

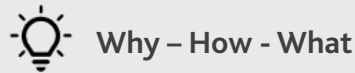
TELLING YOUR ORGANISATION'S STORY



Statement of Service Performance (PBE FRS-48)

The Tier 1 and 2 Service Performance Reporting standard (PBE FRS 48) is less prescriptive and more flexible than the Tier 3 and Tier 4 standards. Rather than specifically defining and referring to outcomes and outputs, the standard provides a set of principles to be used by a charity in deciding what should and should not be reported. This may be less or more depending on the size of the charity.

What needs to be reported?



Why – How - What

The information must tell the reader:

- ▶ Why the charity exists
- ▶ What it wants to achieve
- ▶ How it wants to do that in a general sense
- ▶ What the charity actually did during the year to move closer to these goals

Why does the charity exist?



Joined-up Thinking

One of the keys to writing an informative and useful statement of service performance (SSP), is being clear on why the organisation exists, what it is attempting to achieve, and what strategies it will adopt to achieve its aims. The clearer and more 'joined up' the thinking and planning, the easier it is to report on.

The standard describes several places from which the information can be drawn, including the charity's;

- ▶ Constitution
- ▶ Trust Deed
- ▶ Mission Statement (its vision and purpose)
- ▶ Planning and Strategic documents including Key Performance Indicators (KPIs)

Vision Mission

Strategies

Monthly KPI Reporting

Annual summary of KPI's/strategies employed = SSP

The SSP should be clearly linked to the organisation's key performance indicators (KPIs). That is, those key measures that show whether the organisation is achieving its aims or not.

The SSP provides context to the financial activities during the year. It will help the reader of the financial report assess the decisions made by the charity and whether they believe it has been effective in working towards its goals.

What did the charity do during the year?



Actual vs planned performance

- ▶ What did we plan to do? – As per budget or other planning documents
- ▶ How well did we meet our plans? – Comparison of actual activities to plan
- ▶ Why were there differences (if any)? – Explain what happened to make actual activities different than expected

What service performance information should be presented and how?



A mix of significant & meaningful measures to tell your story

PBE FRS 48 is very flexible in what kind of information can be reported and how it is reported. A charity is encouraged to select a mix of information it believes is meaningful for readers of its financial statements. This also includes choosing the right amount of information to report. Graphical presentation can often be an innovative and much more attractive and successful means to quickly tell your organisation's story.

A charity should report enough information to understand what it has done overall but not so much that the reader is overwhelmed with detail. It need include only the outputs that are significant to the performance of the entity. It is not expected to be a detailed account of everything the entity does.

Selecting the right things is important as all information reported should be relevant. It should provide the right information for a reader to understand the context in which to read the financial statements. It should also include a mix of both positive and negative factors so that it faithfully represents where the charity has succeeded and where it intends to improve.

PBE FRS 48 does require that service performance information be reported consistently. If a charity changes what it reports, or how it reports its service performance information, it must explain the nature of those changes and the effect on the current period's service performance information.

Information reported can include:

- ▶ Quantitative Measures – For example, how much of something was provided or a change in a rating or score expressed as a number.
- ▶ Qualitative Measures – For example, compliance with a best practice standard or a rating that is expressed in words.
- ▶ Qualitative Descriptions – For example, testimonials by others or detailed observations made about the charity.

Example: Fred Hollows Foundation NZ - <https://www.hollows.org.nz/about/performance-reports>

