

Agenda Item 7: Reporting Service Performance

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IPSASB Meeting

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Objective of this Session

- To **provide direction** on the issues identified and **review** the draft RPG, *Reporting Service Performance Information*.

Background

- Consultation Paper (CP) issued in September 2011.
- Responses on CP reviewed in second half of 2012.
- IPSASB discussed issues fundamental to development of the draft RPG in June, 2013.
- TBG consists of Sheila Fraser, Masud Muzaffar, Ron Salole, and Ken Warren.

Background—Key Decisions

- RPG is based on the CP's principles based framework, where information reported should include:
 - The scope of the service performance information reported,
 - The public sector entity's objectives,
 - Information on the achievement of objectives, and
 - Narrative discussion of the achievement of objectives.
- The CP also proposed:
 - Application of the qualitative characteristics; and
 - Standardized terminology, with definitions for performance indicators, inputs, outputs, outcomes, efficiency and effectiveness indicators.

Background—Key IPSASB Decisions

1. Tentative agreement on definitions of performance indicators (inputs, outputs, outcomes, efficiency and effectiveness).
2. Decisions in June 2013 on:
 - a) RPG's approach—mixture of guidance on decisions and identification of minimum characteristics
 - b) Selection of services—guidance on selection, focused on applicable factors or criteria
 - c) Performance indicators—guidance on which performance indicators should be chosen
 - d) Organization of information—principles applicable to choice

Overview of Issues

Issues

1. Application to Government Business Enterprises.
2. Definitions of the five types of performance indicator.

Review of the draft RPG

- RPG's coverage of (i) applicable principles, and (ii) information for display and information for disclosure
- The RPG's proposed (i) structure, (ii) Basis for Conclusions, and (iii) Specific Matters for Consideration (SMCs)

1. Application to Government Business Enterprises

Should GBEs be encouraged to report service performance information and apply the RPG's guidance?

FOR:

- All public sector entities, including GBEs, serve the public and users should be able to assess their service performance.
- GBEs include entities that provide services on a non-commercial or monopoly basis where the public has little if any alternative to the GBE service provider.

1. Application to Government Business Enterprises

Should GBEs be encouraged to report service performance information and apply the RPG's guidance?

AGAINST:

- IPSASB does not apply pronouncements to GBEs
- Need for consistency with wording in RPGs 1 and 2
- Entities acting like their private sector competitors should not have burden of additional reporting.

Conclusion: Remain with same wording as for RPGs 1 and 2

Action Requested

1. Members are asked to **confirm** the proposed wording:

“This RPG is applicable to all public sector entities other than Government Business Enterprises (GBEs).”

2. Performance Indicator Definitions

- Inputs are the resources used by an entity to produce outputs.
- Outputs are the goods and services provided by an entity, including transfers to others.
- Outcomes are the impacts on the community, which occur as a result of the entity's outputs, its existence and operations.
- Efficiency indicators are measures of the relationship between (a) inputs and outputs, or (b) inputs and outcomes.
- Effectiveness indicators are measures of the relationship between (a) outputs provided and objectives, or (b) outcomes attained and objectives.

Action Requested

- 2 Members are asked to **confirm** the performance indicator definitions proposed in the draft RPG.

2. Performance Indicator Definitions

Inputs

Draft RPG: Inputs are the resources *used by an entity* to produce outputs.

December: Inputs are the resources of a reporting entity used to produce outputs that are used in achieving its objectives.

Outputs

Draft RPG: Outputs are the goods and services *provided by an entity*, including transfers to others.

December: Outputs are the goods and services, including transfers to others, provided by a reporting entity that are used in achieving its objectives.

2. Performance Indicator Definitions

Outcomes

Draft RPG: Outcomes are the impacts *on the community, which occur as a result of the entity's outputs, its existence and operations.*

December: Outcomes are the impacts of outputs that are used in achieving the reporting entity's objectives.

Efficiency indicators

Draft RPG: Efficiency indicators are measures of the relationship between (a) inputs and outputs, or (b) inputs and outcomes.

December: Efficiency indicators are measures of the relationship between inputs and outputs or inputs and outcomes.

2. Performance Indicator Definitions

Effectiveness indicators

Draft RPG: Effectiveness indicators are measures of the relationship between (a) outputs *provided and objectives*, or (b) *outcomes attained* and objectives.

December: Effectiveness indicators are measures of the relationship between outputs or actual outcomes and objectives.

Review of the draft RPG

Coverage:

- Applicable principles
- Information for display and information for disclosure;

Other:

- Structure
- Basis for Conclusions
- Specific Matters for Consideration (SMCs)

Next Steps

- Revise draft RPG; and,
- Provide to IPSASB in December for review and planned approval.