

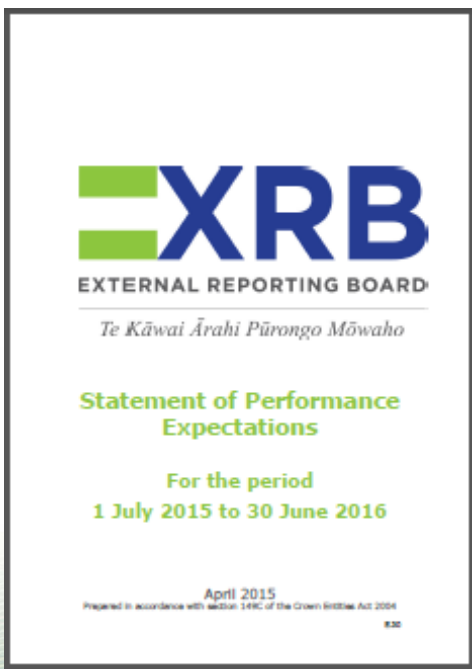
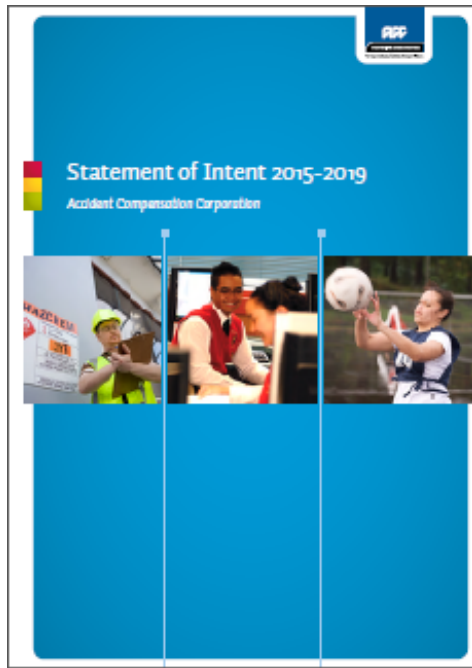


Annual Reporting: learnings and challenges from 2014/15

Audit NZ Central Government Updates

Departments

April 2016



Strategic Intentions / Statements of Intent

Intent of change	What we have seen
<p>Greater focus on “strategic information” through:</p> <ul style="list-style-type: none"> • SOIs could last for up to 3 years • less prescriptive – reference to “impacts, outcomes, or objectives” removed • requirement to report “cost effectiveness” removed • decoupling annual information (eg SPEs, financial forecasts) 	<p><i>We have not undertaken an in-depth review in this area; but it appears that:</i></p> <p>A number of Crown entities retained their existing SOI (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>

Estimates

Intent of change	What we have seen
<p>Greater clarity for each appropriation regarding:</p> <ul style="list-style-type: none">• what is intended to be achieved• how performance will be assessed• who will report performance information• where performance information will be reported at year-end (ie what document)	<p>Many explanations of “what is intended to be achieved” don’t explain the value that New Zealanders get from the spending</p> <p>Some appropriations missing performance information (notably MCAs and Capital Expenditure)</p> <p>Disconnect between what is intended to be achieved and how performance is to be assessed</p> <p>Instances of who and where performance information will be reported were incorrect</p>

End of Year Reporting - Departments

Intent of change	What we have seen
<p>Better line-of-sight between Estimates expectations and year-end results through:</p> <ul style="list-style-type: none">• Statement of expenses and capital expenditure at year-end identifying where performance information is reported• Reporting against all appropriations unless specifically exempted <p>Financial forecasts presented alongside annual results for prior period</p> <p>Flexibility as to how to present annual reports and performance against appropriations</p>	<p>Improved line-of-sight, which revealed not all appropriations were reported against or as intended</p> <p>✓</p> <p>Little use of the flexibility for presenting year-end information (but it is enabling, not a requirement)</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)