

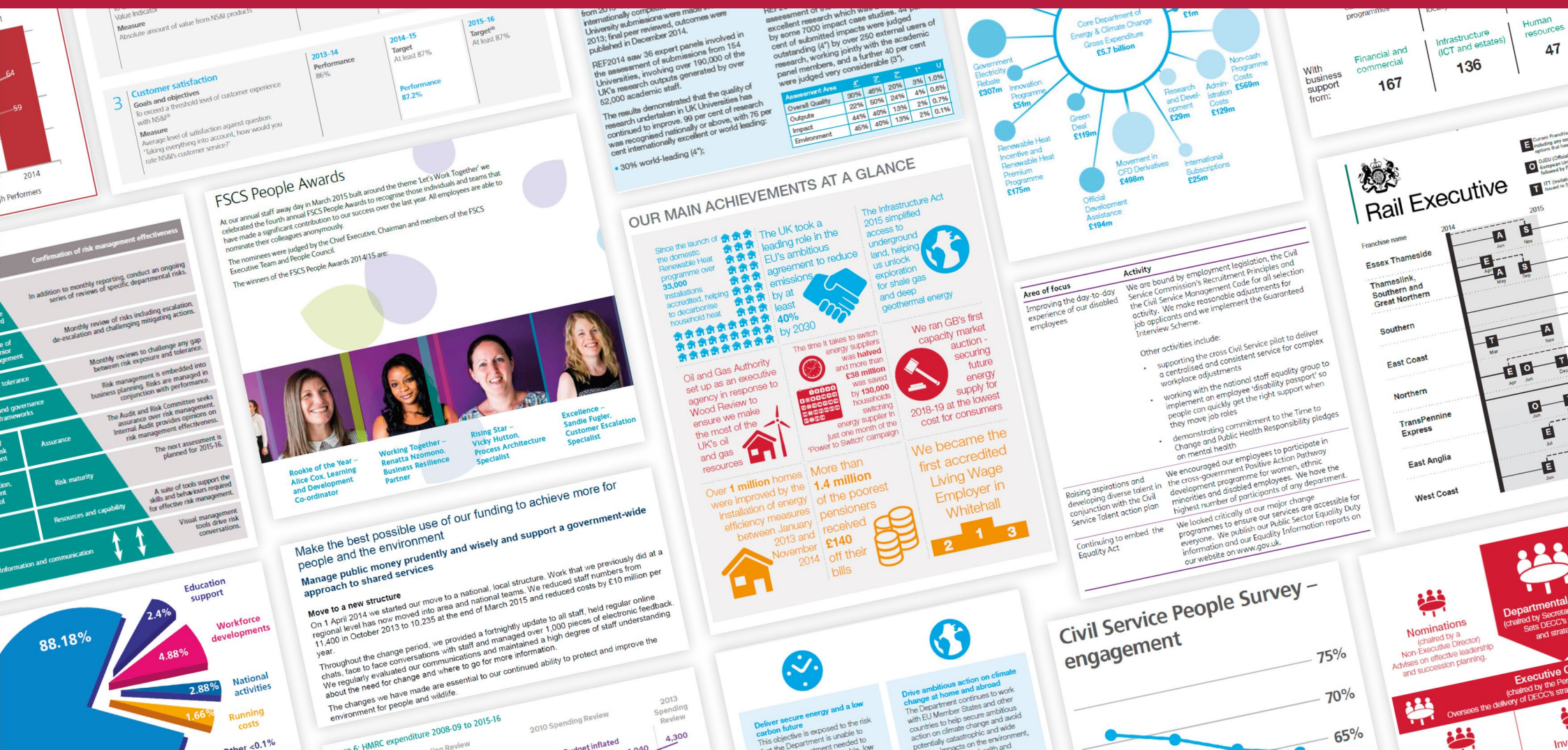
Building Public Trust Awards

Examples of good practice in annual reports



National Audit Office

Interactive PDF



The NAO and the Building Public Trust Awards

The Building Public Trust Awards, which are sponsored by PwC, recognise trust and transparency in corporate reporting. These annual awards for outstanding corporate reporting in both the private and public sectors have been running for 13 years. The NAO continues to co-sponsor the public sector award for excellence in public sector reporting. In 2015 this award was won by the Department for Business, Innovation & Skills. During the judging process we identified a range of good practice examples; the purpose of this guide is to share these examples more widely with those who have a role in preparing annual reports and accounts.

Annual reporting can help build trust by being transparent, relevant and accessible to readers. This year we saw a continued improvement in the quality of the reporting by the highest performing public sector organisations, with a genuine step-change in the efforts to make the annual report easier to understand. For example, we saw organisations making good use of graphics, summaries and 'highlights' pages to set out key information and demonstrate their achievements.

In all sectors, the move towards excellence in reporting is an ongoing journey and we saw some areas for improvement. In particular, we found that the quality of risk reporting remains variable; it was not always easy to see how reported KPIs linked to an organisation's overall objectives; and, while transparency is improving, there is scope for more frank and balanced reporting.

This guide summarises the judging criteria and highlights examples of good practice from the 52 public sector annual reports and accounts we reviewed as part of the judging process for the public sector award. Of course, the examples we have included here are just that – examples. It is important that entities consider what disclosures are relevant and material to their organisation when considering what is to be disclosed – as well as how – in their annual report and accounts.

For those who are involved in preparing their organisation's annual report and accounts, we also highlight that, as part of HM Treasury's *Simplification and streamlining statutory annual report and accounts* project, the 2015-16 FReM has introduced changes to the structure of the annual report and accounts. There is now a requirement for these to be split into three parts; the Performance Report, the Accountability Report and the Financial Statements. We have produced a fact sheet which details these changes and this can be found [here](#).

The NAO's involvement with the Building Public Trust Awards is part of our wider commitment to helping raise the standards of reporting by public bodies. We look forward to continuing to work with the bodies we audit, HM Treasury, Parliament and our wider stakeholders, to promote continued progress in the years ahead.

If you would like further information about this guide – or any aspect of annual report and accounts production and audit, please contact your usual NAO team, or please get in touch via enquiries@nao.gsi.gov.uk.

Kate Mathers

Director, Financial Audit Practice & Quality
National Audit Office, March 2016

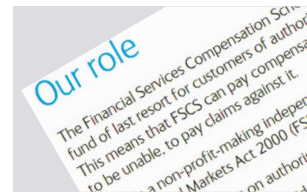
Judging areas



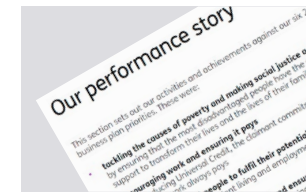


What did we look for?

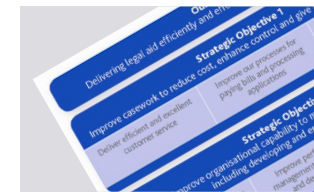
- Clarity around purpose, strategic objectives and key programmes/projects
- Balanced view of progress against objectives
- Details of future plans to implement priorities



Clear statement of purpose



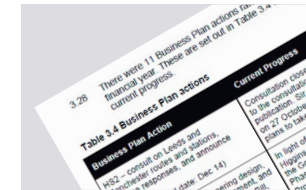
Clear objectives which are explained



Clear objectives with sub objectives



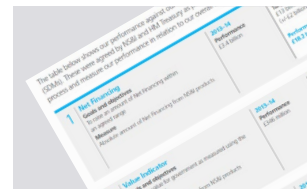
Clear future plans



Monitoring actions
not achieved



Case studies demonstrating achievement of priorities



Performance against targets and future targets

Strategy

Clear statement of purpose

Financial Services Compensation Scheme 2014-15 – page 6



Our role

The Financial Services Compensation Scheme (FSCS) is the UK's statutory fund of last resort for customers of authorised financial services firms. This means that FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it.

FSCS is a non-profit-making independent body, created under the Financial Services and Markets Act 2000 (FSMA).

It is funded by levies on authorised financial services firms.

FSCS does not charge individual consumers.

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Strategy

Clear objectives which are explained

Department for Work & Pensions 2014-15 – page 15



Our performance story

This section sets out our activities and achievements against our six 2014-15 business plan priorities. These were:

- **tackling the causes of poverty and making social justice a reality**
by ensuring that the most disadvantaged people have the opportunity and support to transform their lives and the lives of their families
- **encouraging work and ensuring it pays**
by introducing Universal Credit, the claimant commitment and other changes to make sure work always pays
- **enabling disabled people to fulfil their potential**
by supporting independent living and employment opportunities through specialist programmes
- **promoting saving for retirement and ensuring saving pays**
by providing a decent income and ensuring that the pension system is sustainable and fair between generations
- **recognising the importance of the family in children's lives**
by helping separated and separating couples work together in the best interests of their children
- **improving public services and reducing costs**
by offering an excellent service while cutting costs and tackling fraud and error

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Strategy

Clear objectives with sub objectives

Legal Aid Agency 2014-15 – page 14



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Strategy

Clear future plans

Department for Business, Innovation & Skills 2014-15 – pages 38 and 45



Future Outlook

Over the coming year the Shareholder Executive will continue to work to improve the Government's performance as a shareholder, including maintaining its advisory role working with other Government Departments as well as across the BIS Family. The Shareholder Executive will also consider future funding options and strategic objectives for the BBB and GIB, looking to ensure that the two organisations can build on the success achieved in 2014-15. With GIB's set up and initial operations phase complete, we are now looking at the next stage in GIB's development. Including what its strategic priorities should be and how best to meet its funding needs. We are seeking to obtain a revised state aid approval for GIB, providing for its continued operation beyond October 2016, and giving it an expanded scope so it can invest in a wider range of projects and sectors.

On the 4 June, the Chancellor announced the Government's intention to dispose of its remaining 30 per cent shareholding in Royal Mail and the Secretary of State laid a report in Parliament on the 8 June setting out the details of future sales. On 11 June 2015, BIS successfully completed the sale of half of the remaining stake, raising £750 million which will be paid to Exchequer funds.

The Post Office's Network Transformation programme continues and is due to be completed by March 2018; we will have a key role to play in supporting successful delivery of this programme in 2015-16, which is vital in ensuring the future success of the network. We will also support other work streams with a view to securing efficiencies and financial sustainability for the Post Office.

The BIS Public Data Group will seek to further increase the visibility, usability accessibility of their data through licencing simplification and improved communications. They will also explore new ways to strengthen support for businesses seeking to use PDG data.

Future Outlook

There are a number of opportunities in higher education over the coming year including taking decisions on the outcomes of the postgraduate loans consultation, on how to better embed high quality vocational education in the cutting-edge research that our institutions are delivering in partnership with industry; and examining attitudes towards part-time study, with research commissioned by the previous Government and results expected in summer 2016.

Key challenges remain securing the removal of student number controls whilst continuing to manage the higher education budget. We are also seeking to improve the quality assurance process for both HEFCE funded institutions and alternative providers, so that standards continue to rise, and we move towards greater consistency in how we treat providers. The SLC continue to undergo a major change programme and must ensure that, alongside continuing to provide good customer service to its existing customer base, it successfully completes a demanding programme of work involving large scale ICT systems change, delivering the complex, potentially competing and evolving requirements of all four UK Administrations in respect of new policies.

Our Strategy and Growth directorate will continue to support the Department's financial and business planning activity in the year ahead. Our industrial strategy approach has been strongly supported by businesses and we are looking to further strengthen our partnership approach with industry to help British businesses thrive and compete in the global economy.



3.28 There were 11 Business Plan actions rated as overdue at the end of the financial year. These are set out in Table 3.4 below along with a summary of current progress.

Table 3.4 Business Plan actions

Business Plan Action	Current Progress
HS2 – consult on Leeds and Manchester routes and stations, analyse responses, and announce decision. (Scheduled end date: Dec 14)	Consultation closed on 31 January 2014. The responses to the consultation have been analysed ready for publication. Sir David Higgins published a second report on 27 October 2014. The Government will set out how it plans to take forward HS2 Phase Two in 2015.
HS2 – commence engineering design, environmental impact assessment, and preparation of the second hybrid Bill, subject to decision following consultation. (Scheduled end date: Jan 15)	In light of the recommendations made in Sir David Higgins reports, published in March and October 2014, the Government will set out its plans to take forward HS2 Phase Two in 2015. Engineering designs are underway. Procurement for environmental impact assessment and preparation of the hybrid bill is being prepared and will be progressed during 2015 once decisions have been taken.
Decide on the location for significant new investment in additional capacity for crossing the Lower Thames. (Scheduled end date: Dec 13)	On 12 December 2013 the Government announced the decision to rule out Option B. The Government will carry out further assessment work on the two remaining options before making a final decision. ²⁵
Publish proposals for improving the training and testing of new drivers to help improve young driver safety. (Scheduled end date: Dec 13)	Young driver safety is a difficult issue. The Government is considering it carefully before publishing proposals.
Remove the paper counterpart to the driving licence. (Scheduled end date: Dec 14)	Following discussions with industry and stakeholders and to allow time for them to prepare for the change, the abolition of the Paper Counterpart to the Driving Licence took place from 8 June 2015. ²⁶
Develop and consult on the post-2014 low carbon fuel targets strategy, taking account of EU decisions on indirect land use change. (Scheduled end date: July 14)	EU agreement on ILUC negotiations expected shortly, inter-institutional agreement awaiting confirmation by the European Council. Transport Energy Taskforce recommendations on future biofuels trajectory published March 2015 and will be discussed with Ministers to inform domestic legislative changes required to transpose by anticipated deadline of mid-2017.

Strategy

Case studies demonstrating achievement of priorities

Department for Business, Innovation & Skills 2014-15 – page 21



Case Study: Research Excellence Framework 2014

Research Excellence Framework 2014 (REF2014) is a system for assessing the quality of research carried out in Higher Education Institutions in the UK. The four UK higher education funding bodies allocate around £2 billion per year of research funding to UK universities. The results from REF2014 will be used to allocate funding from 2015-16, supporting a dynamic and internationally competitive UK research sector. University submissions were made in November 2013; final peer reviewed, outcomes were published in December 2014.

REF2014 saw 36 expert panels involved in the assessment of submissions from 154 Universities, involving over 190,000 of the UK's research outputs generated by over 52,000 academic staff.

The results demonstrated that the quality of research undertaken in UK Universities has continued to improve. 99 per cent of research was recognised nationally or above, with 76 per cent internationally excellent or world leading:

- 30% world-leading (4*);

- 46% internationally excellent (3*)
- 20% recognised internationally (2*)
- 3% recognised nationally (1*)

These results are consistent with independent evidence on the quality and world-leading performance of the UK research base and the significant improvements made since the last full assessment in 2008.

REF2014 included, for the first time, assessment of the impact arising from excellent research which was demonstrated by some 7000 impact case studies. 44 per cent of submitted impacts were judged outstanding (4*) by over 250 external users of research, working jointly with the academic panel members, and a further 40 per cent were judged very considerable (3*).

Assessment Area	4*	3*	2*	1*	U
Overall Quality	30%	46%	20%	3%	1.0%
Outputs	22%	50%	24%	4%	0.6%
Impact	44%	40%	13%	2%	0.7%
Environment	45%	40%	13%	2%	0.1%

Strategy

Performance against targets and future targets

National Savings and Investment 2014-15 – page 14



The table below shows our performance against our service delivery measures (SDMs). These were agreed by NS&I and HM Treasury as part of our reporting process and measure our performance in relation to our overall objectives.

<p>1 Net Financing</p> <p>Goals and objectives To raise an amount of Net Financing within an agreed range</p> <p>Measure Absolute amount of Net Financing from NS&I products</p>	<p>2013-14 Performance £3.4 billion</p>	<p>2014-15 Target £13 billion (+/-£2 billion)</p> <p>Performance £18.2 billion</p>	<p>2015-16 Target £10 billion (+/-£2 billion)</p>
<p>2 Value Indicator</p> <p>Goals and objectives To create value for government as measured using the Value Indicator</p> <p>Measure Absolute amount of value from NS&I products</p>	<p>2013-14 Performance £346 million</p>	<p>2014-15 Target To deliver positive value for the taxpayer (excluding 65+ Bonds)⁽¹⁾</p> <p>Performance £330 million⁽²⁾</p>	<p>2015-16 Target To deliver positive value for the taxpayer with a lower limit of –£100 million (excluding 65+ Bonds)</p>
<p>3 Customer satisfaction</p> <p>Goals and objectives To exceed a threshold level of customer experience with NS&I⁽³⁾</p> <p>Measure Average level of satisfaction against question: 'Taking everything into account, how would you rate NS&I's customer service?'</p>	<p>2013-14 Performance 86%</p>	<p>2014-15 Target At least 87%</p> <p>Performance 87.2%</p>	<p>2015-16 Target⁽⁴⁾ At least 87%</p>

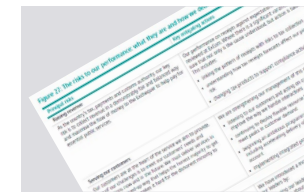


What did we look for?

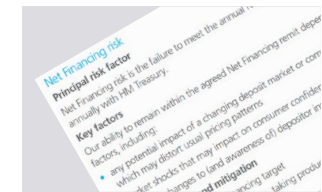
- Linkage between risks, strategic objectives and annual report narrative
- Quantified risks
- Discussion about how the dynamic of the risk profile has changed over time



Risk management process



Significant risks – specific and detailed



Key risk with specific risk and mitigation



Strong reporting on risks linked to strategy

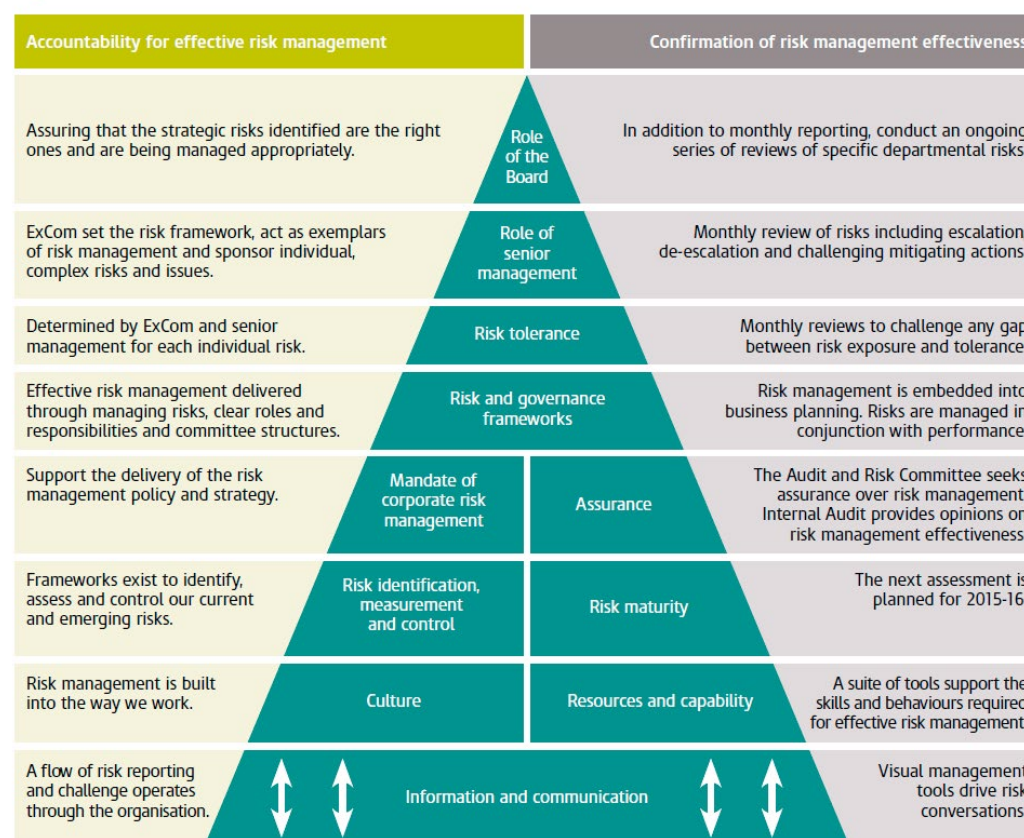
Risks

Risk management process

HM Revenue & Customs 2014-15 – page 52



Figure 26: HMRC risk framework



Risks

Significant risks – specific and detailed

HM Revenue & Customs 2014-15 – page 53



Figure 27: The risks to our performance: what they are and how we deal with them

Principal risks	Key mitigating actions
Raising revenue <p>As the country's tax, payments and customs authority, our key risk is to collect revenue in a demonstrably fair and balanced way and maximise the flow of money to the Exchequer to help pay for essential public services.</p>	<p>Our performance on receipts against expectations is regularly reviewed at ExCom. Where there is a significant variance, we make sure that not only is the cause understood, but action is taken. This includes:</p> <ul style="list-style-type: none"> • linking the pattern of receipts with risks to tax collection • understanding how tax receipts forecasts affect our picture of risk • changing tax products to support compliance activities.
Serving our customers <p>Our customers are at the heart of the service we aim to provide. One of our challenges is to meet our customers' needs and expectations now and in the future. We must deliver services in a seamless, joined-up way that helps the honest majority to get their tax right and makes it hard for the dishonest minority to cheat the system.</p>	<p>We are strengthening our management of this risk through:</p> <ul style="list-style-type: none"> • listening to our customers and acting on customer feedback to improve the way we handle interactions • continuing to deploy flexible resource from across HMRC to meet peaks in customer demand • beginning an ambitious programme of digital tax services, including accelerating delivery of the personal digital tax account • implementing integrated product and process changes.
Developing our leadership and management <p>Leaders and managers are critical to successful delivery of business performance and plans. We face the continuing challenge to develop our leaders' innovation, resilience and flexibility to ensure we are able to deliver the department of the future.</p>	<p>We have introduced a more co-ordinated approach to developing our leaders by:</p> <ul style="list-style-type: none"> • engaging our leaders in our national conversation on Building our Future about how we will transform over the coming years and building staff engagement • using a suite of metrics (including the People Survey and feedback from the Building our Future events) to track the effectiveness of our actions • developing talent management, including the use of positive action programmes, and succession planning for key leadership roles across our organisation • planning the launch of a Leadership Academy in May 2015.

Continued

Risks

Key risk with specific risk and mitigation

National Savings and Investment 2014-15 – page 66



Net Financing risk

Principal risk factor

Net Financing risk is the failure to meet the annual Net Financing target agreed annually with HM Treasury.

Key factors

Our ability to remain within the agreed Net Financing remit depends on a number of factors, including:

- any potential impact of a changing deposit market or competition for retail deposits which may distort usual pricing patterns
- market shocks that may impact on consumer confidence
- material changes to (and awareness of) depositor insurance arrangements.

Key specific risk and mitigation

- Inability to meet Net Financing target

Mitigating actions include pricing, taking products on or off sale and managing retention rates and marketing activity.

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Risks

Strong reporting on risks linked to strategy

Department of Energy & Climate Change 2014-15 – page 27



4/4



Deliver secure energy and a low carbon future

This objective is exposed to the risk that the Department is unable to secure the investment needed to develop a diverse, sustainable, low carbon energy infrastructure. This could lead to the UK relying too heavily on certain types of energy generation, with potential impacts on security of supply, and/or a continued reliance on fossil fuels.

This risk continues to be managed through a range of key programmes, such as **Electricity Market Reform (EMR)**. During the year the EMR programme was due to deliver new mechanisms to incentivise investment to a challenging timetable. Active risk management enabled the programme to avoid delays and resulted in the successful delivery of the first Contracts for Difference & Capacity Mechanism auctions and allocations with outcomes exceeding expectations and bringing forward a range of technologies, including offshore wind, energy from waste as well as securing additional capacity over the winter periods.

The Department continues to work to facilitate investment and manage the challenges in other policy areas & technologies, such as **new nuclear**, as well as managing risks to the achievement of a range of overarching **low carbon targets**. The Department also continues to ensure that response measures are in place for external event risks which could disrupt **existing energy infrastructure**. This latter risk will remain challenging given the scale/nature of disruptive events can be unique and unpredictable.



Drive ambitious action on climate change at home and abroad

The Department continues to work with EU Member States and other countries to help secure ambitious action on climate change and avoid potentially catastrophic and wide ranging impacts on the environment, economies and the health and wellbeing of the global population.

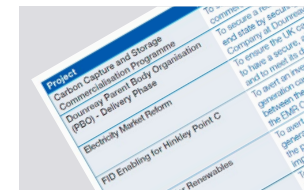
During the year the Department was exposed to the risk that the EU 2030 Energy and Climate Framework agreed in October 2014 might not support the UK's climate change ambitions. This risk was mitigated by the Department (with the support of other Member States) and resulted in the new EU framework including an ambitious commitment on emissions cuts.

On a global scale the Department has and will continue to manage the risk that its international climate change strategy may not be sufficiently complemented by similar strategies abroad to deliver international action that keeps the 2°C goal within reach. Progress has included announcements on targets by the US, China and the EU, at the UNFCCC Conference of the Parties in Lima and the submission of the first few 'Intended Nationally Determined Contributions' which put us on track to agree a global climate change deal in Paris in December. However, at present it does not look likely that countries' collective contributions will put us onto a cost effective trajectory for a high likelihood of achieving 2°C. The Department will therefore need to continue negotiations to help keep this goal within reach.



What did we look for?

- Discussion of the different delivery models, the reasons for using these models and how they achieve value for money
- Narrative around how business operations support wider parliamentary objectives
- For significant contracted-out services discussion around how these contracts are awarded and how the entity manages the on-going contract
- Consideration of capital investment and how it achieves value for money



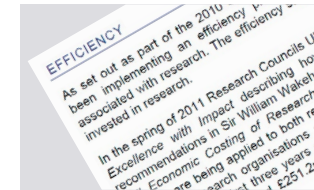
Capital Projects



Achieving value for money



Contract management



Efficiency

Operations

Capital Projects

Department of Energy & Climate Change 2014-15 – page 262



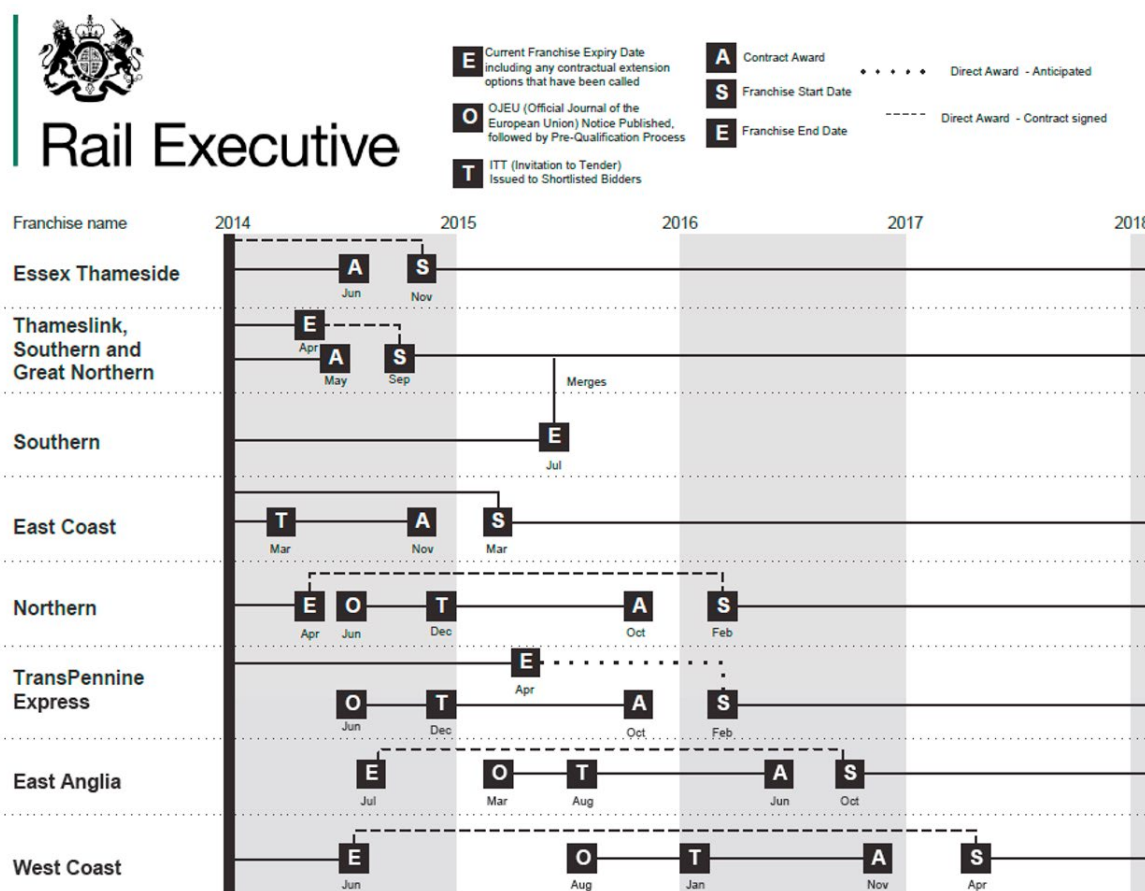
Project	Description
Carbon Capture and Storage Commercialisation Programme	To support practical experience in the design, construction and operation of commercial-scale CCS power generation.
Dounreay Parent Body Organisation (PBO) - Delivery Phase	To secure a reduction in the cost and time to take Dounreay site to its interim end state by securing a new Parent Body Organisation for the Site Licence Company at Dounreay, Dounreay Site Restoration Limited.
Electricity Market Reform	To ensure the UK can attract the investment in electricity generation needed to have a secure, affordable supply of electricity in the medium and long term, and to meet its decarbonisation and renewables targets cost-effectively.
FID Enabling for Hinkley Point C	To avert an investment hiatus in the deployment of low carbon electricity generation caused by the announced reform of the electricity market, in the period between the publication of the EMR White Paper and the full implementation of the EMR Contracts for Difference (CfD).
FID Enabling for Renewables	To avert an investment hiatus in the deployment of renewable electricity generation caused by the announced reform of the electricity market, in the period between the publication of the EMR White Paper and the full implementation of the EMR Contracts for Difference (CfD).
Geological Disposal Facility Programme (GDF)	To site and construct a safe, secure and environmentally responsible permanent geological disposal facility for higher-activity radioactive waste in the UK, excluding Scotland.
Household Energy Efficiency	To improve the energy efficiency of domestic housing stock in the UK.
Magnox and RSRL PBO Competition	To secure a reduction in the cost and time to deliver the outcomes of the Magnox Optimised Decommissioning Plan and the Optimised RSRL baseline by securing a new PBO for the Magnox and RSRL Site Licence Companies.
Renewable Heat Incentive	1) To increase the deployment of renewable heat technologies to keep the UK on track to meet its 2020 EU targets. 2) To contribute to the UK's carbon plan of achieving an 80% reduction by 2050.
Smart Meters Implementation Programme	For every home in Great Britain to have smart electricity and gas meters by 2020.

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Operations

Contract management

Department for Transport 2014-15 – page 23



Operations

Achieving value for money

Environment Agency 2014-15 – page 41



Make the best possible use of our funding to achieve more for people and the environment

Manage public money prudently and wisely and support a government-wide approach to shared services

Move to a new structure

On 1 April 2014 we started our move to a national, local structure. Work that we previously did at a regional level has now moved into area and national teams. We reduced staff numbers from 11,400 in October 2013 to 10,235 at the end of March 2015 and reduced costs by £10 million per year.

Throughout the change period, we provided a fortnightly update to all staff, held regular online chats, face to face conversations with staff and managed over 1,000 pieces of electronic feedback. We regularly evaluated our communications and maintained a high degree of staff understanding about the need for change and where to go for more information.

The changes we have made are essential to our continued ability to protect and improve the environment for people and wildlife.

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EFFICIENCY

As set out as part of the 2010 Spending Review settlement, the Research Councils have been implementing an efficiency programme to drive down the costs and overheads associated with research. The efficiency savings derived from this programme are being re-invested in research.

In the spring of 2011 Research Councils UK (RCUK) published *Efficiency 2011-15: Ensuring Excellence with Impact* describing how the Research Councils would implement the recommendations in Sir William Wakeham's report, *Financial Sustainability and Efficiency in Full Economic Costing of Research in UK Higher Education Institution*. The efficiency savings are being applied to both research grants and fellowships awarded via competitive routes to research organisations and also to Research Council institutes. The combined savings for the first three years of the programme (2011-12, 2012-13 and 2013-14)) have exceeded the planned £251.2m target with details provided in the programme's annual report at:

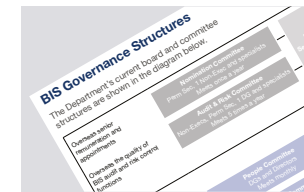
http://www.rcuk.ac.uk/RCUK-prod/assets/documents/documents/RCUK_Efficiency_Savings_Report_2013-14.pdf

The programme continues to be on target to meet the overall four-year target of £427.8m. Additionally, the Efficiency Programme will be extended by an extra year to include 2015-2016.

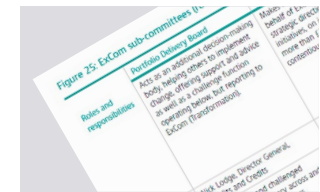


What did we look for?

- Narrative clearly demonstrating the governance structure and tone at the top
- Transparent information about how the Board works effectively to govern the organisation



Clear governance structure



Board activities

[illegible]

Board attendance

Governance

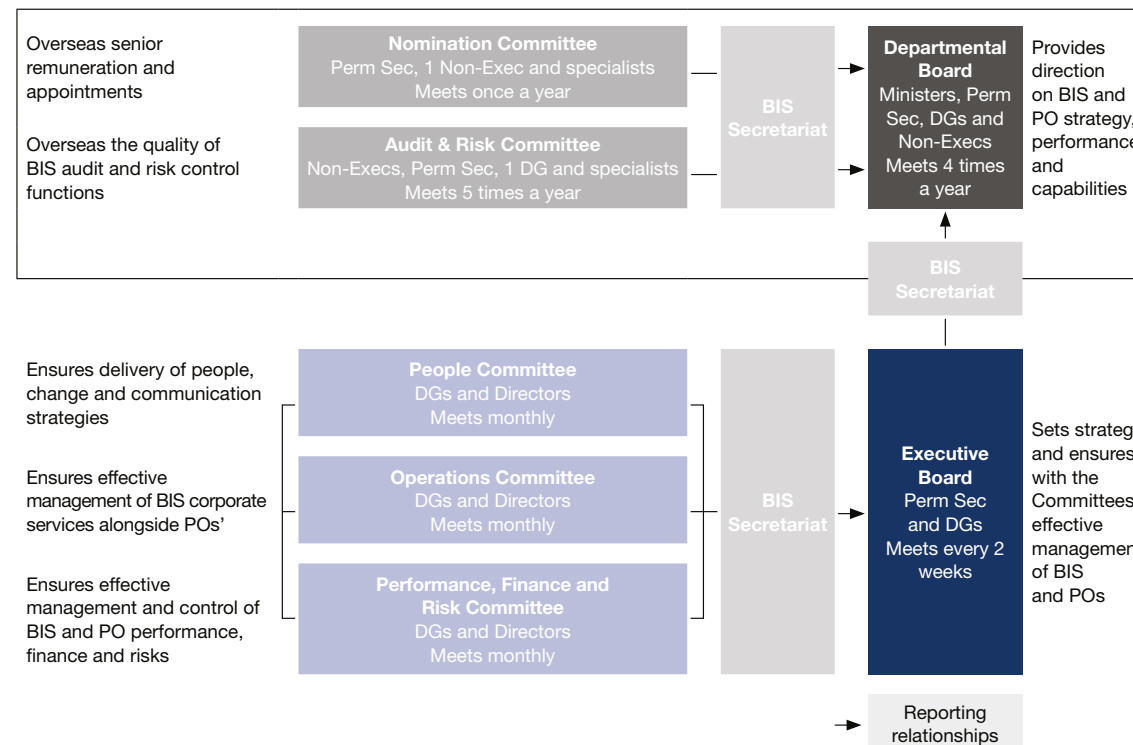
Clear governance structure

Department for Business, Innovation & Skills 2014-15 – page 62



BIS Governance Structures

The Department's current board and committee structures are shown in the diagram below.



Governance

Board activities

HM Revenue & Customs 2014-15 – page 51



Figure 25: ExCom sub-committees (roles and responsibilities)

	Portfolio Delivery Board	Investment Committee	People Matters Committee
Roles and responsibilities	Acts as an additional decision-making body, helping others to implement change, offering support and advice as well as a challenge function operating below, but reporting to ExCom (Transformation).	Makes investment decisions on behalf of ExCom, in line with HMRC's strategic direction and change initiatives, on initiatives which cost more than £2 million, or are new or contentious.	Plans for three to five years ahead in terms of how HMRC will be structured and use our resources. It also oversees the programme of work that will deliver the People Strategy and takes decisions on delegated issues relating to people policies. The committee supports the Chief People Officer in designing and implementing the annual One HR work plan.
Chair	Nick Lodge, Director General, Benefits and Credits	Justin Holliday, Chief Finance Officer (Simon Bowles until March 2015)	William Hague, Chief People Officer
Issues covered	<ul style="list-style-type: none"> Monitored and challenged progress in delivery across and within portfolio clusters Oversaw the identification and management of risks and dependencies across and within portfolio clusters Monitored and challenged progress towards the achievement of HMRC's blueprint ambition Provided advice to ExCom on funding and prioritisation issues. 	<ul style="list-style-type: none"> Examined business cases for: Spending Review 2013 settlement; Autumn Statements 2013 and 2014 investment; and legacy business cases for SR10 settlement; reinvestment settlement Reviewed finance and benefits status and associated risks and issues of core change settlements. 	<ul style="list-style-type: none"> Examined existing HR and people practices as they were updated and refreshed Reviewed new practices as they were being developed Oversaw the delivery and progress of HMRC transformation engagement programme, Building our Future Examined the priority and work plan for the HR policy remit Carried out in-depth reviews of departmental risks referred by the Board, ExCom, or the People Nominations and Governance Committee.

Governance

Board attendance

HM Courts & Tribunals Service 2014-15 – page 49



Attendance at HM Courts & Tribunals Service Board and Committees 2014-15

	HM Courts & Tribunals Service Board		Audit and Risk Assurance Committee		Change and Modernisation sub Committee		Health and Safety Committee	
	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings
Robert Ayling – Independent Chairman	11	12						
Francis Dobbyn – Non-Executive Board Member and Chair of Audit and Risk Assurance Committee (from 1 April to 31 March)	11	12	6	6				
Victoria Cochrane – Non-Executive Board Member (From 1 November 2014)	6	6	1	1				
Rachel Osborne – Non-Executive Board Member (From 1 August 2014)	6	8						
Ian Playford – Non-Executive Board Member (From 1 August 2014)	8	8						
Lord Justice Sullivan – Senior President of Tribunals ⁷	9	12						
Lord Justice Gross – Senior Presiding Judge	11	12						
District Judge Michael Walker – Judicial Member	12	12	6	6				
Peter Handcock – Chief Executive (From 1 April to 31 December 2014)	8	8	3	5				
Natalie Ceeney – Chief Executive (From 5 January 2015)	4	4	1	1				
Steve Gillespie – Director of Finance and Governance	12	12	6	6	7	7	2	2
Guy Tompkins – Director of Crime	9	12			6	7		
Kevin Sadler – Director Civil, Family and Tribunals	12	12			7	7		
Sarah Albon – Director of Strategy and Change to January 2015					6	7		

⁷ The Senior President of Tribunals was represented by HHJ Sycamore, with full delegated authority, at two Board meetings

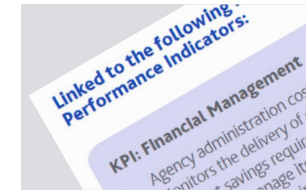


What did we look for?

- Quantified KPIs aligned to strategic objectives
- Balanced assessment of goals achieved and performance against target



KPIs



KPIs

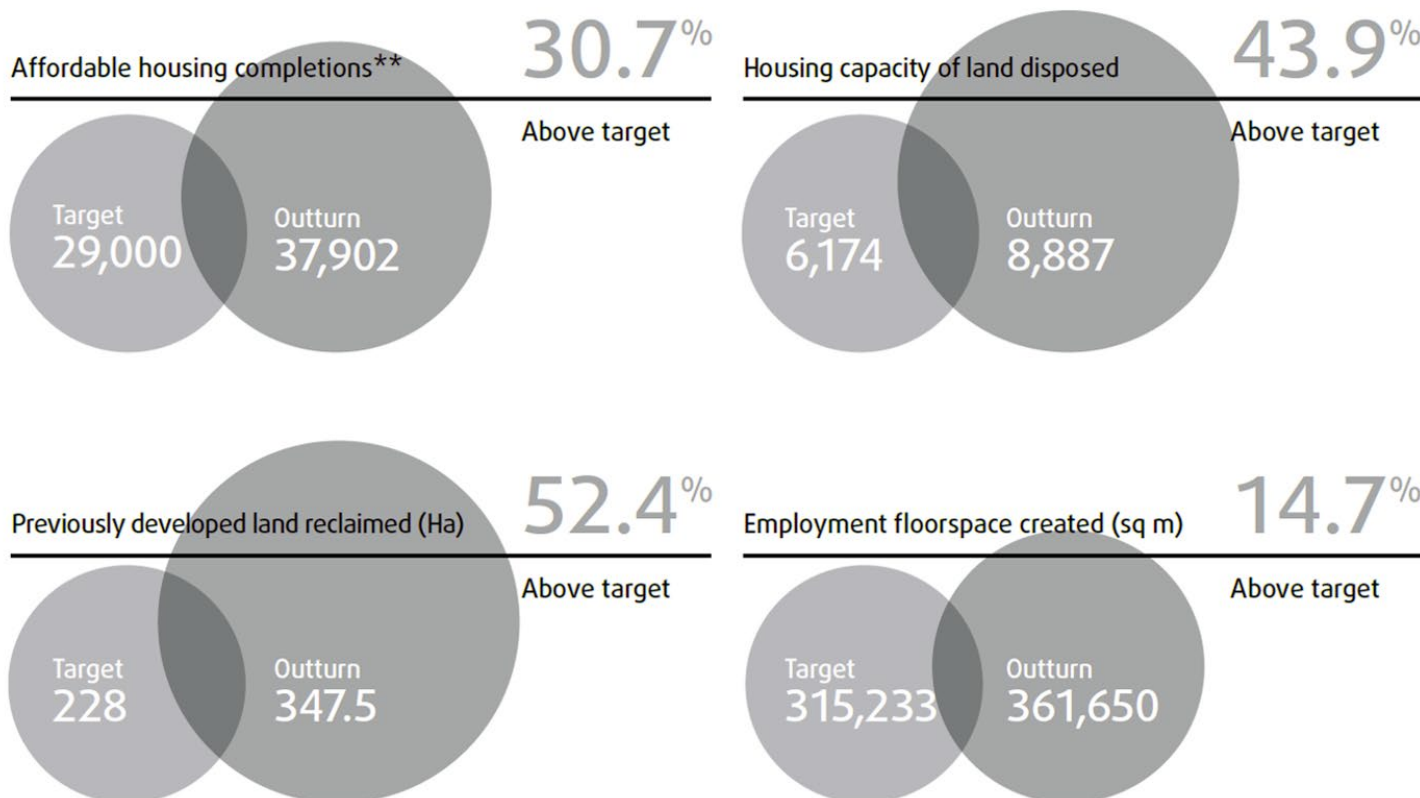


KPIs

Measure of success

Key Performance Indicators

Homes and Communities Agency 2014-15 – page 20



1/3

Measure of success

Key Performance Indicators

Legal Aid Agency 2014-15 – page 16



Linked to the following Key Performance Indicators:

KPI: Financial Management

- Agency administration costs – Monitors the delivery of efficiencies and cost savings required to enable the Agency to manage its operations within the allocated administration budget.
- Legal Aid Fund – Monitors the legal aid expenditure, within the allocated budget, including the delivery of savings related to the implementation of reforms.
- Assurance – Monitors the accuracy and compliance of legal aid applications and payments.

We also continued our programme of financial stewardship working with providers, monitoring the accuracy with which we grant applications for legal aid and process bills. Testing in this area showed an error rate of 0.65% for the year.

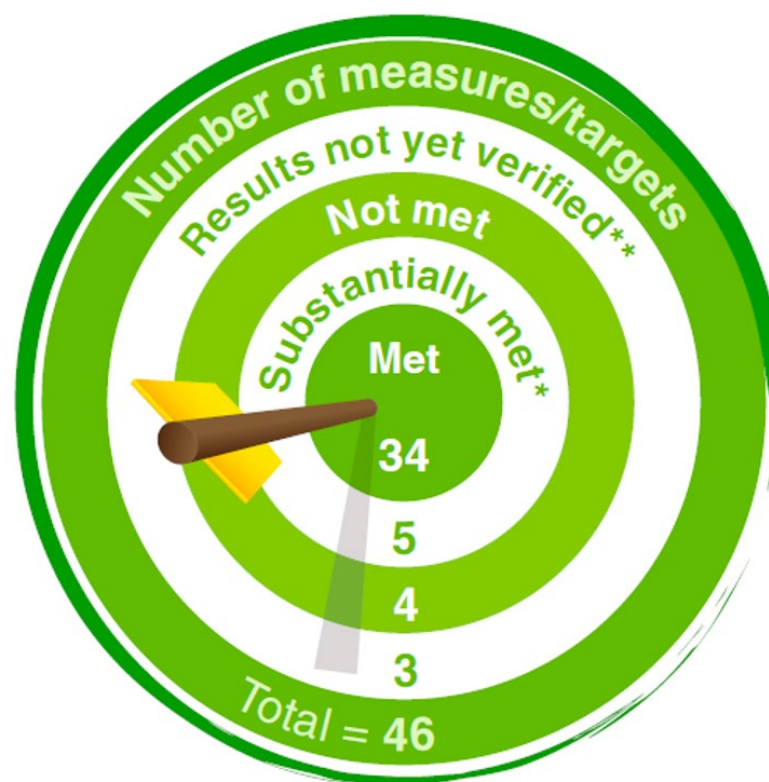
Measure of success

Key Performance Indicators

Highways Agency 2014-15 – page 12



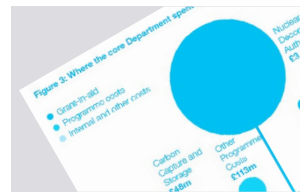
3/3



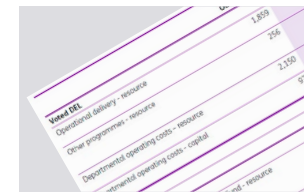


What did we look for?

- An understandable and fair reflection of financial performance which is consistent with the underlying financial statements
- Discussion of actual performance against expected/budgeted performance



Where the department spent its money



Explanations for variances



Expenditure breakdown



Spending within budget

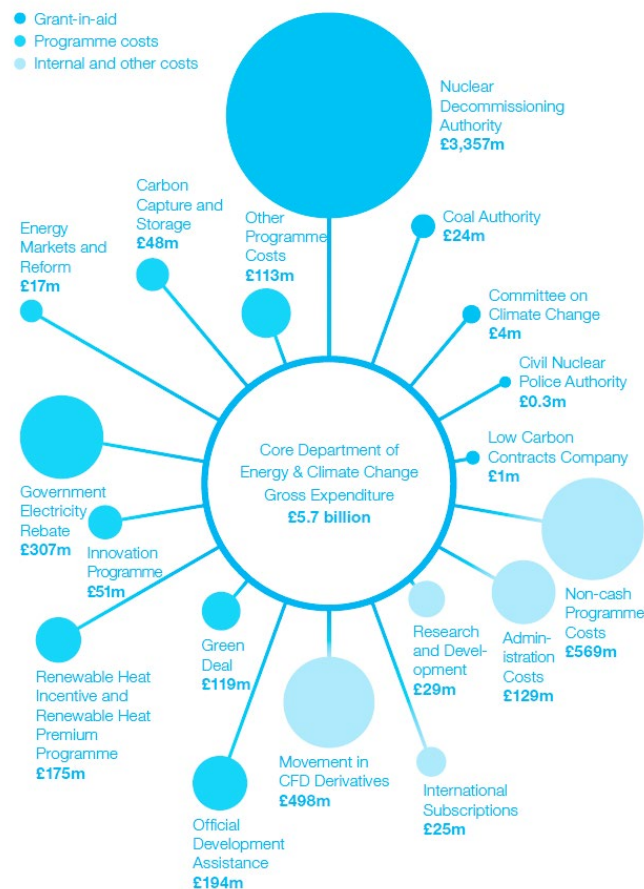
Financial performance

Where the department spent its money

Department of Energy & Climate Change 2014-15 – page 17



Figure 3: Where the core Department spent its money in 2014-15



Financial performance

Explanations for variances

Department for Work & Pensions 2014-15 – page 49



	Outturn £m	Variance to Estimate %	Reason for variance
Voted DEL			
Operational delivery - resource	1,859	(15%)	Service concession costs now reported here (previously departmental operating costs)
Other programmes - resource	256	(13%)	Additional costs relating to Remploy pensions deficit not forecast at Supplementary Estimate
Departmental operating costs - resource	2,150	14%	Service concession costs now reported against operational delivery
Departmental operating costs - capital	97	29%	£30 million legal costs anticipated at Supplementary Estimate did not materialise
Voted AME			
Universal Credit	56	57%	Expenditure reflects changes to UC rollout
Non-voted AME			
Expenditure incurred by the Social Fund - resource	2,125	20%	Very mild winter resulted in minimal expenditure on Cold Weather Payments, and net Social Fund lending was lower than expected
Expenditure incurred by the Social Fund - capital	(124)	(24%)	Recoveries were higher than the £100 million anticipated in the Estimate
Voted non-budget			
Cash paid into the Social Fund - resource	2,059	20%	Winter 2014-15 was milder than anticipated when the Supplementary Estimate was finalised, resulting in minimal expenditure on Cold Weather Payments, reducing the cash requirement to be paid into the Fund

2/5

Financial performance

Explanations for variances

Department for International Development 2014-15 – page 65



Consolidated Statement of Financial Position

The Department's net assets at 31 March 2015 amounted to £1,242.3 million, a decrease of £311.8 million on net assets held at the previous year end. Significant factors contributing to this reduction include:

■ Financial investments

- Financial investments increased by £565.3 million to £6,794.5 million at the end of the year (31 March 2014: £6,229.2 million).
- The increase reflects new contributions to International Financial Institutions (IFIs) and other Development Capital totalling £82.9 million, combined with investment revaluations amounting to £491.7 million.
- The revaluations result mainly from an increase of £420.2 million in the fair value of DFID's interest in CDC, reflecting growth in the value of CDC's assets. As CDC records its accounts in Sterling but holds significant investments in US dollars, the revaluation of CDC is highly influenced by exchange rate movements. Similarly, a revaluation of investments in IFIs amounting to £69.9 million was driven largely by favourable movements between Sterling and the US dollar, together with increases in the value of underlying assets.

■ Trade and other receivables

- Trade and other receivables due after more than one year increased by £167.9 million to £237.9 million, which was mainly the result of a net increase of £153.7 million in the amounts due in respect of bilateral and multilateral loans.
- A driver of the increase of bilateral and multilateral loans is a new loan to International Development Association (IDA) amounting to £324.0 million which is reported at an amortised cost of £155.3 million within trade and other receivables (£0.4 million within trade and other receivables due within one year, £154.9 million due after more than one year). The loan forms part of the UK's commitment to IDA's 17th Replenishment.

- The Department also added a number of Development Capital loans during the year, increasing the amortised value of this category of its investment portfolio by £17.2 million.

■ Other assets

- Fixed assets represent a relatively small component of DFID's Statement of Financial Position. Tangible assets reduced by £12.8 million net during 2014–15, driven by a £12.0 million reduction following the disposal of a building at Chatham, and intangible assets reduced by £7.4 million net.
- The Department's cash position reduced from a cash balance in 2013–14 of £24.7 million to a nominal bank overdraft position in 2014–15 of £2.7 million. It should be noted that the overdraft balance occurs due to timing differences and DFID does not operate an overdraft with its commercial bank accounts.

■ Promissory notes payable

- The value of promissory notes deposited by DFID but not yet encashed at the Statement of Financial Position Date increased from £3,520.1 million at 31 March 2014 to £4,667.6 million at 31 March 2015, an increase of £1,147.5 million.
- The Department deposited promissory notes totalling £2,081.4 million during the year and notes totalling £936.5 million were encashed.
- Promissory notes are often used to meet the UK's commitments to multilateral funds within agreed timings, whilst allowing flexibility for the funds to match the timing of cash draw-downs with programme requirements. Significant new notes related to IDA (£410.0 million), Environmental Transformation Fund (ETF) (£292.0 million) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) (£285.0 million).
- Promissory notes are payable on demand and are therefore recorded within current liabilities.

■ Finance lease payables

- Finance lease payables reduced by £45.0 million between 31 March 2014 and 31 March 2015 as a result of the expiry of a finance lease related to a property owned by the Department during the year. The related property was sold following expiry of the lease.

■ Provisions

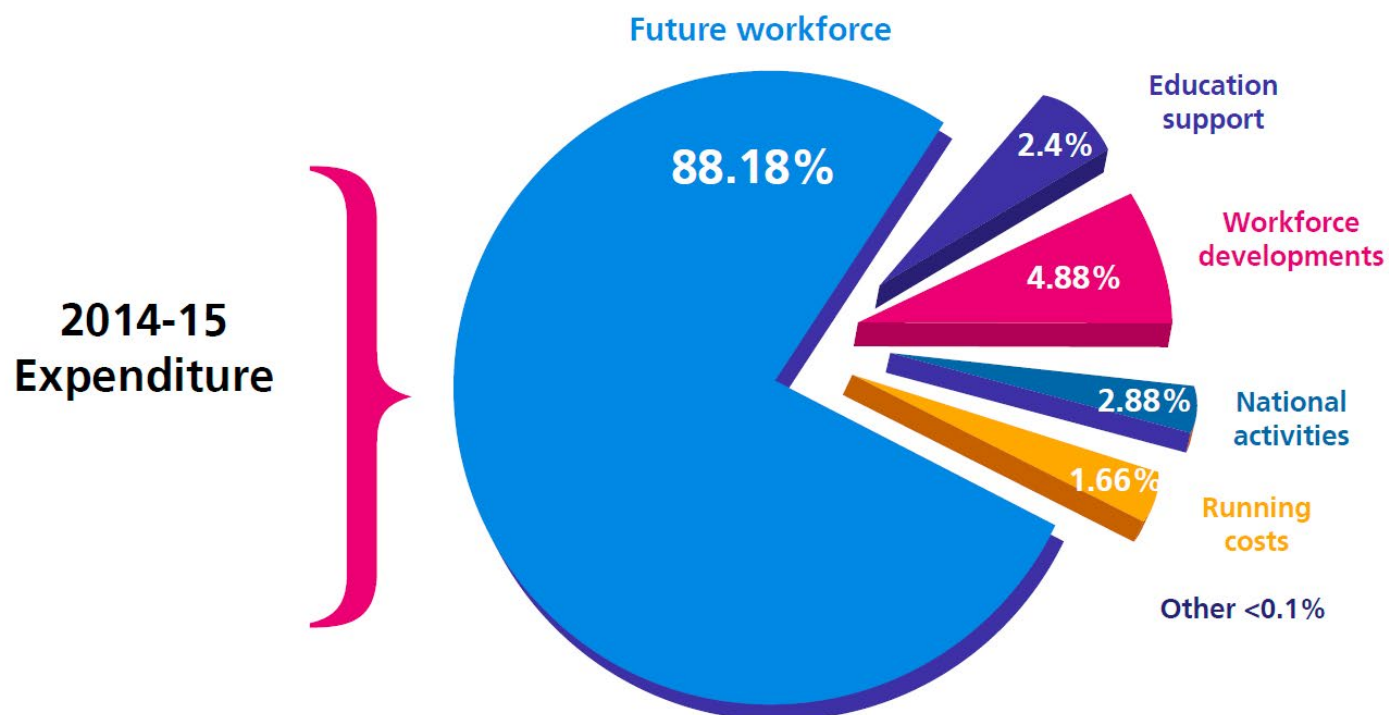
- Total provisions at 31 March 2015 amounted to £1,097.1 million, a reduction of £69.6 million on the previous year.
- The reduction related principally to provisions held in respect of 2 multilateral programmes; the International Finance Facility for Immunisation (IFFIm) and the Advance Market Commitment (AMC) programme. Both programmes establish liabilities which are funded by multilateral donors. DFID makes payments to the programmes in line with agreed payment schedules. The provisions are held in respect of differences between the payment schedules and the UK's share of underlying liabilities incurred by the programmes (as explained in note 14).

3/5

Financial performance

Expenditure breakdown

Health Education England 2014-15 – page 61



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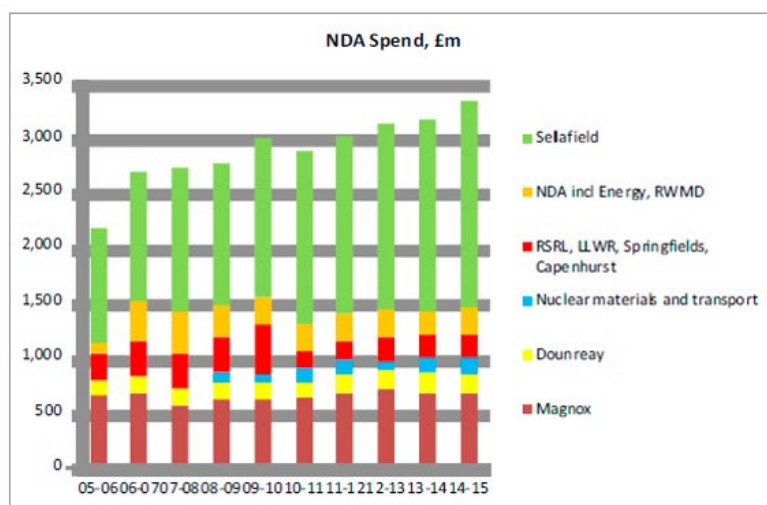
Financial performance

Spending within budget

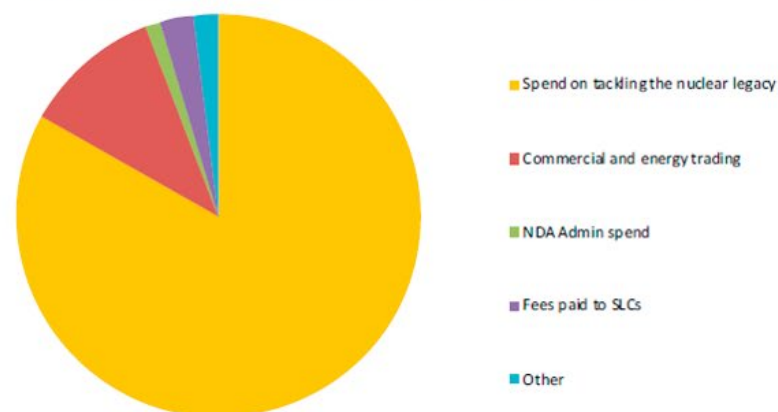
Nuclear Decommissioning Authority 2014-15 – page 9



5/5



Proportion of NDA spend on tackling the nuclear legacy 2014-15



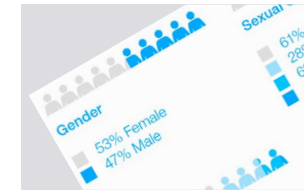


What did we look for?

- Discussion and quantitative analysis of people factors in the organisation
- Details of equal opportunities and diversity in the organisation



Importance of staff



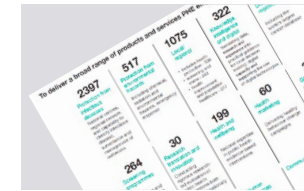
Staff statistics



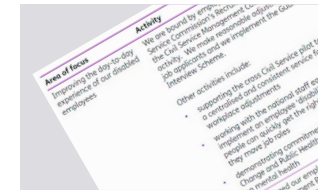
Staff engagement in people survey



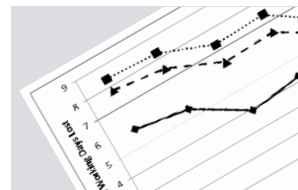
Employee engagement



How staff fit into the organisation



Equality



Staff sickness

People factors

Importance of staff

Financial Services Compensation Scheme 2014-15 – page 82



FSCS People Awards

At our annual staff away day in March 2015 built around the theme 'Let's Work Together' we celebrated the fourth annual FSCS People Awards to recognise those individuals and teams that have made a significant contribution to our success over the last year. All employees are able to nominate their colleagues anonymously.

The nominees were judged by the Chief Executive, Chairman and members of the FSCS Executive Team and People Council.

The winners of the FSCS People Awards 2014/15 are:



Rookie of the Year –
Alice Cox, Learning
and Development
Co-ordinator

Working Together –
Renatta Nzomono,
Business Resilience
Partner

Rising Star –
Vicky Hutton,
Process Architecture
Specialist

Excellence –
Sandie Fugler,
Customer Escalation
Specialist

People factors

Staff statistics

Department of Energy & Climate Change 2014-15 – page 33



Gender

- 53% Female
- 47% Male



Sexual Orientation

- 61% Heterosexual
- 28% Unknown
- 6% Prefer not to say
- 5% LGBT



Ethnicity

- 62% White
- 25% Unknown
- 10% BME
- 3% Prefer not to say



Disability

- 71% Does not have a disability
- 21% Unknown
- 5% Has a disability
- 3% Prefer not to say

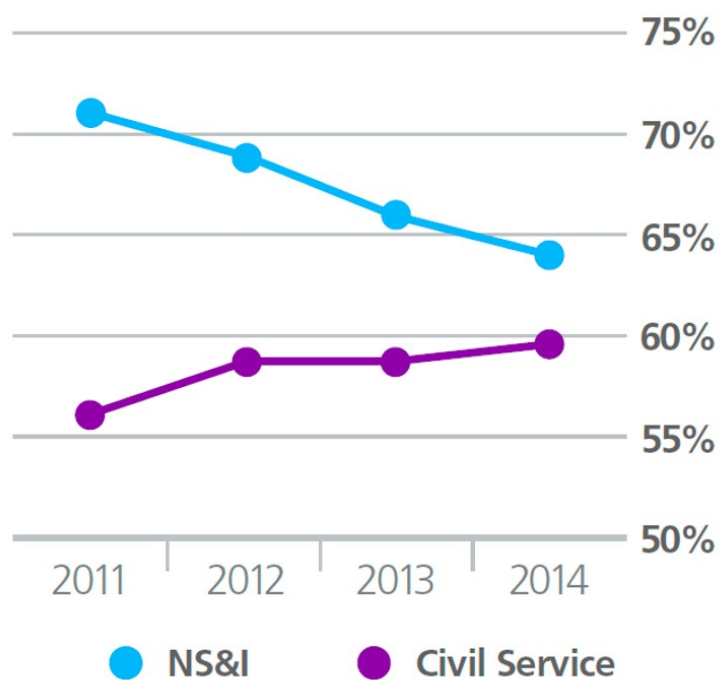
People factors

Staff engagement in people survey

National Savings and Investment 2014-15 – page 30



Civil Service People Survey – engagement

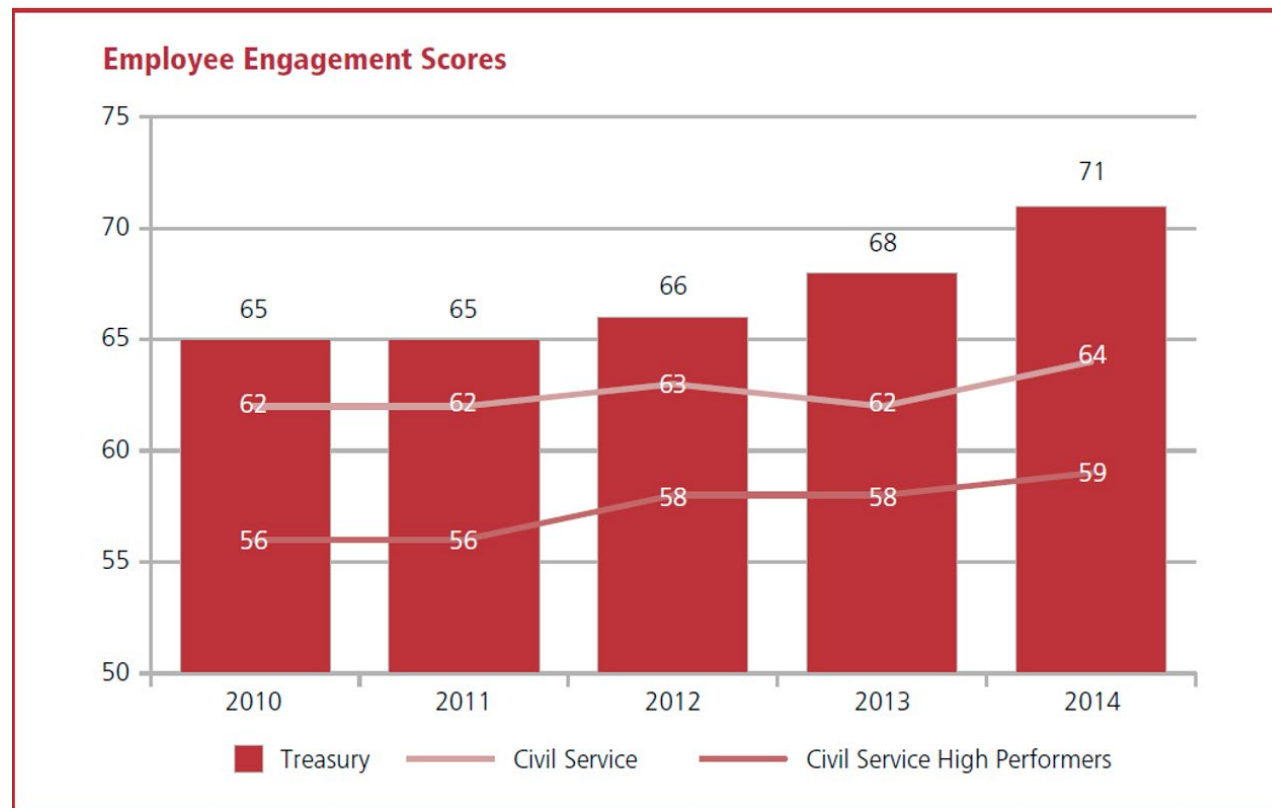


3/7

People factors

Employee engagement

HM Treasury 2014-15 – page 25



4/7

People factors

How staff fit into the organisation

Public Health England 2014-15 – page 8



To deliver a broad range of products and services PHE employs approximately 5,600 staff:

	2397 Protection from infectious diseases National centres, regional network and capability to identify infectious disease, surveillance and management of outbreaks	517 Protection from environmental hazards Including chemical, radiation and environmental hazards, emergency response	1075 Local/ regional <ul style="list-style-type: none"> includes health protection - 536 screening and imms - 243 health improvement and population healthcare - 277 	322 Knowledge, intelligence and digital Translating data, research and experience into practical guidance for local decision making; digital capacity and supporting the use of digital technologies	293 Disease registration Including the world's largest cancer database
	264 Screening programmes Developing and quality assuring cancer and non-cancer screening programmes	30 Research translation and innovation Conducting rigorous research-led evaluation of public health interventions both locally and nationally	199 Health and wellbeing National expertise in public health evidence-based interventions	60 Health marketing Delivering healthy behaviour change campaigns	20 Global health Protecting the UK from emerging international threats, maintaining and developing relations with WHO and other international and national public health agencies
With business support from:	Financial and commercial 167	Infrastructure (ICT and estates) 136	Human resources 47	Communications 66	Corporate 64

People factors

Equality

Department for Work & Pensions 2014-15 – page 64



Area of focus	Activity
Improving the day-to-day experience of our disabled employees	<p>We are bound by employment legislation, the Civil Service Commission's Recruitment Principles and the Civil Service Management Code for all selection activity. We make reasonable adjustments for job applicants and we implement the Guaranteed Interview Scheme.</p> <p>Other activities include:</p> <ul style="list-style-type: none"> • supporting the cross Civil Service pilot to deliver a centralised and consistent service for complex workplace adjustments • working with the national staff equality group to implement an employee 'disability passport' so people can quickly get the right support when they move job roles • demonstrating commitment to the Time to Change and Public Health Responsibility pledges on mental health
Raising aspirations and developing diverse talent in conjunction with the Civil Service Talent action plan	<p>We encouraged our employees to participate in the cross-government Positive Action Pathway development programme for women, ethnic minorities and disabled employees. We have the highest number of participants of any department.</p>
Continuing to embed the Equality Act	<p>We looked critically at our major change programmes to ensure our services are accessible for everyone. We publish our Public Sector Equality Duty information and our Equality Information reports on our website on www.gov.uk.</p>

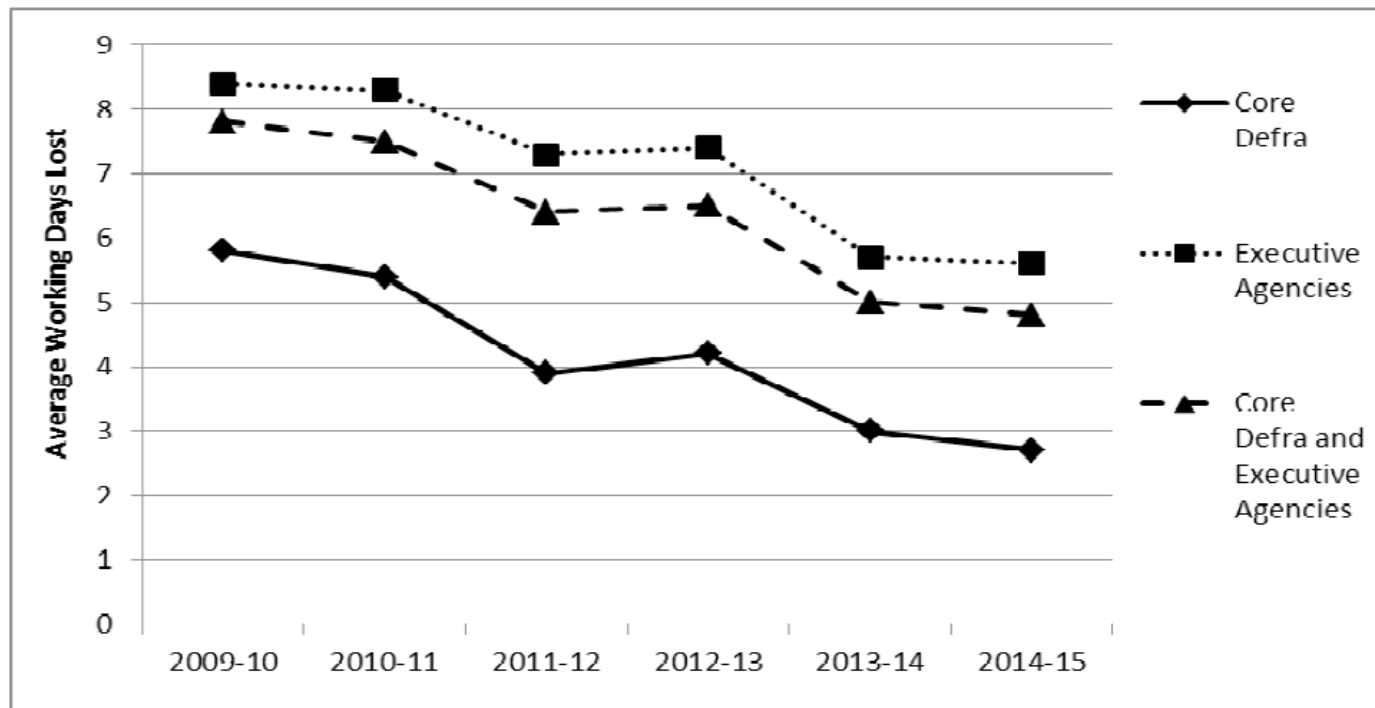
People factors

Staff sickness

Department for Environment, Food & Rural Affairs 2014-15 – page 26



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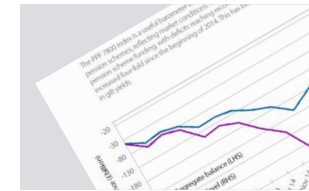


What did we look for?

- Consideration of the external drivers that influence and impact on current objectives and performance



External factors



External factors



External factors

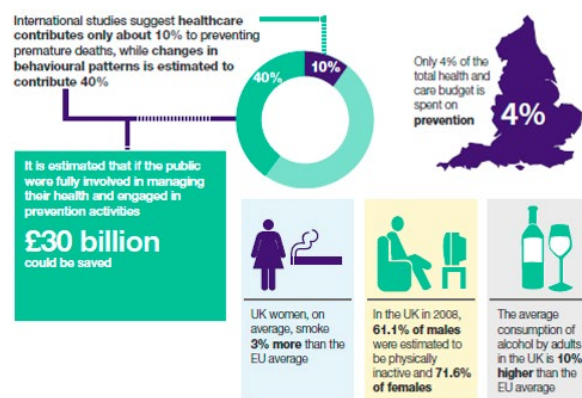
External drivers

External factors

Public Health England 2014-15 – page 9

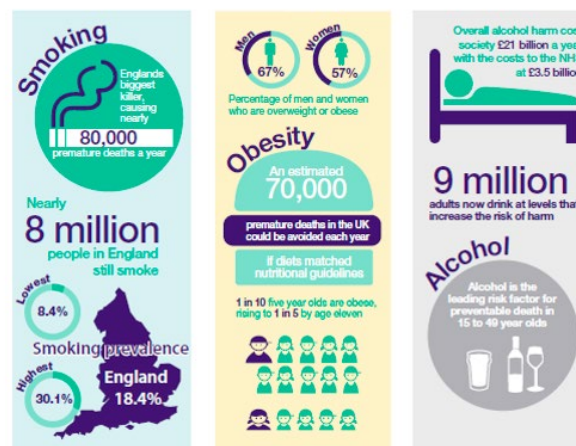


Some of the challenges we face



1/3

Our lifestyles increase the risk of ill health



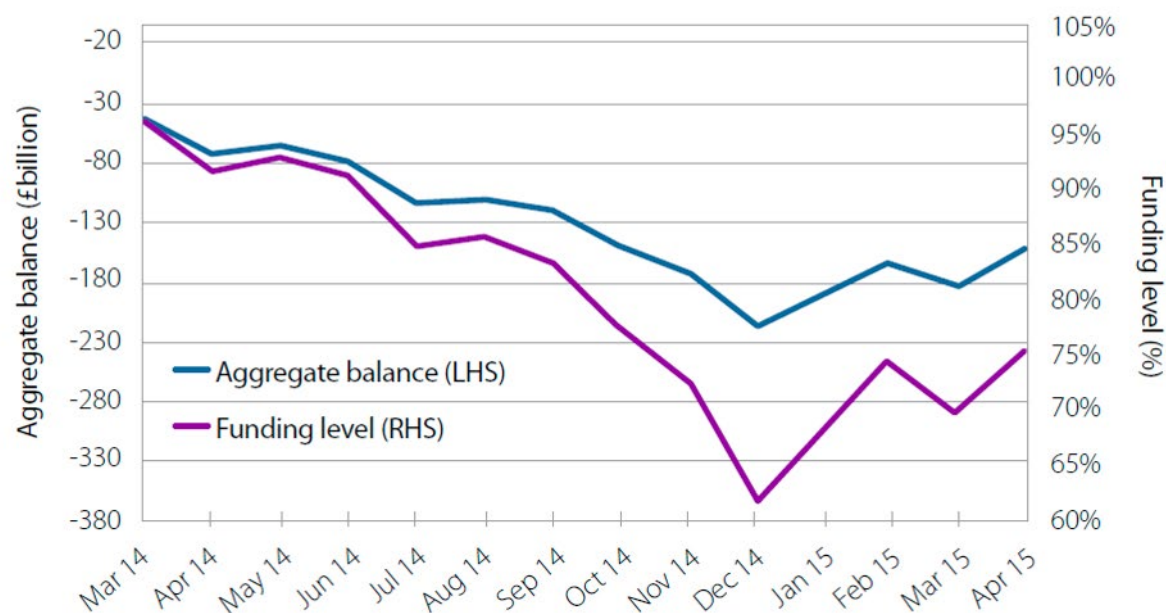
External drivers

External factors

Pension Protection Fund 2014-15 – page 22



The PPF 7800 index is a useful barometer for assessing the state of the UK's final salary pension schemes, reflecting market conditions. The past year has seen a steady decline in pension scheme funding, with deficits reaching record levels in January this year, having increased four-fold since the beginning of 2014. This has been driven by continuing falls in gilt yields.



External drivers

External factors

NHS Litigation Authority 2014-15 – page 8



Drivers of clinical negligence costs

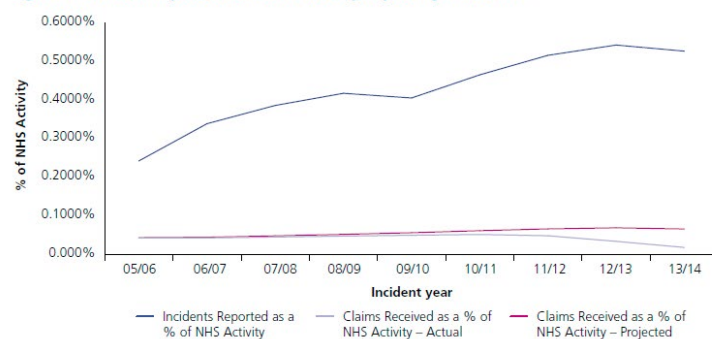
The NHS in England has experienced an increase in the costs associated with clinical negligence claims in recent years. This means increased costs to NHS trusts and less money available to care for patients.

The NHS LA has identified the following potential drivers of the costs of claims:

1. An increase in the number of patients being treated by the NHS.
2. An increase in the number of reported incidents. This may indicate an increasing and positive reporting culture and so is not necessarily reflective of an increase in incidents occurring.
3. An increase in the number of patients claiming compensation as a proportion of reported incidents.
4. An increase in the number of patients who claim but who do not recover compensation.
5. An increase in the number of lower value claims.
6. Disproportionate claimant legal costs for lower value claims.
7. Excessive claims for legal costs from some claimant firms.
8. Rising lump sums and annual costs (usually, for care), over and above inflation, for high value claims.

"The NHS LA is working closely with members to learn from claims in order to reduce harm however, many of the drivers identified lie in the legal environment."

Figure 1: Relationships between NHS Activity, reporting and claims





What did we look for?

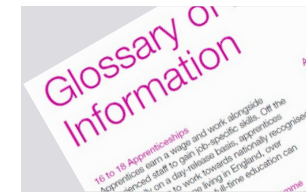
- Use of plain English, graphics and appropriate lay out to enable the user to understand and gauge the importance of the information presented
- Appropriate use of acronyms, with clear definitions



Use of graphics to highlight key achievements



Use of graphics to highlight key achievements



Glossary

Understandability

Use of graphics to highlight key achievements

Department for Work & Pensions 2014-15 – page 7



In 2014-15 we:



Saw a record
31.1m
people in employment
– including **22.7m** full-time

NEA

Enabled the creation of
65,570
new businesses through the
New Enterprise Allowance

Boosted the number
of people saving
in workplace
pensions by

2.2m

and legislated for
a simpler, fairer
State Pension



Helped
105,000
families turn their
lives around through
the Troubled Families
Programme

Helped more than

32,400

disabled people find
and stay in work by
reducing barriers
through

**Access to
Work**



Gave
198,000
young people the
opportunity to
gain valuable work
experience with an
employer placement

Supported a
2.1 percentage
point increase in the
employment rate of
disabled people

up to
46.3%

Achieved
86%
parents paying
maintenance for their
children



Understandability

Use of graphics to highlight key achievements

Department for Business, Innovation & Skills 2014-15 – page 10



Key achievements in 2014-15

£1.8bn



40,000
smaller businesses

British Business Bank programmes include start-up, venture capital finance and lending initiatives. Its programmes are supporting **£1.8 billion** of finance to around **40,000** smaller businesses, with a further **£1.4 billion** of finance to mid-cap businesses.



In 2014, applications to higher education from 18 year olds were at an all-time high (307,000), with record numbers of applicants accepted to their firm, or first, choice course (73% of all acceptances).

Introduced a number of measures to better manage alternative higher education providers including the application of student number controls, stronger quality assurance reviews, and the foundation of an Intelligence Unit and 'Rapid Response Investigatory Team' to investigate any allegations of abuse of the system.

2/3



Glossary of Further Information

3/3

16 to 18 Apprenticeships

Apprentices earn a wage and work alongside experienced staff to gain job-specific skills. Off the job, usually on a day-release basis, apprentices receive training to work towards nationally recognised qualifications. Anyone living in England, over 16-years-old and not in full-time education can become an apprentice.

16 to 18 Employer Ownership Programme

Funding available in a bid to design the vocational training programmes needed to grow and create tens of thousands of opportunities for young people.

24+ Advanced Learning Loans

24+ Advanced Learning Loans (previously known as FE Loans) were introduced during the academic year 2013 to 2014 and provide support for learners aged 24 and over to access skills provision at Levels 3 and 4 (including advanced and higher apprenticeships).

Apprenticeship training

An apprenticeship is a work-based training programme, designed around the needs of employers, which leads to nationally recognised qualifications.

Association of Colleges

The Association of Colleges (AoC) is a not-for-profit organisation that represents and promotes the interests of colleges and provides members with professional support services. The membership includes general and tertiary, FE colleges, sixth-form colleges and specialist colleges in England.

Association of Employment and Learning Providers

The Association of Employment and Learning Providers (AELP) is a national membership organisation and the recognised voice of independent training organisations that engage in government-funded skills training and employability programmes.