

CHAPTER 19: REVIEW OF ANNUAL REPORTS OF DEPARTMENTS, AGENCIES AND INDEPENDENT OFFICERS OF PARLIAMENT

Key findings of the Committee:

- 19.1 The level of compliance of departments' and agencies' annual reports with the Financial Management Act 1994 and the Standing Directions and Financial Reporting Directions of the Minister for Finance overall is satisfactory.
- 19.2 The Committee continues to identify a level of non-compliance or insufficient reporting against some aspects of the Occupational Health and Safety reporting requirements of FRD 22B.
- 19.3 Non-departmental government agencies displayed a low level of compliance with elements of the Financial Reporting Direction covering disclosures on workforce data, environmental performance and consultancies as required in the Report of Operations (FRD 22B).
- 19.4 Reporting of performance could be enhanced through better use of historical performance data.
- 19.5 The Committee has drawn attention to a number of areas where departments' and agencies' annual reports could be improved for transparency and good practice. The Committee intends to follow this up in future reports.

19.1. Introduction

Annual reports represent a key publication in the provision of open and accountable government. An annual report should provide accessible information regarding performance, resource expenditure and service delivery.

Public sector annual reports are required to comply with the requirements of the *Financial Management Act 1994* (FMA) and the Standing Directions and Financial Reporting Directions (FRD) issued by the Minister for Finance. The FMA requires annual reports of government departments and public sector agencies to include a report of operations and financial statements. Standing Directions and FRDs detail requirements for providing general information about operations and performance and an assessment of results and financial position.

Following on from the *Report on the 2007-08 Financial and Performance Outcomes*, the Committee has once again focussed on four FRDs and the reporting of performance outcomes and outputs.

This year the Committee has focussed its review on all departments, eight selected health agencies (Alfred Health, Austin Health, Barwon Health, Eastern Health, Melbourne Health, the Royal Children's Hospital, Southern Health and Western Health) and two independent officers of Parliament, Ombudsman Victoria and the Victorian Electoral Commission.

19.2. Review criteria

The Committee has assessed agencies against review criteria that focus upon:

- financial performance;
- outcomes and results against stated objectives;
- performance of government departments and agencies; and
- the Government's *Growing Victoria Together* visions.

Departments and agencies must meet legislated requirements for reporting specific information and this is reviewed as compliance with reporting requirements. However, when it comes to presentation of performance reporting, departments choose the form of presentation, including how the reporting of performance outputs is incorporated with other aspects of the reports.

An assessment of compliance with selected reporting requirements and the format and content of performance reporting are the basis of the Committee's review of annual reports.

19.2.1 Compliance with the Financial Management Act 1994, the Standing Directions and Financial Reporting Directions of the Minister for Finance

Departments and agencies are required to produce annual reports that comply with legislated and government directions. The Committee has selected four FRDs to assess compliance of government departments and health-related public sector agencies.

While departmental compliance was assessed against all four FRDs listed below, the remaining agencies have only been assessed against the middle two:

- FRD 15B – Executive Officer Disclosures in the Report of Operations by Departments;
- FRD 21A – Responsible Person and Executive Officer Disclosures in the Financial Report;
- FRD 22B – Standard Disclosures in the Report of Operations; and
- FRD 29 – Workforce Data Disclosures in the Report of Operations – Public Service Employees.

19.2.2 Performance reporting

The review of performance reporting focussed on how departments and agencies publicly reported their performance. Performance reporting needs to be accessible, balancing detail with context while providing accurate and sufficient reporting of the year's activities against targets and objectives set by the agency and Government.

Unlike legislated reporting requirements, performance reporting varies widely from department to department and between agencies. To review performance reporting the Committee used the following criteria to assess how successfully annual reports integrate aspects of performance reporting:

- performance against the departmental output targets specified in the State budget and whether they provide clear and detailed explanations for variations from these targets. Explanations should identify the factors that caused the variance and discuss the implications of this in relation to the output;
- an effective and detailed review of a department's or agency's performance which identifies and provides detailed analysis of performance against milestones, outcomes and budget targets for significant projects and programs;
- historical performance information as a context for assessing the relative performance of a department or agency. The Committee considers a minimum of at least three years' worth of historical data (where available) as necessary for comparative analysis of performance;
- clear and detailed explanations where actual performance varies significantly from the target or the previous year's result, including the identification and explanation of the factors that caused the variance and the implications of this on a department's or agency's ability to achieve the related output/objective; and
- accessible interpretation of performance data with reference to the intended outcomes. To effectively communicate performance, annual reports should clearly identify and report performance against the goals and objectives established in corporate plans.

19.3. Summary of findings

19.3.1 Compliance with the Financial Management Act 1994, Standing Directions and Financial Reporting Directions of the Minister for Finance

Overall, the Committee was satisfied with the level of compliance from departments and agencies in relation to the requirements of the *Financial Management Act 1994*, Standing Directions and FRDs of the Minister for Finance. The Committee reviewed eighteen agencies: ten departments and eight health-related agencies.

The Committee's review of departmental annual reports found further improvement in the disclosures from last year. The Committee noted some improvements regarding the disclosure of Occupational Health and Safety matters and consultancies.

The standard of reporting by non-departmental government agencies was reasonable. However, the Committee's review found instances where health agencies had failed to comply with certain aspects of the FRDs. In particular, the FRD 22B disclosure requirements for Occupational Health and Safety matters, workforce data, environmental performance and consultancies.

The Committee notes that the area of its greatest concern in both the 2006-07 and 2007-08 Reports on the Financial and Performance Outcomes, was in relation to reporting Occupational Health and Safety matters as required by FRD 22B. This FRD states that the Report of Operations must include a statement of Occupational Health and Safety matters that '*should identify the performance indicators adopted to monitor such matters, and outline the entity's performance against those indicators.*' The 2007-08 inquiry noted that only three departments had good disclosures and had fully complied with this requirement.

This year the Committee found that the disclosures made had improved from the prior year with six departments having good disclosures. Four other departments generally included high level information of Occupational Health and Safety policies but did not identify and report against the performance indicators adopted to monitor such matters. All of the eight health-related agencies reviewed had some information on high level Occupational Health and Safety policies, but only one (Southern Health) including detailed information on performance indicators or performance against these indicators.

The 2007-08 Financial and Performance Outcomes Report included the following recommendation:⁵⁵⁵

All government agencies identify and report against the full range of performance indicators adopted to monitor Occupational Health and Safety matters as per the requirements of FRD 22B. The Department of Justice Annual Report 2008-09 Appendix G provides an excellent example of the type of clear and detailed response to this requirement the Committee expects to see.

The Government accepted this recommendation and noted that:⁵⁵⁶

DTF will incorporate disclosures based upon Appendix G from the Department of Justice Annual Report 2007-08 into the guidance material in the 2010 Model Departmental Report to provide a best practice example of best practice occupational health and safety indicators' disclosure.

The Committee is disappointed that as a result there has not been a greater level of best practice reporting against this element of FRD 22B, particularly by government agencies.

Recommendation 64: All government agencies report against the full range of performance indicators adopted to monitor Occupational Health and Safety matters as per the requirements of FRD 22B. The Department of Justice, Annual Report 2008-09 Appendix G provides an excellent example of the type of clear and detailed response to this requirement that the Committee expects would satisfy reporting to Parliament.

The Committee also noted that two departments and all eight health-related agencies reviewed did not clearly identify whether the amounts reported for consultancies were GST exclusive (a requirement of FRD 22B).

555 Public Accounts and Estimates Committee, *Report on the 2007-08 Financial and Performance Outcomes*, May 2009, Recommendation 70, p.454

556 Victorian Government, *Response to the PAEC report No.87, 2007-08 Financial and Performance Outcomes*, p.40

The 2007-08 Outcomes Report included the following recommendation:⁵⁵⁷

All departments and government agencies identify and report individually on each consultancy arrangement greater than \$100,000 as per the requirements of FRD 22B. The Department of Human Services Annual Report 2007-08 page 170 provides an excellent example of the type of clear and detailed response to this requirement the Committee expects to see.

The Government accepted this recommendation and noted that:⁵⁵⁸

DTF will incorporate disclosure based upon the Consultancy Register from the DHS Annual Report 2007-08 (Page 170) into the guidance material in the 2010 Model Departmental Report to provide a best practice example of disclosure about consultancies valued in excess of \$100,000 disclosure.

The Committee would like to see a greater level of compliance with this requirement of FRD 22B, particularly by government agencies.

Recommendation 65: All departments and government agencies identify and report against all of the specific requirements for disclosure of consultancies contained in FRD 22B. The Department of Human Services, Annual Report 2008-09 (page 159) provides an excellent example of a clear and detailed disclosure that the Committee expects would satisfy reporting requirements to Parliament.

The Committee also identified the following other specific areas of non-compliance by some health agencies:

- four health agencies did not disclose the workforce data for the prior year; and
- four health agencies did not include a summary of the entity's environmental performance.

Recommendation 66: All government agencies annually review their reporting responsibilities in relation to the Financial Management Act 1994, the Standing Directions and Financial Reporting Directions of the Minister for Finance, and put in place controls and appropriate quality assurance processes to ensure that all relevant requirements are addressed fully.

557 Public Accounts and Estimates Committee, *Report on the 2007-08 Financial and Performance Outcomes*, May 2009, Recommendation 71, p.455

558 Victorian Government, *Response to the PAEC report No.87, 2007-08 Financial and Performance Outcomes*, p.41

19.3.2 Performance reporting

The Committee's review of departments' and selected agencies' annual reports noted that a significant variety of approaches was taken to performance reporting. In assessing the quality of performance reporting, the Committee looked for:

- the integration of reporting of performance outcomes with the description of programs and projects undertaken;
- the inclusion of performance targets and measures to support departmental and agency achievements during the year;
- the provision of historical performance data for comparative purposes; and
- the quality of reporting within the context of the Government's *Growing Victoria Together* vision.

The overall quality of performance reporting against intended outcomes was varied. Some departments and agencies adequately integrated performance data with the strategic priorities and objectives they set out to achieve, such as those contained within *Growing Victoria Together* and the departments' and agencies' own corporate and business plans. However, the Committee noted that numerous departments and agencies did not do so. The Committee noted the following issues relating to the quality of performance reporting against intended outcomes in departments' and agencies' annual reports:

- few departments and agencies reported performance against milestones and targets when detailing various activities and projects they have undertaken; and
- planned objectives from activities and projects were rarely established. The provision of contextual information about objectives provides a focus against which performance outcomes can be measured.

The Committee also found that there were generally three approaches adopted to reporting performance data and details of performance outcomes:

- report chapters fully integrating performance data within the broader commentary around the achievement of strategic priorities and goals and objectives;
- presenting performance data in an initial chapter with commentary and discussion in subsequent chapters; and
- including performance data in the appendices after the financial report.

The Committee's review of annual reports found that the majority of departments and agencies chose to include performance data in the appendices to the annual report.

The Committee's review found that most departments provided reasonable explanations for significant variations from performance targets, although the Committee had to request further information from some departments. The Committee would like to see the explanations for such variations included in annual reports as a matter of course.

The Committee is of the view that while comparative historical data is not specifically required by the Standing Directions or Financial Reporting Directions, its provision does allow a comparable analysis of a department's or agency's performance over time.

Recommendation 67: All government departments and agencies that are required to report performance outcomes against targets specified in the State budget should provide specific detailed explanations for any variations of 10 per cent or more from target.

19.3.3 Timeliness of reporting

All Government departments and agencies are required by the *Financial Management Act 1994* to make their annual report available to Parliament within four months, or 18 weeks, of the end of the financial year to which they relate or on the first sitting day of Parliament after the end of October. Virtually all entities with a 30 June financial year reporting period tabled their annual reports prior to the deadline. The Committee noted that five agencies did not table their annual reports by the deadline.

The Committee's report *New Directions in Accountability* recommended that:⁵⁵⁹

Departments and public bodies should be required to table in Parliament their reports of operations and audited financial reports within a period of three months (or 13 weeks) after the end of the financial year to which they relate which would be in line with better practice in a number of other jurisdictions and ASIC requirements.

The Committee is pleased to note that the Public Finance and Accountability Bill 2009 proposes that the report of operations and audited financial statements of a department, 'category 1 public body' (a public financial corporation or a public body with assets and expenses equal to or greater than \$100 million and \$25 million respectively) and 'category 2 public body' (a public body with assets and expenses equal to or greater than or equal to \$5 million) be tabled in Parliament by 30 September each year.

19.4. Detailed findings of review

19.4.1 Departmental annual reports

Department of Education and Early Childhood Development

The Department of Education and Early Childhood Development's annual report is a good example of integrated reporting. The Committee is pleased to note that the Department has improved upon last year's annual report by integrating the financial and output performance data with the discussion of key achievements and future plans and challenges for each of the Department's key programs. However, further use of historical data would provide the opportunity for comparative reporting.

The Department's annual report clearly identifies the relevant *Growing Victoria Together* targets and reports current and historical performance (seven years of historical data) against these targets.

The report demonstrates a high degree of compliance with the legislative reporting requirements of the Financial Reporting Directions and Standing Directions under the *Financial Management Act 1994*. The only minor area for improved compliance reporting was workforce data disclosure. Under FRD 29, entities are required to report the headcount and full-time equivalent numbers for

559 Public Accounts and Estimates Committee, *New Directions in Accountability: Inquiry into Victoria's Public Finance Practices and Legislation*, June 2009, p.51

a range of employment categories. The Department has only provided headcount information for VPS staff. Headcount information should also be included for teaching staff and non-teaching staff employed in schools.

The Committee would like the Department to consider adopting the following points in future annual reports:

- provision of a minimum three years of historical output performance data wherever possible; and
- inclusion of targets or planned timelines to support and allow an informed assessment of key achievements and initiatives.

Department of Human Services

The Department of Human Services receives the largest amount of budget funding and hence is required to report a wide range of activities in the annual report.

The department changed the structure of the Report of Operations for the 2008-09 Annual Report. The Report of Operations is now based on the key functional areas of the Department's activities instead of being based on the Department's six objectives of its long-term strategy. This change has improved the alignment to the performance output data which is contained in the appendices to the report.

The 2008-09 Annual Report has a particular theme 'to improve people's lives'. For the five 'sub-themes' connected to the overall theme a number of stories are told that explain the work undertaken by the Department under each 'sub-theme' which is an interesting development.

The Committee identified that the Report of Operations continues to place a very strong focus on reporting program and project highlights rather than on a schema of performance reporting against outcome targets on the Department's success in delivering these programs.

The Committee would like the Department to consider adopting the following in future annual reports:

- use of historical performance data to enable readers to understand major trends affecting performance outcomes; and
- placing enhanced focus on performance reporting in the Report of Operations.

Department of Innovation, Industry and Regional Development

The Department of Innovation, Industry and Regional Development's annual report provides in its Report of Operations detailed commentary on its objectives, milestones and achievements during the year. This is based around a separate chapter on each of nine identified priority activities of the Department. More use of historical data would enable better comparative or trend analysis.

The Department has a detailed corporate plan in place which includes clear, quantifiable annual measures of success and longer-term measures of success, however, many of these are not reported on in the annual report.

The introductory chapters to the Department's annual report (Economic Context, Role and Structure of the Department and Strategic Objectives) provide an excellent overview of the Department and the environment in which it operates. These sections detail the role of the

Department in relation to the *Growing Victoria Together* visions and also describe how each of the operating divisions assists in the Department achieving its strategic objectives.

Much of the Department's detailed performance and outcomes information is contained in the appendices to the annual report. This made it more difficult to link the performance information with the commentary contained in the Report of Operations. The Committee noted that the Department provided explanations for variances of greater than 10 per cent in output cost, however, no explanations were provided for variances in output measures and targets. DIIRD was the only department not to include these variance explanations in its annual report. Further, the Department did not provide any historical performance data with which to analyse and compare performance.

The Committee would like the Department to consider adopting the following in future annual reports:

- inclusion of explanations for variances of greater than 10 per cent in output targets and measures;
- integration of performance data into the main body of the report to enable improved assessment of the Department's performance; and
- making use of historical performance data to support the reporting of performance.

Department of Justice

The Committee found the reporting of financial and performance outputs to be comprehensive. The Department's annual report includes a one-page summary of priorities for 2008-09 which was outlined in eight major focus areas along with an achievements snapshot section.

The Department's annual report includes a separate Reporting on Performance section. This section provides the most comprehensive analysis and discussion of performance included in any annual report reviewed by the Committee, including presentation of at least two years of comparative performance data and helpful introductory paragraphs providing context. The detailed discussion included in the Report on Performance section of the report presents a good example to all departments of effective performance reporting.

Department of Planning and Community Development

The Department of Planning and Community Development's annual report presents a good example of integrated performance reporting. The format used is concise and the presentation clear and consistent between the Department's various output groups. The performance output information was consistently integrated with detailed summaries of selected programs, explanations for variances and the identification of future priorities. The annual report was also aligned with corporate objectives and overall government objectives such as *Growing Victoria Together*.

Compliance with the legislative requirements of the Financial Reporting Directions and Standing Directions under the *Financial Management Act 1994* is of a high standard. The only minor area for enhancement is Occupational Health and Safety.

The Committee would like the Department to consider adopting the following point in future annual reports:

- incorporation of comparative performance data from at least three previous years.

Department of Premier and Cabinet

The Department of Premier and Cabinet's annual report is structured the same as last year's and focuses on detailing the key roles and activities of the various branches and offices within the Department, highlights the key achievements for the year, and outlines future plans, challenges and directions for 2009-10.

The Department's annual report also incorporates a detailed section on the performance, achievements and next steps for the Victorian Bushfire Reconstruction and Recovery Authority since its establishment following the 'Black Saturday' bushfires in February 2009.

The Committee would like the Department to consider adopting the following points in future annual reports:

- inclusion of relevant performance data to support the key achievements and actions detailed in the Report of Operations; and
- making greater use of historical data to support the reporting of performance.

Department of Primary Industries

The Department of Primary Industries' 2008-09 annual report is presented in two volumes (*Annual Report* and *Financial Statements and Appendices*).

The Report of Operations is well structured around the Department's six strategic objectives in the *Strategic Plan 2008-2011*. It also contains sections at the start of the report on the Year in Review and a Financial Review. The Year in Review provides cross-references to all places where projects and programs are mentioned in the main body of the report which is very helpful.

The content of the Report of Operations is informative, however, would benefit from a greater discussion on performance along with the inclusion of goals, objectives and performance targets associated with the strategies around which it is based.

The financial statements and appendices present all of the financial and performance data relating to the Department's activities. The output performance measures are clear and concise, with good explanations provided for performance variations. The report makes excellent use of two years of historical data to support the performance data provided in the appendices. The Committee is especially pleased with the use of historical data when reporting against output performance measures contained in the budget papers.

The Committee would like the Department to consider adopting the following points in future annual reports:

- inclusion of greater performance data in the Report of Operations; and
- inclusion of goals, objectives and performance targets associated with the strategies around which the Report of Operations is structured.

Department of Sustainability and Environment

The Department of Sustainability and Environment presented a clear account of its performance measures and outcomes. The Committee found that the separation of performance reporting into environmental, social and financial sections was very constructive and a helpful way to provide a clear picture of the Department's achievements.

The Report of Operations is detailed, with clear descriptions of each of the projects discussed, including key data such as costs and quantified data about what has been achieved along with a number of useful graphs and maps.

The Report of Operations could be improved by explicitly linking it to the strategic priorities listed in Department of Sustainability and Environment's corporate plan or to *Growing Victoria Together*, which would help show how the Department's programs fit into the big picture and the goals the Department is aiming to achieve.

The Committee would like the Department to consider adopting the following points in future annual reports:

- inclusion of historical performance data to enable the assessment of trends in performance; and
- inclusion of detailed references between the Report of Operations and the relevant performance information in the appendices.

Department of Transport

The Department's 2008-09 annual report changes the structure of the Report of Operations from prior years. The chapters have changed to a discussion of the Department's five priorities instead of a discussion of the seven outcomes the Department aims to achieve. This structure change has resulted in the Department reducing the amount of performance information in these chapters, such as on Public Safety and Security.

Output performance data are contained within the appendices to the annual report. An appendix chapter, comprising 19 pages, is clearly set out with brief introductory sections, including linkages to *Growing Victoria Together*, and detailed and clear explanations provided for variances from target.

The Committee would like the Department to consider adopting the following points in future annual reports:

- making further use of historical data to support the reporting of performance and enable any trends in performance to be assessed; and
- inclusion of greater reporting of outcomes achieved rather than statements of work undertaken.

Department of Treasury and Finance

The Department of Treasury and Finance's annual report is an excellent example of integrated performance reporting. The Report of Operations is concise, easy to read and structured around the Department's six output groups. Each output group contains a description of major outputs/deliverables, key projects and initiatives and a summary of output performance and the output data in relation to the Department's various output measures. The Department has also continued to make use of case studies to highlight the activities and achievements of key programs and initiatives in the Department. Use of historical data would assist comparative analysis.

The Committee would like the Department to consider adopting the following point in future annual reports:

- use of historical performance data to enable readers to understand major trends affecting output performance.

19.4.2 Government agencies' annual reports

Alfred Health

The annual report details various operational and financial outcomes covering access, activity and financial achievements during the year. Presentation and discussion of targets would have enhanced the information presented on agreed performance.

Alfred Health did not report on performance indicators adopted to monitor Occupational Health and Safety matters as required by FRD 22B (Standard Disclosures in the Report of Operations) and as recommended by the Committee (Recommendation 70) in the *Report on the 2007-08 Financial and Performance Outcomes*.

Austin Health

Austin Health presented one of the more comprehensive and complete annual reports of all the eight health related agencies reviewed. The report provides key performance data for the current year and four previous years with graphic presentation of each key performance area along with a brief analysis on the results. The annual report also includes the current year's performance achievements compared to established benchmarks or performance targets.

The Committee also noted that the full set of financial statements was made available separately to the annual report.

The Committee considers that there is some scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular the inclusion of:

- workforce data for the previous period;
- summary of environmental performance; and
- financial statements in the body of the report.

Barwon Health

The Highlights and At A Glance Sections appear prominently at the front of the Barwon Health annual report and provide a good snapshot of the achievements and key performance results for the year. The report provides key performance data for the current year and four previous years with graphic presentation on the key performance areas. The report also provides a Performance Indicators section and a 5 Year Snapshot section.

The Committee considers that there is some scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular the inclusion of:

- workforce data for the previous period; and
- summary of environmental performance.

Eastern Health

Eastern Health's annual report was the only health agency reviewed by the Committee to directly report performance of individual hospitals under its charge. These performance results were presented in a graphical format. The provision of historical performance data would have helped the reader to compare and analyse achieved performance.

The Committee notes that the section on Occupational Health and Safety should include performance indicators adopted to monitor such matters or outline the agency's performance against any such indicator, as required by FRD 22B and as recommended by the Committee (Recommendation 70) in the *Report on the 2007-08 Financial and Performance Outcomes*.

Melbourne Health

Melbourne Health's annual report includes a detailed section on each of its five goals. This highlights the key achievements against each of the goals during the year. Performance reporting would in the Committee's view be enhanced by inclusion of comparative historical data.

The Melbourne Health annual report also includes a section on environmental performance across various categories of water savings, waste and energy consumption, including comparing performance to the previous year.

The Committee considers that there is some scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular the inclusion of:

- performance indicators adopted to monitor Occupational Health and Safety matters and an outline of the agency's performance against such indicators; and
- workforce data for the previous period.

Royal Children's Hospital

The Royal Children's Hospital's annual report provides a generally brief treatment of its activities, programs and achievements against established targets for the reporting period compared to other agencies. The financial statements comprises over 70 per cent of the annual report.

The report includes details regarding actual service performance achieved during the year for different service categories, such as elective surgery, mental health and access performance. Additional disclosure of performance targets and the provision of comparative historical data would have enhanced the presentation.

The Committee notes that the section on Occupational Health and Safety should include performance indicators adopted to monitor such matters or outline the agency's performance against any such indicator, as required by FRD 22B and as recommended by the Committee (Recommendation 70) in the *Report on the 2007-08 Financial and Performance Outcomes*.

Southern Health

Southern Health presented one of the more comprehensive and complete annual reports of all the eight health-related agencies reviewed. Key performance data for the current year and four previous years are included along with a number of graphic indicators on how performance, in terms of patient numbers and elective surgery operations, compared with the previous four years.

The Committee considers that there is scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular, the disclosure of consultancies over \$100,000 by including a summary of the project involved, total expenditure for the reporting period and future commitments relating to the consultant.

Western Health

Western Health's annual report includes a separate sub-section covering each of its five priorities. These sub-sections detailed Western Health's main achievements in meeting these five priorities during the year.

The annual report details performance achieved during the year associated with activity and access levels, particularly around patient numbers, types of admissions, elective surgery and emergency department performance. Additional disclosure of performance targets and the provision of comparative historical data would have enhanced the presentation.

The Committee considers that there is scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular the inclusion of:

- a schedule detailing the consultants engaged and a brief summary of the project involved for consultancies valued in excess of \$100,000;
- workforce data for the previous reporting period;
- a summary of significant changes in financial position; and
- a summary of environmental performance.

19.4.3 Independent Officers of Parliament annual reports

Ombudsman Victoria

The Report of Operations is structured into four chapters based on the types of reviews which the Ombudsman undertook during the course of the year. Each chapter of the Report of Operations includes a number of real case study examples of complaints received by the Ombudsman during the year and the outcome of the Ombudsman's investigations.

The output performance information is included in a separate 'statistics' chapter in the annual report. The chapter provides good, clear and succinct explanations of variances in performance measures to assist with their interpretation. Further, the statistics chapter in the annual report includes numerous other non-output performance statistical information.

The Committee considers that there is scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations), in particular the inclusion of:

- a summary of financial results for the preceding four reporting periods and a summary of significant changes in the financial position; and
- performance indicators adopted to monitor Occupational Health and Safety matters and the agency's performance against any such indicators.

Electoral Commissioner

The Electoral Commissioner's annual report presents as an example of integrated financial and performance reporting. Each main area covered in the annual report presents an initial one-page overview. Each overview includes opportunities, objectives, highlights and the outlook for 2009-10.

The front of the annual report presents a snapshot section which presents five years of performance data against key indicators, together with a series of summarised highlights under key areas covered in detail throughout the report.

The Committee considers that there is scope for improved reporting against FRD 22B (Standard Disclosures in the Report of Operations). In particular, the inclusion of the name of consultants engaged for disclosure of consultancies over \$100,000.

