

Media Statement

WEDNESDAY, 11 June 2008

Auditor-General's Report: Performance Reporting in Local Government

Today the **Auditor General, Mr Des Pearson** tabled a report titled *Performance Reporting in Local Government*.

The report reviews the effectiveness of local councils' performance reporting, focusing on the annual performance statements, a requirement introduced by the *Local Government (Democratic Reform) Act 2003*.

In the report, Mr Pearson found that the councils' performance statements generally fail key tests of usefulness. They contain information that is largely irrelevant and inappropriate to users' needs. The failure to include critical performance information and explanations makes it difficult for ratepayers and residents to hold their elected representatives fully accountable.

Through their reporting approaches, councils have taken a very narrow view of their performance reporting obligations—treating the minimum mandatory legal requirements as the maximum disclosure standard.

Councils have not established key elements of the frameworks necessary to support the development of useful performance information.

The report includes a recommendation that all councils critically review their reported performance information for relevance, appropriateness and clarity.

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Direct link to report: <http://www.audit.vic.gov.au/>

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