations of the agency, including— (i) its forward plans, proposed changes to operations and the need to continue current operations; and (ii) the goals identified in the agency’s strategic plan for the next financial year; (i) information about how efficiently and effectively the agency has carried out its operations, including a review of the agency’s progress in; benchmarking and achieving best practice and cost-effectiveness in carrying out its operations.”</p>
<p><i>Performance Measurement Reporting Obstacles and Accountability – Recent Trends and Future Directions</i>, Australia and New Zealand School of Government, 2006</p>	<p>“Better practice reporting principles → focus on the few critical aspects of performance → look forward as well as back → explain key risk considerations → explain key capacity considerations → explain other factors critical to performance → integrate financial and non-financial performance information → provide comparative information → present credible information, fairly interpreted → disclose the basis of reporting.” (page 41)</p>

<p>Australia - Department of Premier and Cabinet had also published <i>Annual Report Guidelines for Queensland Government Agencies: Guidelines for the 2008-9 reporting year</i></p>	<p>“Section 11.6 Agency outputs and output performance measures</p> <ul style="list-style-type: none"> ▪ Agencies must disclose: <ul style="list-style-type: none"> ○ a brief outline of the outputs provided by the agency (required by section 95(1)(a) of the Financial Management Standard) including an appropriate output description for each output. <p>The output description should be a short statement of the service or product provided in no more than a few sentences and must include an output objective. The output objective should demonstrate how the output contributes to the achievement of agency objectives identified in its strategic plan, and in turn, the Government’s objectives for the community (ambitions and if relevant, targets).</p> <ul style="list-style-type: none"> ○ a description of how the outputs are measured (i.e. what performance measures are used to assess overall performance of the organisation in delivering its outputs), consistent with the agency’s Service Delivery Statements and operational plan <p>Output performance measures should be relevant and meaningful for the general public to demonstrate the efficiency and effectiveness of the output.</p> <ul style="list-style-type: none"> ○ actual performance of each output (which aligns with the output performance measures and targets contained in the Service Delivery Statements) including brief explanatory notes for any significant variations between the 2008-09 budgeted v 2008-09 actual non-financial performance (i.e. the Service Delivery Statements sets out output performance targets for departmental outputs and contributions to outcomes, and the annual report reports on achievements) ○ information about how efficiently and effectively the agency has carried out its operations, including a review of the agency’s progress in benchmarking and achieving best practice and cost-effectiveness in carrying out its operations (required by section 95(1)(i) of the Financial Management Standard) ○ provide evidence of value for money.” (page 24)
<p>Australia - The Queensland Audit Office published <i>Auditor-General of Queensland Report to Parliament No. 1 for 2008: Enhancing Accountability through Annual Reporting: A Performance Management Systems Audit</i> in 2008.</p>	<p>“The reports should also include performance measures that:</p> <ul style="list-style-type: none"> ▪ are relevant and appropriate ▪ are based on targets and benchmarks ▪ cover efficiency, effectiveness and economy for each of the Government outcomes and priorities ▪ cascade from the <i>Charter of Social and Fiscal Responsibility</i> to strategic plans and Ministerial Portfolio Statements ▪ are constant for the planning cycle of the agency or explain any changes ▪ guide the development of the strategic plans starting in 2008-09 and subsequent annual reports ▪ include sufficient years of data to show trends, typically five years.”
<p>Australia - The Institute of Chartered Accountants in Australia - <i>Enhancing not-for-profit annual and financial reporting – The essential tool for transparent reporting</i>, March 2009</p>	<p>“... • Funding Provide more detail about sources of funds as well as fundraising activities. Although the quantum of funds raised and used by NFPs can be determined from their financial statements, additional information on the sources of funds would enhance transparency. Consideration should be given to providing information regarding:</p> <ul style="list-style-type: none"> ○ the processes to secure government funding ○ policies for public fundraising ○ which costs are included in fundraising costs ○ the revenue models and the NFP’s approach to funding ○ the use of websites to generate donations. <p>... • Reporting efficiency and effectiveness – sporting bodies Sporting body NFPs demonstrate the efficiency of their operations by determining the process KPIs that are relevant to their mission, objectives and activities, and disclosing them in their annual report. Where these KPIs are expressed as numbers or ratios, fluctuations from reporting period to reporting period should be explained.</p> <ul style="list-style-type: none"> • Outputs, outcomes and impacts NFPs enhance the effectiveness of their annual reports by portraying what the NFP has done (its outputs), what it has achieved (its outcomes), and what difference it has made (its impacts). The inclusion of measures of output, outcome and impact will improve completeness of reporting by demonstrating to the reader of the annual report what the NFP funding achieves rather than how it is spent. NFPs can improve their annual reports by including explanations of trends and movements in these measures. These explanations should not be limited to financial data. Where process KPIs and outputs, outcomes and impacts are presented in quantitative form, explanations of movements from year to year should be provided. Many NFPs run programs and mount activities that are designed to deliver outputs and achieve outcomes over the long term. Information regarding trends and movements in quantitative data and explanations of year-to-year movements would be enhanced by the inclusion of long-term trend data. Reporting would also benefit from the inclusion of performance targets and explanations for variations of actual performance from those targets.”

<p>CPA Australia <i>Financial Reporting by Not-for-Profit Entities</i> (2000)</p>	<p>“information about service efforts should: ... focus on how the organization’s resources (inputs such as money, personnel, and materials) are used in providing different programs or services. Techniques for measuring the costs of significant programs or services are well developed and this information should be included in financial statements.”</p>
<p>The PwC Transparency Awards – Evaluation Criteria</p>	<p>“... <ul style="list-style-type: none"> • Strategy and mission We considered the extent to which the organisation explains the strategy and structures that enable it to operate and looked for clear communication of how those strategy and structures enable the organisation to sustain and grow its activities. Ideally, management supports its strategy with targets and relevant milestones. • Structure and vision Inextricably linked to the strategy and mission is how well the organisation’s underlying organisational and governance structures, systems, processes and risk-management frameworks are aligned and how information in regard to this is disclosed. • Performance Reporting by not-for-profits should not just focus on the financial measures but on outputs, outcomes and impacts. We measured the extent to which the organisation’s reporting contained information on how they have delivered outputs, outcomes and impacts in line with the expectations of their stakeholders. Performance based information demonstrates how well the organisation understands the community need for their services, executed their strategy, and managed their resources and relationships. • Financial performance and position We assessed the extent of financial information provided to stakeholders and specific financial disclosures. • Scene setting In this section we determined the extent to which the organisation explains the environment in which it operates. Our assessment required us to consider the ‘story’ painted in the Annual Report and supporting information, including the history and relevance in the current environment. • Overall assessment Finally, we considered the information provided by the organisation as a whole against the Reporting Principles established by the Global Reporting Institute. Those reporting principles include: materiality; stakeholder inclusiveness; completeness; balance/neutrality; comparability; accuracy; timeliness; clarity; reliability and accessibility. Where an organisation has supplementary information that supports the annual report and meets these criteria, they are entitled to include this information as part of their submission. ...” <p>“Accountability for surplus funds An area we noted for particular attention is the articulation of a policy for the management and protection of funds raised surplus to an organisation’s stated or operational requirements. There needs to be clear accountability for the treatment of surplus funds and relevant, insightful disclosures in the financial statements regarding accounting for reserves and restricted assets. ...”</p> </p>
<p>World Vision Australia – <i>Annual Report 2008</i></p>	<p>“Sustainability Report This report explains our commitment to the principles of sustainability and to sustainable development.”</p>
<p><i>Telstra Service Performance Report for March 2009 Quarter</i></p>	<p>“reasons for failing performance.”</p>
<p>NZ Controller and Auditor-General (OAG) <i>The Auditor-General's observations on the quality of performance reporting</i> (2008)</p>	<p>“6.24 The SSP in the annual report should report actual results against the forecast performance measures and targets outlined in the forecast SSP for any one year. But an effective performance reporting framework is broader than the SSP (or forecast SSP). 6.25 The medium-term statement of intended achievements tends to focus on forecast information (that is, intended outcome achievement) for the prescribed number of years. Ideally, it will also provide historical actual results so that readers can track progress towards intended outcomes. 6.26 Both the outcome-oriented and the output-oriented statements should be supplemented by other non-financial information giving context to those statements. Explanations of the reporting entity’s role and functions, legislative or constitutional mandates, objectives, and strategies for achieving those objectives will provide a necessary context for readers to make sense of the service statements. Information on resources, capability, and risks also provides valuable background information to help readers understand and assess how well the reporting entity is delivering its services and making progress towards achieving its outcomes. 6.27 The outcomes information and the broader contextual information are necessary for readers to draw conclusions about the rationale for, and the appropriateness of, the elements</p>

	(outputs and output classes), performance measures, targets, and results reported in the SSP (or forecast SSP)."
NZ IAS 1 <i>Presentation of Financial Statements</i>	Requires description and disclosure of outputs (aggregated if appropriate). Requires disclosure of cost of each output. Requires, where appropriate and relevant, a description of quantity, quality, time and location in relation to each output. Requires disclosure of outcomes, where practical and appropriate. Requires comparisons of projected and actual performance.
NZ Financial Reporting Standards Board (FRSB) (Technical Practice Aid No. 9 <i>Service performance reporting</i> , paragraph 5.42, 7.16)	Outputs Projected output performance – using same measures as in ex ante reports and including targets Additional contextual information
AASB 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	Paragraph 39 “The following matters shall be disclosed: (a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements; (b) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and (c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.”
AASB ED 180 and FRSB 118 <i>Income from Non-exchange Transactions (Taxes and Transfers)</i>	<p>“Disclosures</p> <p>107 An entity shall disclose either on the face of, or in the notes to, the general purpose financial statements:</p> <p>(a) the amount of income from non-exchange transactions recognised during the period by major classes showing separately:</p> <p>(i) taxes, showing separately major classes of taxes; and</p> <p>(ii) transfers, showing separately major classes of transfer income.</p> <p>(b) the amount of receivables recognised in respect of non-exchange income;</p> <p>(c) the amount of liabilities recognised in respect of transferred assets subject to conditions;</p> <p>(d) the amount of assets recognised that are subject to restrictions and the nature of those restrictions;</p> <p>(e) the existence and amounts of any advance receipts in respect of non-exchange transactions; and</p> <p>(f) the amount of any liabilities forgiven.</p> <p>[Based on IPSAS 23, paragraph 106]</p> <p>108 An entity shall disclose in the notes to the general purpose financial statements:</p> <p>(a) the accounting policies adopted for the recognition of income from non-exchange transactions;</p> <p>(b)</p> <p>for major classes of income from non-exchange transactions, the basis on which the fair value of inflowing resources was measured;</p> <p>(c)</p> <p>for major classes of taxation income which the entity cannot measure reliably during the period in which the taxable event occurs, information about the nature of the tax;</p> <p>(d)</p> <p>the nature and type of major classes of bequests, gifts, and donations, showing separately major classes of goods in-kind received; and</p> <p>(e) the nature and type of major classes of services in-kind received.</p> <p>[Based on IPSAS 23, paragraph 107. Paragraph 108(e) added – IPSAS 23 only encourages that disclosure.]</p> <p>109 Entities are required to disclose the nature and type of major classes of services in-kind received, including those not recognised. The extent to which an entity is dependent on a class of services in-kind will determine the disclosures it makes in respect of that class. The disclosures include whether each class of services in-kind is recognised in the financial statements. [Based on IPSAS 23, paragraph 108. Amended to reflect disclosure requirement, with final sentence added.]</p> <p>110 The disclosures required by paragraphs 107 and 108 assist the reporting entity to satisfy the objectives of financial reporting, as set out in AASB 101 / NZ IAS 1, which is to provide information useful for decision making and to demonstrate the accountability of the entity for the resources entrusted to it. [Based on IPSAS 23, paragraph 109]</p> <p>111 Disclosure of the major classes of income assists users to make informed judgments about the entity’s exposure to particular income streams. [Based on IPSAS 23, paragraph 110]</p> <p>112 Conditions and restrictions impose limits on the use of assets, which impacts the operations of the entity. Disclosure of the amount of liabilities recognised in respect of conditions and the amount of assets subject to restrictions assists users in making judgments about the ability of the entity to use its assets at its own discretion. Entities are encouraged to disaggregate by class the information required to be disclosed by paragraph 107(c). [Based on IPSAS 23, paragraph 111]</p> <p>113 Paragraph 107(e) requires entities to disclose the existence of advance receipts in respect</p>

	<p>of non-exchange transactions. These liabilities carry the risk that the entity will have to make a sacrifice of future economic benefits if the taxable event does not occur, or a transfer arrangement does not become binding. Disclosure of these advance receipts assists users to make judgements about the entity's future income and equity position. [Based on IPSAS 23, paragraph 112]</p> <p>114 As noted in paragraph 69, in many cases an entity will be able to reliably measure assets and income arising from taxation transactions, using, for example, statistical models. However, there may be exceptional circumstances where an entity is unable to reliably measure the assets and income arising until one or more reporting periods has elapsed since the taxable event occurred. In these cases, the entity makes disclosures about the nature of major classes of taxation that cannot be reliably measured, and therefore recognised, during the reporting period in which the taxable event occurs. These disclosures assist users to make informed judgements about the entity's future income and equity position. [Based on IPSAS 23, paragraph 113]</p> <p>115 Paragraph 108(d) requires entities to make disclosures about the nature and type of major classes of gifts, donations and bequests it has received. These inflows of resources are received at the discretion of the transferor, which exposes the entity to the risk that in future periods, such sources of resources may change significantly. Such disclosures assist users to make informed judgements about the entity's future income and equity position. [Based on IPSAS 23, paragraph 114]</p> <p>116 Where services in-kind meet the definition of an asset and satisfy the criteria for recognition as an asset, entities may elect to recognise these services in-kind and measure them at their fair value. Paragraph 108(e) requires an entity to make disclosures about the nature and type of all services in-kind received, whether they are recognised or not. Such disclosures may assist users to make informed judgments about the contribution made by such services to the achievement of the entity's objectives during the reporting period, and the entity's dependence on such services for the achievement of its objectives in the future. [Based on IPSAS 23, paragraph 115. Amended to reflect disclosure requirement.] “</p>
AASB 1004 <i>Contributions</i>	<p>Disclosures</p> <p>18 The following information shall be disclosed:</p> <p>(a) contributions of assets, including cash and non-monetary assets; and</p> <p>(b) the forgiveness of liabilities.</p> <p>Paragraphs 60 to 62 of this Standard apply only to local governments, government departments, GGSs and whole of governments.</p> <p>60 The complete set of financial statements shall disclose, separately by way of note, the amounts and nature of:</p> <p>(a) contributions recognised as income during the reporting period in respect of which expenditure in a manner specified by a transferor contributor had yet to be made as at the reporting date, details of those contributions and the conditions attaching to them;</p> <p>(b) contributions recognised as income during the reporting period that were provided specifically for the provision of goods or services over a future period;</p> <p>(c) contributions recognised as income during the reporting period that were obtained in respect of a future rating or taxing period identified by the local government, GGS or whole of government for the purpose of establishing a rate or tax;</p> <p>(d) the nature of the amounts referred to in (a), (b) and (c) above and, in respect of (b) and (c) above, the periods to which they relate; and</p> <p>(e) contributions recognised as income in a previous reporting period that were obtained in respect of the current reporting period.</p> <p>61 Where a local government, government department, GGS or whole of government receives contributions on the condition that the related assets shall be expended in a particular manner or used over a particular period, and those conditions are undischarged in part or in full as at the reporting date, the entity will have a strong fiduciary responsibility in relation to the deployment of those contributed assets. As noted in paragraph 20, this fiduciary responsibility does not constitute a liability. However, information about the contributions, including the conditions, is relevant to users of the complete set of financial statements, particularly in assessing performance and the discharge of accountability obligations. Accordingly, this Standard requires disclosure of those conditions where they are yet to be discharged, in part or in full, as at the reporting date. In addition, disclosure of contributions recognised as income in a previous reporting period that were provided specifically in respect of the current reporting period will provide information relevant to users'</p>

	<p>assessments of the entity's recovery of the cost of goods and services it has provided during the current reporting period.</p> <p>62 The complete set of financial statements shall disclose separately the fair value of goods and services received free of charge, or for nominal consideration, that are recognised during the reporting period.</p> <p>Additional Government Department Disclosures Paragraph 63 of this Standard applies only to government departments.</p> <p>63 The complete set of financial statements of a government department shall disclose separately:</p> <p>(a) appropriations, by class; and (b) liabilities that were assumed during the reporting period by the government or other entity.</p> <p>Compliance with Parliamentary Appropriations and Other Externally-Imposed Requirements Paragraphs 64 to 68 of this Standard apply only to government departments.</p> <p>64 The complete set of financial statements of a government department shall disclose separately:</p> <p>(a) a summary of the recurrent, capital or other major categories of appropriations, disclosing separately: (i) the original amounts appropriated for the reporting period; and (ii) the total amounts appropriated for the reporting period; (b) amounts authorised other than by way of appropriation and advanced separately by the Treasurer, other minister or other legislative authority for the reporting period; (c) the expenditures for the reporting period in respect of each of the items disclosed in (a) and (b) above; (d) the reasons for any material variances between the amounts appropriated or otherwise authorised and the associated expenditures for the reporting period; and (e) the nature and probable financial effect of any non-compliance by the government department with externally-imposed requirements for the reporting period, not already disclosed by virtue of (d) above, and that are relevant to assessments of the government department's performance, financial position or financing and investing activities.</p> <p>65 The information disclosed about compliance with externally-imposed requirements shall be in a form that is relevant to users of that information, and that reflects the following: (a) the operating characteristics of the government department; (b) the structure of the appropriations; (c) any other requirements that are imposed externally on the government department; and (d) the general purpose nature of the complete set of financial statements.</p> <p>66 For the purposes of economic decision making, including assessments of accountability, this Standard requires that users of the complete set of financial statements be provided with information about the amounts appropriated or otherwise authorised for a government department's use, and whether the government department's expenditures were as authorised. When spending limits imposed by parliamentary appropriation or other authorisation have not been complied with, information regarding the amount of, and reasons for, the non-compliance is relevant for assessing the performance of management, the likely consequences of non-compliance, and the ability of the government department to continue to provide services at a similar or different level in the future.</p> <p>67 Broad summaries of the major categories of appropriations and associated expenditures, rather than detailed reporting of appropriations line-item by line-item for each activity, is sufficient for most users of a government department's complete set of financial statements. Determining the level of detail and the structure of the summarised information is a matter of judgement. The detailed information about compliance with spending mandates required by certain users should be provided in special purpose financial statements.</p> <p>68 In addition to requirements to comply with expenditure limits imposed by parliamentary appropriations, government departments are subject to a range of legislative, regulatory and other externally-imposed requirements governing their operations. Knowledge of</p>
--	---

	<p>non-compliance with such requirements is relevant for accountability purposes and may affect users' assessments of the government department's performance and likely future operations. It may also influence decisions about resources to be allocated to that government department in the future.</p>
--	--