

2016/17
Ministry
Annual Service Plan Report
Guidelines

Crown Agencies Resource Office
Ministry of Finance



Table of Contents

PART I. INTRODUCTION	3
1. Purpose of Guidelines	3
2. Guiding Legislation and Principles	4
Budget Transparency and Accountability Act (BTAA).....	4
BC Reporting Principles	4
Taxpayer Accountability Principles (TAP).....	4
3. General Guidelines	5
4. New for 2016/17	6
5. Non-Disclosure of Specific Information	6
6. 2016/17 Annual Report Key Dates¹	6
PART II. CONTENT REQUIREMENTS	7
1. Title Page and Cover	7
2. Message from the Minister and Accountability Statement	7
Message from the Minister and Minister of State	7
Accountability Statement.....	8
3. Table of Contents	8
4. Purpose of the Ministry	8
5. Strategic Direction and Context	8
For the sub-sections under this heading, the following information is required:	8
Strategic Direction	8
Strategic Context.....	9
6. Report on Performance	9
Goals, Objectives, Strategies and Performance Results.....	10
7. Financial Report	11
Discussion of Results	11
Schools, Universities, Colleges and Health Authorities (where applicable).....	11
Major Capital Projects (where applicable).....	11
Reporting on Exempted Crowns	12
8. Contact and Additional Information	12
9. List of Crowns, Agencies, Boards and Commissions	12
10. Reporting on Operating Segments	12
PART III. TABLING PROCESS	13
1. Process for Tabling the Annual Report when the House is in Session	13
2. Process for Tabling the Annual Report when the House is Not in Session	13

PART I. INTRODUCTION

The [Budget Transparency and Accountability Act](#) (BTAA) provides the legislative framework for planning, reporting and accountability for government organizations. The BTAA stipulates that three-year Service Plans and Annual Service Plan Reports (Annual Reports) must be made public annually by ministries and Crowns, unless exempted by the Lieutenant Governor in Council.

Annual Reports can help build public trust and confidence by comparing the actual results for a fiscal year with the targeted results identified in the Service Plan for that fiscal year. Annual Reports for 2016/17 are to be based on the [2016/17 – 2018/19 Service Plans](#) tabled with [Budget 2016](#). The Annual Report should:

- Be substantive – increasing the reader's understanding of the core business of the ministry, the services provided, the actions taken and the results achieved;
- Be comprehensive – provide sufficient detail to give the reader confidence in the completeness and accuracy of the financial and performance information presented, while being concise; and
- Be transparent – documenting the basis for selecting the goals, strategies, performance measures, and targets, any changes to the way performance is measured, identifying risks and how they were addressed, and demonstrating the reliability of the data used to measure performance.

The Annual Report is the minister's document, as the minister is ultimately accountable for the ministry's performance in achieving performance measures established in the Service Plan. As such, the minister will review and approve the Annual Report prior to it being finalized and tabled in the Legislature. To assist the minister in this review, ministry staff, with assistance from the Crown Agencies Resource Office (CARO) and Treasury Board Services, will review the report and provide feedback. The Office of the Auditor General and the Select Standing Committee on Public Accounts may also review published Annual Reports.

1. Purpose of Guidelines

The purpose of the *Ministry Annual Service Plan Report Guidelines* is to:

- Provide guidance to support complete and transparent reporting;
- Advise ministries on the information that must be included in their 2016/17 Annual Reports;
- Provide support to ministry staff in reporting out on the implementation of the [Taxpayer Accountability Principles](#) (TAP) in their ministry (and Crown corporation(s) if applicable); and
- Assist ministries to develop an Annual Report that is consistent with their 2016/17 – 2018/19 Service Plans, the intent of the BC Reporting Principles, the requirements of the BTAA and best practices.

These Guidelines are intended to be used with the accompanying Template.

2. Guiding Legislation and Principles

Budget Transparency and Accountability Act (BTAA)

The [Budget Transparency and Accountability Act](#) (Section 16) requires a ministry's Annual Report to:

- Cover the ministry and other appropriations of the responsible minister;
- Compare actual results for the preceding fiscal year with the expected results identified in the Service Plan for that year;
- Be made public by the responsible minister no later than August 31 in each year; and
- Include a signed statement by the responsible minister, indicating she or he is accountable for those actual results.

BC Reporting Principles

In 2003, the government, the Legislative Assembly's Select Standing Committee on Public Accounts and the Auditor General reached agreement on a set of performance principles for the British Columbia public sector – the [BC Reporting Principles](#). The BC Reporting Principles are intended to support an open and accountable government and build on best practices in reporting. The BC Reporting Principles do not specify the kinds of information that must be included in an Annual Report, but inform the quality and completeness of the plan reporting. These principles are:

- 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; and
- Disclose the basis for key reporting judgments.

Ministry Annual Reports are subject to review against these principles by the Office of the Auditor General. The eight principles should be incorporated consistently throughout the report, rather than being reported on individually.

Taxpayer Accountability Principles (TAP)

In response to the public's desire for more accountability across the entire public sector, government announced the [Taxpayer Accountability Principles](#) (TAP) in June 2014. TAP enshrines the principles of *cost consciousness, accountability, appropriate compensation, service, respect, and integrity*, as linchpins of public sector governance and increased accountability to taxpayers. The following TAP action items must be incorporated into the 2016/17 Annual Reports by Ministries and Crowns:

- Deputy ministers, in collaboration with their Crowns, develop an evaluation plan with specific efficiency and performance measures as determinants of the organization's health and performance, against the taxpayer accountability principles; and
- Deputy ministers, in collaboration with their Crowns, are to develop a strategic engagement plan to work more effectively with Crowns and to demonstrate accountability for the outcomes and measurements identified by the minister responsible.

3. General Guidelines

- As of 2015/16, TAP must be profiled in all Annual Reports (including ministries without Crowns), in the minister's message and individual performance measures where applicable.
- Ministries with Crowns should incorporate updates on the following TAP Action Items in the Strategic Direction and Context section of the ministry Annual Report:
 - TAP Action Item 7: Ministries, in collaboration with the organization, will develop an evaluation plan with specific efficiency and performance measures as determinants of the organizations health and performance, against the taxpayer accountability principles, which could include annual feedback from government (**ministries with Crowns only**)
 - TAP Action Item 8: A new accountability for deputy ministers to develop a strategic engagement plan with their public sector entities to work more effectively together, and to hold the entity accountable for the outcomes and measurements identified by the minister responsible, in consultation with the respective board chair (**ministries with Crowns only**)
- Please note: For reporting on the TAP Action Items noted above, ministries are not being asked to develop separate documents or create new materials that do not currently exist. Rather, the intent with this section of the Annual Report is to capture in a concise narrative form current ministry practices and activities with respect to engagement with Crowns and on evaluating organizational health and performance.
- Further details on reporting on the TAP Action Items will be provided in the Annual Report Template. Webinars for ministry and Crown staff will be held in April to review the Guidelines and Template and provide clarifications and answer questions as needed.
- The length of Annual Reports will be limited to 15 pages. Financial statements, Discussion of Results (DOR), title page, table of contents, and appendices are not included in this limit, but these sections should be kept brief, meaningful and pertinent.
- There are no graphics, breakout boxes or photos in Ministry Annual Reports (exceptions being the provincial government logo and minister's photo).
- The *Minister's Message and Accountability Statement* section should fit on **one page** and should demonstrate efforts to uphold accountability while achieving efficiencies. Ministries are to include a similar message from ministers of state, if applicable. The minister's message is to be historically focused, reflecting the past fiscal year.
- The *Purpose of the Ministry* section should be one paragraph in length with a hyperlink(s) to additional information, if required, to keep reporting succinct while maintaining transparency through technology.
- This *Strategic Direction and Context* section **is not to exceed one page in total length and should include** a summary of direction from the minister's Mandate Letter, and reference to Appendix D: Minister's Mandate and Actions Summary (i.e. in Table format, complete reporting of activity to achieve directives from the minister's Mandate Letter). This will maintain accessibility and accountability to the direction given in the Mandate Letter.
- The *Strategic Direction and Context* section should also include reference to the [Taxpayer Accountability Principles](#) and a narrative description as to how the goals, objectives, strategies or measures align with these principles, and to emphasize how the public interest is being served. Further instructions are provided in the Template.

4. New for 2016/17

No significant reporting requirements have been changed or added to the Ministry Annual Reports Guidelines since last year's version.

5. Non-Disclosure of Specific Information

Information contained in Annual Reports must be in compliance with the [Freedom of Information and Protection of Privacy Act \(FOIPPA\)](#). Ministries should refer to the FOIPPA for clarification on the types of information that fall under each category.

6. 2016/17 Annual Report Key Dates¹

Timeline ²	Description of Activity
Late March	Letter and Guidelines/Templates sent to DMs and EFOs. Guidelines/Templates sent to ministry contacts and made available on the CARO SharePoint site.
Mid-May	Office of the Comptroller General sends the final Public Accounts statements/schedules to ministries for confirmation in the Ministry Resource Summary Table. FIN prepares standard economic statement for distribution by CARO.
May 12	Ministries post ADM-approved draft of Annual Report to CARO SharePoint. ³
May 19	CARO and Treasury Board Services post comments and feedback to SharePoint.
May 31	Ministries make final edits and forward copies to minister for signature.
June 14	Ministry posts the FINAL, approved, minister-signed PDF Annual Report to CARO SharePoint.
June 15 to 23	CARO forwards FINAL, approved minister-signed PDF Annual Report to QP for printing and binding.
June 26 (proposed, actual date to be confirmed)	The House is not expected to be sitting. CARO will facilitate delivery of six copies of each FINAL ministry Annual Report to the House for filing with the Clerk, concurrent with Public Accounts. If the House is sitting, each ministry would be provided with one FINAL ministry Annual Report to provide to their minister for tabling in the Legislature.
June 27 - 30	Reports uploaded to websites (earliest date).

¹ These are the final dates/deadlines for submission of drafts. Ministries are encouraged to provide drafts earlier than dates noted in order to stay on track to deliver a final Annual Report at the earliest date.

² Timeline may change once date of Public Accounts is set.

³ Ministries are to manage their approval process independently to ensure submission of ADM-approved report by the required date.

PART II. CONTENT REQUIREMENTS

This section provides an overview of the key elements to be included in the ministry's 2016/17 Annual Report to ensure the report meets the requirements of the BTAA, the BC Reporting Principles, Taxpayer Accountability Principles¹ and government direction. A detailed Template will be provided to assist ministries in preparing their Annual Reports.

Content Requirements for 2016/17 Annual Reports
Title Page
Message from the Minister and Accountability Statement
Table of Contents
Purpose of Ministry
Strategic Direction and Context
Report on Performance
Financial Report
Crown Corporations Reporting out in a Ministry Annual Service Plan Report
<u>Appendices</u> Appendix A – Additional Information, Contact Information, Hyperlinks Appendix B – List of Crowns, Agencies, Boards and Commissions Appendix C – Report on Significant Offices or Operating Segments Appendix D – Minister's Mandate and Actions Summary

Using the required formats, headings, ordering and templates noted in these Guidelines adds to the comparability of Annual Reports with those of other ministries, as is required by the BTAA. Annual Reports are to be concise, include only the required information, and be consistent with the format provided in these Guidelines and the accompanying Template.

1. Title Page and Cover

All ministry Annual Reports must have a **common** formal title page. The title page must include the provincial government logo, as per the Template. Ministry contact information is to be presented on the reverse of the title page. Further contact information for regional offices or specific services or divisions should be provided as an appendix. See Template for the example.

2. Message from the Minister and Accountability Statement

Message from the Minister and Minister of State

Each report must include a Message from the Minister, including an accountability statement, and be limited to one page. The purpose of the Message from the Minister is to provide a high-level summary (similar to an executive summary) of the key elements in the ministry's Annual Report. Should a ministry have minister of state, a separate message summarizing the elements of the Annual Report under their purview must be included.

¹ Please note that the term "Taxpayer Accountability Principles" must be spelled out at all times in Annual Service Plan Reports. The acronym TAP is used in CARO Guidelines and Templates for convenience, but is not be used in the ASPRs themselves.

Accountability Statement

Each report must include an Accountability Statement from the minister such as that provided below. The exact wording of the statement is provided in the Template:

The *Ministry of XXX 2016/17 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *Ministry's 2016/17 - 2018/19 Service Plan*. I am accountable for those results as reported.

The Template also provides an example of a statement from a Minister of State.

3. Table of Contents

The Table of Contents must list the sections in the Annual Report, and include any elements such as the Accountability Statement that may appear before the Table of Contents page.

4. Purpose of the Ministry

The intent of this section is to describe what the ministry does, who the ministry serves, and how it carries out its business. For many ministries, this information is derived from its guiding legislation e.g. *Ministry of Labour Act*. Provide a link to guiding legislation where available. The section should also describe in general terms who delivers services (e.g. the ministry, a third party non-profit, or a private sector partner). Provide a reference to any Crown agencies under the responsibility of the minister. **The Purpose of the Ministry should not exceed one paragraph in length, and should include a hyperlink to additional information.**

5. Strategic Direction and Context

This section must succinctly describe the ministry's operating environment. It must outline the specific strategic direction given by government via the annual Mandate Letter, and the internal and external factors, including significant risks and opportunities, which may have helped or hindered the ministry's performance. The information should be retrospective and focus on specific events that occurred in 2016/17, rather than being a theoretical discussion of generic risks.

The Strategic Direction and Context section must not exceed one page in length and should include a hyperlink to the ministry's website. Should this not provide enough space to report on all mandate letter direction, use Appendix D in the Template to include reporting out on the balance of the Mandate Letter deliverables.

For the sub-sections under this heading, the following information is required:

Strategic Direction

This section must briefly outline the strategic priority actions given by government in the minister's July 2015 Mandate Letter, which informed the ministry's 2016/17 – 2018/19 Service Plan. It should also refer to the [Taxpayer Accountability Principles](#), and any other applicable strategic policy direction from government (e.g. BC Jobs Plan).

Strategic Context

- Identify any shifts experienced in the ministry's internal operating environment that had a significant effect on results in 2016/17 (e.g. reorganization, expansion, divestiture of non-core business operations, changes or enhancements to information systems, changes in products or services, etc.); and
- Identify economic, industry, demographic and social factors, trends, opportunities and challenges that had a significant favourable or unfavourable impact on performance in the reporting year. Ministry Annual Reports must use the same economic assumptions for GDP growth, inflation, etc. as government (will be provided by Treasury Board Staff, Ministry of Finance in a standard economic statement, distributed by CARO).

In discussing the Strategic Context, identify any significant financial and operational risks and opportunities that impacted the ministry's performance during the reporting period, and the effectiveness of mitigations put in place in response to those risks. Ministries may also hyperlink to supporting documents such as risk assessments, SWOT analyses or environmental scans where appropriate.

6. Report on Performance

The purpose of this section is to provide the reader with a clear understanding of the ministry's actual results compared to the goals, objectives, strategies, and performance measures established in their 2016/17 – 2018/19 Service Plan. The opening narrative paragraph should include a summary report out against the July 2015 minister's Mandate Letter. It should also include reference to the ministry operating in accordance with TAP and a brief narrative on how it incorporated TAP principles into its operations and implemented key TAP action items such as the *Evaluation Plan (TAP Action Item 7)*, and *Strategic Engagement Plan (TAP Action Item 8)*. For those ministries who have semi-autonomous offices or operating segments, summary tables and goals, strategies and objectives must be included after the ministry tables, or in following appendices.

Ministries that have been reorganized should provide an opening statement at the beginning of the Report on Performance that lists and explains why certain measures have been changed.

All performance measures published in the 2016/17 - 2018/19 Service Plan should be addressed in the 2016/17 Annual Report. No new performance measures may be published in the 2016/17 Annual Report that were not first published in the 2016/17 - 2018/19 Service Plan.

In most circumstances, the baselines and targets reported will be identical to those stated in the 2016/17 – 2018/19 Service Plan. Should the baseline or the 2017/18 Service Plan targets have changed, the revised targets should be reported with the most current information and the reason for the adjustment. For example, if targets for 2018/19 were revised with the release of the 2017/18 Service Plan, use the revised targets and explain the change/variance rationale in the discussion that follows.

Goals, Objectives, Strategies and Performance Results

Outline the ministry goals, objectives, strategies, performance measures and targets for the 2016/17 – 2018/19 fiscal years (as documented in the 2016/17 – 2018/19 Service Plan released in February 2016).

Ministries which have gained new units (branches, divisions) must report on progress against any measures that were associated to those units transferred, in addition to reporting on measures identified in its reporting period Service Plan. Ministries which have lost units will not be reporting on their former performance measures, but should still indicate the new ministry for the performance measures in question.

Should a ministry re-organize during the 2016/17 Annual Reports process (e.g. after the 2017 B.C. election), changes to how performance measures are reported will be addressed with the impacted ministries.

When reporting on performance, the following information should be included in table form:

1. Actual results for 2014/15, 2015/16 and forecast targets for 2016/17;
2. Actual results for 2016/17; and
3. Performance targets for the following two years (ensure compatibility with any forward set targets provided in the 2017/18 – 2019/20 Service Plan).

The following information should be provided as notes and bullets, below the table:

- a) The reasons for variances (negative or positive) between the 2016/17 – 2018/19 Service Plan targets and the actual results achieved. The variance discussion must include what actions were taken or are planned to address the variances (or state why no actions are planned or required).
- b) An explanation of:
 - Why the goals, strategies and measures included in the report are of critical importance to the organization and why the measure was chosen;
 - How the goals, strategies and performance measures will help the organization achieve its mandate and long-term vision;
 - If no comparable benchmark information has yet been identified, the progress being made to identify a suitable benchmark;
 - The data source for each performance measure (e.g. internal computer systems, third party sources, audited financial statements, manual systems, calculations made to produce the data);
 - How management ensures that the data sources being used to track performance are accurate and can be relied on (e.g. they are reviewed by internal/external audit, strong internal controls, testing and documentation of systems, outside verification, verification of third party information, etc.); and
 - Any limitations to the accuracy and reliability of the data source for each measure (use of estimates, etc.).

See the ministry Annual Service Plan Report Template for guidance on formatting.

7. Financial Report

This section includes the following elements:

- Discussion of Results;
- Financial Report Summary Table; and
- Accompanying Notes on the Summary Table.

These Guidelines focus on the Discussion of Results section. The other elements of the financial report must be prepared in accordance with Generally Accepted Accounting Principles, and be consistent with the requirements of the *Financial Information Act*. See the *Financial Report Summary Table* in the Template for details and format.

Discussion of Results

Together with the Financial Report Summary Table, the Discussion of Results (DOR) should enable readers to assess the ministry's financial performance during the year, and its year-end position. The DOR should briefly summarize financial trends, risks and opportunities that affected financial results during the reporting year, variances from planning expectations with explanations as to why they occurred, and how the impact was managed or mitigated.

The DOR should complement the summary table by providing information and explanations of trends and events that influenced results. In addition, it needs to be written in plain language understandable by the average reader.

Schools, Universities, Colleges and Health Authorities (where applicable)

Where applicable, the ministry's 2016/17 Annual Report must include a separate Financial Report Summary Table for the SUCH sector (i.e. schools; universities and colleges; health authorities and hospital societies) for which the ministry is responsible. While ministries are not required to separately disclose the financial results of individual entities within a particular sector, ministries are responsible for ensuring that the combined sector information reported in the Financial Report Summary Table is consistent with that provided by the individual SUCH sector entities.

The table should adhere to the Template and be inserted directly following the ministry resource summary table. Footnotes should be used where further clarification on the information provided is required.

Major Capital Projects (where applicable)

Ministries must include in their Annual Report a financial summary table, and a brief narrative paragraph **for each major project** summarizing:

- Objectives of the project;
- Estimated total capital cost and benefits of the project; and
- Risks associated with those costs and benefits.

The information provided under this section must include updated 2016/17 capital expenditures for each major project as of March 31, 2017.

Major capital projects are defined as projects where the government reporting entity has made a commitment, or anticipated commitment, that exceeds \$50 million. A “commitment” includes the amount of any money, the value of any land, facilities, rights or other benefits, and the amount of any guarantee contributed or anticipated to be provided by the Government Reporting Entity toward the capital cost of the project.

Reporting on Exempted Crowns

Ministries must include in their Annual Report information on Crowns that are exempt under the BTAA from producing their own annual report. The exempt list includes:

- BC Transportation Financing Authority, BC Railway Company and its subsidiaries, and Rapid Transit Project 2000 Ltd. – TRAN
- Nechako–Kitimaat Development Fund Society – JTST
- The five public sector Employer Associations – FIN
- Organized Crime Agency of BC – JAG
- Creston Valley Wildlife Management Authority – FLNRO

Information on the exempt Crown should include a very brief outline of the following items:

- Name of the Crown
- Organizational Overview (legislated mandate, purpose, core business areas, etc.)
- Corporate Governance (including list of board of directors)
- Goals and Strategies, and Performance Measures
- Summary Financial Outlook (approved budget)
- Major Capital Project Plans

8. Contact and Additional Information

Ministries must include in an appendix a listing of regional offices or points of contact for services to the public. List the ministry, regional offices and/or Front Counter BC contact information, including physical addresses, phone numbers, email and hyperlinks. See the Template for details.

9. List of Crowns, Agencies, Boards and Commissions

If a minister has direct responsibility and accountability for several Crown corporations or agencies, boards or commissions, these should be listed in an appendix with a hyperlink to further information for each agency. This is independent of any performance or financial reporting requirements. See the Template for details.

10. Reporting on Operating Segments

Ministries with significant internal independent or semi-autonomous offices, such as Environment’s *Environmental Assessment Office*, should include them as an additional appendix, either following the same basic format for ministries, or the abbreviated format found at Appendix C of the Template.

PART III. TABLING PROCESS

Under the BTAA, the minister makes the ministry's Annual Report public. This involves the printing of the report by Queen's Printer, and tabling the Annual Report in the Legislative Assembly if the Legislature is in session, or filing it with the Clerk of the House if the Legislature is not in session.

Ministries should allow sufficient time in their planning schedule for their minister to review/approve the draft Annual Report, and for the minister to approve and sign the final Annual Report.

Ministry staff are encouraged to reserve time in executives' calendars early, keeping in mind that ministers will not be available after the writ is dropped (April 11th), before the election (May 9th), and after the election until the next Cabinet is sworn in (the weeks following the election).

1. Process for Tabling the Annual Report when the House is in Session

The House is not expected to be in session when this year's Annual Reports will be tabled. Should this happen, CARO will send specific tabling instructions to ministries.

2. Process for Tabling the Annual Report when the House is Not in Session

Again, the House is not expected to be in session when this year's Annual Reports will be tabled. Ministry staff are responsible for uploading one PDF copy of the final, minister-signed Annual Report electronically to the [Crown Agencies Resource Office \(CARO\) SharePoint site](#). The files should be named "FINAL (Ministry abbreviation) 2016/17 Annual Report". CARO will then transfer the electronic reports to a unique, restricted folder for access by Queen's Printer.

CARO will send one print requisition directly to Queen's Printer no later than June 15, 2017, along with the appropriate financial coding for the printing of six copies of each ministry's Annual Report. CARO will subsequently submit a journal voucher to each ministry to recover all printing costs. Queen's Printer, Office of the Comptroller General and CARO will coordinate to ensure that four copies are filed with the Clerk of the House, concurrent with the Public Accounts, and two copies are provided to the Ministry of Finance. Note this process does NOT apply to the filing of Crown corporations' Annual Reports, as CARO/Queen's Printer are only responsible for the printing and delivery of ministry reports. See the Crown Corporation Annual Service Plan Report Guidelines for details on the filing of Crowns' Annual Reports.

Website Posting

Ministries must not post their Annual Reports on their websites or make copies available to the public prior to Public Accounts Day. Once the Annual Report has been filed with the Clerk of the House, ministries are responsible for posting their Annual Reports on their websites on Public Accounts day and may also make hard copies available to the public as desired.

Potential Additional Reviews

Ministries should be prepared to have their Annual Reports reviewed by the [Select Standing Committee on Public Accounts](#).

The [Office of the Auditor General](#) may review Annual Reports of selected ministries as part of their review process. Office of the Auditor General reports are made public.