
2007/08 - 09/10
Service Plan Guidelines
for
Crown Corporations

August 2006

Prepared by the Crown Agencies Secretariat

**SERVICE PLAN GUIDELINES FOR CROWN CORPORATIONS
TABLE OF CONTENTS**

	Page
Introduction	
Purpose of Service Plans	3
New for 2007/08 – 2009/10	3
Purpose of the Guidelines	4
Definitions	5
BC Reporting Principles and Self-Assessment Criteria	5
Title of Plan	7
International Standard Serial Number	7
A. Minimum Content Requirements	
1. Message From the Board Chair to the Minister Responsible	8
2. Table of Contents	9
3. Key Elements	9
4. Overview of the Organization	11
5. Corporate Governance	11
6. Alignment with Government’s Strategic Plan	12
7. Strategic Context	13
8. Goals, Objectives Strategies, Measures, and Targets	16
9. Summary Financial Outlook	22
10. Capital Plan and Major Capital Projects	24
11. Subsidiary and Operating Segment Information	24
B. Other Requirements	
1. Non-Disclosure of Specific Information	26
2. Crown Corporation Contact Information	26
3. Form and Language	27
4. Review, Approval and Publication Process	27
APPENDICES	
A. Crown Corporations Required to Prepare Service Plans and Who Reviews Them	31
B. Service Plan Checklist	32
C. Glossary	35
D. Performance Measures	37
E. Targets	39
F. Baselines and Benchmarking	41
G. Risk and Capacity	44

INTRODUCTION

Purpose of Service Plans

The *Budget Transparency and Accountability Act (BTAA)* provides a legislative framework for planning, reporting, and accountability. The *BTAA* establishes the requirement for three-year Service Plans, which are designed to ensure that Government and Crown Corporations clearly outline their goals, and to enable British Columbians to hold Government and Crown Corporations accountable for their decisions and actions.

A Service Plan is the guiding document for a Crown Corporation Board of Directors, who are responsible for ensuring that the plan is consistent with government's strategic priorities and current Strategic Plan, and meets the reporting and accountability obligations set by government. The plan should enhance the public's understanding of the core business of the Crown Corporation, the services provided, the actions planned and the expected results.

A good Service Plan should be:

- meaningful to multiple audiences;
- comprehensive – covering all significant aspects of performance; and
- transparent – documenting the basis for selecting the performance measures, any changes to the way performance is being or will be measured and disclosing why management has confidence in the reliability of data to be used for measuring performance.

Service Plans are one part of a larger performance management and accountability framework that covers planning, performance measurement, and reporting. A Crown Corporation Service Plan should be aligned to the Government's Fiscal and Strategic Plans and should incorporate the mandate and policy expectations contained in the Shareholder's Letter of Expectations between the Ministry and the Crown Corporation.

The Minister Responsible is required to table individual Service Plans for Commercial Crown Corporations and Service Delivery Crown Corporations. The SUCH sector (schools, universities, colleges and health authorities) is exempted in the *BTAA* from this requirement for individual Service Plans, and high-level SUCH-sector performance is reported out in Ministry Service Plans, as well as through the business plans developed and issued publicly by individual SUCH Sector Organizations. Tribunals and Advisory Boards are not covered by the *BTAA* and are not required to table Service Plans.

New for 2007/08 - 2009/10

Significant changes to the 07/08 – 09/10 Guidelines compared to last year's Guidelines for Crown Corporation Service Plans are:

- Sample Accountability Statement now gives Crown Corporations the option of referring to the Chair **or** the Board's accountability;

- Requirement to disclose the organization’s governance practices, as listed in section 3 of the Board Resourcing and Development Office's Best Practice Guidelines Governance and Disclosure Guidelines for Governing Boards of BC Public Sector Organizations (see section A.5 of these Service Plan Guidelines - Corporate Governance - for more information) – same disclosure requirements as in 2005/06 Annual Reports;
- Requirement to include the Province of BC logo on the inside or outside front cover or the back cover of the Service Plan (Contact Public Affairs Bureau (PAB) for details - see section B.3 of these Service Plan Guidelines for more information and PAB contacts); and
- Timelines have been adjusted as below:

KEY DATES	
November 7	Service Plan Summaries to Crown Agencies Secretariat (CAS) or Ministry responsible for review (see Appendix A for list of which group to send Service Plan to)
November 15-30	Ministers Responsible present Service Plan Summaries for Ministries and related Crown Corporations to Government Caucus Committees
December 15, 2006	Draft Service Plans sent to CAS or Ministry responsible for review
December 22, 2006	CAS/Ministry will send comments back to Crown Corporations on draft Service Plans
January 8-12, 2007	Draft Service Plan, incorporating CAS/Ministry's comments, submitted to Minister Responsible for review and input
January 26, 2007	Final board-approved financials and forecasts submitted to Treasury Board Staff (TBS). (Crown Corporations should ensure that Service Plans submitted match financial information in the Government fiscal plan – must consult with Ministry EFO/TBS)
January 31, 2007	Final board-approved Service Plans e-mailed to CAS in PDF format (CAS will coordinate with Queens Printer for printing)
February 20, 2007	Service Plans tabled by the Minister of Finance (on behalf of the Ministers Responsible) in the Legislature on the same day the budget is tabled

Purpose of the Guidelines

The purpose of the Service Plan Guidelines for Crown Corporations is to advise Crown Corporations on the information that should be included in their 2007/08 - 2009/10 Service Plans, and to assist them to develop Service Plans that are consistent with the BC Reporting Principles (see next page for more information on the BC Reporting Principles) and BTAA requirements for content and for comparability of Service Plans between Crown Corporations.

These guidelines apply to the Commercial and Service Delivery (taxpayer-supported) Crown Corporations listed in Appendix A.

Definitions

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

- **Crown Corporations** are government organizations that are within the Government Reporting Entity and subject to the BTAA. Crown Corporations are required to table Service Plans unless exempted by the Lieutenant Governor in Council.

- **Subsidiaries** are also government organizations in the Government Reporting Entity and subject to the BTAA. Crown Corporations must report on their subsidiaries either in the parent organization's Service Plan or file a separate Service Plan for each subsidiary.

- **Operating segment** includes a business unit, or other component of a Crown Corporation:
 - 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.

Crown Corporations are expected to report on operating segments in their Service Plans.

See section A.11 for a full list of subsidiary and operating segment disclosure requirements.

Informational Appendices

Appendices D - G at the back of the guidelines are intended to provide additional information on specific elements of Service Plans.

BC Reporting Principles and Self-Assessment Criteria

The BC Reporting Principles and Self-Assessment Criteria have been adopted by the BC government as a methodology for performance planning and reporting for ministries and Crown Corporations. Since 2003/04, all ministries and Crown Corporations have been required to incorporate the reporting principles into their Service Plans and Annual Reports. Crown Corporation Service Plans and Annual Reports are subject to review against these principles by the Office of the Auditor General and the Legislature or its Committees.

B.C.'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

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 presented, and a better understanding of what the organization intends to accomplish and why.

It is recognized that some of the principles are more challenging to report on than others and that it will take Crown Corporations several years to build the processes and structures necessary to fully incorporate these principles into performance management and reporting. It is also recognized that Crown Corporations are at different points in the development of performance management and reporting systems and the use of Service Plans as a management tool in strategic planning. As well, some Crown Corporations have to balance the requirement to provide the public with sufficient information to enable an informed assessment of progress towards achieving goals, objectives and targets with the necessity to protect commercially sensitive information.

If you are unfamiliar with the Reporting Principles, we recommend that you review the detailed information and examples of the use of the BC Reporting Principles 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 the past for 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%20July_2005.pdf.

Title of Plan

The term “Service Plan” should be included in the title of the plan as well as the name of the organization and the three-year planning period covered by the plan.

International Standard Serial Number

Registering publications with the National Library of Canada broadens a Crown Corporation's potential audience by providing interested parties and researchers with the tools necessary to locate government publications. Registered publications are assigned an International Standard Serial Number (ISSN).

Registering publications is now a requirement for Crown Corporation Service Plans and Annual Reports. Because Service Plans become part of a continuing series of publications, Crown Corporations do not have to re-register them each year, unless the Crown Corporation has a name change.

Organizations who have not previously registered their Service Plans should contact the Cataloguing Division of the Legislative Library (250-387-6506) to register their Service Plans. In order to maintain the confidentiality of Service Plans 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 Service Plan 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 a Service Plan, usually before the Table of Contents.

A. MINIMUM CONTENT REQUIREMENTS

1. MESSAGE FROM BOARD CHAIR TO MINISTER RESPONSIBLE (INCORPORATING ACCOUNTABILITY STATEMENT)

The intent of this message is to provide a high-level summary of the key elements of the Crown Corporation's Service Plan to the Minister and public from the perspective of the Board. The message should include:

- a brief overview of the Crown Corporation's significant activities;
- a high-level discussion of successes and challenges in the past year;
- a summary of major changes that have occurred in the organization since the last Service Plan;
- a brief description of market and industry issues;
- significant risks and opportunities that the organization expects to face during the planning period;
- a description of the organization's future outlook; and
- an accountability statement.

The message should be signed by the Board Chair.

Crown Corporations are required to include an accountability statement in their Service Plans. Accountability statements provide assurance to the reader on the relevance and reliability of the information contained in the Service Plan, and provide the reader with greater confidence regarding the information contained in the plans.

The accountability statement should include the following points:

- The basis on which the information is prepared, and any limitations that apply to its use (including changes in information or presentation from the previous year);
- Confirmation that the Chair/the Board is responsible for the information contained in the plan;
- A statement regarding the Chair/Board's basis for confidence in the financial and performance-based information included in the plan;
- An assurance statement regarding the completeness and accuracy of the information included in the plan; and
- Confirmation that the plan was prepared in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles; and
- Confirmation that the plan is consistent with government's strategic priorities and overall Strategic Plan.

Sample Accountability Statement

The 2007/08 - 2009/10 [Organization XX] Service Plan 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 plan, including the selection of

performance measures and targets. The plan is consistent with government's strategic priorities and Strategic Plan.

All significant assumptions, policy decisions, and identified risks, as of [xx] date have been considered in preparing the plan. The performance targets in this plan have been determined based on an assessment of [Organization XX's] operating environment, forecast conditions, risk assessment and past performance.

Note: CAS recognises that Service Plans are often prepared by the CEO and staff under the Board's direction. Accordingly, Boards have the option of revising the sample accountability statement above to reflect the process by which the Board has reviewed and approved the draft plan prepared by management.

2. TABLE OF CONTENTS

The Table of Contents should list each of the sections in the Service Plan, including any elements such as the message from the Board Chair to the Minister Responsible that may appear before the Table of Contents page.

3. KEY ELEMENTS

Section 13 of the BTAA states that a Service Plan for a Crown Corporation must be consistent with the current Government Strategic Plan and must include:

- a statement of goals;
- specific objectives and performance measures;
- information on major capital project plans (if applicable); and
- other information as appropriate.

In addition, Section 19(3) of the BTAA states "the information contained in a Service Plan and Annual Report under this Act for one organization must be readily comparable to information contained in the Service Plans and Annual Reports of other organizations to which this Act applies". In order to achieve this comparability requirement, Crown Corporations should ensure that the minimum content requirements listed in these guidelines are included in their Service Plans and that they adhere to the definitions and general directions included in these guidelines. Comparability does not require all Crown Corporations to have the same level of detailed information, given the diverse nature and size of Crown Corporations. However, the format and overall content should be comparable.

The following list identifies the minimum content requirements of 2007/08 - 2009/10 Service Plans for Crown Corporations. This list is not intended to limit Crown Corporations from including any other information they consider appropriate to improve transparency and accountability. However, Crown Corporations should be concise and use plain language so that Service Plans are accessible to the general public.

- Title of Plan
- International Standard Serial Number
- Letter from Board Chair to Minister Responsible (including Accountability Statement)
- Table of Contents
- Organizational Overview
- Corporate Governance
- Alignment with Government's Strategic Plan
- Strategic Context
- Goals, Objectives, Strategies, Performance Measures, Targets, Benchmarks, and Description of Performance Management Systems
- Summary Financial Outlook
- Capital Plan and Major Capital Projects
- Subsidiary/Operating Segment Summary Information
- Contact Information

A Service Plan Checklist is provided in Appendix B to assist organizations to assess their Service Plans' consistency with the guidelines.

4. OVERVIEW OF THE ORGANIZATION

POINT TO CONSIDER:

- **Explain the public purpose served**

This section should be a succinct summary of the organization's public purpose and business, the services provided, and how it conducts its business.

Information in this section should include a brief description of (as appropriate to the organization):

- enabling legislation;
- mandate and direction from government (any government-directed changes in mandate or direction as set out in the Crown Corporation's Shareholder's Letter of Expectations should be disclosed in this section, including how these changes will affect the organization's future mandate, goals or objectives);
- the benefit or service the organization provides to the public and other stakeholders;
- the organization's structure and primary business;
- core business areas and major programs;
- products and services provided;
- any shifts in core business areas or program delivery from the previous year;
- principal markets served;
- location of operations;
- principal partners, clients and stakeholders (information in this section should also include a discussion of how the organization ensures stakeholder/client satisfaction with services and products provided);
- 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; and reporting relationships – government and external; and
- reporting relationships – government and external.

The above information should also be disclosed for subsidiaries (see section A.11).

5. 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.

Example of Board Governance Principles from a Previous Service Plan:

The Board of Directors has adopted the guiding principles included in the provincial government's Governance Framework which provide an understanding of the roles and responsibilities for all parties that are part of the Crown corporation governance environment:

- Stewardship, Leadership and Effective Functioning of the Board
- Clarity of Roles and Responsibilities
- Openness, Trust and Transparency

- Customer Service and Corporate Citizenship
- Service and Corporate Citizenship
- Accountability and Performance
- Value, Innovation and Continuous Improvement

These principles underlie good corporate governance and form the foundation for the development of a sound governance structure.

(BC Assessment Authority)

As was the case with 2005/06 Annual Reports, Crown Corporations 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 Governance and Disclosure Guidelines for Governing Boards of BC Public Sector Organizations. This disclosure can be included either in the Service Plan or on the Crown Corporation's website, hyperlinked or text referenced from the Service Plan. 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.

6. ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

This section should document how the Crown Corporation's Service Plan is aligned with government's most recent strategic plan (<http://www.bcbudget.gov.bc.ca/2006/stplan/>), by demonstrating how its organizational activities support one or more of the five goals identified in the strategic plan.

Crown Corporations should also reference alignment with any recent government direction received as a result of a mandate review or as documented in their most recent Shareholder Letter of Expectations. The Shareholder's Letter of Expectations serves as the basis of agreement between the Shareholder and the Crown Corporation on the respective roles and responsibilities of each party, and the corporate mandate, including high-level performance expectations, public policy issues and strategic priorities. The Shareholder's Letter of Expectations is the basis for the development of the Crown Corporation's Service Plan and Annual Service Plan Report.

7. STRATEGIC CONTEXT

POINT TO CONSIDER:

- **Explain the public purpose served**

This section should explain the public purpose served by the Crown Corporation by identifying the organization's strategic context: the organization's vision, mission, values, planning context, and key strategic issues.

Vision

The vision statement is a clear and concise statement that describes what success looks like to the organization.

An effective vision statement describes what an organization aspires to become over the next 5 to 10 years. The vision statement describes how an organization wishes to be seen by its clients, customers and constituents.

Examples of vision statements from past Service Plans:

- An innovative, collaborative legal aid system responding to the needs of low income people throughout BC (Legal Service Society).
- Reliable power, at low cost, for generations (BC Hydro).

Mission

The mission statement is a concise statement of an organization's reason for being. It addresses the basic question: "What is our business?" It should incorporate a high-level summary of an organization's purpose, the people it serves, the public needs that it meets, key products or services provided to the public, and the intended results.

The mission statement should flow logically from the organization's vision, and in turn; the organization's goals, objectives and strategies should be consistent with its mission statement.

Example of a mission statement from a previous Service Plan:

Providing housing options to vulnerable British Columbians to assist them in achieving independence and self-sufficiency (BC Housing Management Commission).

Note: Crown Corporations may, if they choose, combine vision and mission statements into one high level statement.

Values

The value statement is unique to each organization, and should describe the principles and public service values that guide the organization in its daily operations, and how these principles link back to the organization's purpose. These value principles should incorporate the ideals, ethics, and standards that guide the organization's conduct and foster the culture of the organization. Crown Corporations may want to include in this section a hyperlink or text reference to their employee standards of conduct.

Example of a value statement from a previous Service Plan that links values and public purpose:

VALUES

In providing valued products and services, ICBC is guided by the following corporate values:

- **Integrity** – We value people by treating others with respect and dignity. We are honest by representing our intentions and ourselves truthfully. We will be accountable for our performance and ensure decisions made are supportable.
- **Commitment** – We demonstrate commitment as employees by doing our best work at all times. ICBC demonstrates commitment to employees by creating a work environment that supports employees in making their best contribution for the benefit of the customer. We are committed to operating in a cost-effective manner and will continue to seek ways to improve efficiency.
- **Dedication to the Customer** – We measure our success by our customers' belief that ICBC products and services provide good value for their money. We provide excellent customer service by approaching every customer interaction as an opportunity to create a positive customer experience.

(Insurance Corporation of BC)

Planning Context and Key Strategic Issues

POINTS TO CONSIDER:

- **Relate expected results to risk and capacity**
- **Link resources, strategies and expected results**

Planning Context

The planning context section of the Service Plan should identify all significant internal and external risks, opportunities and capacity issues that could significantly affect planning or performance.

External risks and opportunities are the potential economic, social, cultural, demographic, environmental, political, legal, governmental, technological, and competitive trends and events that could significantly harm or benefit an organization in the future. Risks and opportunities that could affect partner organizations should also be considered.

Internal risks and opportunities are internal activities that an organization performs especially well or needs to improve. Examples include management structure, marketing, finance, accounting, operations, research and development, and computer information systems.

Service Plan documentation on risks and opportunities should include:

- a list of the significant risks and opportunities that could potentially impact the organization's performance;
- how these risks and opportunities were identified;
- an assessment of the likelihood and potential magnitude of these risks and opportunities;
- what effect they might have on planned results; and
- how the organization plans to address or mitigate them.

Capacity refers to the organization's ability to achieve its future intended results with its current combination of authority, funding, people, and infrastructure (including assets, systems and processes). Capacity issues include internal factors such as staffing and funding levels, technology, etc. that could have an effect on performance.

Information on capacity in this section should include:

- an assessment of the organization's capacity to meet its planned results;
- where the gaps are;
- how it intends to increase capacity; and/or
- any adjustments to plans required to address current or potential capacity issues.

Example of discussion of capacity issues from a previous Service Plan:

Addressing Organizational Capacity Issues

BCTC is facing a shortage of specific skills due to a maturing work force and a need for new skills, driven by changing expectations from customers, regulators and other stakeholders. Replacement and recruitment of critical skills is constrained by highly specialized educational and experience requirements, a limited resource pool from which to draw outside the Corporation, constraints on overall staffing levels and compensation limitations. Mitigation strategies include performance management, succession planning, employee development, apprenticeship, training and knowledge transfer programs, and targeted recruitment.

(BC Transmission Company)

Appendix G presents more information on risk and capacity.

Note: To reduce duplication in Service Plans, organizations should only document high-level and significant financial and performance related risk and capacity issues in this section. The specific activities the organization intends to take to manage specific risks

and capacity issues should be documented in the Goals, Objectives, and Key Strategies section and the Summary Financial Outlook sections of the Service Plan.

Key Strategic Issues

Another component of the planning process is the identification of key strategic issues - the major trends, forces and any anticipated changes that are likely to have an impact on the organization's planning in the next three years. Organizations should provide a high-level, brief explanation of each key strategic issue in this section of the Service Plan. Examples of key strategic issues to include could include the need to improve labour productivity or profit margins, to divest non-core business operations, to improve the targeting of services, or to improve the management of information systems.

8. GOALS, OBJECTIVES, STRATEGIES, MEASURES AND TARGETS

POINTS TO CONSIDER:

- **Focus on the few, critical aspects of performance**
- **Disclose the basis for key reporting judgements**
- **Link goals and expected results**
- **Link resources, strategies and expected results**
- **Provide comparative information**
- **Present credible information, fairly interpreted**

In this section, Crown Corporations should describe their planned goals, objectives, strategies, performance measures and targets for the three-year planning period - a summary of what the organization intends to achieve and how it plans to accomplish it. Organizations should include goals, objectives, strategies, measures and targets that document the most critical aspects of the organization's performance, and provide a balanced view of the organization's most significant financial and non-financial activities.

The description of the reasons for selecting goals, objectives, strategies and measures should be sufficient to provide the reader with insight into and confidence in the organization's planning process.

The organization should also include information in this section on:

- any significant risks or capacity issues related to achieving specific goals or objectives; and
- any changes that have occurred in the organization's goals, objectives, strategies, performance measures or targets from the previous year, with an explanation both of the changes and the reasons for the changes.

The following table shows a format to report goals, objectives, strategies, measures, and targets in a concise and readable way.

GOAL					
OBJECTIVES (may be combined with Goal)					
1.					
2.					
3.					
STRATEGIES					
1.					
2.					
3.					
PERFORMANCE MEASURES			TARGETS		
	05/06 Actual	06/07 Forecast	2007/08	2008/09	2009/10
1.					
2.					
3.					

Example from a previous Service Plan showing the linkage of core business areas, goals, objectives and measures:

LINKING OUR GOALS AND RESULTS									
Core Business Areas		Goals	Objectives	Measures					
Increasing housing options	↔	Respond to gaps in the housing continuum (Revised)	↔	↔	↔	Increasing housing options (Revised)	↔	↔	Number of new units/beds created in priority areas (Revised)
			↔	↔	↔	Adapt existing stock to target resources to the most vulnerable (New)	↔	↔	Number of existing units adapted to higher priority needs (New)
Maintaining and administering existing housing	↔	Protect and manage existing housing for the long term	↔	↔	↔	Maintain the quality of the existing assets	↔	↔	Percentage of clients reporting satisfaction with the quality and safety of their housing
			↔	↔	↔	Adequate provision for future requirements	↔	↔	Percentage of social housing developments meeting "best management practices"
Providing client services	↔	Provide access to appropriate housing and services for vulnerable British Columbians (New)	↔	↔	↔	Ease of access to housing (Revised)	↔	↔	Percentage of nights where shelters are at full occupancy (New)
			↔	↔	↔	Available housing targeted to the most vulnerable	↔	↔	Percentage of new applicants reporting satisfaction with the process
Delivering services cost-effectively	↔	Organizational excellence (New)	↔	↔	↔	Financial and operating success (Revised)	↔	↔	Percentage of clients belonging to priority groups (Revised)
			↔	↔	↔	High level of employee engagement (New)	↔	↔	Controllable administration costs as percentage of program delivery costs (Revised)
									Per-square-foot construction costs
									Employee engagement index (New)

(BC Housing Management Commission)

Goals

Most organizations include between three and five goals in their Service Plans, choosing the goals critical to the organization that focus on the most significant areas of their business.

Goals should flow from and support the organization’s enabling legislation, mandate, vision, and mission. When goals and results are clearly linked, the reader can see the logical flow an organization has followed from its vision, mission and mandate, to its goals, objectives, and strategies, through to its performance measures and targets.

Examples of goal statements from past Service Plans:

- Fiscal Responsibility – The British Columbia Assessment Authority will continue to seek new opportunities to improve operational efficiencies while meeting service delivery targets (BCA).
- Set the standard for excellence in retailing and wholesaling of beverage alcohol (LDB).

Objectives

Objectives are more detailed than goals and refer more directly to the actions that will be undertaken.

Example of Objectives from past Service Plans:

- To increase the level of compliance by the petroleum industry (Oil and Gas Commission).
- Increase awareness of LSS services among intermediaries and clients so that more low income individuals with legal needs are referred to appropriate LSS services (Legal Services Society).

Strategies

Strategies are specific activities that an organization plans to use to accomplish its goals and objectives. They document more specifically how an organization intends to accomplish its goals.

Examples of strategies from past Service Plans:

- Enhance the value of broker relationships, recognizing their role as influential business partners in one of ICBC's service channels (ICBC).
- manage cost of energy through a) optimal decision of buy versus generate and b) hedge energy prices and foreign exchange (BC Hydro)

Performance Measures

An organization will usually include between one and four performance measures per goal. In determining which and how many measures to choose, Crown Corporations should keep in mind that the chosen measures should be directly attributable to the organization, and should be those that will most directly demonstrate how successful the organization has been at achieving its goals. In order to demonstrate the resources spent to achieve specific outcomes, organizations should attempt to include some efficiency related performance measures (see last example below). As much as possible, measures should demonstrate a balance between financial and non-financial goals and objectives.

Appendix D presents more information on performance measures.

Examples of performance measures from past Service Plans:

- | |
|---|
| <ul style="list-style-type: none">• Investor retention of key messages as measured by follow-up surveys (BC Securities)• The ratio of costs (claims costs, claims related costs, administrative costs, acquisition costs and non-insurance costs) to insurance premium dollars earned (ICBC) |
|---|

Targets

Targets document the quantifiable performance levels the organization plans to attain in each year of the planning period, and track the organization's progress toward the achievement of specific goals and objectives, demonstrating how successful an organization is being in meeting its goals and objectives.

Each performance measure in the Service Plan must have an associated target.

Examples of performance measures and targets from past Service Plans

Performance Measures	Baseline/ Current Year	2005/06	2006/07	2007/08
• Overall customer satisfaction ratings	70%	70%	75%	80%
• Rate of customer retention	90%	90%	95%	98%
• Profit Margin	38.2%	39.3%	40.0%	39.0%

A more detailed discussion of targets can be found in Appendix E.

Benchmarking

Benchmarking is used to evaluate and improve performance. When included in Service Plans and Annual Reports, benchmarking:

- allows readers to determine whether the organization's performance is improving, deteriorating or remaining the same relative to past performance or comparable public and private sector organizations;
- highlights areas that may require improvement or where the organization performs particularly well; and
- provides readers with a sense of how attainable the organization's chosen targets are.

Benchmarks can be based on the organization's past performance or trends, the performance of a particular business area, industry standards, or the performance of similar organizations.

See Appendix F for further discussion of benchmarks.

Examples of benchmarks from past Service Plans:

- This measure reports a project's bond ratings by DBRS and/or Moody's. The benchmark is an Investment Grade bond rating. CPC's target is to establish an initial Investment Grade project bond rating, and to maintain or improve that rating over time. (CPC)
- BCTC's Employee Engagement result of 3.35 is lower than the 3.43 average in the Watson Wyatt WorkCanada 2004/05 study. (BCTC)

Performance Management Systems

Organizations should include a description in this section on the performance management and reporting systems they use to track results. This information can be included within the measures and targets section or, if lengthy, in an appendix. The information should include:

- 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);
- a description of how the data is 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 does 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).

Example from a previous Service Plan describing data source and how and when collected:

APPENDIX C: CUSTOMER SURVEYS

The British Columbia Assessment Authority independently surveys customer groups on a regular basis to gauge how they perceive the corporation's mandate, products and resulting customer service. Corporation staff are involved in developing the survey questions and an independent market research company conducts the polling by telephone. The British Columbia Assessment Authority has conducted large-scale surveys with residential property owners in 1991, 1993, 1998, 2004 and 2005. Each survey measures performance improvement from the previous survey with the objective of improving customer service.

The residential property owners customer surveys, conducted in 2004 and 2005, surveyed individuals across the province representing three groups: a) those having no contact with the British Columbia Assessment Authority within the previous year (other than to receive an assessment notice); b) those who had appealed their assessment within the previous two years; and, c) those who had received a property inspection within the previous two years. The results validated that these customers have a high level of satisfaction with the quality of service they received from the British Columbia Assessment Authority. Public perception of the British Columbia Assessment Authority was considered strong, and homeowners believed the assessment method to estimate their property's value was fair.

In 2005, the British Columbia Assessment Authority also conducted surveys with three additional key customer groups – non-residential, First Nations and local government/taxing authorities – using a similar methodology as the residential property owners customer survey. Local government customers were last surveyed in 1999 to measure how well the corporation is serving this key client group.

The British Columbia Assessment Authority plans to conduct similar independent surveys on an annual basis in 2006, 2007 and 2008 to use as a performance benchmark measure to improve customer service.

(BC Assessment Authority)

9. SUMMARY FINANCIAL OUTLOOK

POINTS TO CONSIDER:

- **Link resources, strategies and expected results**
- **Provide comparative information**
- **Present credible information, fairly interpreted**

This section should include:

- previous years' actual, current years' forecast and budget for future years' revenues and expenses by core business area (program, product or service);
- major sources of revenues and expenses;
- net income;
- retained earnings;
- planned FTEs by major business area;
- capital expenditures; and
- key assumptions and risks considered in setting the projections.

The following format is the recommended template for the Summary Financial Outlook in the 2007/08 – 2009/10 Service Plans.

(\$m)	2005/06 Actual	2006/07 (Forecast)	2007/08 (budget)	2008/09 (forecast)	2009/10 (forecast)
Total Revenue (by core business area)					
[major sources of revenue]					
Total Expenses (by core business area)					
[major sources of expenses]					
Operating Income (loss)					
Net income (loss)					
Retained earnings					
FTEs (by core business area)					
Capital Expenditures					

Note: The amount of financial detail required in this section will depend on the complexity of the organization. Smaller Crown Corporations are only required to list sources of funding and total planned revenues and expenditures and net income by year. Crown Corporations with subsidiaries or operating segments should include separate financial information for each subsidiary or operating segment.

Key Assumptions	Forecast Risks and Sensitivities
Include a list and summary description in bullet format of key assumptions underlying the summary financial outlook	Include a list and summary description in bullet format of the risks and sensitivities underlying the summary financial outlook. The sensitivity analysis should set out the financial implication of key risks.

The key assumptions section should include a summary description of what assumptions about future trends and markets, etc. were considered when forecasting the financial outlook. Any assumptions regarding future funding and the effect any anticipated or potential changes in funding would have on projections should also be disclosed.

The organization should also disclose the expected risks and sensitivities underlying the summary financial outlook, and should include, if relevant, a sensitivity analysis setting out the financial implications of key risks. A brief description should be provided for any significant changes in assumptions or forecast risks and sensitivities between planning years or from the previous year's Service Plan.

This section should also include a narrative discussion of the future financial outlook. As well, any plans discussed elsewhere in the Service Plan that will require a financial outlay should be reflected in this section.

The financial information provided in the Service Plan must be consistent with that provided for the provincial budget estimates. Crown Corporations are accountable for ensuring that information provided to Treasury Board for the budget is fully consistent with financial information included in their final board-approved Service Plan.

Examples from previous Service Plans showing financial assumptions and sensitivities:

Financial Assumptions	Sensitivities
1. Regulatory Risk: BCTC earns 12.41% allowed return on equity through the period F2006/07 to F2008/09.	A 1% change in the allowed return on equity will change the reported net income of future years by \$0.3 million in F2006/07, \$0.6 million in F2007/08 and \$0.6 million in F2008/09.
2. Market Risk: Revenue is driven by the volume of transmission system use and market determined prices for point-to-point service. During F2006/07, the average rates and total volumes are assumed to be \$4.18/MWh and 10,876,858 MWh.	Each \$0.10 /MWh change in price will change short-term point-to-point revenue by approximately \$1.0 million per year.

(BC Transmission Corporation)

10. CAPITAL PLAN AND MAJOR CAPITAL PROJECTS

This section reflects statutory requirements under the BTAA that Crown Corporations that have made commitments or anticipate making commitments in excess of \$50 million towards the capital cost of a project during the planning period must disclose this information in their Service Plans. In such cases, the Service Plan should identify the objectives, costs and benefits and associated risks for the project. Once the capital project has been completed and no further capital costs are anticipated, an organization is no longer required to include this information in its Service Plan.

Crown Corporations should also include a description in this section of their overall capital program, including total spending, details and timelines of significant projects planned and the drivers of capital spending over the Service Plan period.

11. SUBSIDIARY AND OPERATING SEGMENTS INFORMATION

Subsidiary Disclosure Requirements

For each subsidiary, the Crown Corporation 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 Corporation;
- primary business;
- location of operations;
- governance structure, including Board members;
- any specific goals and objectives;
- any specific strategies, performance measures, and targets;
- previous years' actual, current year's forecast and budgeted future years' revenues and expenses;
- net income;
- any capital expenditures; and
- key assumptions and risks considered in setting the projections.

Operating Segment Disclosure Requirements

An operating segment, as defined by the Canadian Institute of Chartered Accountants, means a *business unit* or *other component* of an organization:

1. 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);
2. for which discrete financial information is available; and
3. for which revenues, profits (or losses), or assets are ten percent or more of the organization's total revenue, profits (or losses) or assets.

For each operating segment that falls under this definition, the Crown Corporation should separately disclose:

- previous years' actual, current year's forecast and budgeted future years' revenues and expenses;
- net income;
- any capital expenditures; and
- key assumptions and risks considered in setting the projections.

Example from a previous Service Plan of Operating Segment Financial Disclosure

REVENUE (\$ IN THOUSANDS)	FISCAL 04/05 ACTUALS	FISCAL 05/06 PROJECTION	FISCAL 06/07 TARGET	FISCAL 07/08 TARGET	FISCAL 08/09 TARGET
Lottery	938,000	955,000	1,000,000	1,050,000	1,150,000
Casino	892,800	1,075,000	1,140,000	1,175,000	1,225,000
Bingo	196,500	210,000	225,000	240,000	250,000
TOTAL REVENUES	2,027,300	2,240,000	2,365,000	2,465,000	2,625,000
Lottery	652,900	681,400	721,100	758,500	842,100
Casino	377,800	475,600	509,900	525,500	541,400
Bingo	177,700	183,000	194,000	201,000	206,500
TOTAL EXPENSES	1,208,400	1,340,000	1,425,000	1,485,000	1,590,000
Lottery	285,100	273,600	278,900	291,500	307,900
Casino	515,000	599,400	630,100	649,500	683,600
Bingo	18,800	27,000	31,000	39,000	43,500
TOTAL NET INCOME	818,900	900,000	940,000	980,000	1,035,000
Capital Expenditures	94,000	100,000	70,000	75,000	80,000
FTE's	569	585	600	600	600

(BC Lottery Corporation)

(See BC Lottery Corporation 2006/07 - 2008/09 Service Plan for additional operating segment performance information, risks and assumptions examples.)

OTHER REQUIREMENTS

1. NON-DISCLOSURE OF SPECIFIC INFORMATION

Information contained in Service Plans should be in compliance with the *Freedom of Information and Protection of Privacy Act*. Under the Act, a Service Plan should not disclose information that falls within the following categories:

- Cabinet and local public body confidences;
- Legal advice;
- Information for which disclosure would be harmful including information on the following:
 - law enforcement;
 - intergovernmental relations or negotiations;
 - financial or economic interests of a Crown Corporation;
 - the conservation of heritage sites, etc.;
 - individual or public safety;
 - the business interests of a third party; and
 - personal privacy.

Crown Corporations 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* requires the exclusion of any information listed in the minimum content requirement section of these guidelines, the organization should identify the information excluded and explain why it was necessary to exclude it.

2. CROWN CORPORATION CONTACT INFORMATION

Information provided in this section should include disclosure of where the reader can go for more information on the organization or its subsidiaries (i.e. Annual Reports, risk assessments, detailed project reports, etc.), and can include web links to other documents. Contact information should include the organization's physical address, phone numbers and email addresses of key contacts, and the organization's website address.

3. FORM AND LANGUAGE

Crown Corporations should make every effort to present information in the Service plan in a form and language that is both concise and readily understandable by the general reader. The use of graphs, charts, and tables often helps readers to understand complex data. The use of acronyms should be avoided, and technical terms should be defined in the glossary.

The Service Plan should focus on Internet accessibility rather than elaborate hard copy production. Multiple colour pictures and large graphics add greatly to the size of a file, and can make it difficult for users to access electronically.

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

As was required for the 2005/06 Annual Reports, Crown Corporations should include the Province of BC logo, in either colour or black and white, on the inside or outside front cover or back cover of their Service Plans. To obtain the BC logo, please contact the Director, Corporate Communications, Public Affairs Bureau, or the Manager, Corporate Communications, Public Affairs Bureau. (If you have any problems contacting either individual, please contact your CAS representative for assistance.)

4. REVIEW, APPROVAL AND PUBLICATION PROCESS

The BTAA stipulates that the Service Plans of ministries and Crown Corporations must be made public by being tabled in the Legislature by the Minister Responsible annually on the date that the provincial budget estimates are tabled in the Legislature (the third Tuesday of every February - February 20 in 2007). Typically, the Minister of Finance tables the Crown Corporation and Ministry Service Plans on behalf of the Responsible Ministers at the end of the budget speech.

Review Process

As was the process last year, Ministers Responsible will present a summary of Crown Corporation Service Plans along with their Ministry Service Plans to Government Caucus Committees in November. See timetable below for specific dates.

CAS and/or Ministry staff (see Appendix A for a list of who reviews each Service Plan) will review drafts of Service Plans for consistency with these guidelines and the requirements of the BTAA. CAS/Ministry staff may also consult with Treasury Board and Ministers Responsible on any of the financial or non-financial aspects of the Service Plans.

CAS/Ministry staff will provide Crown Corporations with feedback on each draft submitted for review. The initial drafts of Service Plans need not be approved by the Board of Directors prior to being forwarded to CAS/Ministry staff for review. The

Minister Responsible will be provided with feedback based on the last draft reviewed by CAS/Ministry staff.

The final version of the Service Plan must be approved by the Crown Corporation's Board of Directors and the Minister Responsible for the Crown Corporation prior to being finalized and sent electronically in PDF format to CAS. Because the Minister Responsible has the requirement under the BTAA to table Service Plans, it is crucial to ensure the Minister is comfortable with the content and presentation of the Service Plan before it is finalized. A Minister can make a public statement of non-compliance with the BTAA rather than tabling a Service Plan on Budget Day if he or she is not comfortable with the contents. In such a case, the plan would be tabled at a later date, once the Minister and the Board Chair had reached agreement on it.

Transmittal Process

Once all required approvals have been obtained and final changes made, Crown Corporations should send a PDF copy of the Service Plan electronically to CAS. **For Service Plans, CAS is responsible for sending the PDF files to Queen's Printer for printing and distribution on Budget Day.**

Unlike the process for Annual Reports, the paper copies of each Crown Corporation's Service Plan are printed and distributed by the Queen's Printer. This is done in order to enhance security over the Service Plans prior to their Budget Day release, and allow Crown Corporations' Service Plans to be included in binders distributed to elected officials and Officers of the Legislature on Budget Day. Crown Corporations are not required to pay any of the printing costs associated with the tabling and distribution of Service Plans on Budget Day.

The Service Plans printed by Queens Printer for Budget Day will be in black and white. This may slightly decrease the print quality of Service Plans if they are already in colour. To improve the print quality of any graphics in the Service Plans, Crown Corporations should ensure that they are in high resolution.

Timelines

In order to meet the scheduled February 20, 2007 publication deadline for Crown Corporations in conjunction with the government's budget, the following is a schedule of key dates:

KEY DATES	
November 7	Service Plan Summaries to CAS or Ministry responsible for review (see Appendix A for list of which group to send Service Plan to)
November 15-30	Ministers Responsible present Service Plan Summaries for Ministries and related Crown Corporations to Government Caucus Committees
December 15, 2006	Draft Service Plans sent to CAS or Ministry responsible for review
December 22, 2006	CAS/Ministry will send comments back to Crown Corporations on draft Service Plans
January 8 - 12, 2007	Draft Service Plan, incorporating CAS/Ministry's comments, submitted to Minister Responsible for review and input
January 26, 2007	Final board-approved financials and forecasts submitted to Treasury Board Staff (Crown Corporations should ensure that Service Plans submitted match financial information in the Government fiscal plan – must consult with Ministry EFO/TBS)
January 31, 2007	Final board-approved Service Plans e-mailed to CAS in PDF format (CAS will coordinate with Queens Printer for printing). Final plans must be received by Queens Printer by this date in order to meet their printing schedule for the February 2006 Budget.
February 20, 2007	Service Plans tabled by Minister of Finance (on behalf of Ministers Responsible) in the Legislature on the same day the budget is tabled
Ongoing	Review of Service Plans and Annual Reports by the Legislature or its committees and the Office of the Auditor General
Late June 2007	Crown Corporation 2006/07 Annual Reports tabled by Minister of Finance (on behalf of Minister Responsible) on the same day as the Public Accounts are released

Website Posting

On February 20 2007, Crown Corporations should ensure their Service Plans are put on their websites after 4:00 p.m. This timing will ensure that the Minister of Finance has already tabled the Service Plans and budget. Hard copies of the plan should also be made available to the public after this time.

All Crown Corporation Service Plans will also be posted by CAS on its website.

Subsequent Review Process

Crown Corporations should be prepared to have their Service Plans reviewed by the Select Standing Committee on Crown Corporations http://www.governmentcaucus.bc.ca/legislative_committees/crown_corporations/?&. If a Crown Corporation is selected for review, it will be required, prior to the scheduled meeting, to supply the Committee with its most recent Annual Report and Service Plan,

latest three-year budget forecast, and any other information requested. Executive staff of the Crown Corporation will be required to make a presentation at the meeting and to answer any questions posed by the Committee members.

The Office of the Auditor General may review Service Plans of selected Crown Corporations as part of their regular review process (<http://bcauditor.com/AuditorGeneral.htm>).

Decisions on whether and when specific organizations will be reviewed are at the discretion of these entities.

APPENDIX A - Crown Corporations Required to Produce a 2007/08 – 09/10 Service Plan under the BTAA

Service Plan Reviewed by CAS and Ministry

BC Hydro and Power Authority
BC Liquor Distribution Branch
BC Lottery Corporation
BC Railway Company
BC Transmission Corporation
Insurance Corporation of British Columbia

Service Plan Reviewed by Ministry Staff

BC Assessment Authority
BC Games Society
BC Housing Management Commission
BC Innovation Council
BC Pavilion Corporation
BC Securities Commission
BC Transit Service
Columbia Power Corporation
Community Living BC
First Peoples' Heritage, Language and Culture Council
Forestry Innovation Investment Ltd.
Homeowner Protection Office
Industry Training Authority
Legal Services Society
Oil and Gas Commission
Partnerships BC
Provincial Capital Commission
Royal British Columbia Museum
Tourism British Columbia
Vancouver Convention Centre Expansion Project Ltd.

APPENDIX B: Service Plan Checklist - Minimum Information Requirements

Information Included in Service Plan	Comments
<ul style="list-style-type: none"> • Title of Plan • International Standard Serial Number • Signed Message from Board Chair to Minister Responsible (incorporating Accountability Statement) <ul style="list-style-type: none"> ○ Overview of organization's significant activities ○ Successes and challenges ○ Major changes since last Service Plan ○ Market and industry issues ○ Significant risks and opportunities ○ Future outlook ○ Accountability statement • Table of Contents 	
<p>Overview of the Organization</p> <ul style="list-style-type: none"> • enabling legislation • legislated mandate • the benefit or service the organization provides to the public • the organization's structure and primary business • core business areas and major programs • products and services provided • principal markets served • location of operations • principal partners, clients and stakeholders • how services are delivered • reporting relationships 	
<p>Corporate Governance</p> <ul style="list-style-type: none"> • the role and membership of the Board of Directors • the purpose and membership of each Board Committee • the names and job titles of senior management • the organization's governance principles • key reporting relationships with Ministers, ministries and any other significant reporting relationships • disclosure of governance practices in compliance with Board Resourcing and Development Office's Guidelines 	

<p>Alignment with Government's Strategic Plan</p> <ul style="list-style-type: none"> • How plan supports one or more of the goals outlined in the Government's Strategic Plan • Recent direction from government through mandate review or Shareholder's Letter of Expectations 	
<p>Strategic Context</p> <ul style="list-style-type: none"> • Vision • Mission (may be combined with vision) • Values • Planning Context and Key Strategic Issues <ul style="list-style-type: none"> ○ significant risks and opportunities ○ likelihood and potential impact ○ how the organization plans to address or mitigate them ○ capacity to meet planned results ○ gaps in capacity ○ plans to increase capacity ○ any adjustments required to deal with capacity issues ○ any changes to mandate in the planning period ○ key strategic issues 	
<p>Goals, Objectives, Key Strategies, Measures and Targets</p> <ul style="list-style-type: none"> • Goals • Objectives (may be combined with goals) • Why these goals and objectives are critical to organization • Any significant changes to goals, objectives or measures from previous year • Strategies • Performance Measures • Targets • Why these measures and targets were selected • Benchmarks • Performance Management Systems <ul style="list-style-type: none"> ○ Sources of data ○ How and when data is collected ○ Any limitations to accuracy of data ○ What management has done to ensure data is accurate and reliable 	

<p>Summary Financial Outlook for the Service Plan Period</p> <ul style="list-style-type: none"> • Total revenue by core business area • Total expenses by core business area • Major sources of revenue • Major sources of expenses • Operating income or loss • Net income or loss • Retained earnings • FTEs by core business area • Capital expenditures <p>Note: all above financial information should be provided for 2005/06, forecast for 2006/07, and budget/forecast for 2007/08 - 2009/10</p> <ul style="list-style-type: none"> • Key assumptions • Forecast risks and sensitivities • Potential impact of key risks and sensitivities 	
<p>Capital Plan and Major Capital Projects</p> <ul style="list-style-type: none"> • Objectives of major capital project • Costs and benefits of project • Risks associated with project • General description of other major capital initiatives planned 	
<p>Information on Subsidiaries and Operating Segments (where relevant)</p> <p>Subsidiaries</p> <ul style="list-style-type: none"> • 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 Corporation • primary business • location of operations • governance structure, including Board members • any specific goals and objectives • any specific strategies, performance measures, and targets • previous years' actual, current year's forecast and budgeted future years' revenues and expenses • net income • any capital expenditures • key assumptions and risks considered in setting the projections <p>Operating Segments</p> <ul style="list-style-type: none"> • previous years' actual, current year's forecast and budgeted future years' revenues and expenses • net income • any capital expenditures • key assumptions and risks considered in setting the projections 	
<p>Other Requirements</p> <ul style="list-style-type: none"> • An explanation for any confidential information excluded from the Service Plan • Contact information 	

APPENDIX C: Glossary

Annual Service Plan Report	A government organization document, required by the amended <i>Budget Transparency and Accountability Act</i> (BTAA) from fiscal year 2002/03 onwards. This report may contain information normally found in a traditional Annual Report, with the additional requirement that a government organization's performance in meeting its service goals and targets is emphasized in the document. The document must link directly back to the government organization's corresponding Service Plan.
Baseline	A starting point against which future results are compared.
Benchmark	A standard or reference point against which something is measured.
Goal	The long-term end results/outcomes that the government organization (or line of business) wants to achieve in fulfilling its vision and mission. Goals must be realistic and achievable.
Government's Strategic Plan	The high-level, government-wide corporate document that outlines the government's vision, mission, values, and key priorities for the medium to long term.
Government Organization	A corporation or other organization (other than the Government itself) that is within the Government Reporting Entity.
Input	Includes resources dedicated to or consumed by a program.
Input Measure	A measure of the amount of resources (FTEs and dollars) used to undertake a function.
Key Strategic Issues	The issues identified by an organization that have the greatest potential significance to the organization's operations and results.
Mission	The reason for the organization's existence. The mission statement identifies what the organization does, why it does it, and for whom. It also reminds the public and other government entities of the unique purposes promoted and served by the organization. Mission must lead to the realization of the organization's vision; and the goals, objectives, and strategies must be consistent with the mission statement.
Objective	Concise, realistic, and results-oriented statements of what results an organization plans to achieve in the short term in order to ultimately accomplish its goals. Objectives must be stated in a way that clearly communicates what is to be achieved and measured or assessed.
Outcome Measure	Measures the intended physical, societal, or client results, consequences, or changes in conditions, behaviours, or attitudes that indicate progress in achieving a program's or organization's mission and goals. Outcomes may be immediate, ultimate, or somewhere in between.
Output Measure	A measure of the direct product or service provided by a line of business/program. The measurable unit can be a number, percentage, or ratio.
Performance Measure	Quantitative and qualitative measure of results/outputs/outcomes (how the organization will determine if it was successful). Used to indicate the degree of success an organization has in achieving its goals and objectives.
Planning Context	The planning context identifies and provides an assessment of the

	organization's internal and external strengths, capacities and weaknesses, challenges, risks, assumptions, and opportunities. The planning context identifies and examines internal and external factors in the environment that can influence the mission, goals, objectives, and strategies of the organization and positively or negatively affect its ability to accomplish them.
Planning Period	A minimum of three fiscal years commencing with the fiscal year for which the provincial budget estimates is presented and at least the following two years.
Program	A set of activities with clearly defined resources and objectives.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.
Risk Management	The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.
Service Plan	A plan that reflects that organization's strategic direction and is made public in compliance with the BTAA.
Strategic Context	The strategic context of a Service Plan provides high-level information that describes the organization's current state, its critical internal and external influences, and its planned actions during the planning period.
Strategies	Succinct, high level statements, which outline the actions that describe how the organization's goals and objectives are to be accomplished.
Subsidiary	Company owned by the Crown Corporation preparing the Service Plan.
Targets	The level of performance that the organization is setting out to attain.
Values	The value statement expresses an organization's core values. Values define the organization's management style, organizational values, and code of conduct for personal and organizational behaviour.
Vision	A clear, concise, and compelling picture of an organization's preferred future; where the organization is going, and what will the province be like if the organization's goals are achieved. The vision must be sufficiently desirable and challenging to motivate and inspire the organization's employees and influence decision-making.

APPENDIX D – Performance Measures

Performance measures should be:

- Able to withstand public scrutiny. Measures should be able to withstand scrutiny by key stakeholders and the public. Measures and targets must be based on reliable data - if any issues exist around the reliability of the data, they must be addressed or disclosed;
- Clear, accurate, and consistent. Performance measures should be clearly defined and accurate to ensure that the employees responsible for gathering data know precisely what to track and report. Consistency is as important as accuracy;
- Cost-effective. Measures should be designed to be cost-effective. If possible, organizations should base new measures on information from data already collected for other purposes. If this is not possible, an organization should try to identify measures that do not create costly measurement challenges;
- Clear in interpretation. Measures should provide pertinent and unambiguous information about performance of the organization;
- Appropriate and relevant. Measures should be appropriate and relevant (demonstrate the organization's performance) and relate to other measures in terms of the organization's overall performance;
- Outcome focused. Measures should focus on outcomes - they should measure the expected results of the strategy.
- Flexible. Measures should not be static. Measures should be modified or eliminated if they do not meet the criteria or are no longer relevant. Measures should exist in the context of current goals, objectives, strategies, and targets. Organizations should, however, provide explanatory information if any changes are made or a measure is eliminated;
- Easily understandable. Measures should be clear and easily understandable so that the reader is able to see how the performance is being assessed. Explanatory information should be provided when technical measures are used;
- Time-sensitive. Information should be collectable in time for planning and decision-making;
- Balanced. Measures should be balanced (some long term, some short term, from all key program areas) so that the combined total of measures provides readers with an objective view of the organization's performance; and
- Consistent from year to year - any changes and the reasons the changes were made should be disclosed.

Potential types of measures to consider:

- quantity
- efficiency
- timeliness
- impact of activities
- financial information/ratios
- satisfaction (customers and/or employees)

Key Performance Measure Questions:

- Do the measures focus on the critical areas of the organization?
- Are the measures relevant and understandable?
- Are they reliable and verifiable (does the organization have confidence in the data), and can data be collected in a cost-effective manner?
- Are the measures comparable to those used by similar organizations to track performance?
- Are the measures reasonable in the context of information on trends over time?
- Are they consistent with the capacity of the organization and the risks it faces?
- Can the organization be held reasonably accountable for the results?
- Can measures be tied back to goals and objectives?
- Are there measures for all core business areas?

Examples of performance measures from past Service Plans:

• Environmental Regulatory Compliance (incidents)	(BC Hydro)
• The average cost per property for assessment services funded from property tax levies will be maintained	(BC Assessment)
• Business tools available to PBC and its clients	(Partnerships BC)
• Debt service coverage ratio	(CPC)

Example explaining the meaning of a performance measure:

BCTC SAIDI (System Average Interruption Duration Index) – This measure is the average number of hours across all transmission delivery points that service is interrupted in a year. It includes both planned and unplanned outages, but excludes interruptions due to source outages attributable to generators. The measure assesses BCTC’s effectiveness in providing high service reliability from the point of receipt for transmission service to the point of delivery. Reliability statistics for independent transmission companies have a limited history given the fairly recent disaggregation of vertically integrated utilities. Additionally, definitions among companies are inconsistent, leading to a very limited universe of comparable data points. BCTC will continue to participate in Canadian Electricity Association benchmarking studies, however, SAIDI measures will need to be adjusted to fit new benchmark definitions. At this time, BCTC’s results will be compared to historical performance. (BCTC)

APPENDIX E - Targets

Targets document what level of performance is desired to achieve goals and objectives in a given year. Targets help to answer the question “where do we want to be at the end of the year?”.

Crown Corporations are under constant pressure to improve performance. Targets are useful tools to aid in this process by providing evidence of increased outputs and outcomes, lessons learned, and value for money.

Setting Targets

It is important that targets focus on measuring what the organization has control over, whether it is the overall program performance or the factors that lead to outcomes. In addition, as with performance measures, targets should be reported in context, so that the reader can understand the level of performance. Baselines and explanatory information will inform the reader about the level of performance. It is suggested that organizations provide a baseline (e.g., the previous year’s performance) plus three consecutive targets – one for each year in the Service Plan reporting period.

Setting the right targets is just as important as selecting the right measures. It is crucial that targets are realistic but at the same time challenging and ambitious for the organization to achieve. This should be balanced with the forecasted resources and/or capacity of the organization.

In the first year a particular target is documented, the organization may need to establish a baseline based on actual previous performance. The target for the following year should specify a level of improvement from the baseline. Determining an appropriate level of improvement can be aided by referring to benchmark information from similar public or private sector organizations or by considering past trends within the Crown Corporation.

In cases where the outcomes of programs or lines of business are difficult to quantify or could be affected by external factors, ranges, trends, or milestones can be used. Organizations should ensure that the targets in their Service Plans are easy for the less informed reader to understand – if the significance is not readily apparent, the organization should include explanatory footnotes or appendices.

Under the BTAA Section 16 (3), Crown Corporations are required to report details of their actual results in their Annual Reports compared to the expected performance targets stated in the Service Plans. When setting targets, Crown Corporations should keep in mind the need to report actual results in their Annual Reports in comparison with the expected results documented in their Service Plans.

Terms used to describe targets should be clear and consistently understood. This is especially true in situations where targets are difficult to quantify. Terms such as

‘satisfaction’ and ‘milestones’ need to be explained precisely so as to avoid a range of interpretations by readers.

Attributes of good targets are very similar to those of performance measures. These include:

- **Specific.** Clear, unambiguous and easy to understand by those who are required to achieve them;
- **Measurable.** There is no point setting a target for which success cannot be gauged by referring to a specific measure or measures;
- **Achievable.** Expressing specific aims that the organization feels can realistically be achieved, with some effort: ‘out of reach, but not out of sight’. Unrealistic targets, either too high or too low, will not be able to withstand public scrutiny;
- **Relevant.** To those who will be required to meet them and to the organization as a whole; and
- **Timed.** There should be a set time scale for achieving a target; open-ended targets may not encourage focused effort on improving performance.

When setting targets, organizations should take into account the following:

- Past years’ trends of output/outcome levels (baselines);
- How similar organizations measure performance; and
- Organizations should consider the expected time frame for outcomes to be realized.

Examples of targets:

	Year 1	Year 2	Year 3
<ul style="list-style-type: none"> • Net income (\$ millions) <i>(BC Hydro)</i> 	243	182	179
<ul style="list-style-type: none"> • % of employees participating in program <i>(Columbia Basin Trust)</i> 	50	60	80
<ul style="list-style-type: none"> • Timeliness of licensing decisions on completed applications <i>(HPO)</i> 	5 business days or less	3 business days or less	3 business days or less

APPENDIX F – Baselines and Benchmarking

Baselines

A baseline is an actual previous year's result or a composite of an organization's past performance in a particular area that can be used to set future targets, or used to compare the organization's performance to other organizations. A baseline provides a starting point for measuring future performance.

Example of a baseline:

	2003/04 Baseline	2004/05	2005/06	2005/06
Website visitors per month	3000	3300	3600	4000

Benchmarking

Benchmarking can be defined as a process of continuously comparing and measuring an organization or aspects of an organization against business/industry leaders, with the objective of gaining information that will help the organization take actions and make changes to improve its performance.

Benchmarking looks at best practices, either within an organization, or in other organizations, and uses this as a reference point (benchmark) against which to assess present processes and future performance. The main objective of benchmarking should not be as a reporting tool, but as a management tool to achieve improvements in performance.

Internal benchmarking is when an organization explores and analyzes internal practices (within different departments or between past and present in the same department) in order to assess current levels of performance and to identify best internal practices that can be replicated in other program areas. External benchmarking is when an organization compares and analyzes the practices and processes of similar peer organizations (or competitors) with its own performance with the same objective.

An organization can benchmark processes, critical success factors and business practices.

The Benchmarking Process

The following is a suggested approach to creating benchmarks. Organizations will find that the process is not necessarily sequential, but the following steps will assist the process.

1. **Identify what is to be benchmarked.** Identify the program, process, service, etc. to be benchmarked. In making this determination, the organization should such things as what would make the biggest improvement to customers, and what would make the most difference to profitability. It should also consider priorities, risk areas and what areas of operations are most in need of changing.
2. **Measure.** An organization needs to measure the performance level of the program, service etc. to be benchmarked, document the process, and analyse the data. Consulting relevant literature and creating logic models will aid in this process.
3. **Identify comparators.** Identify and select appropriate benchmarking partners. It is best if the organization selected is one that offers similar services, programs, etc. and is willing to share information. In choosing outside comparators, the organization should consider what the relationship is with the other organization, how good that organization is at the activity to be measured, and whether it is legal and efficient to exchange information with them.
4. **Access data and conduct the benchmarking study.** The organization should access the required data and use it to compare its baseline to the benchmarking partner's performance. The organization can then identify the gaps between the levels of performance, the reasons for the gaps (processes or business practices, geographic region, facilities, technology, markets) and determine if the practices are suitable and relevant for replication. If suitability has been confirmed, the organization can then set goals and targets from the identified benchmarking practice.
5. **Action plan.** This is when an organization can create and implement an action plan to make any required changes to the services, programs, etc. from the identified best practices. An organization may want to identify a few core practices and adapt these into strategies etc. The organization may also want to continue ongoing collection of benchmarking data.
6. **Monitor, review, and modify.** An organization should do this on a routine basis to verify that benchmarking goals identified were met. This routine review cycle will help to identify how well the organization is doing and will allow the organization to continue to modify under-performing areas.

Tips for Effective Benchmarking

- Train people in the process of benchmarking, the specific approach the organization is using, and the analytical tools required to analyze and present the data;
- Make sure that confidential or sensitive information is not at risk;
- Co-ordinate benchmarking with other parts of the organization so as to avoid overlap or duplication of effort;
- Communicate benchmarking results widely within the organization; and
- Document all benchmarking results in detail so that processes can be improved and lessons learned along the way are not lost.

Examples of benchmarks:

- | |
|---|
| <ul style="list-style-type: none">• A composite of Canadian Electricity Association utilities organized on a regional/provincial basis (BC Hydro) |
| <ul style="list-style-type: none">• Performance of BC Transit's systems is benchmarked against comparable Canadian transit systems using the most recently available data from the Canadian Urban Transit Association for 2003 (BC Transit) |

Sources of Benchmarking Information

- Library databases
- Internal reviews
- Professional associations
- Industry publications
- Industry reports/trade publications
- Annual Reports
- Industry experts
- University sources
- Customer feedback
- Supplier feedback
- Telephone surveys
- Internet
- Original research
- Industry data firms
- Newspapers or newsletters
- Industry contacts

APPENDIX G - Risk and Capacity

Risk

Risk can be defined most simply as the chance of something happening that will have an impact on the achievement of planned objectives. It is measured in terms of its likelihood and its consequences.

All organizations face similar areas of risks; what is unique to each is the mix of risks, and their effect on the organization. Each organization, depending on the type of business it is in, has a specific corporate risk profile. Organizations need to consider both risks and opportunities (*i.e.* how potential opportunities can be exploited/acted upon).

There is no single risk management methodology that works for all organizations. Each organization should tailor existing methodologies to suit its circumstances. Best practices have established a number of conceptual frameworks that can be used to tailor a risk management process to help identify areas of potential risk. A good risk management plan deals with uncertainty, is aligned with corporate goals, and incorporates contingency plans.

Types of risk:

- Organizational risk
- Controllable versus uncontrollable risk
- Involuntary versus voluntary risk
- Industrial and natural risk
- Internal versus external risk
- Financial, political, operational or regulatory risk
- Process or systemic risk
- General versus specific risk or uncertainty

Sources of risk

- Commercial and legal relationships
- Product liability
- Financial (fraud, fines, theft of funds)
- Health and safety (poor practices)
- Economic circumstances (capital, exchange rates, interest rates, market share, competition, etc)
- Human behaviour (strikes, riots)
- Disease
- Natural events (fires, earthquakes, floods, environmental factors such as pollution or soil contamination)
- Political circumstances
- Technological issues (obsolescence, viruses, input errors, loss of data, new systems, etc.)
- New products or significant changes in operations

- Regulatory issues
- Security (break and enter, vandalism)
- Monopolies or significant dependencies on single customers or suppliers
- Skills shortages or succession issues
- Management activities
- Individual activities
- Specific project risks (costs, deliverables, timelines, approvals, etc.)

Steps to Identify and Manage Risks and Opportunities

1. Identify potential risks or opportunities through environmental scans, past experience, industry forecasts, staff consultation
2. Assess likelihood and magnitude/consequences of each identified risk or opportunity
3. Prioritise risks based on potential effect/significance. Consider which risks are significant enough to require action to reduce/mitigate potential exposure. Determine which risks are acceptable; the likelihood of occurrence; what can be done to reduce incidence and magnitude; and costs of control versus exposure. Consider whether the cost of mitigating is too high relative to the likelihood and magnitude of the risk occurring. Determine which opportunities are likely enough or significant enough to warrant developing strategies to exploit them.
4. Develop strategies to manage/mitigate/avoid/exploit risks and opportunities ruled significant/likely enough to influence results.
5. Identify which staff members should be accountable for monitoring and reporting risks, opportunities and effect on performance.
6. Service Plan disclosure - see below.
7. Monitor risk and opportunity occurrence, track effect on operations, and adjust procedures/plans as necessary.
8. Annual Report disclosure - disclose what risks materialized, what effect they had on performance, and what actions were taken to minimize, or in the case of opportunities, what actions were taken to take advantage of.

Capacity

Capacity is the ability of an organization to achieve its intended future results with its current resources. Capacity can also be defined as an organization's people, funding, authority and physical and intellectual infrastructure, including assets, systems and processes.

The first consideration, when assessing whether an organization has sufficient capacity to achieve its goals, is: are the resources and assets sufficient to handle planned activities? If not, the organization should determine what aspects of current or future capacity will affect or limit its intended results. An organization should also consider whether it has excess capacity in certain areas, and whether this capacity could or should be shifted to areas with higher priority.

Once a lack or imbalance of capacity has been established, the organization should consider what alternative actions should be taken to get objectives accomplished, or what trade-offs are necessary - what prioritisation of desired outcomes is required.

Service Plan Disclosure

Risks and Opportunities:

In the planning section, an organization should document high-level risks and opportunities expected to affect the organization during the planning period, how these risks and opportunities were identified, what their potential impact and likelihood is, and briefly, how the organization plans to address them. If the organization has decided that the potential risk can be tolerated (because, for example, the cost of preventing is higher than the potential cost if the risk occurs), this should also be noted.

Within the goals/objectives sections of the Service Plan, the organization should describe what specific strategies are planned to deal with potential risks and opportunities.

Capacity:

The organization should, in the planning context section, document what the organization's capacity is to meet its intended future results and how it intends to increase capacity, if required; and should, in the goals/objectives section, describe strategies for allocating scarce resources/prioritising planned actions, etc.

Risk and Capacity Analysis Examples:

- BC Assessment 2005/06 - 2007/08 Service Plan Update - see Planning Context and Key Strategic Issues section
- BC Hydro 2005/06 - 2007/08 Service Plan Update - see Risk section

Where to Get More Information:

- Conference Board of Canada (<http://www.conferenceboard.ca>)
- Risk Management Branch (<http://www.fin.gov.bc.ca/PT/rmb/index.shtml#top>)