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2010 / 11

**CROWN  
CORPORATION  
ANNUAL REPORT  
GUIDELINES**

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March 2011

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# INTRODUCTION

The *Budget Transparency and Accountability Act* (BTAA) provides the legislative framework for planning, reporting and accountability for government organizations. The BTAA stipulates that three-year service plans and annual reports for Crown corporations must be made public annually.

Annual reports compare the actual results for a fiscal year with the expected results as identified in the service plan for that fiscal year. The annual report should increase the reader's understanding of the core business of the Crown corporation, the services provided, the actions planned and the results achieved. It should include sufficient detail and explanation to give the reader confidence in the completeness and accuracy of the financial and performance information presented.

An annual report is the Crown corporation Board of Director's document, as the Board is ultimately accountable for the Crown corporation's performance and success in achieving the results documented in the service plan. However, because the Minister responsible for the Crown corporation is required under the BTAA to table the annual report in the Legislature, the Minister will review and provide input into the report prior to it being finalized, and must approve the final version. To assist the Minister Responsible in this review, Cabinet Operations and/or Ministry staff will review the report and provide feedback to the Crown corporation and the Minister Responsible. (See appendix A for a listing of which Crown corporation reviews are led by Cabinet Operations and which by Ministry staff.)

Annual reports may also be reviewed by the Office of the Auditor General, the Select Standing Committee on Crown corporations, and the Select Standing Committee on Public Accounts.

## **New for 2010/11**

- The Crown Agencies Resource Office (CARO) will be available to review copies of Crown corporation annual reports at the request of the ministries responsible.

## **Areas of Continuing Emphasis**

- More detailed subsidiary reporting – see section A8.

<b>KEY DATES</b>		
	<b>Crown Corporations with December 31 Year-end</b>	<b>Crown Corporations with March 31 Year-end</b>
<b>Date* for Crown corporation to submit draft annual report to Cabinet Operations (for commercial Crowns)/Ministry staff for review</b>	April 8	May 13
<b>Date for Cabinet Operations/Ministry staff to provide feedback to Crown corporation</b>	April 13	May 18
<b>Date for Crown corporation to submit revised draft to Cabinet Operations/Ministry staff for review</b>	April 20	May 24
<b>Date for Cabinet Operations/Ministry staff to provide feedback to Crown corporation on revised draft</b>	April 22	May 27
<b>Date* for Crown corporation to submit draft annual report to Minister Responsible for review</b>	April 29	June 3
<b>Final date** for Crown corporation to submit final Board and Minister approved annual report electronically to Cabinet Operations staff</b>	May 24	June 23
<b>Final date** for Crown corporation to submit final annual report to Minister Responsible for tabling</b>	May 27	June 24
<b>Date annual report made public</b>	May 31	June 28 – 30 (exact date of Public Accounts to be announced)

\*These are the latest dates for submission of drafts.

\*\* Crown corporations can send the final copies to Cabinet Operations and to the Minister's Office prior to this date, and the Minister can file a copy with the Clerk's Office prior to Public Accounts being released.

## Purpose of Guidelines

The purpose of the Crown Corporation Annual Report guidelines is to:

- advise Crown corporations on the information that should be included in their 2010/11 annual reports; and
- assist Crown corporations to develop annual reports that are consistent with their 2010/11 – 2012/13 service plans, the intent of the BC Reporting Principles, the requirements of the BTAA, the annual reports of other Crown corporations, and best practices.

These guidelines apply to the commercial and service delivery (taxpayer-supported) Crown corporations listed in Appendix A.

## Definitions

The following definitions have been specifically adopted for the purpose of these guidelines:

- **Crown corporations** are government organizations that are within the Government Reporting Entity and subject to the BTAA. Crown corporations are required to prepare annual reports unless exempted by the Lieutenant Governor in Council.
- **Subsidiaries of Crown corporations** are also government organizations within the Government Reporting Entity and subject to the BTAA. Crown corporations must report on their subsidiaries either in the parent organization's annual report or file a separate annual report for each subsidiary.
- **Operating segments** include business units, or other components of a Crown corporation:
  - that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same organization);
  - for which discrete financial information is available; and
  - where revenues, profits (or losses), or assets are ten percent or more of the organization's total revenues, profits (or losses) or assets.

Crown corporations are expected to report on the financial results of operating segments in their annual reports.

See Sections A8 and A9 for a full list of subsidiary and operating segment annual report disclosure requirements.

## BC Reporting Principles

1. EXPLAIN THE PUBLIC PURPOSE SERVED
2. LINK GOALS AND RESULTS
3. FOCUS ON THE FEW, CRITICAL ASPECTS OF PERFORMANCE
4. RELATE RESULTS TO RISK AND CAPACITY
5. LINK RESOURCES, STRATEGIES AND RESULTS
6. PROVIDE COMPARATIVE INFORMATION
7. PRESENT CREDIBLE INFORMATION, FAIRLY INTERPRETED
8. DISCLOSE THE BASIS FOR KEY REPORTING JUDGMENTS

The BC Reporting Principles have been adopted by the BC government as a methodology for performance planning and reporting for ministries and Crown corporations. Since 2003/04, all ministries and Crown corporations have been required to incorporate the reporting principles into their service plans and annual reports. Crown corporation annual reports are subject to review against these principles by the Office of the Auditor General and the Legislature and its Committees.

The eight reporting principles are not intended to form the outline of a service plan or annual report. They are an approach to presenting information, and should be incorporated generally throughout the body of the plan or report, rather than each principle being reported on separately. Incorporating the reporting principles consistently into annual reports gives readers additional confidence in the relevance and reliability of the information being presented, and a better understanding of what the organization has accomplished and why.

If you are unfamiliar with the Reporting Principles, you can find detailed information and examples of the use of the BC Reporting Principles available at <http://www.gov.bc.ca/caro/publications/index.html>. For examples of the Office of the Auditor General's use of these principles in the past for reviewing annual reports, see the Building Better Reports series on the Office of the Auditor General website (<http://www.bcauditor.com/pubs/subject/governance-%2526-accountability>).

## A. MINIMUM CONTENT REQUIREMENTS

This section provides an overview of the key elements to be included in each Crown corporation's 2010/11 annual report. A checklist is provided in Appendix B so that Crown corporations and ministry staff reviewing annual reports can compare draft reports with the minimum content requirements.

### Minimum Content Requirements for 2010/11 Annual Reports

1. MESSAGE FROM THE CHAIR TO THE MINISTER RESPONSIBLE (INCLUDING ACCOUNTABILITY STATEMENT)
2. TABLE OF CONTENTS
3. ORGANIZATIONAL OVERVIEW
4. CORPORATE GOVERNANCE
5. REPORT ON PERFORMANCE
6. PROGRESS AGAINST SHAREHOLDERS' LETTER OF EXPECTATIONS
7. FINANCIAL REPORT
8. INFORMATION ON SUBSIDIARIES AND OPERATING SEGMENTS
9. CONTACT INFORMATION

Crown corporations should ensure that the minimum content requirements listed in these guidelines are included in their annual reports, rather than by link to their websites, and that the reports adhere to the definitions and general directions included in these guidelines. Using the formats, headings, order and templates noted in these guidelines adds to the comparability of annual reports to those of other Crown corporations, as is required by the BTAA.

The minimum content requirements list is not intended to prevent Crown corporations from including other information they consider necessary for transparent and comprehensive reporting. However, Crown corporations should keep in mind the need to keep annual reports concise.

### 1. Message from the Board Chair to the Minister Responsible

The intent of this message is to provide a high-level summary (similar to an executive summary) to the Minister and the public of the key elements of the Crown corporation's annual report from the perspective of the Board. The message should include:

- an overall assessment of the Crown corporation's financial position at year-end (total revenues, expenditures, and net income for the year just finished, significant variances from budget and from previous year);
- significant performance outcomes for the year;

- any significant variations from service plan targets;
- major developments or changes during the year and/or new policy direction since the Shareholder’s Letter of Expectations was finalized;
- significant market and industry issues that affected performance during the year;
- major risks and opportunities, challenges and successes encountered during the year, and their effect on performance;
- future outlook, including how the organization plans to address recent policy direction, industry or market trends, and potential financial or performance variances from budget or targets; and
- the accountability statement.

The message should be signed by the Board Chair, on behalf of the Board.

Crown corporations are required to include an accountability statement in their annual reports as part of the Message from the Chair. Accountability statements affirm the Board’s responsibility for the contents of the annual report, and provide assurance to the reader on the accuracy, completeness, and reliability of the information contained in the annual report.

The accountability statement should include the following points:

- confirmation that the report was prepared in accordance with the BTAA and the BC Reporting Principles;
- confirmation that the Chair/Board is responsible for the information contained in the report;
- a statement regarding the completeness and accuracy of the information included in the report;
- a statement regarding the Chair/Board's confidence in the financial and performance-based information included in the report; and
- the basis on which the information is prepared and any limitations that apply to it (including changes in information or presentation from the previous year).

## **Example Accountability Statement**

*The 2010/11 [Organization XX] Annual Report was prepared under [my] [the Board's] direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. [I am][The Board is] accountable for the contents of the report, including what has been included in the report and how it has been reported.*

*The information presented reflects the actual performance of [Organization XX] for the twelve months ended [December 31, 2010] [March 31, 2011] in relation to the service plan published in March 2010.*

*[I am][the Board is] responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion.*

*All significant assumptions, policy decisions, events and identified risks, as of [date], have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures or targets made since the 2010/11 – 2012/13 service plan was released and any significant limitations in the reliability of data are identified in the report.*

*Signature  
Board Chair*

**Note:** Government recognizes that annual reports are often prepared by the CEO and staff under the Board's direction. Accordingly, Boards have the option of revising the sample accountability statement above to reflect the process by which the Board has reviewed and approved the draft report prepared by management.

## **2. Table of Contents**

The Table of Contents should list each of the sections in the annual report, including any elements such as the message from the Board Chair to the Minister Responsible that may appear before the Table of Contents page.

## **3. Organizational Overview**

This section should provide a succinct overview of the organization's business, the public purpose served by the organization, and the services provided.

Contents of this section should include:

- enabling legislation;
- legislated mandate;
- vision;
- values;
- the organization's core business areas;
- what overall benefit or service (jobs, social benefits, revenue for other programs, etc.) the organization provides to the public;
- principal partners, clients and stakeholders;
- how the services are delivered (*i.e.* by the organization or by a partner/third party). If services are delivered by a third party or under an alternative service delivery arrangement, an explanation of what the delivery mechanism is, and how the organization ensures the services are delivered appropriately, should be included; and
- location of operations.

Crown corporations are encouraged to add a hyperlink to documentation on their websites if they would like to provide additional information on any aspects of the organizational overview.

*Example Showing Succinct Overview of Core Business Areas*

FORESTRY INNOVATION INVESTMENT			
Program Operations Market Initiatives and Outreach		Corporate Support	China Subsidiary
Market Access	Market Acceptance and Advocacy	Financial Reporting	Government Liaison
Business Innovation	Environmental Credentials of B.C. Forest Products	Budget Planning and Controls	Market Research
Product Development and Technical Research	B.C. Sustainable Forest Principles	Human Resources	Demonstration projects including Canada-B.C. Wenchuan Earthquake Reconstruction Project
Market Research and Analysis	Green Building	Office Services	Promotion

Forestry Innovation Investment Annual Report 2009/10

#### 4. Corporate Governance

This section should provide information on the organization's system of governance including:

- the role and membership of the Board of Directors;
- the role and membership of each Board Committee;
- the names and job titles of senior management of the organization;
- the organization's governance principles; and
- key accountability relationships with Ministers, ministries, and any other significant reporting relationships.

For subsidiary governance reporting, see section A8.

Crown corporations are also required to disclose in their annual reports:

- whether or not the Board governance information on their websites includes all information required by the Board Resourcing and Development Office's board governance disclosure requirements as listed in Section 3 of the Best Practice Guidelines Governance and Disclosure Guidelines for Governing Boards of BC Public Sector Organizations. (The Best Practice Guidelines can be referenced at

- <http://www.fin.gov.bc.ca/brdo/governance/index.asp>. See pages 33-41 of the Best Practice Guidelines for the list of disclosure requirements); and
- a hyperlink to the organization's full board governance disclosure on the Crown corporation's website.

## 5. Report on Performance

The purpose of this section of the annual report is to provide the reader with a clear understanding of what the organization's operational results were compared to what it intended to accomplish during the year.

To achieve this, the following information should be included in this section:

1. The goals, strategies, performance measures and targets established for the 2010/11, 2011/12 and 2012/13 fiscal years, as documented in the 2010/11 – 2012/13 service plan released in March 2010.
2. An explanation of any changes made to goals, strategies, performance measures, and targets since the 2010/11 service plan was published, and the reasons for the changes.

(Where a measure or target has been dropped and a new one substituted since the service plan was published, the Crown corporation should disclose both the old and the new measure or target, explain why it was changed, and report results against the new measure or target.

3. Actual results for each target for the 2008/09, 2009/10, and 2010/11 fiscal years.
4. The reasons for any significant variances (both negative and positive) between the 2010/11 service plan targets and actual results achieved. Variance discussions should include documenting what actions were taken or are planned to remedy adverse variances or enhance positive variances.

If there are significant variations from results of previous years, or results expected in future years, the reasons for these variances should also be explained.

5. An explanation of why the goals, strategies and measures the organization chose to report on are of critical importance to the organization, and how they relate back to the organization's mandate.
6. An explanation of:
  - why the specific target levels (the dollar amounts, numbers, percentages, timing/deadlines) included in the report were chosen (i.e. were they based on

benchmarks, industry standards, past performance, client demand or trend analysis?), and

- how they helped to demonstrate the organization's success in achieving its goals.
7. Benchmark comparisons, including results for similar organizations, industry standards, or established best practices compared to the organization's actual results (where comparable information is available). Variance analysis should include an explanation of any differences between benchmarks from other organizations and the corporation's performance measures that readers should take into account in assessing results.

If no comparable benchmark information has yet been identified, this should be disclosed, and research and progress made in identifying suitable benchmarks documented. Further guidance on the use of benchmarks is included in Appendix E of the Service Plan Guidelines (<http://www.gov.bc.ca/caro/publications/index.html>).

8. Information on performance management and reporting systems including:
- a description of the source of the data used for each performance measure (internal computer systems, third party sources, audited financial statements, manual systems, estimates, calculations made to produce the data, etc);
  - a discussion of what management has done to ensure that its performance measurement source data is accurate and can be relied on (i.e. reviewed by internal audit, strong internal controls, testing and documentation of systems, outside verification, verification of third party information, etc); and
  - an explanation of any limitations to the accuracy and reliability of the data for each measure (use of estimates, etc).
9. Economic and industry factors, trends, opportunities and challenges that had a significant impact on performance.
10. The significant risks and capacity issues that had an effect on performance during the year and how these were managed. Risk and capacity disclosure should be as specific as possible and should include:
- a list of the significant **risks and opportunities** (e.g. skills shortages, technological change/updated technology, dependence on major suppliers or customers, emerging markets, environmental risks, regulatory issues, changes in access to markets, etc.) that impacted the organization's performance during the year;
  - what the effect was on results;
  - how the organization addressed or mitigated risks or pursued opportunities to improve performance; and

- an explanation of whether the organization had the **capacity** (staffing and funding levels, technology, etc.) to meet its objectives during the year, and if not, what changes were made or are planned to address capacity gaps.

Note: Risk and capacity information in the annual report should not simply duplicate the information from the service plan, but should document what the actual effect of realized risks and capacity gap were on results. Further guidance is provided in Appendix F of the Service Plan Guidelines <http://www.gov.bc.ca/caro/publications/index.html>.

***Example Showing Measure, Target and Results, Importance of Measure, Benchmark Comparison, and Sources of Data***

**MEASURE 4: Reportable Environmental Incidents**  
 This measure tracks BCTC's environmental performance against the environmental standards and regulations set by various regulatory agencies.

Measure	Actual				Target			Results
	F06	F07	F08	F09	F09	F10	F11	
Reportable Environmental Incidents	12	13	9	12	10	19	19	Did not meet target

**Performance Analysis**  
 This year, BCTC did not meet its target for reportable environmental incidents. As a result of unforeseen revisions to the Federal Polychlorinated Biphenyls (PCB) regulations enacted in September 2008, unexpected reporting requirements were introduced which were not contemplated in the setting of BCTC's Reportable Environmental Incident target for F2009. In light of the new regulations, BCTC will conduct an asset condition assessment to mitigate issues related to oil-filled equipment with varying PCB concentrations. BCTC will identify actions to mitigate releases, monitor leaks and prioritize equipment for repairs or replacement which will respond to the new regulations. BCTC has also adjusted the target for this measure to reflect an expectation of increased number of reportable environmental incidents due to more stringent PCB criteria.

**Importance of the Measure**  
 The measure focuses BCTC on minimizing environmental incidents, reflects BCTC's guiding principles for environmental responsibility and supports the 2007 Energy Plan's focus on environmental leadership.

**Benchmark Comparison**  
 The CEA environmental benchmarking studies measure the volume of spills, not the frequency of reportable incidents, making a direct comparison challenging. Adding to this issue, standards for environmental incident reporting can vary by province. As a result, BCTC uses historical performance data and root cause analysis to determine areas for improvement.

**Data Source/Reporting Period**  
 BCTC monitors and reports any incidents according to provincial and federal environmental reporting requirements. The reports provide a source of data with which to analyze BCTC's performance on this measure. In addition, as BCTC's primary service provider, BC Hydro reports on its environmental compliance measure separately. All incidents are reported on a fiscal year basis. Limitations in data for this measure could include missed or inaccurate recording of an environmental incident.

### *Example Showing How Target was Determined*

BC Assessment has set targets that push the organization to achieve annual three-point increases in the employee engagement survey result for the years 2009, 2010 and 2011, and allow for a single point increase from 2011 to 2012 to acknowledge limitations on the likely degree of improvement across the organization once that level is reached.

BC Assessment Annual Report 2009/10

### *Example Showing Progress in Identifying Benchmarks.*

Comparisons of British Columbia's performance, on two key measures in this report, and performance in four other Canadian jurisdictions are shown on the facing page. The measures and results cited are the most closely comparable ones publicly released as this report was prepared.

Given varying overall participation levels, results are shown as percentage increases. Possible variations in definitions and tracking mean these should be treated as order-of-magnitude comparisons.

External benchmarking had limited application in developing the measures and targets in this report, although targets are informed by internal benchmarking against performance in previous periods. Benchmarking is more widely applied in the context of system-wide funding allocations and performance management relating to service-delivery partners.

During 2009/10, the ITA decided to adopt a standard national methodology to track apprenticeship completion rates, involving an 11-year cohort rather than a six-year cohort. Use of the new methodology will begin in 2010/11 and provide a further benchmarking opportunity on this important aspect of performance (reported as part of the ITA's monthly statistics reports).

Industry Training Authority Annual Report 2009/10

### *Example Showing Sources of Data and Management's Assessment of Data Reliability*

**PM.2** This measure is based on the actual number of titles published or in progress of publication from April 1, 2009 to March 31, 2010. (Titles in progress of publication were submitted by the author to the publishing agency prior to March 31, 2010. Publishing priorities and scheduling influence the exact date of publication release, factors outside the control of the author and the Royal BC Museum.) We emphasize publishing in peer-reviewed publications. This data is reliable and verifiable by direct inspection.

**PM.3** The data for PM.3 is collected by our entrance procedures and website statistics for the period April 1, 2009 to March 31, 2010. This data is tightly controlled and is reliable.

*Example Showing Risk Issues and How Resolved*

Table 1 Key risks, 2008/2009		
Issue	Risks	Key responses
<b>Lawyer recruitment and retention</b>		
<ul style="list-style-type: none"> <li>Legal aid plans across Canada continue to face lawyer attrition and greying of the private bar.</li> </ul>	<ul style="list-style-type: none"> <li>Demographics and attrition threaten lawyer supply, resulting in LSS being unable to provide representation for every eligible client.</li> </ul>	<ul style="list-style-type: none"> <li>LSS launched a project to pilot strategies to attract and retain lawyers, with reduced scope due to fiscal constraints.</li> <li>LSS introduced tariff measures to encourage articulated student involvement in legal aid work. (See Goal 4, page 21)</li> </ul>
<b>Integrated approach</b>		
<ul style="list-style-type: none"> <li>As part of legal aid renewal, LSS is piloting projects that will enable LSS and other service providers to work together to help clients address their legal needs in a broad social context.</li> </ul>	<ul style="list-style-type: none"> <li>The society's reliance on partner agencies to pilot an integrated approach may lead to failure of the model if partners have insufficient human/financial resources or different mandates.</li> </ul>	<ul style="list-style-type: none"> <li>LSS worked with justice system partners on the Justice Access Centre and Downtown Community Court projects, which are piloting the integrated justice model. (See Goal 3, page 16)</li> <li>LSS significantly reduced budgets for legal aid renewal projects in response to fiscal constraints.</li> <li>LSS communications and outreach initiatives promote the need for sustainable funding for legal aid and health/social services, and the benefits of taking an integrated approach. (See Goal 1, page 13, and Goal 4, page 22)</li> </ul>
<b>Public awareness and support</b>		
<ul style="list-style-type: none"> <li>Public support for legal aid remains high (94% in March 2009), and a majority of BC residents believe current funding levels are inadequate. However, this level of support has not resulted in sufficient funding to sustain legal aid services.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of recognition of strong public support for legal aid services limits the society's access to public funding and the ability to promote justice reform.</li> </ul>	<ul style="list-style-type: none"> <li>LSS continues to build support for legal aid among elected and public officials and other community leaders. (See Goal 4, page 22)</li> <li>Communications, outreach, and collaborative projects help build awareness of and support for legal aid in client communities and the public. (See Goal 1, page 13)</li> </ul>

Legal Services Society Annual Report 2008/09

## 6. Shareholder's Letter of Expectations

This section of the annual report should disclose the Crown corporation's actions to address government's mandate direction as documented in the Shareholder's Letter of Expectations for **2010/11**, including:

- for each of the specific points in the Corporate Accountability section, what actions were taken in the year just ended to address this direction;
- the organization's actions toward addressing government's climate change and carbon neutrality initiatives; and

- actions to address any other specific direction received from the Shareholder during the year.

*Example Showing Progress Against SLE*

Action	Progress
Continue to explore options and maximize private sector revenue for the public facilities owned/managed by the Corporation, and minimize reliance on government funding.	PavCo is working with the Convention Centre's commercial lessor to ensure maximum use of tenant space and tenant mix. PavCo is seeking third party revenues and new business opportunities to maximize utilization of its operating facilities. A long-term agreement to lease lands to the west of BC Place for redevelopment has been finalized.
Effectively manage the Convention Centre expansion project budget, schedule and related activities to ensure timely delivery of the project within its established cost to the public, specifically to complete the project on or under the \$883.2 million budget, and before or on March 15, 2009.	The Convention Centre expansion was substantially completed on time and opened on April 3, 2009. Renovations to the Convention Centre's east facility will be complete in summer 2010. The expansion project has recorded savings of \$42 million.
To implement and manage an effective revenue generation program in accordance with direction from the Shareholder.	Revenue generation targets for the expansion of the Convention Centre have been surpassed. PavCo is seeking opportunities for BC Place leading up to its re-opening in summer 2011, including Naming Rights and new events.
Comply with the Shareholder's requirement to make the public sector carbon neutral by 2010.	The Convention Centre received LEED platinum designation from the Canada Green Building Council, and continually works to minimize carbon emissions during operations.

BC Pavilion Corporation Annual Report 2009/10

## 7. Financial Report

This section of the annual report should include the following elements:

- Management Discussion and Analysis;
- Statement of Management Responsibility;
- The Auditor's Report;
- Audited Financial Statements; and
- Accompanying notes on the financial statements.

These guidelines focus on the Management Discussion and Analysis segment. The other elements should be prepared in accordance with Generally Accepted Accounting Principles and should be consistent with requirements of the *Financial Information Act*.

## Management Discussion and Analysis (MD&A)

Together with the audited financial statements, the MD&A should enable readers to assess the organization's financial performance during the year, its year-end position in relation to budget and previous year, and its future prospects. The MD&A should complement and supplement the audited financial statements by providing information that the financial statements do not provide, including past and forward-looking information and explanations of trends and events that influenced results.

It is critical for management credibility that the MD&A be reliable, complete, fair, balanced and accurate. The MD&A should report financial trends, risks and opportunities that affected financial results during the year, and variances from planning expectations with explanations of why they occurred.

The MD&A should include the following information for the organization as a whole (see sections 8 and 9 for subsidiary and operating segment information required):

- a comparison of actual revenues, expenditures and net income to budgeted revenues, expenditures and net income for the 2010/11 year, including a variance column, and an explanation of the reasons for significant variances from budget and/or from key budget assumptions;
- an assessment of changes in results and financial conditions from 2009/10, including a variance column, and discussion of the reasons for significant variances and trends;
- forecast information for the next three years. **Note:** three-year forecasts listed in the MD&A must be consistent with forecasts documented in the 2011/12 – 2013/14 service plan unless changes have been approved by Treasury Board;
- revenues and expenditures for 2010/11 for each core business area;
- funding sources;
- expenses by major expenditure category (salaries, office expenses, etc.);
- net income;
- total debt (even if zero);
- retained earnings (even if zero);
- total capital expenditures for the year, including a summary of significant specific capital expenditures. For capital projects for which an organization has made or anticipates making commitments in excess of \$50 million, the objectives of the project, costs incurred to date and budget should also be disclosed; and
- key financial data including financial performance measures (ratios, trends, etc.) for the past five fiscal years.

Qualitative information should include:

- an overview of the internal and external business and policy environment affecting financial operations over the past year;

- major risks and uncertainties that affected financial performance during the year, their influence on results, and how the impact was managed or mitigated (this information can either be included in the MD&A section or financial risks can be included in the general risk and capacity disclosure – see section A5 of these guidelines for more information); and
- the future financial outlook from management’s perspective, including anticipated trends, risks and opportunities over the three year planning period.

The level of detail of financial information required in this section will depend on the complexity of the organization. For example, smaller Crown corporations do not need to provide trend and ratio information.

*Example showing Actual, Budgeted and Prior Year's Results, with Variance Columns and Forecast Information*

Management Discussion and Analysis									
Assessment of Results of Operations and Changes in Financial Conditions									
Summary Financial Outlook 2008/09 to 2013/14 in 1000's Revenues	2008/09 Actual	2009/10 Budget	2009/10 Actual	Budget Variance	Year <sup>1</sup> Variance	2010/11 Forecast	2011/12 Forecast	2012/13 Forecast	2013/14 Forecast
Ministry Grant	2,002	2,002	1,978	(24)	(24)	2,002	2,002	2,002	2,002
Other Revenues	477	423	307	(116) <sup>2</sup>	(170)	468	283	468	283
<b>Total Revenues</b>	<b>2,479</b>	<b>2,425</b>	<b>2,285</b>	<b>(140)</b>	<b>(194)</b>	<b>2,470</b>	<b>2,285</b>	<b>2,470</b>	<b>2,285</b>
Expenditures									
Grants	772	334	215	(119) <sup>3</sup>	(557)	778	287	760	325
Games Operations	536	916	1,327	411 <sup>4</sup>	791	516	816	516	766
Overhead	1,158	1,175	1,169	(6)	11	1,176	1,182	1,194	1,194
<b>Total Expenses</b>	<b>2,466</b>	<b>2,425</b>	<b>2,711</b>	<b>286</b>	<b>245</b>	<b>2,470</b>	<b>2,285</b>	<b>2,470</b>	<b>2,285</b>
Operating Income ( Loss)	13		(426)	(426)	(439)	-	-	-	-
Net Assets, beginning of the year	893		906			480	480	480	480
Total Net Assets ( Unrestricted) & Invested in Property & Equipment), end of Year	906		480			480	480	480	480
FTEs	9	9	9			9	9	9	9
Capital Expenditures	20	19	78			19	19	19	19

BC Games Society Annual Report 2009/10

*Example Showing Key Financial Data, Including Financial Performance Ratios, for Past Five Years*

SUMMARY OF FINANCIAL RESULTS OVER 5 YEARS						
For the five years ended March 31, 2010 (all dollar figures in \$000)						
	Actual 2009/10	Budget 2009/10	Actual 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06
Gross Sales	2,854,072	2,854,172	2,794,530	2,679,466	2,509,125	2,318,643
Cost of Sales	1,515,289	1,480,440	1,451,244	1,396,466	1,276,167	1,170,772
Gross Margin	1,140,494	1,180,721	1,152,762	1,103,040	1,090,834	1,022,929
Operating Expenses	275,875	291,811	269,954	256,058	256,302	242,428
Operating Income	864,619	888,910	882,808	846,982	834,532	780,501
Net Income	877,276	896,047	891,117	857,216	840,286	800,471
Gross Margin (%)	40.0%	41.4%	41.3%	41.2%	43.5%	44.1%
Operating Expenses to Sales (%)	9.7%	10.2%	9.7%	9.6%	10.2%	10.5%
Net Income to sales (%)	30.7%	31.4%	31.9%	32.0%	33.5%	34.5%
Inventory Turnover	17	16	17	18	19	19

Liquor Distribution Branch Annual Report 2009/10

## 8. Information on Subsidiaries

For each active subsidiary, the parent Crown corporation should separately disclose:

- subsidiary name;
- primary business;
- location of operations;
- governance structure, including a list of the Board members and their roles (or a statement that the subsidiary's Board is the same as that of the parent corporation);
- Senior management of the subsidiary;
- budgeted and actual revenues, expenditures and net income for the 2010/11 year;
- revenues, expenditures and net income for the previous fiscal year;
- an explanation for any significant variances from previous year's actuals or current year's budget; and
- any capital expenditures for the year.

If the subsidiary has a website, a link should be included.

For **inactive subsidiaries**, disclosure of :

- subsidiary name;
- primary business;
- names of board members;
- current operational status; and
- reason for inactivity.

*Example Showing Subsidiary Financial Disclosure*

FII Consulting (Shanghai) Co. Ltd. Statement of Funding Expenditures					
	2008/09 Actual	2009/10 Actual	2009/10 Budget	Variance from Budget (under) over	Variance from Prior year (under) over
<b>Funding</b>					
Receipts - Forestry Innovation Investment	\$ 4,227	\$ 3,815	\$ 2,920	\$ 895	412
<b>Total Funding</b>	<b>\$ 4,227</b>	<b>\$ 3,815</b>	<b>\$ 2,920</b>	<b>\$ 895</b>	<b>\$ 412</b>
<b>Expenditures</b>					
China - Market Development	4,227 <sup>(2)</sup>	3,815 <sup>(1)</sup>	2,920	\$ 895	412
<b>Total Expenditures</b>	<b>\$ 4,227</b>	<b>\$ 3,815</b>	<b>\$ 2,920</b>	<b>\$ 895</b>	<b>\$ 412</b>
<b>Operating Income (loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<sup>(1)</sup> Includes \$1,003 of non cash DHC prepaid lease write-off <sup>(2)</sup> Includes \$1,370 of non cash DHC prepaid lease write-off					

Forestry Innovation Investments Annual Report 2009/10

## 9. Information on Operating Segments

For each **operating segment**, the Crown corporation should disclose, as a minimum,:

- actual and budgeted revenues, expenditures and net income for the current year;
- actual revenues, expenditures and net income for the previous year;
- an explanation of any significant variances from previous year or current year's budget; and
- any capital expenditures for the year.

*Example Showing Financial Reporting by Operating Segment*

<b>LOTTERY OPERATIONS</b>								
	2004/05	2005/06	2006/07	2007/08	2008/09	2008/09	2008/09	Variance
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	from Prior Year
<b>Revenue</b>								
Retail network	\$ 712.4	\$ 733.0	\$ 742.5	\$ 709.7	\$ 710.7	\$ 725.3	\$ (14.6)	\$ 1.0
Hospitality network	225.3	229.2	240.6	248.5	220.0	254.7	(34.7)	(28.5)
eLottery	0.3	5.2	14.3	18.7	23.5	28.0	(4.5)	4.8
	938.0	967.4	997.4	976.9	954.2	1,008.0	(53.8)	(22.7)
Prizes	505.9	530.3	543.5	542.8	521.8	554.9	33.1	21.0
<b>Net win</b>	432.1	437.1	453.9	434.1	432.4	453.1	(20.7)	(1.7)
<b>Direct expenses</b>	75.5	83.5	85.4	79.0	75.5	82.8	7.3	3.5
<b>Operating expenses</b>	71.8	80.4	85.0	91.2	100.5	117.8	17.3	(9.3)
<b>Net income</b>	\$ 284.8	\$ 273.2	\$ 283.5	\$ 263.9	\$ 256.4	\$ 252.5	\$ 3.9	\$ (7.5)
Lottery retailers	4,490	4,397	4,321	4,033	4,046			
Lottery terminals	4,082	4,081	4,074	3,969	3,995			

BC Lottery Corporation Annual Report 2008/09

## **B. OTHER REQUIREMENTS**

### **1. Non-Disclosure of Specific Information**

Information contained in annual reports should be in compliance with the *Freedom of Information and Protection of Privacy Act*. Under the Act, an annual report should not disclose information that falls within the following categories:

- Cabinet and local public body confidences;
- legal advice;
- information for which disclosure would be harmful including information on the following:
  1. law enforcement;
  2. intergovernmental relations or negotiations;
  3. financial or economic interests of a Crown corporation;
  4. the conservation of heritage sites;
  5. individual or public safety;
  6. the business interests of a third party; or
  7. personal privacy.

Crown corporations should refer to the *Freedom of Information and Protection of Privacy Act* for clarification on the types of information that fall under each category.

Notwithstanding the above, Crown corporations should ensure that adequate information is provided on each key element of the minimum content requirements of these guidelines to enable the requirements of the BTAA to be met.

If adherence to the *Freedom of Information and Protection of Privacy Act* requires the exclusion of any information listed as minimum content requirements, the Crown corporation should explain in this section of the annual report what information has been excluded and why it was necessary to exclude it.

### **2. Contact Information**

Information provided in this section should include the organization's physical address, phone numbers and email addresses of key contacts, and the organization's website address.

### **3. Form and Language**

Crown corporations should present information in the annual report in a form and language that is concise and readily understandable by the general reader. To increase readability and accessibility, annual reports should not be more than 40 pages in length, excluding the audited financial statements section. The use of graphs, charts, and tables is encouraged to help readers understand complex data. The use of acronyms should be avoided, and technical terms should be defined in a glossary.

The annual report should focus on internet accessibility rather than hardcopy layout. For example, large numbers of colour pictures and elaborate graphics add significantly to the size of a file, and can make it difficult for users to access electronically. As well, colours should be chosen so that they are equally clear when viewed in black and white.

To achieve comparability with other organizations as required by the BTAA, Crown corporations should use the order, section contents and section headings noted in these guidelines as much as possible.

Crown corporations should also include the Province of BC logo on the inside or outside front or back cover of their annual reports. To obtain the BC logo, please contact the Manager, Corporate Communications, Public Affairs Bureau (250-356-9123). If you have any problems contacting this individual, please contact your Crown Agencies Resource Office advisor for assistance.

### **4. Review, Approval and Tabling Process**

#### **Review Process**

Cabinet Operations and/or ministry staff review drafts of annual reports for consistency with these guidelines and the requirements of the BTAA, and provide Crown corporations with feedback on each draft submitted for review. Cabinet Operations coordinates the review of the five largest commercial Crown corporations (listed in appendix A), and staff of the ministry responsible coordinate the review of smaller commercial and all service delivery Crown corporation annual reports. See Appendix A for a list of which Crown corporation annual reports are reviewed by Cabinet Operations and which are reviewed by ministry staff.

Early discussions between Crown corporations and ministry staff on changes to content, format, and layout from previous years' annual reports are encouraged. Initial drafts of annual reports need not be approved by the Board of Directors prior to being forwarded to Cabinet Operations/ ministry staff for review.

### Review Process for Large Commercial Crown Corporations:

The annual report review process for the five largest commercial Crown corporations is as follows:

- Crown corporations send draft annual reports to their Cabinet Operations contact. Cabinet Operations reviews the draft and also posts a copy of the annual report on SharePoint for the ministry responsible to review;
- ministry responsible provide their comments on the draft report to Cabinet Operations, who consolidates all comments and sends them to the Crown corporation;
- Crown corporation sends an updated draft to Cabinet Operations for review and comments as required;
- Cabinet Operations informs the ministry whether or not the annual report meets the requirements of the BTAA and the Annual Report Guidelines. Ministry staff follow their own ministry's protocol in reporting this information to their Minister;
- Crown corporation sends the final Board-approved draft of the annual report to the Minister responsible for review and approval; and
- Crown corporation incorporates any changes required by the Minister before finalizing the report for publication.

### Review Process for Smaller Commercial Crown Corporations and Service Delivery Crown Corporations:

For all other Crown corporation annual reports, the review process is:

- Crown corporation sends draft annual report to their ministry contact for review;
- ministry has the option of forwarding the annual report to CARO for an additional review. CARO, if asked to review the report, will send comments back to the ministry;
- ministry sends consolidated comments back to Crown corporation;
- Crown corporation sends an updated draft to ministry for review;
- Crown corporation sends the final, Board-approved draft annual report to the Minister responsible for review and approval. (Ministry staff follow their ministry's protocol in forwarding comments to the Minister); and
- any changes required by the Minister are incorporated by the Crown corporation before the report is finalized for publication.

For both commercial and non-commercial Crown corporation annual reports, ministry staff review of draft annual reports should include:

- a review of the annual report against the checklist included in Appendix B of these Guidelines;
- assessment of whether the board governance information on the Crown corporation's website complies with Board Resourcing and Development Office's requirements; and

- a review of the three-year forecast information in the MD&A to ensure it agrees with the budget information documented in the 2011/12 – 2013/14 service plan.

The final draft of the annual report must be approved by both the Crown corporation's Board of Directors and the Minister Responsible for the Crown corporation prior to being finalized. Because the Minister Responsible has the requirement under the BTAA to table annual reports, it is crucial for the Crown corporation to ensure the Minister Responsible has reviewed and approved the content and presentation of the annual report before it is finalized.

## Timelines

Annual reports must be submitted in accordance with the following schedule:

<b>KEY DATES</b>		
	<b>Crown Corporations with December 31 Year-end</b>	<b>Crown Corporations with March 31 Year-end</b>
<b>Date*</b> for Crown corporation to submit draft annual report to Cabinet Operations (for commercial Crowns)/Ministry staff for review	April 8	May 13
<b>Date</b> for Cabinet Operations/Ministry staff to provide feedback to Crown corporation	April 13	May 18
<b>Date</b> for Crown corporation to submit revised draft to Cabinet Operations/Ministry staff for review	April 20	May 24
<b>Date</b> for Cabinet Operations/Ministry staff to provide feedback to Crown corporation on revised draft	April 22	May 27
<b>Date*</b> for Crown corporation to submit draft annual report to Minister Responsible for review	April 29	June 3
<b>Final date**</b> for Crown corporation to submit final Board and Minister approved annual report electronically to Cabinet Operations staff	May 24	June 23
<b>Final date**</b> for Crown corporation to submit final annual report to Minister Responsible for tabling	May 27	June 24
<b>Date</b> annual report made public	May 31	June 28 – 30 (exact date of Public Accounts to be announced)

\*These are the latest dates for submission of drafts.

\*\* Crown corporations can send the final copies to Cabinet Operations and to the Minister's Office prior to this date, and the Minister can file a copy with the Clerk's Office prior to Public Accounts being released.

## Tabling Process

Under the BTAA, the Minister Responsible for the Crown corporation makes the annual report public. Making public includes tabling the annual report in the Legislative Assembly if the Legislature is in session, or filing it with the Clerk of the House if the Legislature is not in session.

### Process for Tabling the Annual Report when the House is Not in Session

The Crown corporation sends one copy of the final, Board and Minister approved report to the Minister Responsible's Office. The package sent to the Minister Responsible should include, in addition to one copy of the annual report, two documents:

1. a cover letter from the Crown corporation to the Minister Responsible which will include the following information:
  - That the report is being sent to the Minister Responsible for the Crown corporation so that the Minister can file it with the Clerk of the House; and
  - The date the report is required to be filed by (*i.e.* May 31 for organizations with a December 31 year end, or Public Accounts date (exact date of Public Accounts will be determined closer to June, 2011) for organizations with a March 31 year end); and
2. a memo for the Minister's signature from the Minister Responsible to the Clerk (see Appendix C for memo template).

Once the copy of the annual report has been sent to the Minister's Office, the Minister Responsible or his or her designate will file it with the Office of the Clerk. This completes the requirement for the Minister to make the annual report public.

A PDF of the final annual report should also be sent to Crown Agencies Resource Office, so that the annual report can be saved to their intranet.

### Process for Tabling the Annual Report when the House is in Session

In the event that a Crown corporation is required to have its annual report tabled before the legislative session ends, the Minister Responsible for the Crown corporation will table one copy of the report in the House, rather than filing it with the Clerk. A single copy of the annual report and a cover letter as discussed below should be sent to the Minister's Office by the Crown corporation.

The cover letter from the Crown corporation to the Minister Responsible should include the following information:

- That the report is being sent to the Minister Responsible for the Crown corporation so that the Minister can table it in the House; and

- The date the report is required to be tabled by (*i.e.* May 31 for organizations with a December 31 year end).

A PDF of the final annual report should also be sent to Crown Agencies Resource Office, so that the annual report can be saved to their intranet.

### **Website Posting**

Once the annual report has been tabled in the Legislative Assembly or filed with the Clerk, Crown corporations should post annual reports on their websites and make hard copies available to the public as required.

### **Subsequent Review Process**

Crown corporations should be prepared to have their annual reports reviewed by the Select Standing Committee on Crown Corporations and/or the Public Accounts Committee. If a Crown corporation is selected for review, it will be required, prior to the scheduled meeting, to supply the Committee with its most recent annual report and service plan, and any other information requested. Executive staff of the Crown corporation will be required to make a presentation at the meeting and to answer any questions posed by the Committee members. Crown Agencies Resource Office staff can provide examples and is available to support the process.

The Office of the Auditor General may review annual reports of selected Crown corporations as part of their review process (<http://www.bcauditor.com/>). Office of the Auditor General reports are made public.

Decisions on whether and when specific organizations will be reviewed are at the discretion of the Office of the Auditor General and the Select Standing Committee on Crown Corporations.

# APPENDICES

## **Appendix A**

### **Crown Corporations required to produce a 2010/11 Annual Report under the BTAA**

#### **Annual Reports Reviewed by Cabinet Operations, TBS and Ministry Staff**

BC Hydro and Power Authority  
BC Liquor Distribution Branch  
BC Lottery Corporation  
Insurance Corporation of British Columbia  
Transportation Investment Corporation

#### **Annual Reports reviewed by Ministry Staff and TBS (and Cabinet Operations, on Ministry request)**

BC Assessment Authority  
BC Games Society  
BC Housing Management Commission  
BC Immigrant Investment Fund Ltd  
BC Innovation Council  
BC Pavilion Corporation  
BC Securities Commission  
BC Transit  
Columbia Basin Trust  
Columbia Power Corporation  
Community Living BC  
First Peoples' Heritage, Language and Culture Council  
Forestry Innovation Investment Ltd.  
Industry Training Authority  
Knowledge Network  
Legal Services Society  
Oil and Gas Commission  
Pacific Carbon Trust  
Partnerships BC  
Private Career Training Institutions Agency  
Provincial Capital Commission  
Royal British Columbia Museum

## Appendix B

### 2010/11 Annual Report Checklist

Information included in the Annual Report	Comments
<b>Concise and readable</b> <ul style="list-style-type: none"> <li>▪ less than 40 pages in length (not including audited financial statements)</li> <li>▪ Web-links or references for additional information</li> <li>▪ Form and language accessible to general reader</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Table of Contents</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Provincial Logo</li> </ul>	
<b>Signed Message from the Chair to the Minister Responsible</b>	
<ul style="list-style-type: none"> <li>▪ Assessment of organization's financial position at year-end (revenues, expenditures, net income, any significant variances from budget or previous year)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Significant performance outcomes for the year</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Significant variations from service plan targets</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Major developments/changes, new policy direction</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Significant market and industry issues</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Major risks and opportunities, challenges and successes encountered, and their effect on performance</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Future outlook, including how organization will address identified issues</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Current Accountability Statement</li> </ul>	
<b>Organization Overview:</b>	
<ul style="list-style-type: none"> <li>▪ Enabling legislation</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Legislated mandate</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Vision</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Values</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Overview of core business areas</li> </ul>	
<ul style="list-style-type: none"> <li>▪ What overall benefit and/or service the organization provides to the public</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Principal partners, clients and stakeholders</li> </ul>	
<ul style="list-style-type: none"> <li>▪ How services are delivered</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Location of operations</li> </ul>	

<b>Corporate Governance</b>	
▪ Role and membership of Board of Directors	
▪ Role and membership of board committees	
▪ Names and job titles of senior management team	
▪ Governance principles	
▪ Key accountability relationships	
▪ Compliance with governance best practices disclosure (including a hyperlink disclosure on Crown corporation's website)	
<b>Report on Performance</b>	
▪ Goals	
▪ Strategies	
▪ Performance measures and targets	
▪ Changes made to goals, strategies, measures and targets since service plan published (include old and new)	
▪ Reason for changes to goals, strategies, measures and targets	
▪ Results compared to: <ul style="list-style-type: none"> <li>○ 2010/11 service plan targets and any revised targets</li> <li>○ 2008/09 and 2009/10 results</li> </ul>	
▪ Reasons for variances between service plan targets and actual results, and actions taken or planned to remedy adverse variances	
▪ Why goals, strategies and measures selected are of critical importance and how they relate to mandate	
▪ Why the specific targets were selected and how they demonstrate success in achieving goals	
▪ Benchmark comparisons <ul style="list-style-type: none"> <li>○ results of similar organizations or industry standards as compared to actual results</li> <li>○ explanation of any differences between benchmarks and organization's results that readers should be made aware of</li> <li>○ if no benchmark comparison, explanation of reasons why none, and progress in identifying suitable benchmarks</li> </ul>	
▪ Performance management and reporting systems, including: <ul style="list-style-type: none"> <li>○ sources of data for each performance measure</li> <li>○ what management has done to ensure that performance data is accurate and reliable</li> <li>○ any limitations to the accuracy and reliability of the data</li> </ul>	
▪ Economic and industry factors, trends, opportunities and challenges that had an effect on performance	
▪ Significant risk and capacity issues, their effect on performance, and how they are managed; specifically:	

<ul style="list-style-type: none"> <li>○ a list of the significant risks and opportunities that impacted the organization's performance during the year</li> <li>○ what the effect was on results</li> <li>○ how the organization addressed or mitigated these risks, or plans to address</li> <li>○ an explanation of whether the organization had the capacity to meet its objectives during the year, and if not, what changes were made or are planned</li> </ul>	
<p><b>Shareholder's Letter of Expectations</b></p> <ul style="list-style-type: none"> <li>▪ Specific direction to the Crown corporation from the Corporate accountabilities section of the 2010/11 SLE</li> <li>▪ How the organization has addressed this direction during the year</li> <li>▪ Action taken on climate change and carbon neutrality initiatives</li> <li>▪ any government direction subsequent to the 2010/11 SLE and how the organization has addressed this direction during the year</li> </ul>	
<p><b>Financial Report</b></p>	
<p><b>Management Discussion and Analysis</b></p>	
<ul style="list-style-type: none"> <li>▪ Comparison of actual performance for the 2010/11 year to budget, including a variance column and an explanation of the reasons for variances from budget</li> </ul>	
<ul style="list-style-type: none"> <li>▪ An assessment of changes in results and financial conditions from the previous fiscal year, including a variance column and the reasons for significant variances and trends</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Forecast information for the next three years must be consistent with forecasts included in the 2011/12 – 2013/14 service plan (unless changes have been approved by Treasury Board)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Revenues and expenditures for 2010/11 by core business area</li> <li>▪ Sources of funding</li> <li>▪ Expenditures by major expenditure category</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Net income</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Total debt even if zero</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Retained earnings even if zero</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Total capital expenditures for the year</li> <li>▪ Summary of the major types of capital expenditures</li> <li>▪ A report on any major capital projects over \$50 million (objectives, costs to date and budget)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Key financial data including financial performance measures for the past five years</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Overview of the internal and external business and policy</li> </ul>	

environment affecting financial operations over the past year	
<ul style="list-style-type: none"> <li>▪ Major risks and opportunities that affected financial performance, their impact on financial results, and how the impact was managed or mitigated (can be combined with general risk section)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Management perspective on future financial outlook covering at least the three year period listed in the service plan</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Signed Statement of Management Responsibility</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Signed Auditor's Report</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Audited Financial Statements</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Accompanying notes to financial statements</li> </ul>	
<p><b>Information on Subsidiaries</b></p> <p>For active subsidiaries:</p> <ul style="list-style-type: none"> <li>○ Subsidiary name</li> <li>○ Primary business</li> <li>○ Location of operations</li> <li>○ Board members (names and position)</li> <li>○ Senior management</li> <li>○ Budgeted and actual revenues, expenditures and net income for the 2010/11 year</li> <li>○ Revenues, expenditures and net income for the previous fiscal year</li> <li>○ Explanation of significant variances from budget or previous year</li> <li>○ Any capital expenditures for the year</li> </ul> <ul style="list-style-type: none"> <li>▪ For inactive subsidiaries: <ul style="list-style-type: none"> <li>○ Subsidiary name</li> <li>○ Primary business</li> <li>○ Board members</li> <li>○ Current operational state</li> <li>○ Reason for inactivity</li> </ul> </li> </ul>	
<p><b>Operating Segment Information</b></p> <ul style="list-style-type: none"> <li>▪ Actual and budgeted revenues, expenditures and net income for the segment for the current year, including discussion of variances</li> <li>▪ Actual revenues, expenditures and net income for the segment for the previous year, including discussion of variances</li> <li>▪ Any capital expenditures for the year</li> </ul>	
<p><b>Contact Information</b></p> <ul style="list-style-type: none"> <li>▪ Where to find additional information</li> </ul>	

## Appendix C

### **GUIDELINES ON REPORT DISTRIBUTION WHEN THE HOUSE IS NOT SITTING**

For annual reports that are required to be tabled when the House is not in session, it is the responsibility of the Minister Responsible for the Crown corporation to officially file a copy of the report with the Office of the Clerk of the House with a covering memo. This memo is prepared by the Crown corporation, and forwarded to the Minister Responsible's office along with one copy of the annual report.

#### **SAMPLE MEMO**

From: Crown Corporation XX

Date:

To: E. George MacMinn, Q.C.  
Clerk of the Legislative Assembly  
Room 221, Parliament Buildings  
Victoria, B.C. V8V 1X4

**RE: ANNUAL REPORT FOR XX**

Pursuant to section 18 (a) (ii) of the *Budget Transparency and Accountability Act*, please find attached for filing with your office one copy of the 2010/2011 Annual Report for XX.

Signature  
(Minister Responsible for the Crown corporation)

**For further information, contact:**

**Jill Rogers**  
**Crown Agencies Resource Office**  
**250 387-9479**  
**[Jill.Rogers@gov.bc.ca](mailto:Jill.Rogers@gov.bc.ca)**

**Tim Cottrell**  
**Cabinet Operations**  
**250 952-0699**  
**Tim.Cottrell@gov.bc.ca**