



PERFORMANCE
REPORTING
FRAMEWORK



Yarriambiack
SHIRE COUNCIL

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Performance Reporting Framework

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PERFORMANCE REPORTING FRAMEWORK

1. PURPOSE

The purpose of this framework is to document the process and structure for Council reporting financial and non financial performance indicators on a periodic basis to meet legislative reporting requirements.

2. OBJECTIVES

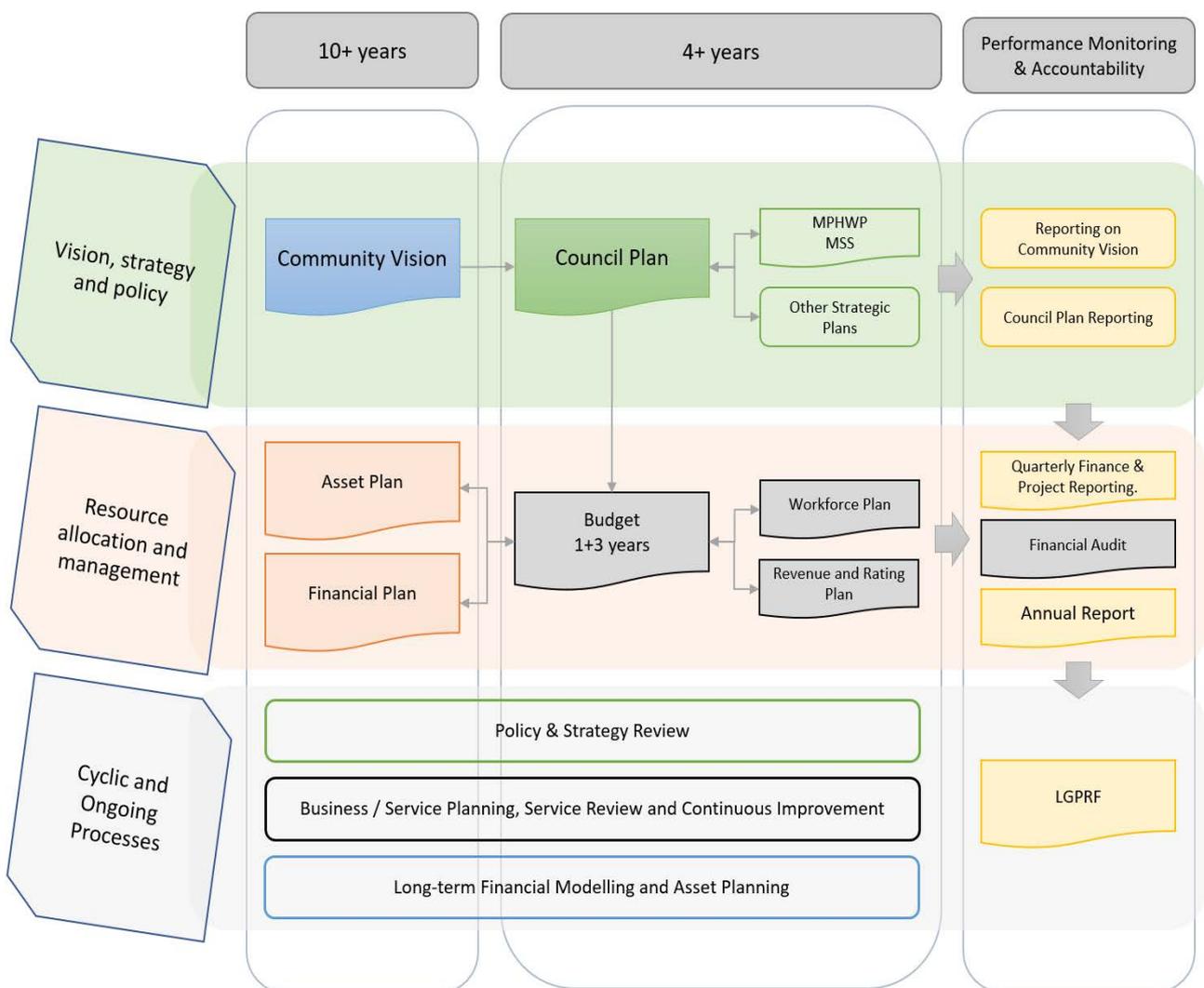
In developing and implementing a performance reporting framework, Council objectives include:

- Complying with current legislation
- Encouraging and maintaining accountability and transparency to the community
- Driving continuous improvement across the organisation
- Maintaining stakeholder confidence in our financial and non-financial decision making

3. LEGISLATIVE CONTEXT

Reporting requirements are associated with the Local Government Act 2020, Local Government (Planning and Reporting) Regulations 2020 and the Freedom of Information Act 1982.

The planning and accountability framework is described pictorially as below:



3.1 COUNCIL VISION

A Council must maintain a Community Vision that is developed with its municipal community in accordance with its deliberative engagement practices, as outlined in Council's Community Engagement Policy.

The scope of the vision is for a period of at least the next 10 years.

3.2 STRATEGIC PLANNING PRINCIPLES

The following Strategic Planning Principles apply:

- a) Integrated approach to planning, monitoring and performance reporting is to be adopted.
- b) Strategic planning must address the Community Vision.
- c) Strategic planning must take into account the resources needed for effective implementation.
- d) Strategic planning must identify and address the risks to effective implementation.
- e) Strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

3.3 COUNCIL PLAN

In accordance with Section 90 of the Local Government Act 2020, a Council must prepare and adopt a Council Plan for a period of at least the next 4 financial years after a general election in accordance with its deliberative engagement practices.

A Council must develop or review the Council Plan in accordance with its deliberative engagement practices and adopt the Council Plan by 31 October in the year following a general election.

The Council Plan adopted under subsection (3) has effect from 1 July in the year following a general election.

In accordance with the Local Government (Planning and Reporting) Regulations 2020, Councils must review their performance against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.

A Council Plan outlines the strategic priorities, objectives and strategies Council will pursue over the four year period.

The Yarriambiack Shire Council Plan sets the following strategic priorities and what our Community said was important:

1.	A Vibrant and Diversified Economy	<ul style="list-style-type: none"> • Improved maintenance of roads • Faster processing of permits • Improve the art and culture activities for residents and tourists • Ensure roadside vegetation is maintained to allow for safe machinery usage • Land availability and affordable housing options • Safe and well-maintained footpaths • Improved gravel supply for road maintenance • Support existing business and attract new industry • Access to childcare for working parents • Increase access to alternate transport modes • Tourism to stimulate the local community
2.	A Healthy and Inclusive Community	<ul style="list-style-type: none"> • Increased access to childcare • Intergenerational activities • Access to mental health support • Attracting GP's and specialist health services • Supporting volunteers • Engaging youth in activities outside of sport • Having modern recreational facilities • Improved handyman support for elderly in their homes • Support to reduce isolation for our older residents • Accessibility to health and social events • Quality of meals available to elderly
3.	A Robust and Thriving Environment	<ul style="list-style-type: none"> • Improve our waste recycling • Look at opportunities for hard waste collection • Make sure our elderly are supported during heatwaves • Protect our recreational water • Ensure all towns have access to recreational or environmental water • Preserve the native vegetation • Plant more trees in townships • Attract more investment for renewables
4.	A Council Who Serves Its Community	<ul style="list-style-type: none"> • Keep a range of communication options available to customers • Make sure consultation is accessible including outside business hours • Value for rates paid • Advocate for all the communities • Maintain face to face customer service • Make sure Council is accountable to community requests

3.4 ANNUAL REPORT

In accordance with Section 98 and 99 of the Local Government Act 2020, a Council must prepare an annual report in respect of each financial year.

An annual report must contain the following -

- a) A report of operations of the Council.
- b) An audited performance statement.
- c) Audited financial statements.
- d) A copy of the auditor's report on the performance statement.
- e) A copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994.
- f) Any other matters prescribed by the regulations.

A Council meeting open to the public must be held to consider the annual report. This must occur;

- a) In the year of a general election, on a day not later than the day before election day; or
- b) In any other year, within four months of the end of the financial year.

Report of Operations (section 98 (3))

The report of operations of the Council must contain the following:

- a) Statement of progress on implementation of the Council Plan, which includes the results of the strategic indicators.
- b) A statement of progress in relation to the major initiatives identified in the budget or a revised budget.
- c) The prescribed indicators of service performance for the services provided by the Council and funded in the budget during the financial year, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures.
- d) Any other information prescribed by the regulations.

Performance Statement (Section 98 (4))

The Performance statement in the Annual Report must contain the following:

- a) The prescribed indicators of service performance for the services provided by the Council and funded in the budget for the financial year, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures;
- b) the prescribed indicators of financial performance, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures;
- c) the prescribed indicators of sustainable capacity performance, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures;
- d) any other information prescribed by the regulations.

Financial Statements (Section 98 (5))

The financial statements must;

- a) Include any other information prescribed by the regulations; and
- b) Be prepared in accordance with the regulations.

3.5 LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

The Victorian Government established the LGPRF in 2014 to ensure all councils are measuring and reporting on their performance in a consistent way.

The primary objective of the LGPRF is to provide comprehensive performance information that meets the needs of a number of audiences. In meeting this objective:

- Councils will have information to support strategic decision-making and continuous improvement
- Communities will have information about council performance and productivity
- Regulators will have information to monitor compliance with relevant reporting requirements
- State and Federal Governments will be better informed to make decisions that ensure an effective, efficient and sustainable system of Local Government.

Data is compiled by relevant responsible officers under the supervision of the Manager Corporate Services. LGPRF results are provided to the Department Environment, Land, Water and Planning (DELWP) and available for community viewing on the Know Your Council website www.knowyourcouncil.vic.gov.au.

The Report of Operations, included as part of the Local Government Performance Reporting Framework includes A Report of Operations and Performance Statement.

The Report of Operations includes indicators for measurement as defined by the Victorian Government in the following categories:

Aquatic Facilities	Animal Management	Food Safety
Governance	Libraries	Maternal Child and Health
Roads	Statutory Planning	Waste Collection
Sustainable capacity indicators	Financial Performance indicators	

The Performance Statement includes financial performance measures that are incorporated into Council's Financial and Non-Financial Quarterly report The Performance Statement is also completed annually as part of Council's Annual Reporting requirements.

3.6 BUDGET

In accordance with Section 94 of the Local Government Act 2020, a council must prepare and adopt a budget for each financial year and the subsequent three financial years by:

- a) 30 June each year, or
- b) Any other date fixed by the Minister by notice published in the Government Gazette.

A Council must ensure that the budget gives effect to the Council Plan and contains the following—

- a) Financial statements in the form and containing the information required by the regulations;
- b) A general description of the services and initiatives to be funded in the budget;
- c) Major initiatives identified by the Council as priorities in the Council Plan, to be undertaken during each financial year;
- d) For services to be funded in the budget, the prescribed indicators and measures of service performance that are required to be reported against by this Act;
- e) The total amount that the Council intends to raise by rates and charges;
- f) A statement as to whether the rates will be raised by the application of a uniform rate or a differential rate;
- g) A description of any fixed component of the rates, if applicable;
- h) If the Council proposes to declare a uniform rate, the matters specified in section 160 of the Local Government Act 1989;
- i) If the Council proposes to declare a differential rate for any land, the matters specified in section 161(2) of the Local Government Act 1989;
- j) Any other information prescribed by the regulations.

The Council must ensure that, if applicable, the budget also contains a statement—

- a) That the Council intends to apply for a special Order to increase the Council's average rate cap for the financial year or any other financial year; or
- b) That the Council has made an application to the ESC for a special Order and is waiting for the outcome of the application; or
- c) That a special Order has been made in respect of the Council and specifying the average rate cap that applies for the financial year or any other financial year.

3.7 QUARTERLY BUDGET REPORT

In accordance with Section 97 of the Local Government Act 2020, Council is required to ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.

The quarterly report must include:

- a) A comparison of the actual and budgeted results to date, and
- b) An explanation of any material variations; and
- c) Any other matters prescribed by the regulations.

In addition, the second quarterly report of a financial year must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required.

3.8 FREEDOM OF INFORMATION

The Victorian Freedom of Information Act 1982 (FOI Act) gives people a right to access information held by State and Local Government agencies, including information about the activities of the agency and an individual's personal affairs. The FOI Act also gives an individual the right to request that incorrect or misleading personal information held by an agency about that individual be amended or removed.

A performance report is provided to the Victorian Information Commissioner annually and information for Yarriambiack Shire Council is provided in the Annual Report.

3.9 PERMITS ISSUED BY COUNCIL

Council issues a range of permits under legislation and regulation. Council issued permits include:

- Building Permits
- Planning Permits
- Septic Tank Permits
- Local Laws Permits
- Asset Protection Permits
- Road Opening Permits

Permits issued by Council will be noted in each monthly Council meeting.

3.10 PLANNING AND REPORTING REGULATIONS

Schedule 1 of the Local Government (Planning and Reporting Regulations) 2020, identifies that Council must produce the following reports within identified time frames as below:

- a) Quarterly Budget Reports, comparing actual and budgeted results and an explanation of any material variations must be completed.
- b) Risk Reports, 6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.
- c) Performance Reports, 6 monthly reports of indicators measuring financial and non financial performance, including the performance indicators referred to in section 98 of the Act.

It also requires that Council have the following documents in place:

Document	Section of Local Government Act
Community Engagement Policy	Section 55
Community Engagement Guidelines	
Financial Plan	Section 91
Asset Plan	Section 92
Revenue and Rating Plan	Section 93
Annual Budget	Section 94
Risk Policy and Risk Management Framework (Risk Management Manual)	
Fraud Policy	
Municipal Emergency Management Plan	Section 20 of the Emergency Management Act 1986
Procurement Policy	Section 108
Business Continuity Plan	
Disaster Recovery Plan	
Audit and Risk Committee	Section 53
Internal Audit	
Performance Reporting Framework	
Council Plan Report	
Annual Report	Section 98, 99 and 100
Councillor Code of Conduct	Section 139
Quarterly Budget Reports	Section 97
Risk Reports	
Performance Reports	
Delegations	Section 11 and 47
Meeting Procedures (Governance Rules)	Section 60

Yarriambiack Shire Council Reporting

The Management Team has adopted a holistic approach to meet the requirements of the Local Government Act and Regulations, by compiling a Quarterly Financial and Non-Financial Performance Report.

The report incorporates budget, risk and performance reporting. The Council's risk appetite has been utilised to develop non-financial performance indicators for reporting purposes.

The report is presented to the Management Team prior to the scheduled Council meeting each quarter.

The Financial and Non-Financial Performance Report for Quarters 1,2 and 3 consists of the following:

1.	Executive Summary. This is to include a summary of the Profit and Loss, Balance Sheet, Financial Indicators, Projects, Budget Impact and Changes, Rates and Charges, Non-Financial Performance, Occupational Health and Safety and Strategic Risk Register.
2.	Profit and Loss Statement. This is to include actuals, year to date budget, variance and approved budget for the full year.
3.	Notes to the Profit and Loss Statement. It is also to include notes for each line item, outlining what makes up the figures and reasons for variances (if applicable).
4.	Balance Sheet. This is to include current actuals to end of quarter, prior years closing balance and variance.
5.	Notes to Balance Sheet. It is to include notes to variance in balance sheet.
6.	Cashflow Statement
7.	Financial Indicators (derived from LGPR – Performance Indicators)
8.	Rates and Charges. To include outline of Budget, actuals, receipts received year to date, outstanding rates, debt collection and compliance against section 181G of Local Government Act 1989.
9.	Explanatory Graphs
10.	Summary of Impacts and Changes on the Budget
11.	Project Reporting – Roads and Associated Infrastructure Capital Works Program
12.	Council Owned Building and Associated Infrastructure Projects
13.	Project Reporting – Community Projects
14.	Project Reporting – Corporate Projects
15.	Non-Financial Performance Reporting (refer to detailed table below of key performance measures)
16.	Asset Management Condition Assessments
17.	Occupational Health and Safety Incidents, Hazards and Near Misses
18.	Strategic Risk Register Reporting

Note that the Financial and Non-Financial Performance reporting is subject to change depending on legislative requirements and changes.

The Financial and Non-Financial Performance Report for Quarters 4 is modified and consists of the following:

1.	Executive Summary. This is to include a summary of the Projects, Budget Impact and Changes, Rates and Charges, Non-Financial Performance, Occupational Health and Safety and Strategic Risk Register.
2.	Cashflow Statement (draft version, prior to Annual Report being prepared)
3.	Rates and Charges. To include outline of Budget, actuals, receipts received year to date, outstanding rates, debt collection and compliance against section 181G of Local Government Act 1989.
4.	Summary of Impacts and Changes on the Budget
5.	Project Reporting – Roads and Associated Infrastructure Capital Works Program (preliminary EOFY figures)
6.	Project Reporting - Council Owned Building and Associated Infrastructure Projects (preliminary EOFY figures)
7.	Project Reporting – Community Projects (preliminary EOFY figures)
8.	Project Reporting – Corporate Projects (preliminary EOFY figures)
9.	Non-Financial Performance Reporting (refer to detailed table below of key performance measures)
10.	Asset Management Condition Assessments
11.	Occupational Health and Safety Incidents, Hazards and Near Misses
12.	Strategic Risk Register Reporting

The 4th Quarter Report is a modified version, in preparation for the End of Financial Year report to be completed and finalised. The Project Reports will include preliminary figures only. Final Project reports for the conclusion of the Financial Year will be presented at the September Council Meeting, along with the final carry-over budget from prior year.

Audit & Risk Committee Reporting

The Audit and Risk Committee is provided with a modified financial and non-financial report each quarter to align with their charter responsibilities as follows:

1.	Executive Summary. This is to include a summary of the Profit and Loss, Balance Sheet, Financial Indicators, Projects, Budget Impact and Changes, Rates and Charges, Non-Financial Performance, Occupational Health and Safety and Strategic Risk Register.
2.	Profit and Loss Statement. This is to include actuals, year to date budget, variance and approved budget for the full year.
3.	Notes to the Profit and Loss Statement. It is also to include notes for each line item, outlining what makes up the figures and reasons for variances (if applicable).
4.	Balance Sheet. This is to include current actuals to end of quarter, prior years closing balance and variance.
5.	Notes to Balance Sheet. It is to include notes to variance in balance sheet.
6.	Cashflow Statement
7.	Financial Indicators (derived from LGPR – Performance Indicators)
8.	Non-Financial Performance Reporting (refer to detailed table below of key performance measures)
9.	Asset Management Condition Assessments
10.	Occupational Health and Safety Incidents, Hazards and Near Misses
11.	Strategic Risk Register Reporting

Financial and Non-Financial Performance Reporting



Acceptable

Tolerable

Unacceptable

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Financial	A cautious appetite for financial volatility and desire to carefully control costs. We will monitor this by:	Annual Councillor approved budget	1.0% – 5.0%		
	<ul style="list-style-type: none"> We operate within the approved organisational budget expenditure limit of ≤10.0% (Operational, Capital and Labour). 				
	<ul style="list-style-type: none"> Decrease in rates debtors from prior financial year by 10.0% 				
	<ul style="list-style-type: none"> Working capital ratio to be >100% 				
Talent Management	<ul style="list-style-type: none"> Suppliers paid in 30 days or less 		>100%		
	Completing the Local Government Performance Reporting bi-annually and the ratio's quarterly to Councillors and A&R Committee.		30 days or less		
	<ul style="list-style-type: none"> An accepting appetite for applying new approaches to ensure we remain an employer of choice in our region, while maintaining safety and service levels. 	Median staff initiated turnover rate for public sector agencies	≤15%		
	<ul style="list-style-type: none"> We will do this by: maintaining an annualised staff turnover rate of 15% or less over a rolling 12-month period. ensuring our rate of staff absenteeism remains at ≤3% in each month. less than five accepted workers' compensation claims annually. Maintain the number of staff with excess of 8 weeks leave at <10%. 	VPS benchmark 2019 sector benchmark Key Pay Reports	<3.0% <5 <10.0%		

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Reputational	A cautious appetite to lose a valued position of trust with our community.	Councillor-approved minimum level	≥60%		
	We will maintain a level of community engagement of at least 60%. We will address all complaints within their required timeframes in accordance with Council's Complaints Handling Policy		Complaints open >30 days		
Innovation	An accepting appetite to innovate through projects and R&D to benefit our community. We accept that 10% of project effort may not result in immediate or direct community benefits as long as lessons are learned for future services and products.	Annual Councillor approved budget	≥10%		
Corporate Governance, Compliance and Liability	A very controlled appetite for information security breaches, frauds or proven ethical complaints. We maintain a zero tolerance for such events. We will monitor this level by: • Reporting on Number of Policies overdue, with a zero tolerance to overdue legislative policies, and 60 days for administrative policies.	Government Information Security Policy Standard, Compliance Standard	Legislative Policies & Plans 0 instances Administrative Policies & Plans Completed and adopted within >60 days		
	• Number of extreme consequence level audit actions not rectified within one month.	Internal and External Audits			
	• Engaging an Internal Auditor and establishing a functioning Audit and Risk Committee that meets at minimum quarterly.	Auditor engagement			
	• Maintaining an Audit and Risk Committee Workplan.	A&R Committee Charter			
	• Reporting quarterly to Council and the Audit and Risk Committee on the Performance Management Framework Indicators, that are based on Council's Risk Appetite. • Monitoring the number of Public Liability Claims, Significant legislative breaches and reporting to Council and A&R Committee quarterly.	Financial and Non-Financial Performance Report			

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
	<ul style="list-style-type: none"> 100% of Staff to be up to date and completed Governance and Compliance Training and Induction Program. Encouraging a 'just' culture that allows staff and community to identify and register risks, issues or complaints without fear of reprisal. 		100% complete		
Programs and Projects	<p>An accepting appetite to apply for funding opportunities and/or utilise Council funds to delivery programs and project that meet Council Plan objectives and community expectations.</p> <p>We accept that to secure funding and to deliver additional projects and programs (in addition to current offered programs) our full-time equivalent employees may increase up to 1 FTE per \$5 million additional funds received.</p> <p>We will aim to apply for and be successful in securing funding opportunities in excess of \$1.5 million per year, in addition to already secured operational funding.</p> <p>We will ensure all contracts are current and no contracts are past due date.</p>	<p>Council Plan objectives.</p> <p>Priority Project List.</p> <p>Contracts Register</p>	<p>1 FTE increase</p> <p>= or >\$1 million</p> <p>0 due</p>		
Strategy Execution and Change Management	<p>An accepting appetite to be agile on the delivery of the Council Plan objectives to meet the changing internal and external environment.</p> <p>We accept that our Council Plan actions will be an evolving action plan being reviewed annually.</p> <p>We will monitor our Strategy Execution and Change Management by:</p> <ul style="list-style-type: none"> Monitoring the number of overdue Strategies and Plans Delivery on each Year of Action Plan annually 	Council Plan	<p>0 instance</p> <p>1 x action not delivered</p>		

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Security and Technology	<p>A very controlled appetite for security breaches and technology failures, due to our ICT environment not being maintained. We maintain a zero tolerance for such events. We will monitor this by:</p> <ul style="list-style-type: none"> • Aiming to have 80% of help desk tickets resolved. • Ensuring all back-ups of all systems are completed and successful each day. • Reporting annually on ICT Strategy completion 	Contractor Compliance Reports	<p>0 instances</p> <p>>80%</p> <p>1 daily back-up</p>		
Environment and Sustainability	<p>A controlled appetite for environment and sustainability breaches. We will maintain a zero tolerance for such events. We will monitor this level by:</p> <ul style="list-style-type: none"> • Adequate annual EPA approvals in place for saleyard and landfills. 	ICT Business Transformation Strategy	1 x action not delivered		
Political	<p>A cautious appetite to jeopardise a well-developed political relationship across all levels of government. We will maintain a level of respect and advocacy at a Councillor Senior Management Level to achieve positive outcomes for our community. We will monitor this by:</p> <ul style="list-style-type: none"> • Recording the number of advocacy events attended by Councillors and Senior Management, with the aim to attend at minimum 10 per year. 	Advocacy events and meetings	0 instances		
			> 10 events per year		

Reporting Timeline

Meeting Month	Report Required to Scheduled Council Meeting
January	<ul style="list-style-type: none"> • Monthly Permit Reports • Quarter 2 – Financial and Non-Financial Performance Report. • Council Plan Quarterly Progress Report
February	<ul style="list-style-type: none"> • Monthly Permit Reports • Local Governance Performance Reporting – Report of Operations 6 monthly Report as at 31 December.
March (31 March – end of Qtr 3)	<ul style="list-style-type: none"> • Monthly Permit Reports
April	<ul style="list-style-type: none"> • Monthly Permit Reports • Quarter 3 – Financial and Non-Financial Performance Report. • Council Plan Quarterly Progress Report
May	<ul style="list-style-type: none"> • Monthly Permit Reports
June (30 June – end of Qtr 4)	<ul style="list-style-type: none"> • Monthly Permit Reports • Budget Report
July	<ul style="list-style-type: none"> • Monthly Permit Reports • Quarter 4 – Modified Financial and Non-Financial Performance Report. • Council Plan Quarterly Progress Report
August	<ul style="list-style-type: none"> • Monthly Permit Reports
September (30 September – end of Qtr 1)	<ul style="list-style-type: none"> • Monthly Permit Reports • Annual Report • Budget Carry Forward to be adopted and prior Year Project Report Actual v Budget to be Presented.
October	<ul style="list-style-type: none"> • Monthly Permit Reports • Quarter 1 – Financial and Non-Financial Performance Report. • Council Plan Quarterly Progress Report
November	<ul style="list-style-type: none"> • Monthly Permit Reports
December (31 December – end of Qtr 2)	<ul style="list-style-type: none"> • Monthly Permit Reports



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