

## **ROLE 2: ASSESS PERFORMANCE INFORMATION**

### ***Practice 2b. Assure performance reports: Audit, attest to, assure, or certify external performance reports.***

**Province of British Columbia Auditor General** ([www.bcauditor.com/AuditorGeneral.htm](http://www.bcauditor.com/AuditorGeneral.htm)): The Budget Transparency and Accountability Act passed by the Legislative Assembly of British Columbia (BC) in 2000 made clear the legislators' desire for more meaningful and rigorous public scrutiny of government performance. The Act requires ministries, government organizations, and the government as a whole to provide three-year service plans and report annually on their performance against their plans. Before the Act was passed, from 1995-2000, the Auditor General of British Columbia published several reports on government accountability, including three with the Province's Deputy Ministers' Council on "Enhancing Accountability for Performance" (see practice 4b). Since the Act, to help ensure reported performance information is meaningful, the Office of the Auditor General (OAG) has been assessing the quality of performance reporting contained in the annual reports of the government's ministries and Crown corporations. Through mid-2003, the OAG had published two multi-organization assessments of annual performance reports under the heading "Building Better Reports." The 2001 OAG report covered 20 annual reports and the 2002 OAG report covered 40 annual reports encompassing all of the province's ministries and its larger Crown corporations, and what the OAG referred to as "the leaders of government"—the government as a whole, the Office of the Premier, and the Ministry of Finance. As the 2002-03 annual reports of ministries and Crown corporations became publicly becoming available in July 2003, the OAG began a third multi-organization assessment of performance reports. Three to four OAG staff work on these activities on a regular, though not full-time, basis, spending about 3,000 staff-hours per year on this practice, including meeting with report preparers from each organization to assess results of OAG reviews with them.

In assessing performance reporting quality, the OAG uses a "learning model" approach that shows progress over four stages of development for incorporating good reporting principles: "Start-up," "In Process," "Fundamentals in Place," and "Fully Incorporated." The OAG developed eight assessment scales, in matrix form, describing detailed characteristics for each of the four developmental phases for the following eight principles of a good performance report:

- Explain the public purpose served;
- Link goals and results;
- Focus on the few, critical aspects of performance;
- Relate results to risk and capacity;
- Link resources, strategies and results;
- Provide comparative information;
- Present credible information, fairly interpreted;
- Disclose the basis for key reporting judgments.

In early 2003, a steering committee representing government ministries, Crown corporations, and the OAG reached agreement on these eight performance reporting principles, described in a March 2003 joint report of the government and the OAG. That report also includes self-

assessment criteria that government organizations can use for assessing their own public reporting. The same report discusses “An Assurance Program for British Columbia” to be developed by the government and the OAG as performance reporting evolves. The OAG included the eight assessment scale matrices it uses in a “Guide” it published on its website titled *Building Better Reports: Our Methodology for Assessing the Annual Service Plan Reports of Government*. The assessment methodology is also included as an appendix in each report in the *Building Better Reports* series. In October 2003, the eight principles were endorsed by the BC Legislative Assembly’s Select Standing Committee on Public Accounts (PAC) “as a basis for service plan and annual service plan report guidance and assessment.” A November 2003 report of the Government and the Auditor General noted this endorsement, as well as the PAC’s encouragement of “the Auditor General and Government to revisit the principles at a future date to ensure that BC’s reporting principles continue to reflect good reporting practices in Canada and internationally.” The report also notes that the PAC went further, passing a resolution to encourage “Ministries and Crown Agencies to work towards the goal of incorporating into their contracts with non-ministerial service delivery agencies the eight principles.”

The OAG’s 2001-02 multi-organizational review was based on a set of seven reporting principles (with similar assessment scales), which essentially included all the above principles except for “explain the public purpose served.” The principles used in the review of the 2001-02 annual reports were derived from the work of the CCAF-FCVI (formerly the Canadian Comprehensive Auditing Foundation; see Quebec below for more on CCAF reporting principles). For the review of the 2002-03 annual reports, the specific principles and the detailed characteristics in each assessment scale were tailored to fit the BC public sector environment. In 2002, the Auditor General also issued a separate assurance report on the 2001-02 performance report of the British Columbia Public Guardian and Trustee (PGT), following the same principles and methodologies as the 2001-02 multi-organizational review. The OAG’s PGT assessment did not include testing the accuracy of the data in the PGT report, and consequently did not offer assurance on the accuracy of the information reported, but did on the other reporting principles. In 2003, the Auditor General again provided assurance on the performance report of the PGT, including an assessment of the relevance of the performance measures. The assessment of the PGT performance report used the same reporting principles as was used in the 2002/03 multi-organization review, and took about 650 staff-hours to complete.

When the OAG has assessed an organization’s performance report, it has summarized its results in an assessment matrix that shows the development stage for each performance reporting principle assessed. In the 2001-02 assessment of 40 annual reports, the Auditor General provided an “Overall Assessment” that “on average, government’s performance reporting overall and for each of the reporting principles is in the Start-up or In Process stage of development,” but also said that was to be expected, given that a new government had taken office during the reporting period and made new commitments and priorities, and that performance reporting under the Budget Transparency and Accountability Act was still new.

The following guides and reports, as well as other related documents, are available on the BC Auditor General’s website ([www.bcauditor.com/AuditorGeneral.htm](http://www.bcauditor.com/AuditorGeneral.htm)):

- *Performance Reporting Principles For the British Columbia Public Sector: Principles Endorsed by Government, the Select Standing Committee on Public Accounts and the Auditor General of British Columbia*, November 2003.
- *Reporting Principles and An Assurance Program for BC*, March 2003.
- *Building Better Reports: Our Methodology for Assessing the Annual Service Plan Reports of Government*
- *Background to the Assurance Approach Used by the Auditor General in Relation to the 2001/2002 Performance Report of the Public Guardian and Trustee*
- *Building Better Reports: Our Review of the 2001/02 Reports of Government*, January 2003.
- *Building Better Reports: Public Performance Reporting Practices in British Columbia*, December 2001.
- *Towards a More Accountable Government: Putting Ideas Into Practice*, March 2000.

A “Report of the Auditor General of British Columbia on the Public Guardian and Trustee Performance Report” is in both the *2001-2002* and *2002-2003 Annual Reports of the Public Guardian and Trust*. Both of these reports are accessible from PG&T publications web page ([www.trustee.bc.ca/publicat.htm](http://www.trustee.bc.ca/publicat.htm)).