

**Government of Canada Reporting Principles Crosswalk to the CICA - PSAB  
Statement of Recommended Practice (SORP-2)<sup>1</sup>**

**Government of Canada REPORTING PRINCIPLE 1:**

**Focus on the benefits for Canadians, explain the critical aspects of planning and performance, and set them in context.**

**Related SORP-2 Statement(s):**

- ***Focus on the Few Critical Aspects of Performance***. Focusing on the few critical aspects of performance means that only the key strategies, goals and objectives are described in the public performance report.
- ***Comparability***. Comparative information provides a clear frame of reference for users to assess performance in a broader context, thereby enhancing its usefulness.
- ***Understandability***. For performance information to be useful, it must be capable of being understood by users. Explanatory narratives would be precise and clearly stated in plain, non-technical language that focuses on critical facts and matters to enable users to obtain reasonable insights or draw reasonable conclusions.
- ***Describe the strategic direction of the public sector entity***. In order to put a public performance report in context, the strategic direction of the public sector entity would be described. The strategic direction reflects an entity's high-level priorities and long-term goals as stated in public policy announcements
- ***Include information about key factors critical to understanding performance, including: identifying significant risks, capacity considerations and other factors that have had an impact on performance and results; and explaining the nature of the impact***. To assess performance, users need to have an understanding of key factors that influence performance and results. The discussion of risk would be focused on those risks that had a significant impact on performance. The public performance report would discuss those dimensions of capacity that have had a critical impact on the achievement of results.

**Government of Canada REPORTING PRINCIPLE 2:**

**Present credible, reliable, and balanced information**

**Related SORP-2 Statement(s):**

- ***Reliability***. Reliable performance information is based on data that can be replicated by independent observers to produce similar results and be independently verified.
- ***Validity***. Performance measures are valid when they are in agreement with the sources used to prepare them and faithfully represent what they claim to represent.
- ***Fairness***. Performance information is fair when it is free from bias that may lead users to make assessments or decisions that are influenced by the way performance is measured or information is presented.
- ***Consistency***. For comparisons to be valid, the information must be prepared on a consistent basis or differences in circumstances between comparisons being made must be clearly articulated.
- ***Provide comparative information about trends, benchmarks, baseline data or the performance of other similar organizations where having these comparisons would be***

<sup>1</sup> Statement of Recommended Practice (SORP) -2. Public Sector Accounting Board. Canadian Institute of Chartered Accountants; September 2006.

*useful.*

- **Disclose the basis on which the public performance report has been prepared.** In particular, the public performance report should disclose:
  - a) a statement acknowledging the entity's responsibility for its preparation.
  - b) the basis on which those responsible for the preparation of the report have confidence in the reliability of the information in the report.
  - c) a description of the reporting entity.
  - d) the rationale for selecting the few critical aspects of performance on which to focus.
  - e) any changes made to performance measures during the period, with restatement of prior period measures when appropriate.
  - f) descriptions of measures.

### Government of Canada REPORTING PRINCIPLE 3:

**Associate performance with plans, priorities, and expected results, explain changes, and apply lessons learned**

#### Related SORP-2 Statement(s):

- **Relevance.** Performance information is relevant when it is linked to what was stated in the plan, enables users to assess performance and contributes to decision-making.
- **Describe the planned results for the reporting period and identify the source of the commitments.** In order to report progress toward achieving goals, planned results would be identified in a public performance report.
- **Describe the actual results and compare them with planned results, explaining any significant variances.** The explanation of variances would include both positive and negative aspects of performance,<sup>2</sup> as well as major challenges identified for programs and services, in order to provide a complete picture of performance.
- **The public performance report should identify significant lessons learned during the reporting period and the implications arising from them.** As part of the explanation of significant variances, the public performance report would include a discussion of the potential future implications. This would include an indication of how the lessons learned will be applied and identification of areas that may require further study or evaluation.

### Government of Canada REPORTING PRINCIPLE 4:

**Link resources to results**

#### Related SORP-2 Statement(s):

- **The public performance report should link financial and non-financial information to show how resources and strategies influence results.** It is important to link financial and non-financial performance information to demonstrate to users how entrusted resources were applied during the period and what was achieved as a result. When financial and non-financial performance information is linked, results and resources are aligned, and the relationship between them described and demonstrated.

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<sup>2</sup> This SORP-2 statement is also related to TBS Principle #2 because it calls for balance in discussing variances between planned and actual results.