
**GUIDELINES
FOR
CROWN AGENCIES'
2005/06 ANNUAL SERVICE
PLAN REPORTS**

March 2006

Prepared by the Crown Agencies Secretariat

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INTRODUCTION

In July 2000, *the Budget Transparency and Accountability Act* (BTAA) was passed in the BC Legislature. The BTAA stipulated that three - year service plans for Crown agencies and annual service plan reports on the plans must be made public¹ annually. The BTAA refers to annual service plans, annual service plan reports, and government organizations; for the purposes of these guidelines, these will be referred to as service plans, annual reports, and Crown agencies.

The annual report compares the Crown agency's actual performance for the year to planned performance as documented in the service plan. The 2005/06 annual reports will be based on the organization's fiscal year, which is either January 1, 2005 to December 31, 2005 or April 1, 2005 to March 31, 2006. Annual reports are tabled in the legislature by the Ministers Responsible for Crown agencies.

New for 2005/06

- Results should be compared to the goals, objectives, measures and targets documented in the September 2005 updated 2005/06 - 2007/08 Service Plans, not the 2005/06 - 2007/08 Service Plans made public with the February 2005 budget;
- New wording in the Accountability Statement;
- More detailed disclosure requirements for subsidiaries and operating segments;
- As of April 1, 2006, Crown agencies are required to disclose their governance practices as listed in section 3 of the Board Resourcing and Development Office's Best Practice Guidelines for Governing Boards of BC Public Sector Organizations (see Section 7 of these annual report guidelines - Corporate Governance - for more information);
- Increased emphasis on reporting against the BC Reporting Principles, including:
 - What the external environment affecting the organization was;
 - An explanation of why the goals, objectives and measures selected are of critical importance to the organization;
 - An explanation of the reasons for significant variances, both financial and non-financial, from previous years; and
 - Information on performance management systems used to track results;
- National Library of Canada Cataloguing in Publication Data (ISSN) is now mandatory;
- Timelines have been adjusted as set out in the table below; and

¹ Tabling in the Legislative Assembly if the Legislature is in session, or filing with the Clerk if the Legislature is not in session, plus making the documents available to the public, including by electronic means.

- For service delivery Crown agencies and smaller commercial Crown agencies, ministries will be providing the review function formerly provided by Crown Agencies Secretariat (CAS). Major commercial Crown agencies will continue to have their service plans reviewed by CAS. See Appendix A for a list of which Crown agency are reviewed by ministries/CAS.

Note: as in previous years, Crown agencies are responsible for printing all the copies of their annual reports required by the Legislature, and for sending them to the Sergeant-at-Arms for distribution. Annual reports of crown agencies must be filed by Ministers Responsible with the Clerk of the House. See section B, subsections 4 and 5 for additional information.

	Crown agencies with December 31 Year-end	Crown agencies Organization with March 31 Year-end
Date for Crown agency to submit draft annual report to CAS/Ministry staff for review	April 18	May 16
Date for CAS/Ministry staff to provide feedback to Crown agency	April 25	May 23
Date for Crown agency to submit draft annual report to Minister Responsible for review	May 2	June 1
Date for Crown agency to submit final Board and Minister approved annual report electronically to CAS staff for putting on CAS website	May 23	June 20
Date for Crown agency to submit final annual report to Minister Responsible for tabling	May 26	June 22
Date for Crown agency to send 104 copies of its annual report to the Deputy Sergeant-at-Arms	May 25- 28	June 21 - 25
Date annual report made public	May 31	June 26 – 30*

** Date of Public Accounts release has not yet been finalized for 2006*

Purpose of Annual Reports

Annual reports are intended to compare the actual results for a fiscal year with the expected results as identified in the service plan for that fiscal year. Although the annual report reflects the results of planned performance documented in the service plan, it is a stand-alone document, and should include sufficient detail to be read and understood in isolation from the service plan.

Crown agencies sometimes make changes to one or more of their goals, objectives, strategies, measures or targets during a year. In such cases, agencies should disclose the original plans from the September 2005 Service Plan Update, what was changed, and the reasons for the changes. As well, the shareholder may direct a mandate change or the Crown agency may make a change to vision or mission during the year. Each of these changes should be documented in the same way.

The annual report should assist the public's understanding of the core business of each Crown agency, the services provided, the results achieved, and comparative information, and should include sufficient detail to give the reader confidence in the information's relevance and reliability. Annual reports are part of a larger performance management and accountability framework that covers planning, performance measurement, and reporting.

An annual report is the Crown agency Board of Director's document, as the Board is ultimately accountable for the Crown agency's performance and success in achieving the results documented in the service plan. However, because the Minister responsible for the Crown agency is required under the *Budget Transparency and Accountability Act* (BTAA) to table the annual report in the Legislature, the Minister will review and provide input into the report prior to its being finalized, to ensure that it is consistent with the BTAA requirements, the government's Strategic Plan, and the Minister's direction to the Crown agency through the Shareholder's Letter of Expectations, Memorandum of Understanding, or other means. To assist the Minister Responsible in this review, CAS/Ministry staff will also review the report and provide feedback to the Crown agency and the Minister.

Annual reports may also be reviewed by the Office of the Auditor General, the Select Standing Committee on Crown Corporations, or the Public Accounts Committee.

Purpose of Guidelines

The purpose of these guidelines is:

- to advise Crown agencies on the information that should be included in their 2005/06 annual reports; and

- to assist Crown agencies to develop annual reports that are consistent with service plans, the annual reports of other Crown agencies, the requirements of the BTAA, and the intent of the BC Reporting Principles.

Definitions

The following definitions have been specifically adopted for the purpose of these guidelines:

“Crown agencies” are government organizations that are within the government reporting entity and subject to the BTAA.

“Subsidiaries” are also government organizations in the Government Reporting Entity and subject to the BTAA. Crown agencies must report on their subsidiaries either in the parent organization’s annual report or file a separate annual report for each subsidiary.

“Operating segment” includes a business unit, or other component of a Crown agency:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same organization);
- for which discrete financial information is available; and
- where revenues, profits (or losses), or assets are ten percent or more of the organization’s total revenue, profits (or losses) or assets.

See Section 8 for a full list of subsidiary and operating segment disclosure requirements.

Application

These guidelines apply to the Crown agencies and their subsidiaries and operating segments listed in Appendix A.

BC Reporting Principles

The BC Reporting Principles have been adopted by the BC government as a methodology for performance planning and reporting for ministries and Crown agencies. Since the 2003/04 reporting cycle, all ministries and Crown agencies have been required to incorporate the reporting principles into their annual reports, and may be reviewed

against these principles by groups including the Office of the Auditor General and the Legislature or its Committees.

The intent of the reporting principles is to provide a general frame of reference to assist organizations in the preparation of service plans and annual reports. The principles are designed as a tool to help organizations plan, manage and report their performance throughout the planning and reporting cycle, and should be integrated into organizations' ongoing management practices.

The eight reporting principles are not intended to form the outline of a service plan or annual report. They are an approach to presenting information, and should be incorporated generally throughout the body of the plan or report, rather than each principle being reported on separately. Incorporating the reporting principles consistently into service plans gives readers additional confidence in the relevance and reliability of the information being presented, and a better understanding of what the organization intends to accomplish and why.

BC'S REPORTING PRINCIPLES

- | | |
|----|---|
| 1. | EXPLAIN THE PUBLIC PURPOSE SERVED |
| 2. | LINK GOALS AND RESULTS |
| 3. | FOCUS ON THE FEW, CRITICAL ASPECTS OF PERFORMANCE |
| 4. | RELATE RESULTS TO RISK AND CAPACITY |
| 5. | LINK RESOURCES, STRATEGIES AND RESULTS |
| 6. | PROVIDE COMPARATIVE INFORMATION |
| 7. | PRESENT CREDIBLE INFORMATION, FAIRLY INTERPRETED |
| 8. | DISCLOSE THE BASIS FOR KEY REPORTING JUDGEMENTS |

More detailed information and examples of the use of the reporting principles are available at (http://www.gov.bc.ca/cas/down/reporting_principles_nov_2003.pdf). For examples of the Office of the Auditor General's use of these principles in reviewing annual reports, see the Building Better Reports series on the Office of the Auditor General website (<http://bcauditor.com/AuditorGeneral.htm>). The Office of the Auditor General Building Better Reports Evaluation matrix is at [http://www.bcauditor.com/Performance/guides/BBR_Matrix%20 July 2005.pdf](http://www.bcauditor.com/Performance/guides/BBR_Matrix%20July_2005.pdf).

International Standard Serial Number

Registering publications with the National Library of Canada broadens a Crown agency's potential audience by providing interested parties and researchers with the tools to

quickly locate government publications. Registered publications are assigned an International Standard Serial Number (ISSN).

Registering publications is now a requirement for Crown agencies' service plans and annual reports. Because annual reports become part of a continuing series of publications, Crown agencies only have to register them once, unless the Crown agency has a name change.

Organizations should directly contact the Cataloguing Division of the Legislative Library (250-387-6506) to register their annual reports. In order to maintain the confidentiality of annual reports until they have been tabled, only the title page and table of contents should be sent to the Cataloguing Department. The Legislative Library will then register the annual report with the National Library of Canada and an ISSN will be issued. The publications become part of the National Library of Canada Cataloguing in Publication (CIP) Data.

ISSN information is generally located on the inside cover of an annual report, usually before the Table of Contents.

GUIDELINES

A. Minimum Content Requirements

This section provides an overview of the key elements to be included in each Crown agency's 2005/06 annual report. A checklist is provided in Appendix B so that organizations can compare their draft reports with the minimum content requirements. This list is not intended to limit Crown agencies from including any other information they consider appropriate for transparent and comprehensive reporting. However, Crown agencies should keep in mind the need to keep annual reports concise and to use plain language so that annual reports can be easily understood by the general public.

Table 1: Key Elements of the 2005/06 Annual Report

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MESSAGE FROM THE CHAIR TO THE MINISTER RESPONSIBLE (INCLUDING ACCOUNTABILITY STATEMENT)
ORGANIZATIONAL OVERVIEW
REPORT ON PERFORMANCE
ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN
FINANCIAL REPORT
CORPORATE GOVERNANCE
INFORMATION ON SUBSIDIARIES AND OPERATING SEGMENTS
CONTACT INFORMATION

1. Table of Contents

A comprehensive list of the contents of the annual report.

2. Message from the Chair to the Minister Responsible

A high level summary for the Minister (maximum two pages), from the perspective of the Chair, on behalf of the Board, of the following:

- an assessment of the Crown agency's position at year-end;
- significant financial and non-financial outcomes for the year;
- key developments and/or major changes to the agency during the year;
- significant market and industry issues that affected performance;
- significant variations from service plan targets;
- major risks and uncertainties encountered, their effect on performance;
- future outlook; and
- the accountability statement.

The message should be signed by the Chair.

Accountability Statement (incorporated into the Message from the Chair)

Crown agencies are required to include an accountability statement in their annual reports. Accountability statements provide the reader with greater confidence regarding what is being reported in the plan.

The accountability statement section of the Message from the Chair should include the following points:

- Confirmation that the Board Chair, on behalf of the Board, is responsible for the information contained in the report; and
- An assurance statement regarding the completeness and reliability of the financial and non-financial information included in the report.

Example Accountability Statement

The 2005/06 [Organization XX] Annual Report was prepared under [my] [the Board's] direction in accordance with the Budget Transparency and Accountability Act. [I am][the Board is] accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of [Organization XX] for the twelve months ended [December 31, 2005] [March 31, 2006]. All significant decisions, events and identified risks, as of [date], have been considered in preparing the report.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our service plan. The measures presented are consistent with [Organization XX's] mission, goals and objectives, and focus on aspects critical to the organization's performance.

[I am][the Board is] responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion.

This report contains estimates and interpretive information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

XX

Board Chair

3. Organization Overview

A succinct overview that provides an explanation of the nature of the organization's business, the public purpose served by the organization (i.e. what benefit it provides to the taxpayer), and the services provided.

Contents of this section should include:

- the vision;
- the mission (as noted in Service Plan Guidelines, this can be combined with vision);
- the legislated mandate;
- the organization's values, and how they guide the organization's daily operations;
- enabling legislation;
- the organization's structure and primary business;
- what overall benefit or service the organization provides to the public;
- an overview of core business areas/major programs and the products and services provided, including a description of how they are delivered (i.e. by the organization or by third parties);
- principal partners, clients and stakeholders;
- location of operations;
- principal markets served; and
- how the services are delivered (i.e. by the organization or by a partner/third party). If services are delivered by a third party or under an alternative service delivery arrangement, an explanation of what the delivery mechanism is and how the organization ensures the services are delivered appropriately should be included.

The above information should also be disclosed separately **for each subsidiary** (see section 8 for a complete list of subsidiary disclosure requirements).

Changes to any of the above elements from those documented in the Service Plan Update should be disclosed, along with the reasons and results of the changes.

4. Report on Performance

A report on actual performance relative to published service plan, clearly linking goals with results.

The objective of this section of the annual report is to provide the reader with a clear understanding of:

- what the operating environment was during the year;
- how risk and capacity issues affected results;
- what the organization intended to accomplish and how it intended to do so as documented in the updated service plan;
- any changes to the measures and targets documented in the service plan, and the reasons for changes;
- what was actually achieved - how well the organization performed compared to:
 - its plans,
 - its performance in previous years; and
 - the performance of similar organizations, established best practice, or industry standards;
- an explanation of why actual results varied from intended results;
- an explanation of the external environment the organization is operating in and its effect on performance;
- information on performance management and reporting systems used to track results; and
- details of major capital projects, if any.

Note: any changes in measurement systems or what has been measured should be disclosed, as well as the reasons for the changes.

To achieve this, the following information should be provided **for the organization and separately for each subsidiary** (see section 8 for a complete list of subsidiary disclosure requirements):

1. The goals, objectives, strategies, performance measures and targets established for the 2005/06 fiscal year **as documented in the September 2005 Service Plan Update**, including any changes made to goals, objectives, strategies, performance measures, and targets since that time, and the reason for the changes.

Where a measure has been dropped and a new one substituted, the Crown agency should disclose both the old and the new measure, explain why the measure was changed and report against the new measure.

An explanation should also be included in this section as to why the goals, objectives, and measures chosen to report on are of critical importance to the organization, and how they relate to the vision, mission and mandate set out in the previous section;

2. Actual results in 2005/06 for each performance measure compared to:
 - service plan targets for 2005/06 to 2007/08 as documented in the September 2005 update;
 - any revised targets as changed from the service plan targets documented in the September 2005 Service Plan update;
 - historical results for 2003/04 and 2004/05; and
 - results for similar organizations or published industry averages for applicable performance measures (benchmarks), where such comparable information is available and is meaningful to the organization. If no comparable information is available, this should be noted.

Note: Crown agencies may also choose to include, either at the beginning or end of this section, a one page summary table of goals, objectives, performance measures, targets and results to provide the reader with a synopsis of the organization's plans, actions and results for the year.

3. The reasons for any variances (both negative and positive) between the September 2005 2005/06 service plan targets and actual results achieved. Variance discussions should include documenting what actions were taken or are planned to remedy adverse variances or enhance positive variances.

If there are significant variations from results of previous years, or results expected in future years, the reasons for these variances should also be explained;

4. Any elements of the internal operating environment that had or will have a significant effect on results;
5. External economic and industry factors, trends, opportunities and challenges that had or will have a significant favorable or unfavorable impact on performance, including social or demographic information that influenced or are expected to affect performance;
6. The significant risks and capacity issues (capacity issues include staffing and funding levels, technology, etc. of the organization or its partners) that had an effect on performance during the year and how these were managed. Risk and capacity disclosure should be as specific as possible and should include:
 - a list of the significant risks and opportunities (e.g. skills shortages, technological change, dependence on major suppliers or customers, environmental risks, regulatory issues, access to markets, etc.) that impacted the organization's performance during the year;
 - what the effect was on results;
 - how the organization plans to address or mitigate these risks in future;

- an explanation of whether the organization had the capacity to meet its objectives during the year, and if not, what changes were made; and
 - how it intends to increase capacity in future (if necessary).
7. How performance was tracked and monitored during the year, and how any emerging variances were dealt with;
 8. Information on performance management and reporting systems (this information can be included either within the measures and targets section or, if lengthy, in an appendix), including:
 - a description of the sources of data used in performance measurement (internal computer systems, third party sources, manual systems, estimates, calculation made to produce the data);
 - how the data was collected (manually, from outside sources, computer generated) and when (quarterly, at year end);
 - an explanation of any limitations to the accuracy and reliability of the data (use of estimates, etc); and
 - a discussion of what management has done to ensure that the performance measurement source data is accurate and reliable (reviewed by internal audit, strong internal controls, testing and documentation of systems, outside verification, verification of third party information).
 9. The objectives, costs incurred to date and budget for any major capital projects for which an organization has made or anticipates making commitments in excess of \$50 million towards the capital cost.

Example of Format listing Goals, Objectives, Strategies, Measures, Targets and Results

Goal 4: Financial security through increasing and diversifying revenue and prudent expenditure management.				
Objective 1: Increase earned revenue through special exhibits and other revenue generating activities.				
<i>Strategies</i>				
<ul style="list-style-type: none"> • Implement advertising programs that raise awareness of the Royal BC Museum and introduce admission packages to generate increased visits. • Secure exhibits consistent with the Royal BC Museum’s branding strategy to increase attendance and revenue. • Establish programs that generate revenue. 				
<i>Performance Measures</i>	Target			Result
	04/05	05/06	06/07	04/05
Increase in earned revenue over 2003/04	20%	21%	22%	140% of target, primarily due to <i>Eternal Egypt</i> exhibit
Number of self-sustaining programs	3	4	5	3 programs: Gallery Rentals, Partnership with Destination Cinema, and Archival Records management

Source: Royal BC Museum Annual Report 2004/05

Example of Performance Measures with Definition of Measures, Benchmarks, Targets and Actual Performance

	Performance Measure	Definition	Benchmark	2003/04 Target	2003/04 Result
4.	Reliable Plant Operations				
4.1	Ratio of actual energy entitlements to maximum energy entitlements, by project	Actual energy entitlements divided by maximum energy entitlements, by project	Canadian Electricity Assoc. (“CEA”) Benchmark: Hydraulic Weighted Capability Factor 2001 value = 90.6%	≥0.95, indicating that planned and unplanned plant outages do not result in more than a 5% reduction in potential energy entitlements for the year	ALGS: 94% ¹ BRD: 99%
	Notes:	¹ . Outages at ALGS higher than normal due to performance testing ALGS – Arrow Lakes Generating Station BRD – Brilliant Facility			

Source: Columbia Power Corporation 2003/04 Annual Report

Example Showing Performance Measure and Targets, Including Importance of Measure and Performance Measurement information

Measure 2: Percentage of clients reporting satisfaction with the quality and safety of their housing						
					Importance of the Measure This measure reflects the level of tenant satisfaction with the quality of the management and services provided. In 2004/05, 84 per cent of those who responded to the survey reported that they were satisfied or very satisfied with their current housing.	
02/03 Actual	03/04 Actual	04/05 Baseline /Target	04/05 Actual	05/06 Target		06/07 Target
87%	83%	≥ 77%	84%	≥ 79%		≥ 80%
RESULT		Target Exceeded				
Data Source/ Reporting Period			BC Housing Tenant Satisfaction Survey - April 1, 2004 to March 31, 2005.			
This represents a partial picture as the data captured through the tenant satisfaction survey currently includes only the public housing portfolio (approximately 19 per cent of the social housing inventory). Future reporting will capture feedback from across the entire social housing sector (public housing as well as a representative sample of non-profit and co-op housing providers). The findings that are reported are based on a sample of 3,200 responses which represent a response rate of 40 per cent.						

Source: BC Housing annual report 2004/05

5. Alignment with Government's Strategic Plan

This section should show how the annual report is aligned with government's 2006/07 - 2008/09 strategic plan: <http://www.bcbudget.gov.bc.ca/2006/stplan/>.

Specifically, the organization should demonstrate how its activities support one or more goals identified in the government's most recent strategic plan or stated policy objectives.

6. Financial Report

Discussion and analysis of the organization's financial results from management's perspective. This section of the annual report should include the following elements:

- Management Discussion and Analysis
- Statement of Management Responsibility
- The Auditor's Report
- Audited Financial Statements
- Accompanying notes on the financial statements

These guidelines focus on the Management Discussion and Analysis. The other elements should be prepared in accordance with Generally Accepted Accounting Principles and should be consistent with requirements of the *Financial Information Act*.

Management Discussion and Analysis (MD&A)

Together with the financial statements, the MD&A should enable readers to better assess the organization's financial performance, position and future prospects. The MD&A should supplement the audited financial statements by providing an analysis of historical

performance and contextual and forward-looking information that financial statements do not provide.

It is critical for management credibility that the MD&A be neutral, balanced and accurate. It should report financial risks and opportunities that occurred during the year or are anticipated in the short term, good and poor financial performance, and overly optimistic or pessimistic start of year expectations. Financial and non-financial aspects of the business that have or may have a material impact on the growth and future financial health of the business should be disclosed.

The MD&A should include the following information for the organization as a whole and each operating segment or subsidiary:

- an assessment of results of operations and changes in financial condition over the last two fiscal years;
- a comparison of **actual revenues and expenditures to budgeted revenues and expenditures** for the 2005/06 year (budget should be based on what was reported in the September 2005 Service Plan Update);
- details of funding sources;
- revenues and expenditures for 2005/06 for each core business area or by goal if that information is available;
- an explanation of the reasons for significant financial variances from budget or significant changes in actual results from those of previous years;
- total capital expenditures for the year, and details of major capital expenditures for the year;
- an FTE count as of year-end;
- key financial and operating data including financial performance measures (ratios, trends, etc.) for the past five fiscal years²;

And in narrative form:

- an overview of the external business and policy environment affecting financial operations over the past year;
- major risks and opportunities that have affected financial performance;
- future outlook from a management perspective.

² If data are not available for a five-year period, data should be provided for a minimum three-year period.

Example Showing Results of Operations over Five Years, and Comparison to Budget

\$000s	00/01	01/02	02/03	03/04	04/05	04/05 budget
Hotel room tax	24,025	23,720	24,511	24,200	26,015	24,706
Program and other income	5,344	11,345	8,151	8,012	7,298	7,932
Government grants	-	-	2,000	750	12,025	0
Total Revenue	29,369	35,065	34,662	32,962	45,338	32,638
Advertising and promotion	12,022	12,540	14,317	17,413	13,810	14,507
Visitor servicing and sales	10,725	11,252	11,710	12,587	11,070	11,100
Marketing development	2,762	5,158	5,075	3,868	3,613	3,700
Support services	2,834	2,571	2,879	2,395	2,529	2,306
Amortization	657	783	490	312	1,289	1,025
Other		4,000			13,008	-
Total Expenses	29,000	36,304	34,471	36,575	45,319	32,638
Net revenue (expenses)	369	(1,239)	191	(3,613)	19	-
Closing net equity	7,130	7,499	7,618	4,005	7,284	4,208
Equity invested in capital assets	1,361	1,012	748	2,897	6,379	n/a
Full-time equivalents	91	108	105	108	111	108

Source: Tourism BC 2004/05 Annual Report

7. Corporate Governance

This section should provide information on the organization and each subsidiary's system of governance including:

- the role and membership of the Board of Directors of the organization;
- the role and membership of the Board of Directors of each subsidiary;
- the purpose and membership of each Board Committee;
- the names and job titles of senior management teams of the organization and subsidiaries;
- the organization's governance principles; and
- key reporting relationships with Ministers, ministries and any other significant reporting relationships.

As of April 1, 2006, Crown agencies are required to disclose the status of their governance practices in relation to Section 3 of the Board Resourcing and Development Office's Best Practice Guidelines for Governing Boards of BC Public Sector

Organizations. This disclosure can be included either in the annual report or on the Crown agency's website, hyperlinked or text referenced in the annual report. The Best Practice Guidelines can be referenced at <http://www.fin.gov.bc.ca/oop/brdo/corporateguidelines.pdf>. See pages 33 - 41 of the Best Practice Guidelines for the list of disclosure requirements.

8. Information on Subsidiaries

For each **subsidiary**, the Crown agency should separately disclose:

- subsidiary name;
- vision (if different from that of the parent);
- mission (if different from that of the parent);
- mandate and how it aligns to the mandate of the parent Crown agency;
- primary business;
- location of operations;
- governance structure, including Board members;
- results of operations and changes in financial condition over the last two fiscal years;
- a comparison of actual performance for the 2005/06 year to budget (as reported in the Updated 2005/06 - 2007/08 service plan);
- revenues and expenditures for 2005/06;
- any capital expenditures for the year; and
- FTE count as of year-end.

9. Information on Operating Segments

For each **operating segment**, the Crown agency should separately disclose:

- budgeted and actual revenues and expenditures for the segment for the fiscal year;
- any capital expenditures for the year; and
- performance information, if available.

Examples Showing Reporting by Operating Segment

LOTTERY OPERATIONS

FINANCIAL OVERVIEW

Financial Results (\$ in millions)	2000/01	2001/02	2002/03	2003/04	2004/05		
					Actual	Budget	Variance
Revenues							
Retail Network	705.5	717.2	742.4	747.0	713.0	750.0	(37.0)
Hospitality Network	231.5	245.5	226.2	213.4	225.0	220.0	5.0
	937.0	962.7	968.6	960.4	938.0	970.0	(32.0)
Direct Expenses	586.8	600.7	610.3	602.3	581.3	596.9	15.6
Operating Expenses	64.8	68.2	64.8	69.2	71.9	80.1	8.2
Net Income	\$285.4	\$293.8	\$293.5	\$288.9	\$284.8	\$293.0	(\$8.2)

CASINO OPERATIONS

Financial Results (\$ in millions)	2000/01	2001/02	2002/03	2003/04	2004/05		
					Actual	Budget	Variance
Revenues							
Slot Machine	268.9	311.7	373.6	463.5	588.6	650.0	(61.4)
Table Games	223.4	240.7	254.5	269.9	304.3	260.0	44.3
	492.3	552.4	628.1	733.4	892.9	910.0	(17.1)
Direct Expenses	170.3	193.1	218.3	252.3	307.3	300.7	(6.6)
Operating Expenses	50.2	59.8	55.2	62.8	70.3	82.3	12.0
Net Income	\$271.8	\$299.5	\$354.6	\$418.3	\$515.3	\$527.0	(\$11.7)

BINGO OPERATIONS

Financial Results (\$ in millions)	2000/01	2001/02	2002/03	2003/04	2004/05		
					Actual	Budget	Variance
Revenues							
Paper Bingo	2.7	29.1	116.2	107.5	98.2	115.0	(16.8)
Electronic Bingo	51.0	63.2	79.5	88.2	93.5	100.0	(6.5)
Slot Machines	—	—	—	—	4.8	15.0	(10.2)
	53.7	92.3	195.7	195.7	196.5	230.0	(33.5)
Direct Expenses	39.0	69.7	158.4	160.2	160.1	181.0	20.9
Operating Expenses	9.8	9.8	14.5	15.1	17.6	19.0	1.4
Net Income	\$4.9	\$12.8	\$22.8	\$20.4	\$18.8	\$30.0	(\$11.2)

Source: BC Lottery Corporation 2004/05 Annual Report

10. Contact Information

Information provided in this section should include where the reader can go for more information on the organization or its subsidiaries (i.e. service plans, risk assessments, detailed project reports, etc.) including include web links embedded in the annual report, and should include the organization's address, and phone numbers and Email addresses of key contacts, as well as the organization's website address.

11. Glossary

This section should include:

- a list and definitions of industry-specific terms used in the annual report (as needed).
- detailed information on performance measurement and reporting systems if not included in the performance measures and targets section.

B. Other Requirements

1. Presentation

The annual report should focus on readability and Internet accessibility rather than elaborate hard copy production. Please note that multiple colour pictures and large graphics in an annual report add greatly to the size of a file, and can make it difficult for users to access electronically.

2. Form and Language

Crown agencies should make every effort to present the information in the annual report in a form and language that is both precise and readily understandable. The use of graphs, charts, and tables often helps readers to understand complex data and is therefore recommended. The use of acronyms should be avoided, and technical terms should be defined in the glossary.

To achieve comparability with other organizations, as required by the BTAA, a Crown agency should use, as much as possible, the terminology and sections provided in these guidelines.

3. Non - Disclosure of Specific Information

Information contained in annual reports should be in compliance with the *Freedom of Information and Protection of Privacy Act*. Under the Act, an annual report should not disclose information that falls within the following categories:

- Cabinet and local public body confidences;
- Policy advice, recommendations or draft regulations;
- Legal advice;
- Information for which disclosure would be harmful including information on the following:
 1. law enforcement;

2. intergovernmental relations or negotiations, including negotiations relating to aboriginal self-government or treaties;
3. financial or economic interests of a Crown agency;
4. the conservation of heritage sites, etc.;
5. individual or public safety;
6. the business interests of a third party; and
7. personal privacy.

Crown agencies should refer to the *Freedom of Information and Protection of Privacy Act* for clarification on the types of information that fall under each category.

Notwithstanding the above, organizations should ensure that adequate information is provided on each key element of the minimum content requirement to enable the objectives of the BTAA to be met.

If adherence to the *Freedom of Information and Protection of Privacy Act* necessitates the exclusion of any information listed in the minimum content requirement section of these guidelines, the organization should identify what information has been excluded and provide an explanation for its exclusion. The explanation should be detailed enough to enable the public to understand the rationale for exclusion.

4. Review and Finalization

Annual Reports must be submitted in accordance with the following schedule:

	Crown agencies with December 31 Year-end	Crown agencies Organization with March 31 Year-end
Date for Crown agency to submit draft report to CAS/Ministry staff for review	April 18	May 16
Date for CAS/Ministry staff to provide feedback to Crown agency	April 25	May 23
Date for Crown agency to submit draft report to Minister Responsible for review	May 2	June 1
Date for Crown agency to submit final Board and Minister approved annual report electronically to CAS for putting on CAS website	May 23	June 20
Date for Crown agency to submit final annual report to Minister Responsible for tabling	May 26	June 22
Date for Crown agency to send 104 copies of its annual report to the Deputy Sergeant-at-Arms	May 25 - 28	June 21 – 25
Date made public	May 31	June 26 - 30*

* Date of Public Accounts release has not yet been finalized for 2006

Because the Minister Responsible has the requirement under the BTAA to make annual reports public, the Minister will review and approve the content and presentation of the report before it is finalized.

CAS/Ministry staff will assist the Minister's review by reviewing drafts of annual reports for consistency with these guidelines and the requirements of the BTAA. The draft annual reports need not be approved by the Board of Directors prior to being forwarded to CAS/Ministry staff for review. See Appendix A for a list of which Crown agencies will be reviewed by CAS, and which will be reviewed by Ministry staff.

As was the process with the 2006/07 - 2008/09 service plans, CAS/Ministry staff will provide feedback on annual reports to Crown agencies and to the Ministers responsible for them.

The final version of the annual report must be approved by the Crown agency's Board of Directors and the Minister Responsible for the Crown agency prior to being transmitted in final form to the Minister Responsible for filing with the Clerk of the House.

5. Filing of Annual Reports

Under the BTAA, the Minister Responsible makes the annual report public, by filing a copy with the Clerk of the House. Once the annual report has been made public, an electronic version will be posted on Crown Agencies Secretariat website. Crown agencies should also post annual reports on their own websites. However, this should not be done prior to the Minister Responsible making the report public, in order to comply with the requirements of the Minister under the BTAA, as follows:

BTAA Section 18:

If a person is required to make a document public under this Act, the person meets that obligation by

- (a) either, as applicable,
 - (i) laying the document before the Legislative Assembly, if it is in session, or
 - (ii) filing the document with the Clerk of the Legislative Assembly, if the Legislative Assembly is not in session, and
- (b) making the document available to the general public in a reasonable manner, which may include by electronic means.

The spring session of the Legislature is expected to finish on May 18, 2006. Therefore, the House will not be in session when the annual reports are required to be made public.

Process for Tabling when the House is not in Session

The process for tabling annual reports will be as follows. The Crown agency should send one copy of the report to the Minister Responsible's Office for the Minister to file with the Clerk of the House. The package sent to the Minister Responsible should include two additional documents: 1) a cover letter from the Crown agency to the Minister; and 2) a memo for the Minister's signature from the Minister Responsible to the Clerk.

The cover letter from the Crown agency to the Minister Responsible should include the following information:

- That the report is being sent to the Minister Responsible for the Crown agency so that the Minister can file it with the Clerk of the House;
- The date the report is to be filed by (*i.e.* May 31 for organizations with a December 31 year end, or June 26 - 30 (exact date yet to be determined) for organizations with a March 31 year end.

An example of the second document required - the memo from the Minister to the Clerk - is attached in Appendix D.

The Minister Responsible or his or her designate will then file one copy of the annual report with the Office of the Clerk (this completes the requirement for the Minister to make it public).

The Crown agency should also, just prior to May 31 (for December year end Crown agencies) or June 26 - 30 (for March 31 year end Crown agencies), provide 104 printed copies of the report to the Deputy Sergeant-at-Arms for distribution to Members of the Legislative Assembly, the Caucus research offices, the Library, the Speaker, the Clerk of the House, and the Press. Please refer to Appendix D "Guidelines on Report Distribution" for further details and a sample covering letter from the Crown agency to the Deputy Sergeant-at-Arms.

Once the annual report has been filed by the Minister Responsible with the Clerk, organizations should publish their annual reports on their websites and have hard copies available for the public.

Process for Tabling if the House is in Session

In the unlikely event that the Legislature is sitting on the annual report publication date, the Minister Responsible for the Crown agency will table one copy of the report in the House, rather than filing it with the Clerk.

The Crown agency should, as above, provide 104 paper copies to the Office of the Sergeant-at-Arms of the Legislature for distribution to all Members of the Legislative Assembly, the Caucus research offices, the Library, the Speaker, the Clerk of the House, and the Press. These copies should be forwarded to the Deputy Sergeant-at-Arms a few days prior to the publication date with a covering letter. Please refer to Appendix D "Guidelines on Report Distribution" for a sample covering letter.

As soon as the annual report has been tabled in the Legislative Assembly, organizations should ensure the document is available to the public on their web site. Hard copies of the document should also be available to the public.

6. External Review Process

Crown agencies should be prepared to have their annual reports reviewed by the Select Standing Committee on Crown Corporations

http://www.governmentcaucus.bc.ca/legislative_committees/crown_corporations/?& , the Office of the Auditor General <http://bcauditor.com/AuditorGeneral.htm> or the Public Accounts Committee. Decisions on whether and when specific organizations will be reviewed are at the discretion of these groups.

APPENDICES

Appendix A

Crown Agencies Required to Produce a 2005/06 Annual Report under the BTAA

BC Assessment Authority - annual report reviewed by Ministry staff
BC Buildings Corporation (wind up report) - annual report reviewed by Ministry staff
BC Games Society - annual report reviewed by Ministry staff
BC Housing Management Commission - annual report reviewed by Ministry staff
BC Hydro and Power Authority - annual report reviewed by CAS
BC Innovation Council - annual report reviewed by Ministry staff
BC Liquor Distribution Branch- annual report reviewed by CAS
BC Lottery Corporation - annual report reviewed by CAS
BC Pavilion Corporation - annual report reviewed by Ministry staff
BC Railway Company (wind up report) – annual report reviewed by CAS
BC Securities Commission - annual report reviewed by Ministry staff
BC Transmission Corporation - annual report reviewed by CAS
BC Transit - annual report reviewed by Ministry staff
Columbia Basin Trust - annual report reviewed by Ministry staff
Columbia Power Corporation - annual report reviewed by Ministry staff
Community Living BC - annual report reviewed by Ministry staff
First Peoples' Heritage, Language and Culture Council - annual report reviewed by
Ministry staff
Forestry Innovation Investment Ltd. - annual report reviewed by Ministry staff
Homeowner Protection Office - annual report reviewed by Ministry staff
Industry Training Authority - annual report reviewed by Ministry staff
Insurance Corporation of British Columbia - annual report reviewed by CAS
Land and Water BC (wind up report) - annual report reviewed by Ministry staff
Legal Services Society - annual report reviewed by Ministry staff
Oil and Gas Commission - annual report reviewed by Ministry staff
Partnerships BC - annual report reviewed by Ministry staff
Provincial Capital Commission - annual report reviewed by Ministry staff
Royal British Columbia Museum - annual report reviewed by Ministry staff
Tourism British Columbia - annual report reviewed by Ministry staff
Vancouver Convention Centre Expansion Project Ltd. - annual report reviewed by
Ministry staff

Appendix B

2005/06 Annual Report Checklist

Information included in the Annual Report	Comments
Table of Contents	
Signed Message from the Chair to the Minister Responsible	
▪ Assessment of organization's position at year-end	
▪ Significant performance and financial outcomes	
▪ Key developments during the year	
▪ Significant market and industry issues	
▪ Significant variations from service plan	
▪ Major risks and uncertainties encountered and their effect on performance	
▪ Future outlook	
▪ Accountability Statement	
Organization Overview:	
▪ Vision	
▪ Mission (may be combined with vision)	
▪ Mandate	
▪ Values and how they guide daily operations	
▪ Enabling legislation	
▪ Organization's structure and primary business	
▪ What benefits or services the organization provides to the public	
▪ Overview of core business areas, major programs, products and services, and how they are delivered	
▪ Principal partners, clients and stakeholders	
▪ Location of operations	
▪ Principal markets	
Report on Performance	
▪ Goals	
▪ Objectives	
▪ Strategies	
▪ Performance measures and targets	
▪ Why goals, objectives, strategies, measures and targets are important to organization	
▪ Changes made to goals, objectives, measures and targets (include old and new)	
▪ Reason for changes to goals, objectives, measures and targets	
▪ Internal operating environment, past and expected	
▪ External economic and industry factors, trends, opportunities and challenges, past and expected	
▪ Significant risks and capacity issues, their effect on performance,	

and how they are managed	
▪ Results compared to:	
➤ 2005/06 updated service plan targets and any revised targets	
➤ 2006/07 to 2007/08 service plan targets	
➤ 2003/04 and 2004/05 results	
➤ results of similar organizations or industry standards (benchmarks)	
▪ Reasons for variance between service plan targets and actual results and actions taken or planned to remedy adverse variances	
▪ Performance management and reporting systems, including <ul style="list-style-type: none"> ▪ sources of data used in performance measurement; ▪ how and when data was collected; ▪ any limitations to the accuracy and reliability of the data; and ▪ what management has done to ensure that performance data is accurate and reliable 	
▪ Report on major capital projects (objectives, costs to date and actual benefits)	
Alignment with Government's Most Recent Strategic Plan	
Financial Report	
▪ Management Discussion and Analysis	
➤ An assessment of results of operations and changes in financial conditions over the last two years	
➤ Comparison of actual performance for the 2005/06 year to budget, including an explanation of variances from budget	
➤ Details of funding sources	
➤ Revenues and expenditures by core business area (and by goal if available)	
➤ Explanation of variances from previous years	
➤ Total capital expenditures for the year and details of major capital expenditures	
➤ FTE count as of year-end	
➤ Key financial and operating data including performance measures for the past five years	
➤ Overview of the external business and policy environment affecting financial operations over the past year	
➤ Major risks and opportunities that affected financial performance	
➤ Management perspective on future outlook	
▪ Signed Statement of Management Responsibility	
▪ Signed Auditor's Report	
▪ Audited Financial Statements	
▪ Accompanying notes to financial statements	

Corporate Governance (for organization and each subsidiary)	
▪ Role of Board of Directors and each board committee	
▪ Membership of Board of Directors and board committees	
▪ Names and job titles of senior management team	
▪ Governance principles	
▪ Key reporting relationships	
▪ Governance best practices disclosure (either included in annual report or hyperlink in annual report to information on website)	
Information on Subsidiaries	
▪ subsidiary name;	
▪ vision (if different from that of the parent);	
▪ mission (if different from that of the parent);	
▪ mandate and how it relates to the mandate of the parent Crown agency;	
▪ primary business;	
▪ location of operations;	
▪ governance structure and Board members;	
▪ results of operations and changes in financial condition over the last two fiscal years;	
▪ a comparison of actual performance for the 2005/06 year to budget (as reported in the service plan);	
▪ revenues and expenditures for 2005/06;	
▪ any capital expenditures for the year; and	
▪ FTE count as of year-end.	
Operating Segment Information	
▪ Budgeted and actual revenues and expenditures for the segment for the fiscal year;	
▪ Any capital expenditures for the year; and	
▪ Performance information, if available	
Contact Information	
Glossary	
▪ Terms used in annual report defined	

GUIDELINES ON REPORT DISTRIBUTION

If the House is Not in Session:

For annual reports that are cleared for distribution when the House is not in session, it is the responsibility of the Minister Responsible for the Crown agency to officially file a copy of the report with the Office of the Clerk of the House with a covering memo.

Please see the first sample memo attached - memo from the Minister Responsible to the Clerk.

The distribution of reports to MLAs within the Legislative Assembly is the responsibility of the Sergeant-At-Arms. The standard distribution of reports includes, in addition to all MLAs, the Caucus research offices, the Library, the Speaker, the Clerk of the House and the Press. In order to facilitate this activity, it is requested that 104 copies of each annual report be delivered to Room 027 of the Legislature addressed to "*The Sergeant-at-Arms Supply Supervisor*." A note from the Crown agency should be attached to the outside of the package stating that the report is "*cleared for release*" if the report has already been filed by the responsible Minister.

For reports that have not yet been filed by the Minister Responsible with the Office of the Clerk, i.e. reports that are considered "*embargoed*", please indicate this fact distinctly on each parcel. *Please note:* that due to storage limitations, the Sergeant-at-Arms cannot keep embargoed documents in the lock-up for longer than one week. After that, if not released for distribution (*i.e.* annual report filed by the Minister Responsible with the Clerk), they will be returned to the originator.

Please see the second sample memorandum attached - Memo to the Deputy Sergeant-at-Arms explaining when the report copies can be released for distribution.

Any questions concerning the distribution of reports should be directed to the Deputy Sergeant-at-Arms at 387-0953. Any questions concerning the tabling of reports should be directed to the Office of the Clerk of the House at 387-3785.

FIRST SAMPLE MEMORANDUM

OFFICE OF THE CLERK

SAMPLE MEMORANDUM

(WHEN HOUSE NOT IN SESSION)

From: Crown XX

Date:

To: E. George MacMinn, Q.C.
Clerk of the Legislative Assembly
Room 221, Parliament Buildings
Victoria, B.C. V8V 1X4

RE: ANNUAL REPORT FOR XX

Pursuant to section 18 (a) (ii) of the *Budget Transparency and Accountability Act*, please find attached for filing with your office one copy of the 2005/2006 Annual Report for XX.

Signature
(Minister Responsible for the Crown agency)

SECOND SAMPLE MEMORANDUM

From: Crown XX

Date:

To: D. V. Adamthwaite
Deputy Sergeant-at-Arms
Room 218
Parliament Buildings
Victoria, B.C. V8V 1X4

Re: 2005/2006 Annual Report For XXXX

Enclosed are 104 copies of the 2005/2006 Annual Report for XX for distribution in accordance with your standard distribution plan.

This report was filed with the Office of the Clerk of the House on (Date) and is therefore **cleared** for immediate release.

OR

This report will be filed with the Office of the Clerk of the House by the Minister during the week of (Date) and is therefore **embargoed** until such time as it is filed. (*Note: if the House is still in session on the date the annual report is due to be made public, this sentence should read "This report will be tabled in the House by the Minister on (date) and is therefore embargoed until then."*)

SIGNATURE

For additional information on these guidelines, please contact Jill Rogers,
Senior Advisor, Crown Agencies Secretariat, at 250-952-0768.