



Update on the 2013 reporting changes to the Public Finance Act

Central Government update for Departments
28 April 2014

Agenda



- Objectives for the legislative changes (recap)
- Initial focus & early successes
- Next steps/challenges
- Common Questions (+ Q&A)

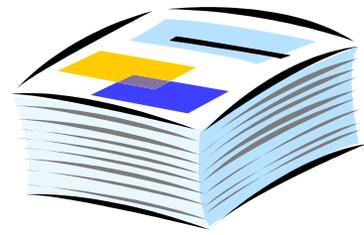
Objectives (recap)



Changes to State Sector, Crown Entities & Public Finance Acts:

- Strengthen leadership at the system, sector and departmental level
- Support collaboration & organising around results
- Encourage sharing functions and services, leveraging the scale and expertise of the State services
- Provide financial and reporting flexibility – **more meaningful reporting**

More meaningful reporting changes (recap)



- Greater focus on *what is intended to be achieved*
- *How to assess performance* required for all appropriations (unless exempted)
- Lift strategic focus of Statements of Intent (renew < 3 years)
- Greater flexibility in when and how to report
- Financial flexibility – MCAs and “use of appropriations”
- Capital injections replace Net Asset rules



PFA: initial focus (phase 1)

- Budget 2014
 - Estimates redesign
 - Supporting systems & processes
- Statements of Intent
 - Content & timing guidance
- Greater financial flexibility
 - Early examples / pilots
 - Supporting systems & processes

PFA: early successes



- Estimates have greater focus on *trends and traceability*, and *what is intend to be achieved*)
- Multi-category appropriations established for MSD & DIA (support results and reduce complexity)
- Other departments using an appropriation administered by DIA (financial flexibility)
- IRD's financial forecasts integrated into its 2013/14 Annual report (reporting flexibility; more meaningful)

IRD 2013/14 Annual Report

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2011-12 Actual \$000	2012-13 Budget*	2012-13 Revised Budget*	2012-13 Actual \$000	2013-14 Forecast*
Income						
Revenue Crown		638,419	662,226	659,000	659,000	690,618
Other income	1	32,739	29,687	25,887	36,444	26,187
Total income		671,158	691,913	684,887	695,444	716,805
Expenditure						
Personnel	2	409,666	433,788	421,536	395,992	447,965
Operating	3	174,400	177,366	184,449	181,350	187,264
Depreciation	4	16,542	19,818	19,315	18,994	18,339

Next steps/challenges



Strategy: linking strategy and delivery across reporting products (PIF, 4YPs & SOIs)?

Appropriation reporting: meaningful measures and self-contained Estimates

Year-end reporting: opportunities to better integrate information & election implications (publish within 15 days of audit report)



Common questions

“What is intended to be achieved”: should this reflect output, impact, outcome, or something else?

It should to explain ‘what difference will the expenditure make’ – how this is best expressed differs across appropriations

How to report multi-year performance?

Signal through ‘what is intended to be achieved’ & SOI, and include in ‘performance’ statements and Annual Report

Is there an SOI template we can follow?

There is guidance on content & timing, but no ‘template’

Should SOIs have performance measures?

Should have milestones for assessing (and reporting at year-end) progress against the strategy



Other Questions