

# Review of Departmental Reports



*Committee Office Scrutiny Unit*



# Overview

- Media criticism
- What to look for in a Departmental Report
- Key findings from 2005 reports
- Common failings
- Good practice
- Areas identified for improvement
- Scrutiny Unit activity



# Media criticism

***“A climate of spin, double-counting, low staff morale and weak leadership were also highlighted.”***

The Times (26 Jan 2006)

***“The department was “well intentioned but sluggish and sometimes muddled“.***

***The department is “falling short of the high standards of coherence and transparency we expect to see in its annual report.”***

Public services (3 May 2006)

***“The failure to disclose fraud, mismanagement, incompetence, adverse reports by independent consultants, indeed wilfully trying to cover up this catalogue of failure from the public and Parliament.”***

The Guardian (8 March 2006)



# What to look for in a Departmental Report

- General aims and objectives
- Public Service Agreement (PSA) targets – 2004 spending review
- Efficiency gains
- Investment strategies
- Core financial tables
- Report on better regulation
- Other information in the public interest



# Key findings from 2005 reports

- Analysed 21 DRs published in June 2005
- Some common deficiencies
  - Lack of information/detail
  - Confusing presentation
- Some good practice
  - Summary tables
  - Systematic approaches



# Common failings: *financial reporting*

- Figures presented in core tables, but lack of explanation on key variances
- Failure to link expenditure to objectives
  - Can't judge whether PSA targets met at reasonable cost or not
- Lack of cost-benefit analysis of initiatives entered into during year
  - Can't determine the value for money



# Common failings: *efficiency agenda*

- Lack of detail regarding some efficiency initiatives
- Other initiatives described, but only small savings
- No progress report for some initiatives identified in Efficiency Technical Notes



# Common failings: *assessment of performance against targets*

- Data underpinning many targets can be subject to uncertainty
  - Where admitted, it is a problem
  - Where not admitted, even more concerning





# Common failings: *assessment of performance against targets*

- Difficult to follow logic of assessments
  - No reference to figures
  - Lack of data as agreed in technical notes – use undefined internal evaluations instead
  - Assessed as “on course” despite decline from baseline
  - Assessed as “on course” despite currently being “too early to say”



# Common failings: *commentary on performance against targets*

- Commentary on performance often lacking
- Particularly regarding slippages
  - Need to know why these happened to judge whether serious problem or blip
- Insufficient discussion of future initiatives designed to improve performance



# Good practice

- Linking expenditure to objectives
  - Core financial tables split spending by objective
- Assessments of progress towards targets
  - Summary assessment tables/traffic lights
  - Systematic approach to making assessment
  - Future required trajectories



# Good practice

- Commentary on performance
  - Explanations of performance and lessons learned
- Reconciliation of targets
  - Summary tables mapping targets over time



# Areas for improvement

- Documents need to add value – not simply adhere to guidance
- Should provide sufficient information in most accessible manner
- Balanced reporting



# Areas for improvement

- Notes accompanying core tables
- Direct linking of expenditure/resources to outcomes/targets (at objective and initiative level)
- Comprehensive discussion of progress on efficiency and reconciliation with ETNs
- Full information regarding quality of data



# Areas for improvement

- Consistently expressed and logical assessments
- Details of information outside of measures described in technical notes
- Full commentary on past performance and discussion of future initiatives
- Reconciliation of current objectives and targets and of targets over time



# Scrutiny Unit activity

- Influenced Treasury guidance
- Disseminated best practice
- Held seminars with Treasury and Whitehall officials across all departments
- Providing expertise and support
- Follow up report in the Autumn