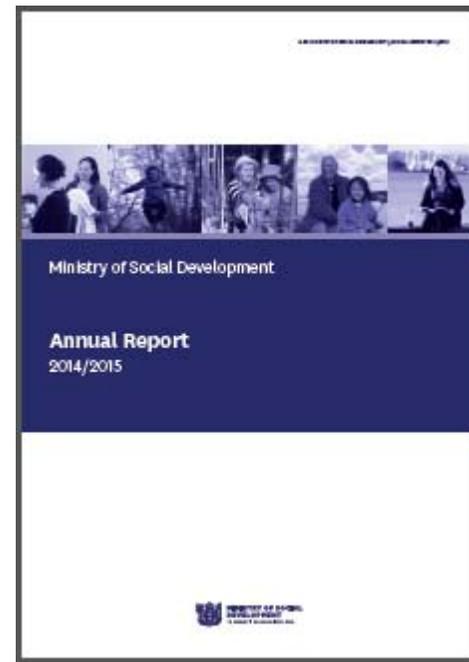
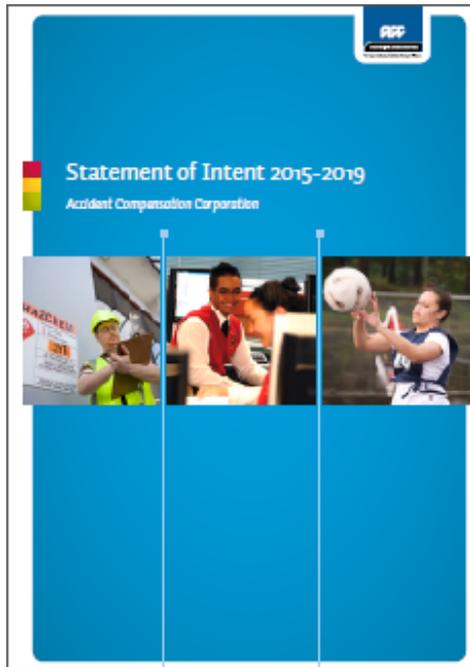




# Annual Reporting: learnings and challenges from 2014/15

Audit NZ Central Government Updates  
Crown Entities  
April 2016



# Strategic Intentions / Statements of Intent

Intent of change	What we have seen
<p><b>Greater focus on “strategic information”</b> through:</p> <ul style="list-style-type: none"> <li>• SOIs could last for up to 3 years</li> <li>• less prescriptive – reference to “impacts, outcomes, or objectives” removed</li> <li>• requirement to report “cost effectiveness” removed</li> <li>• decoupling annual information (eg SPEs, financial forecasts)</li> </ul>	<p><i>We have not undertaken an in-depth review in this area; but it appears that:</i></p> <p><b>A number of Crown entities retained their existing SOI</b> (ie did not table a new SOI) – but slow take-up rate by departments</p> <p>Small changes with some agencies framing their strategic intentions as priorities/goals/results, not just outputs to outcomes</p> <p>✓</p> <p>✓</p>

# Statement of Performance Expectations

Intent of change	What we have seen
<p><b>Present annual Information separately</b> from strategic information</p> <p><b>Preserve transparency and accountability</b> with regard to:</p> <ul style="list-style-type: none"><li>• enabling responsible Minister to participate in setting annual performance expectations for reportable outputs</li><li>• enabling the House of Representatives to be informed of those expectations</li><li>• providing a base against which actual performance can be assessed for reportable outputs</li></ul>	<p>✓</p> <p>✓</p> <p><b>But</b> Reportable Outputs not <u>aligned</u> with related appropriations in Estimates (nb. this is ideal, not a requirement)</p>

# Estimates

Intent of change	What we have seen
<p><b>Greater clarity for each appropriation</b> regarding:</p> <ul style="list-style-type: none"><li>• <b>what</b> is intended to be achieved</li><li>• <b>how</b> performance will be assessed</li><li>• <b>who</b> will report performance information</li><li>• <b>where</b> performance information will be reported at year-end (ie what document)</li></ul>	<p>Instances of who and where performance information will be reported were incorrect. Notably <b>some Crown Entities unaware, or were incorrectly identified that, they were responsible for reporting against an appropriation</b></p> <p>Many explanations of “what is intended to be achieved” don’t explain the benefit to New Zealanders</p> <p>Some appropriations missing performance information (notably MCAs and Capital Expenditure)</p> <p>Disconnect between <b>what</b> is intended to be achieved and <b>how</b> performance is to be assessed</p>

# End of Year Reporting - Crown entities

Intent of change	What we have seen
<p><b>Better line-of-sight between Estimates expectations and where this will be reported by Crown entities through</b></p> <ul style="list-style-type: none"><li>• Departments annual reports identifying Crown entities who will be reporting against each appropriation</li><li>• Reporting against all appropriations unless specifically exempted</li></ul> <p>Flexibility as to how to present annual reports and performance against appropriations</p>	<p>Some Crown entities nominated to report against <b>appropriations</b> <b>sometimes did not report at all</b>, or very difficult to see how the reported information aligned with Estimates expectations.</p> <p><b>Little use of the flexibility</b> for presenting year-end information (nb. it is enabling, not a requirement)</p> <p>A number of Crown entity <b>reports presented late</b> to the House</p>

# Areas of focus

Annual Reporting Guidance will be largely unchanged this year, so the focus is on improving what is reported, notably:

- **Better coordination/alignment between Departments and Crown entities** for reporting on appropriations
- **Improving the quality of non-financial performance information**  
=> relevant and meaningful

(keep an eye on the Service Performance Reporting Exposure Draft)