

Reporting on Local Government Performance: Follow-up

February 2025

Independent assurance report to Parliament
2024–25:8

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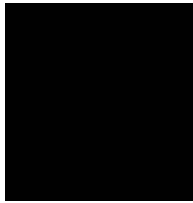
The Hon Shaun Leane MLC
President
Legislative Council
Parliament House
Melbourne

The Hon Maree Edwards MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Reporting on Local Government Performance: Follow-up*.

Yours faithfully



Andrew Greaves
Auditor-General
5 February 2025

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

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Review snapshot

Have Local Government Victoria and councils implemented all the recommendations from our 2019 audit *Reporting on Local Government Performance*?

Why we did this review

Effective performance reporting is essential for councils to stay accountable to their communities and improve services. In 2014, the Victorian Government introduced the Local Government Performance Reporting Framework (LGPRF) to provide reliable performance data, improve transparency and enhance service efficiency.

Our 2019 audit reviewed how effectively councils used the LGPRF to report performance and improve services. We examined Local Government Victoria (LGV) and 5 councils: Baw Baw Shire Council, City of Casey, Horsham Rural City Council, Moonee Valley City Council and the Borough of Queenscliffe.

We found that the LGPRF's impact was limited by a lack of outcome measures, inconsistent data and unreliable reporting. It also did not ease councils' reporting workload. We made 11 recommendations to LGV and audited councils to improve LGPRF performance reporting, which they accepted in part or in full.

This report assesses LGV and councils' progress in implementing their agreed actions in response to our 2019 recommendations. It notes any changes to their agreed actions and if they addressed our 2019 recommendations.

Key background information

The LGPRF includes
59 performance
indicators



In 2019, we assessed
how **effectively**
councils used the
LGPRF to report
on and improve
performance



We made **11** recommendations
to improve
performance
reporting:
5 to LGV
and 6 to audited
councils



Source: VAGO.

What we concluded

LGV and audited councils have made significant progress in implementing their agreed actions.

LGV completed 4 of its 5 agreed actions. One action to expand the benchmarking capability of the Know Your Council website is incomplete. LGV's agreed actions partially address 2 of our recommendations: to investigate how LGPRF indicators can better reflect the full costs of council services, and to align LGPRF data collection with state agencies.

Of the 5 audited councils, 3 have completed their agreed actions. Horsham Rural City Council needs to develop measurable performance indicators that show service impact and update its reporting procedure. The Borough of Queenscliffe needs to consistently link actions to strategic indicators and show service outcomes for its community. No council set targets for all LGPRF performance indicators, so their agreed actions only partially address that recommendation.

Only LGV and 2 councils set target dates for their agreed actions. All 3 experienced some delays implementing their agreed actions. Reasons for delays included the impacts of COVID-19, Victorian bushfires, the introduction of the *Local Government Act 2020* and organisational changes or constraints.

1.

Our key findings

What we examined

Our review followed 2 lines of inquiry:

1. progress in implementing actions agreed in response to our 2019 recommendations
2. causes of delay in implementing recommendations, where applicable.

To assess this, we examined the 6 entities we audited in our 2019 engagement:

- Local Government Victoria (LGV), a division of the Department of Government Services
- Baw Baw Shire Council (Baw Baw)
- City of Casey (Casey)
- Horsham Rural City Council (Horsham)
- Moonee Valley City Council (Moonee Valley)
- Borough of Queenscliffe (Queenscliffe).

Identifying what is working well

In our engagements we look for what is working well – not only areas for improvement.

Sharing positive outcomes allows other public agencies to learn from and adopt good practices. This is an important part of our commitment to better public services for Victorians.

Background information

Why the Local Government Performance Reporting Framework is important

The Local Government Performance Reporting Framework (LGPRF) was introduced in 2014 to improve transparency and accountability in local government reporting. Victorian councils deliver a wide range of services, spending \$11 billion annually. A reliable framework is critical for measuring performance at this scale.

The LGPRF standardises performance reporting across councils. It provides consistent, comparable data that helps councils, state agencies and the public assess service effectiveness. This data supports informed decision-making, service improvement and accountability. The LGPRF also helps councils meet statutory reporting requirements and respond to stakeholder needs.

Our 2019 audit

In 2019, we assessed if the LGPRF provided relevant and reliable performance information and if councils used it to improve services. To do this, we focused on performance indicators in maternal and child health, statutory planning and waste collection.

We found that:

- many councils saw reporting as a compliance exercise and not a tool for service improvement
- data consistency and accuracy were issues, and most councils did not have adequate quality assurance
- the LGPRF's focus on service outputs limited insights into service quality and impact
- performance benchmarking helped show areas for improvement, but inconsistent reporting reduced its effectiveness
- the LGPRF did not reduce reporting workloads, as state agencies still reported separately on council services
- councils would benefit from more LGV guidance on how to use the LGPRF effectively.

We made 11 recommendations to improve LGPRF performance reporting. LGV and councils agreed to actions to address these gaps. This review assesses their progress in implementing those actions. It also notes any changes to their agreed actions and if these did not address our 2019 recommendations.

Annual progress updates on our recommendations

Each year we survey agencies to see how they are progressing with our recommendations.

We publish their responses in our Responses to Performance Engagement Recommendations: Annual Status Update reports. See Appendix D for more information.

In the most recent 2024 survey, LGV and councils reported that they had completed their agreed actions for all recommendations.

What we found

This section focuses on our key findings:

1. LGV has completed 4 of its 5 agreed actions. Its agreed actions fully address 3 of our recommendations, and partially address 2.
2. Three out of 5 councils have completed their agreed actions, and 2 councils have partially completed theirs. No council set targets for all LGPRF performance indicators, so councils' agreed actions only partially address that recommendation.

Consultation with agencies

When reaching our conclusions, we consulted with the reviewed agencies and considered their views.

You can read their full responses in Appendix A.

Key finding 1: LGV has completed 4 of its 5 agreed actions. Its agreed actions fully address 3 of our recommendations and partially address 2

Actions in response to our 2019 recommendations

LGV accepted 3 of our 2019 recommendations in full and 2 in part. LGV completed 4 of its 5 agreed actions in response to our 2019 recommendations, which focus on:

- developing a target-setting model for the LGPRF
- enhancing support for and guidance about the LGPRF
- increasing community awareness of the LGPRF
- evaluating the LGPRF's impact on sector-wide performance improvement.

Actions completed but delayed

Three of LGV's agreed actions were delayed due to the impacts of COVID-19, Victorian bushfires and the introduction of the *Local Government Act 2020* (the Act).

LGV completed 2 agreed actions in February 2021, 8 months after its target date of 30 June 2020. These actions relate to our recommendations to:

- investigate how LGPRF indicators can better capture the full costs, quality and outcomes of council services
- increase community awareness of the LGPRF
- enhance reporting guidance
- align LGPRF data collection with processes used by other state agencies.

LGV planned to review the outcomes of actions from its *Strategic Directions Paper 2018–21* by the start of December 2021 but completed this action at the end of March 2022. The paper set out 17 key actions to improve the LGPRF, including refining performance indicators, introducing performance targets and promoting the KYC website.

Outstanding actions

LGV has not expanded benchmarking on the KYC website to compare performance data across all councils. Budget and procurement delays have stalled improvements, and planned upgrades in November 2024 will not fully address this issue.

Actions that partially address recommendations

LGV partially accepted 2 recommendations.

One recommendation involved aligning LGPRF data collection with other state agencies. LGV has made progress by:

- exploring technical solutions to reduce reporting duplication, improve data quality and enhance benchmarking
- choosing performance indicators that help consistent reporting
- working with councils and departments through Technical Working Groups to refine performance indicators and improve data alignment
- issuing guidance to clarify reporting standards.

But LGV has provided minimal evidence to show it is aligning reporting and information collection with other state agencies.

The second recommendation involved LGV investigating how LGPRF indicators can better reflect the full costs, quality, appropriateness and outcomes of council services. LGV only partially accepted our recommendation because its agreed action did not propose to make changes to how costs are reported in the LGPRF.

Key finding 2: Three out of 5 councils have completed their agreed actions, and 2 councils have partially completed theirs. No council set targets for all LGPRF performance indicators, so councils' agreed actions only partially address that recommendation

Actions in response to our recommendations from 2019

Councils accepted 5 of our recommendations from 2019 in full and one in part.

Baw Baw, Casey and Moonee Valley completed all their agreed actions in response to our recommendations from 2019.

Horsham and Queenscliffe completed 4 out of 6 agreed actions and made progress on the remaining 2.

Only 2 councils set target dates for actions and most actions have been completed but delayed

Only Casey and Queenscliffe set target dates for agreed actions:

- Casey set targets for all actions and missed targets for 3 actions
- Queenscliffe set targets for 5 of 6 actions and missed targets for 4 actions.

Alternative actions taken by councils to address recommendations

Casey and Queenscliffe took alternative actions to those initially agreed to address our recommendations from 2019.

- Casey developed a real-time performance dashboard for reporting to leadership, in place of its balanced scorecard reports. This alternative action met the intent of its agreed action.
- Queenscliffe follows LGV's better practice guide about submitting performance data for its quality assurance, rather than a formal standard operating procedure as initially agreed. It has also implemented a multi-tiered data review. These actions meet the intent of its agreed action.
- Queenscliffe also agreed to develop targets for all performance indicators in its quarterly reports, but it reports on milestones instead. This reporting does not provide detailed performance insights and does not meet the intent of its agreed action.

Outstanding actions

Horsham and Queenscliffe still need to complete agreed actions for 2 recommendations.

- Horsham has not developed measurable performance indicators that show service impact or completed planned updates to its reporting procedure.
- Queenscliffe's annual reports do not consistently link actions to strategic indicators or clearly show service outcomes for the community. However, it has updated its 2023–24 annual report template to focus more on strategic indicators in its council plan. It also committed to reporting on performance targets quarterly from 2019–20 but reports on milestones instead. As noted above, its milestone reporting does not provide detailed performance insights for the community.

Councils' agreed actions only partially address our recommendation to set targets for all LGPRF indicators

We recommended that all councils develop targets for each of the LGPRF's 59 performance indicators, but no council agreed to do this.

However, all councils have set targets for the 8 performance indicators required under the *Local Government (Planning and Reporting) Amendment Regulations 2022*.

Status of our 2019 recommendations

In 2019, we made 11 recommendations: the first 5 to LGV and the remaining 6 to audited councils.

Figure 1: Summary of our 2019 recommendations for LGV and our assessment of their progress against agreed actions

	Recommendation to LGV	Response	LGV's agreed actions	Status of actions
1	<p>LGV should work with councils to:</p> <ul style="list-style-type: none"> investigate how Local Government Performance Reporting Framework (LGPRF) indicators can better reflect the full costs, quality, appropriateness and outcomes of council services enhance existing guidance for LGPRF indicators to achieve greater consistency in reporting increase community awareness of the LGPRF. 	Partially accepted	<p>By 30 June 2020, it would:</p> <ul style="list-style-type: none"> design a target-setting model for the LGPRF, with no proposed changes to how direct, indirect or corporate services costs are currently captured or presented in the LGPRF undertake a review of all LGPRF guidance material for the 2019–20 reporting period release the results of the Know Your Council (KYC) social media campaign for the local government sector. 	Completed in February 2021
2	Continue to work with councils and other state departments to align information collected through the LGPRF, which is like that collected by other state agencies.	Partially accepted	<p>By 30 June 2020, it would:</p> <ul style="list-style-type: none"> report to the LGPRF Steering Committee on the benefits (or otherwise) of applying the Application Programming Interfaces or equivalent as a means of reducing the reporting burden on councils. 	Completed in February 2021
3	<p>Provide the sector with support and guidance on:</p> <ul style="list-style-type: none"> how to use the LGPRF as a performance improvement tool, including by sharing better practice examples setting targets to improve performance prior to their introduction into the LGPRF. 	Accepted	<p>By 30 June 2020, it would:</p> <ul style="list-style-type: none"> provide updated guidance to the local government sector on using LGPRF targets and actuals to drive improvement, including examples of performance improvement and use of the KYC data for purposes other than compliance. 	Completed in February 2020
4	Expand the benchmarking capability of the KYC website to allow the comparison of performance data between all councils.	Accepted	<p>By 30 June 2021, it would:</p> <ul style="list-style-type: none"> implement enhanced benchmarking tools as part of the KYC website to allow improved access to data. 	Partially completed
5	Evaluate the extent to which the LGPRF has contributed to performance improvement across the sector	Accepted	<p>By 1 December 2021, it would:</p> <ul style="list-style-type: none"> review the outcomes of actions in the <i>Strategic Directions Paper 2018–21</i>, including an evaluation of how the LGPRF contributes to performance improvements across the local government sector. 	Completed in March 2022

Recommendation 6

Councils should develop, monitor and report on performance indicators specific to their own services and community needs.

Figure 2: Council responses and agreed actions for recommendation 6 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Accepted	Review performance indicators, particularly outcome indicators.	Complete
Casey	Accepted	By 30 December 2019, review and continue to mature existing performance measures.	Completed in October 2021
Horsham	Accepted	Develop a reporting schedule that identifies output measures for all of council's services and their reporting frequency.	Partially completed
Moonee Valley	Accepted	Investigate using the service planning process to develop additional indicators.	Complete
Queenscliffe	Accepted	By 31 October 2021, develop indicators beyond the LGPRF as necessary.	Completed in June 2022

Recommendation 7

Ensure strategic indicators in their annual reports communicate the outcomes of services for the community.

Figure 3: Council responses and agreed actions for recommendation 7 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Accepted	Review performance indicators, particularly outcome indicators.	Complete
Casey	Accepted	By 2 May 2019, review strategic indicators in its council plan at least once annually to ensure they communicate outcomes.	Completed in May 2019
Horsham	Accepted	Seek to develop indicators that better communicate community outcomes and the impact of council's activities in the next review of the council plan.	Complete
Moonee Valley	Accepted	Maintain its high standards, as the 2019 report highlighted, developing relevant outcome indicators to measure performance against each strategic objective.	Complete
Queenscliffe	Accepted	By 30 September 2019, consider this in preparation of its 2018–19 Annual Report.	Partially completed

Recommendation 8

Regularly report performance information to council decision-makers.

Figure 4: Council responses and agreed actions for recommendation 8 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Accepted	Identify opportunities for further improvements to its quarterly performance reporting practice.	Complete
Casey	Accepted	By 30 September 2019, continue mid-year and end-of-year LGPRF reporting and review indicators within the balanced scorecard.	Completed with alternative actions in June 2021

Council	Response	Agreed actions	Status of actions
Horsham	Accepted	Address this through the reporting schedule it will develop.	Partially completed
Moonee Valley	Accepted	Return to mid-year reporting against LGPRF indicators from 2019–20 onwards.	Complete
Queenscliffe	Accepted	By 1 July 2019, continue 6-monthly progress reports to council.	Completed in July 2019

Recommendation 9

Develop and report against targets for all performance indicators.

Figure 5: Council responses and agreed actions for recommendation 9 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Partially accepted	Continue the use of targets against performance indicators.	Complete
Casey	Partially accepted	By 30 September 2019, review targets in line with LGV guidance for 2020–21 and set targets for all LGPRF measures where possible for 2019–20.	Completed in June 2021
Horsham	Partially accepted	Understand where targets are appropriate.	Complete
Moonee Valley	Partially accepted	Work with LGV to introduce targets from 2020–21.	Complete
Queenscliffe	Partially accepted	By 1 July 2019, develop targets through quarterly financial reports to council from 2019–20.	Partially completed

Recommendation 10

Improve the accuracy of LGPRF data by implementing effective quality assurance processes.

Figure 6: Council responses and agreed actions for recommendation 10 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Accepted	Continue to develop internal processes, guidelines and quality assurance processes to improve the quality of performance reporting.	Complete
Casey	Accepted	By 30 December 2019: <ul style="list-style-type: none"> document end-to-end LGPRF reporting process develop an end-to-end quality assurance process aligned to the documented reporting process. 	Completed in June 2019
Horsham	Accepted	Put in place systems and processes to ensure high-quality information is supplied to the LGPRF that can be easily and reliably verified.	Complete
Moonee Valley	Accepted	Maintain its high standards, as the 2019 report highlighted, of its consistent and rigorous quality assurance process across all LGPRF service areas.	Complete
Queenscliffe	Accepted	By 31 October 2021, develop a standard operating procedure for program leaders to manage the LGPRF so its financial services team can focus on quality assurance.	Completed with alternative actions in December 2021

Recommendation 11

Promote LGPRF results on the KYC website through various methods, including their own council websites.

Figure 7: Council responses and agreed actions for recommendation 11 and our assessment of their progress

Council	Response	Agreed actions	Status of actions
Baw Baw	Accepted	Continue to promote the KYC website and council's performance results to community.	Complete
Casey	Accepted	By 2 May 2019, maintain a direct link to the KYC website on council website and incorporate reference to the KYC website when reporting annual results, including in associated media releases.	Completed in June 2019
Horsham	Accepted	Seek to promote the LGPRF in other ways and through council's website.	Complete
Moonee Valley	Accepted	Promote the KYC website on council website.	Complete
Queenscliffe	Accepted	Include reference to LGPRF results and the KYC website when opportunities present.	Complete

2.

Local Government Victoria

LGV accepted 3 of our recommendations from 2019 in full and 2 in part. It completed 4 of its 5 agreed actions but missed target dates for 3 agreed actions due to the impacts of COVID-19, Victorian bushfires and the introduction of the Act in 2020. It has not completed its agreed action to expand the benchmarking capability on the KYC website.

LGV's agreed actions to align LGPRF data with other state agencies and investigate how LGPRF indicators can better reflect the full costs, quality, appropriateness and outcomes of council services only partially address our recommendations.

Our 5 recommendations to LGV were about:

- Enhancing sector alignment and support
- Public transparency and accessibility
- Evaluation and continuous improvement

Background information

LGV's responsibilities

LGV advises the Minister for Local Government, oversees the Act and supports councils to improve their business and governance practices. LGV works with LGPRF stakeholders to update guidance, publish performance data and improve data quality through the LGPRF Steering Committee.

Enhancing sector alignment and support

What we recommended in 2019

Three of our recommendations to LGV were about improving guidance to councils about the way they collect, use and report performance information.

In our 2019 audit we found that ...	and recommended that LGV ...
the LGPRF did not have strong outcome measures and LGV could provide more support to councils on using the LGPRF for performance improvement	work with councils to improve LGPRF indicators by better reflecting service costs and outcomes, enhancing guidance for consistent reporting and increasing community awareness of the LGPRF (recommendation 1).
the LGPRF did not ease councils' reporting workload, as state agencies continue using their own processes to collect council data	continue to work with councils and other state agencies to align information collected through the LGPRF, which is like that collected by other state agencies (recommendation 2).
councils needed guidance from LGV to use the LGPRF more effectively and set targets for continuous service improvement	provide the sector with support and guidance on: <ul style="list-style-type: none">• how to use the LGPRF as a performance improvement tool, by sharing best practices• setting targets to improve performance prior to their introduction into the LGPRF (recommendation 3).

Designing a target-setting model for the LGPRF

LGV completed its agreed action to design a target-setting model for the LGPRF. It also developed guidance to help councils:

- align performance targets with strategic objective
- report on their performance against these targets.

In June 2020, LGV tested the target-setting model with 23 councils before providing it to the sector. It also developed a target-setting tool as part of the trial. In 2021, Technical Working Groups recommended updating performance indicators and expanding target setting.

Technical Working Groups

LGV holds Technical Working Groups for triennial reviews of the LGPRF. These groups, which include representatives from councils, peak bodies, as well as industry experts, work to recommend LGPRF improvements to the LGPRF Steering Committee. In 2024, a Technical Working Group will explore adding targets for more performance indicators.

In 2022, amendments to the *Local Government (Planning and Reporting) Regulations 2020* made target setting mandatory for 8 of the 59 LGPRF performance indicators. LGV supported councils by providing a target-setting guide and calculator.

Figure 8 shows the timeline for LGV's introduction of target setting.

Figure 8: Introduction of target-setting timeline



Source: VAGO, from information provided by LGV.

No change to reporting on services costs

In 2019, we found that performance indicators that measured efficiency or service costs excluded indirect costs such as IT, HR and payroll, and recommended that LGV work with councils to improve LGPRF indicators by better reflecting the full service costs.

LGV only partially accepted our recommendation as it did not propose changes to how these costs are reported in the LGPRF. This limits the ability of decision-makers to fully compare service efficiency costs across councils.

Engaging with the sector to enhance guidance

LGV's agreed action to review all LGPRF guidance for the 2019–20 reporting period addresses our recommendation.

LGV completed its agreed action in February 2020 by providing updated guidance to help councils use LGPRF targets and actuals to improve performance.

Working well: Guidance

LGV has released several better practice guides to help councils with transparent performance reporting. These guides include practical examples and case studies for using performance data to improve service delivery. They also provide instructions for using performance indicators for strategic and operational decision-making.

LGV collects annual feedback from councils through surveys. These assess the usefulness of its guidance, data usage and reporting. Based on feedback, LGV adapted its target-setting template to pre-fill data from previous reporting years, reducing duplication and making reporting easier.

Increasing awareness of the LGPRF

LGV's agreed action to release the results of the KYC social media campaign to the sector addresses our recommendation.

LGV has completed its agreed action. In April 2019, LGV ran a 3-week social media campaign to promote the KYC website. It targeted diverse groups across metropolitan and regional areas and specific language communities.

In July 2019, LGV shared the campaign results with councils, reporting:

- an 84 per cent increase in website traffic compared to the same period in 2018
- a rise in average weekly views from around 5,500 to over 12,300 during the campaign period
- a higher proportion of users aged 55 and older.

LGV ran another campaign in 2020, focusing on Punjabi, Vietnamese and Mandarin speakers. But it recommended ending similar campaigns from 2020–21 due to lower-than-expected impact.

Aligning LGPRF information collection with other state agencies

In August 2019, LGV completed its agreed action to report to the LGPRF Steering Committee by June 2020 on using application programming interfaces (APIs) to ease councils' reporting workload.

It then worked with the Whole of Victorian Government API team to develop an API solution. However, lack of funding prevented further development.

Application programming interfaces

APIs allow software applications to share data and functionality. LGV's proposed API solution aimed to enable real-time data uploads to a shared IT platform that could be used by multiple state agencies, reducing reporting duplication and improving data accuracy.

LGV has taken additional steps to help ease councils' reporting workload, including:

- working with Technical Working Groups to refine performance indicators
- simplifying reporting processes based on council feedback
- providing guidance on performance reporting standards
- using performance indicators that councils already report on, where possible.

However, it has only partially addressed our recommendation to align information collected through the LGPRF, which is like that collected by other state agencies. LGV has provided minimal evidence to show it is aligning reporting and information collection with other state agencies.

LGV notes that there are ongoing challenges to aligning reporting across state agencies because councils use different IT systems and have different regulatory requirements.

Public transparency and accessibility

What we recommended in 2019

One of our recommendations to LGV was about improving the transparency and accessibility of council performance information.

In our 2019 audit we found that ...

- the KYC website only allows users to compare a council's performance with up to 3 other councils within the same cohort, limiting insights into performance trends across different council categories
- audited councils were concerned about using the LGPRF for benchmarking due to inconsistent calculation methods across councils

and recommended that LGV ...

expand the benchmarking capability of the KYC website to allow performance data to be compared between all councils (recommendation 4).

Benchmarking functionality has not improved

LGV's agreed action addresses our recommendation to expand the benchmarking capability of the KYC website to allow performance data to be compared between all councils. However, it has only partially completed its agreed action.

In 2019, LGV's budget bid to the government to improve the KYC website benchmarking was unsuccessful, which meant it had to consider other action to support benchmarking upgrades.

In February 2021, LGV started a procurement process to:

- enhance website visuals to make it easier to compare council performance
- include trend analysis to compare performance over time
- include external data for a comprehensive view of council performance.

In April 2021, LGV developed an internal business case to fund updates to the KYC website by June 2022. Due to funding limitations, the KYC website was decommissioned in October 2022 and replaced with a simpler website featuring static council profiles and a basic comparison dashboard.

Key issue: Limited scope for KYC benchmarking improvements

Funding challenges continue to limit benchmarking expansion. The KYC website was reactivated in May 2023, and upgrades are planned for November 2024. These upgrades will bring benchmarking closer to the original KYC website in 2015 but will not enable full performance comparisons across all councils as envisioned in LGV's *Strategic Directions Paper 2018–21*.

Evaluation and continuous improvement

What we recommended in 2019

One of our recommendations to LGV was about evaluating the LGPRF's impact on councils' performance improvement.

In our 2019 audit we found that ...

- LGV had not formally evaluated the success of the LGPRF or engaged with the sector to help evaluate it
- an evaluation would help LGV target its activities, inform the LGPRF's strategic direction and address barriers to success

and recommended that LGV ...

evaluate the extent to which the LGPRF has contributed to performance improvement across the sector (recommendation 5).

Evaluating the LGPRF

LGV's agreed action to review the outcomes of actions in the *Strategic Directions Paper 2018–21* addresses our recommendation.

LGV completed its agreed action in 2021 by assessing outcomes of the 17 actions in the paper. It concluded that the LGPRF had significantly contributed to improved local government performance reporting.

LGV's review found that ...	concluding that ...
by 2021, all councils consistently reported on all LGPRF performance indicators	the LGPRF significantly improved transparency and accountability of local government performance.
councils increasingly used LGPRF data to monitor internal performance and help strategic planning	standardised reporting allowed councils to benchmark performance, set targets and communicate results to the community.
councils had improved data reliability and used commentary to explain results to their communities	these actions acknowledged the importance of reporting performance data publicly.
KYC website users could compare their council against similar councils and access a range of financial and performance data	the KYC website met or exceeded the visitor targets each year.

LGV's review noted its ongoing work to mature the LGPRF through working with councils, peak bodies, technology leaders and government agencies. It also noted how councils contributed to the development of performance indicators, target setting and data upload templates.

Key issue: Challenges and future development

The review highlighted the need to improve KYC website functionality and help councils set and achieve performance targets. LGV remains committed to actions in the *Strategic Directions Paper 2018–21*, and it is focused on continuous improvement opportunities rather than large-scale reviews to improve the LGPRF.

3.

Local councils

Audited councils accepted 4 of our recommendations from 2019 in full and one in part.

Baw Baw, Casey and Moonee Valley completed all their agreed actions in response to our recommendations, while Queenscliffe and Horsham completed 4 of their agreed actions and still need to complete 2 of their agreed actions.

Only Casey and Queenscliffe set target dates for their agreed actions. Both experienced some delays due to organisational changes or constraints.

No council set targets for all LGPRF performance indicators, which means that councils' agreed actions only partially address our recommendation.

Our 6 recommendations to councils were about:

- Reporting on meaningful performance information
- Communicating strategic outcomes
- Data accuracy and quality assurance

Background information

Councils' responsibilities Part 4 of the Act requires councils to develop strategic planning, budgeting and annual reporting documents. This includes a council plan that lays out strategic objectives and indicators to monitor progress. Councils must also provide annual reports with LGPRF performance results. Councils must implement systems to collect and report this data.

Reporting on meaningful performance information

What we recommended in 2019 Three of our recommendations to councils were about their reporting against performance indicators and targets.

In our 2019 audit, we found that ...	and recommended that councils ...
most councils did not fully develop or use service-specific performance indicators beyond the LGPRF	develop, monitor and report on performance indicators specific to their own services and community needs (recommendation 6).
the quality and frequency of their performance reporting to decision-makers varied	regularly report performance information to council decision-makers (recommendation 8).
most councils did not set performance targets for LGPRF indicators, limiting their ability to assess and improve services	develop and report against targets for all performance indicators (recommendation 9).

Integrated approach to service planning

The Act introduced the Integrated Strategic Planning and Reporting Framework to promote a transparent and long-term approach to council planning and reporting. LGV's better practice guides from 2021–22 gave advice to councils on reporting against the framework, including the importance of community engagement in service planning.

Reporting relevant performance information

All councils' agreed actions address our recommendation to develop, monitor and report on performance indicators specific to their own services and community needs.

Most councils have completed their agreed actions, but Horsham is delayed in updating its reporting schedule.

Baw Baw updated its performance indicators to align with its *Baw Baw Shire Council Plan 2021–25*, adding new indicators for community mental health and wellbeing, residential development and environmental sustainability. Its quarterly KPI reports include outcome-based indicators related to service efficiency, which aim to provide valuable insights into service outcomes.

Casey adopted an outcomes-based operating model through its *Transformation Strategy 2022–26* and is developing strategic service plans for 24 key service areas that link performance measures to future goals. Its Service Excellence Framework prioritises innovation and community-focused service design, and its annual reviews consider alignment of indicators with community needs.

Horsham has developed 50 service plans for over 70 services and aims to add specific performance metrics using an updated template. It is delayed in updating its reporting schedule. But it has a full review planned to add specific output measures for all services, which will take place after 2024 council elections.

Moonee Valley aligns service planning with the *MV2040 Strategy* and its *Community Vision, Council Plan and Health Plan 2021–2025*, using long-term integrated strategic indicators and short-term LGPRF indicators to track operational and strategic outcomes. It monitors performance through Service Level Statements and uses the KYC website benchmarking to refine indicators. Moonee Valley is developing an Organisational Outcomes Framework to improve outcome measures for its next council plan.

Queenscliffe added financial and environmental indicators to its *Council Plan Borough of Queenscliffe 2021–25* and *Climate Emergency Response Plan 2021–2031*, focusing on sustainability actions such as renewable energy and waste management. It developed indicators in response to community feedback and it monitors performance against its council plan through quarterly updates.

Regular reporting to decision-makers

All councils' agreed actions address our recommendation to regularly report performance information to council decision-makers.

Most councils have completed their agreed actions. Casey adopted alternative steps to do so. Horsham has not completed its agreed action to update its reporting schedule.

All councils submit annual reports to LGV which contain an audited performance statement describing performance measures and results for all 59 LGPRF performance indicators. All councils now report quarterly in response to our 2019 suggestion.

Baw Baw carried out a review of its performance reporting practice through a voluntary internal review in 2022 and has completed the recommendations from that review. It now combines updates on its council plan, municipal and LGPRF indicators, capital works and finances into a single quarterly report for its Executive Leadership Team (ELT) and councillors.

Casey prepares half-yearly reports for its ELT and councillors for early trend analysis and service adjustments. In 2023, Casey launched an organisation performance dashboard for real-time data, in place of its balanced scorecard reports. It uses the dashboard in ELT quarterly workshops on organisational performance.

Horsham reports quarterly on financials, service performance, customer engagement and major projects, despite delays in updating its reporting procedure. Its Audit and Risk Committee oversees progress in developing output measures for performance indicators.

Moonee Valley reports monthly, quarterly and annually. In 2019–20, it reintroduced mid-year LGPRF reporting in response to our 2019 findings. These reports provide detailed insights into LGPRF indicators and inform service adjustments.

Queenscliffe provides 6-monthly reports and quarterly updates on financials and council plan initiatives. Its Audit and Risk Committee reviews this data for budget and strategic planning before it is considered by councillors.

Target setting is mandatory for 8 performance indicators

In 2019, we found that target setting makes performance easier to understand, helping councils and communities assess service effectiveness and identify areas for improvement.

As of 2022, councils must set targets for 4 service and 4 financial LGPRF performance indicators. The service indicators are:

- Governance – consultation and engagement
- Statutory planning – service standard
- Roads – condition
- Waste management – waste diversion.

All councils have developed targets for these indicators, which are reported in their 2023–24 performance statements in their annual reports.

Targets set for some non-mandatory performance indicators

No council agreed to set targets for all performance indicators, so their agreed actions only partially address our recommendation.

Most councils have completed their agreed actions to set targets for other LGPRF indicators or council-specific indicators. However, Queenscliffe has not developed targets through quarterly reporting as planned.

At the time of our 2019 audit, Baw Baw set targets for some non-mandatory LGPRF indicators. It continues to do this, including where it identifies a need for performance improvement. As part of its quarterly reporting to councillors, Baw Baw reports on targets for 28 LGPRF indicators and 5 additional service-related measures. It also set targets for services outside the LGPRF such as waste diversion and community satisfaction with council services. It uses trend measures where it has not set a target but still wants visibility of a performance measure, such as for the number of media releases it issues.

Casey set targets for 33 LGPRF indicators for the 2019–20 reporting period, using historical averages and forecasts. COVID-19 impacts delayed a planned review of targets in 2020–21. Beyond the LGPRF, Casey's *Outcomes Operating Model* sets targets for community service priorities and its *Climate Action Plan 2022–30* sets long-term emissions reduction targets.

Horsham set targets in its *Council Plan 2021–2025* across strategic themes such as community, liveability and sustainability. Its quarterly reports compare actual performance to targets, but its annual reports focus on overall trends rather than LGPRF targets.

Moonee Valley has not set targets beyond the 8 mandatory LGPRF indicators, but it has provided updates and target ranges for 35 of 59 LGPRF performance indicators in its 2023–24 mid-year report. It will report annually on the remaining 24 indicators. It has also set interim targets for its integrated strategic indicators to support long-term community goals.

Queenscliffe has set targets for 13 LGPRF indicators. Twelve of these are reported in its 2023–24 draft performance report, including the 8 mandatory ones. But these are not included in quarterly

reporting as originally planned. It reports mostly on targets for financial sustainability and its *Climate Emergency Response Plan 2021–2031*, and it focuses on council plan milestones rather than full LGPRF data. Its milestone reporting does not provide detailed performance insights and does not meet the intent of its original agreed action.

Communicating strategic outcomes

What we recommended in 2019

Two of our recommendations to councils were about improving communication of their performance to the public.

In our 2019 audit we found that ...	and recommended that councils ...
to understand how well their services are meeting the needs of their community, councils need to set performance indicators, measures and targets for each service	make sure strategic indicators in their annual reports communicate the outcomes of services for the community (recommendation 7).
of the audited councils, only Casey and Baw Baw promote the KYC website on their websites, and Baw Baw also promotes it through social media	promote LGPRF results on the KYC website through various methods, including their own council websites (recommendation 11).

Communicating service outcomes to the community

All councils' agreed actions address our recommendation to make sure strategic indicators in their annual reports communicate services outcomes.

Most councils have completed their agreed actions, but Queenscliffe's annual reports do not clearly show service outcomes for the community.

Baw Baw uses indicators such as CO2 emissions and waste diversion to link performance directly to community outcomes. It tracks these in quarterly updates and planning processes.

Casey and Moonee Valley had implemented this recommendation at the time of the 2019 audit, and they continue to strengthen links between strategic indicators and objectives in their annual reports. Casey aligns indicators with objectives in its council plan, updating these through annual reviews and feedback from the Shape Your City initiative to reflect changing community needs.

Working well: Linking strategic indicators to key planning documents

Moonee Valley's *MV2040 Strategy, Community Vision, Council Plan and Health Plan 2021–25* and *Integrated Strategic Indicator Framework* measure progress across themes such as environmental sustainability and community engagement. Its 'Green' theme highlights carbon reduction efforts, while the 'Thriving' theme focuses on community engagement through initiatives such as library services to show how it is achieving its strategic objectives.

Horsham has shifted from project-specific metrics to broader indicators that reflect community impacts. Its annual reports explain how Horsham's initiatives improve community wellbeing.

Queenscliffe links service delivery with outcomes from its *Community Vision Borough of Queenscliffe 2021–2031*. Its annual reports have lacked clear connections between actions and community outcomes, but it used an updated reporting template for 2023–24 to better show performance against strategic objectives and move towards outcome-based reporting.

Promoting LGPRF results

All councils' agreed actions address our recommendation to promote the KYC website.

All councils have completed their agreed actions and link to the KYC website to share LGPRF results.

Baw Baw also promoted LGPRF data in its annual and quarterly reports. Its Community Satisfaction Survey webpage has downloadable reports on satisfaction and performance data linked to LGPRF measures.

Casey used media releases to share its community satisfaction survey results and compare performance with other councils, but it acknowledged that the KYC website decommissioning in 2022 may have limited further promotion.

Horsham promoted LGPRF results through media releases. Moonee Valley referenced the KYC website in its annual report. Queenscliffe promoted LGPRF results sparingly through social media, citing low community engagement.

Data accuracy and quality assurance

What we recommended in 2019

One of our recommendations to councils was about improving the quality of their data.

In our 2019 audit we found that ...	and recommended that councils ...
councils' quality assurance processes needed to improve, except for Moonee Valley	improve the accuracy of LGPRF data by implementing quality assurance (QA) processes (recommendation 10).
the LGPRF QA process should include data reviews and regular meetings between service managers who collect data and the officers who report it to LGV	
councils should make sure they are collecting supporting documentation for all LGPRF service measures to verify results	

Effective quality assurance processes

All councils' agreed actions address our recommendation to implement QA processes. All councils have completed their agreed actions, although Queenscliffe has adopted alternative steps to do so.

Baw Baw strengthened its QA process with a detailed Performance Monitoring and Reporting Policy that includes QA controls and risk mitigation strategies (see case study below).

Casey uses the Promapp system to document QA processes, with QA sheets outlining data collection, validation and reporting steps for audited LGPRF measures. Casey is expanding QA sheets to cover all LGPRF measures. Its corporate planning team also verifies data before reporting to executive leadership and councillors.

Horsham does not have a documented QA procedure but has a detailed QA process for LGPRF data coordinated by its governance unit. Staff enter service data for verification by multiple reviewers, including the governance unit and finance leaders.

Moonee Valley exemplifies better practice with fully documented, regular QA across all LGPRF service areas, as highlighted in our 2019 report. This supports high data quality. Its process is formalised in Promapp and, since 2019, includes automated notifications through the Pulse Corporate Planning System. Regular manager meetings address data discrepancies.

Queenscliffe follows LGV's better practice guide about submitting performance data rather than a formal QA standard operating procedure, as originally agreed. Its financial accountant oversees a multi-tiered review process with data collected by service area owners, reviewed by the financial accounts team and validated by senior management.

Case study 1: Baw Baw's QA process

Baw Baw's QA process

Baw Baw's Performance Monitoring and Reporting Policy sets out QA controls and risk mitigation strategies for performance reporting. To support consistent reporting, Baw Baw uses QA checklists for data collection, validation and reporting. Its ELT reviews draft performance statements and LGPRF data, supported by quarterly reports. Its Audit and Risk Committee also checks the accuracy of Baw Baw's financial and performance statements.



4.

Appendices

There are 4 appendices covering responses from reviewed agencies, information about how we perform our work, and agencies' progress updates on our recommendations.

Appendix A: Submissions and comments

Appendix B: Abbreviations, acronyms and glossary

Appendix C: Review scope and method

Appendix D: Agency progress updates on our recommendations

Appendix A:

Submissions and comments

We have consulted with LGV and the reviewed councils, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
Department of Government Services and Local Government Victoria	A-2
Baw Baw Shire Council	A-3
Horsham Rural City Council	A-4
Moonee Valley City Council	A-5
Borough of Queenscliffe	A-7



Department of Government Services

Level 5
1 Macarthur Street
East Melbourne Victoria 3002
Telephone: (03) 9651 5111
dgs.vic.gov.au

Andrew Greaves
Auditor-General
Level 31, 35 Collins Street
MELBOURNE VIC 3000
enquiries@audit.vic.gov.au

Dear Auditor-General

PROPOSED REPORT: REPORTING ON LOCAL GOVERNMENT PERFORMANCE: FOLLOW UP

Thank you for your letter of 18 November 2024 and the attached proposed follow up report to the 2019 performance audit Reporting on Local Government Performance.

I note the report's findings that Local Government Victoria – a division of the Department of Government Services – has fully completed 4 out of the 5 recommendations made by you in 2019.

The substance of the outstanding recommendation to improve performance benchmarking will continue to be a focus of my department, with a commitment to ongoing improvement of www.KnowYourCouncil.vic.gov.au and the Local Government Performance Reporting Framework. We will also pursue efficiencies in local government data collection - including automation and further digitisation - to reduce reporting burden and add public value.

I appreciate the professional engagement of your office with my department throughout the conduct of the follow up audit and thank you for the opportunity to comment on the report.

Yours sincerely



Jo de Morton
Secretary

02/12/2024

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.



OFFICIAL

Response provided by the Chief Executive Officer, Baw Baw Shire Council



2 December 2024

VAGO Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31/35 Collins Street
Melbourne VIC 3000

Dear Mr Greaves

Re: Proposed Report: Reporting on local government performance: follow-up

Thank you for your letter dated 18 November 2024 regarding the above follow-up audit and draft report.

We welcomed the opportunity to formally review our progress since the original 2019 audit, and are pleased to note the Victorian Auditor General's Office opinion that Council has completed all actions arising from the original audit recommendations.

It was particularly encouraging to see elements of Council's performance reporting practices highlighted as a case study in the report, focusing on Council's quality assurance processes. Consistent with the principles of the Baw Baw Shire Council Performance Monitoring and Reporting Policy, Council remains committed to continuous improvement and meaningful measurement practices. These efforts are designed to support strategic decision making for the organisation and transparent reporting of service delivery to the community.

I sincerely thank the Victorian Auditor General's Office for their professional and constructive approach throughout the audit process and for their engagement with Council.

Yours sincerely



Mark Dupe
Chief Executive Officer

-
Baw Baw
Shire Council

-
T +61 3 5624 2411
F +61 3 5622 3654

-
E bawbaw@bawbawshire.vic.gov.au
W bawbawshire.vic.gov.au

-
PO Box 304
Warragul Victoria
3820

Response provided by the Chief Executive Officer, Horsham Rural City Council

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29 November 2024

Andrew Greaves
Auditor General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne Vic 3000

RE: Reporting on Local Government Performance

Dear Mr Greaves

Council has found the participation in the abovementioned audit to be of significant benefit to the organisation and community.

Following the initial 2019 Audit process, Council has worked towards improving its reporting of performance and continues to develop processes across several areas, including:

- internal reporting,
- statutory or legislative reporting and
- reporting to the community.

Council also acknowledges that whilst progress has been made, there is still further room for improvement. Outcomes of this report with further recommendations, will be actioned through Council's Audit and Risk Committee and tabled before Council.

The continuous review and improvement of reporting to the community, demonstrating progression of activities and performance against indicators, aligns with Council's values which include accountability and transparency.

Council looks forward to the final report being released for the benefit of other councils and communities.

Yours sincerely



Craig Niemann
Chief Executive Officer

Address correspondence to: Chief Executive Officer PO Box 511 Horsham Victoria 3402
Civic Centre 18 Roberts Avenue Horsham Victoria 3400
Ph 03 5382 9777 Email council@hrcc.vic.gov.au Website: www.hrcc.vic.gov.au



File: [24/354546](#)

Enquiries: [REDACTED]

Wednesday, 29 November 2024

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne VIC 3000

Dear Auditor-General,

Response to Reporting on Local Government Performance: Follow-up

Thank you for providing Moonee Valley City Council with a copy of the proposed report *Reporting on Local Government Performance: Follow-up* for our consideration and comment.

As the report notes, effective performance reporting is essential for Councils to stay accountable to their communities and improve services. We are proud to note that Moonee Valley City Council has been assessed as having completed all six of the agreed actions for audited Councils. This is evidence of our commitment to transparent reporting, in the best interests of our community.

In 2019, Moonee Valley City Council was assessed as already demonstrating a "consistent and rigorous quality assurance process across all LGPRF service areas". We are pleased to note that the results of VAGO's 2024 follow-up demonstrate a continued commitment to excellence in quality assurance as well as in other areas of performance monitoring, evaluation and reporting. We plan to maintain an approach of continuous improvement in each of these areas.

We would like to take this opportunity to acknowledge the VAGO staff, who made this audit process a positive one.



Moonee Valley City Council
9 Kellaway Ave, Moonee Ponds VIC 3039
Wurundjeri Woi-wurrung Country

03 9243 8888
mvcc.vic.gov.au



Should you require any further clarification, please do not hesitate to contact
Manager Community & Corporate Planning, Meghan Hopper at
[redacted] or [redacted]

Yours sincerely,



Cr Ava Adams
Mayor



Ms Helen Sui
Chief Executive Officer

Response provided by the Mayor and the Chief Executive Officer, Borough of Queenscliffe



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

27 November 2024

Mr. Andrew Greaves
Auditor-General
Victorian Auditor General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Reporting on local government performance: follow-up

Dear Mr. Greaves

Thank you for your letter dated 18 November 2024 providing the proposed report on "Reporting on local government performance: follow-up".

We confirm the facts outlined in the report are correct and are a fair representation, noting the audit process has been valuable in highlighting areas of compliance and areas where council can continue to improve.

Our responses in relation to the partially completed recommendations from the initial audit are summarized in Table 1 attached.

The initial response provided to VAGO regarding how the Council would report performance was made before the introduction of the Integrated Strategic Planning Framework (ISPF) under the Local Government Act 2020 (The Act).

The Act's emphasis on principles creates an opportunity to tailor reporting to be more responsive and aligned with the specific interests of the community.

With the introduction of the ISPF, the Council was able to enhance its quarterly reporting by also focusing on activities prioritized to advance the objectives of the Council Plan. Progress on these annual priorities is tracked against milestones outlined in quarterly reports. These milestones serve as performance indicators or targets to assess progress in achieving the Council's broader strategic objectives.

We would like to acknowledge the constructive engagement between the audit team and the Borough of Queenscliffe. The conduct of the audit was an open and transparent process with positive discussions enabling a constructive outcome.

Thank you for the opportunity to provide comments in advance of the publication of your audit report.

Yours sincerely

Cr Di Rule

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Mayor

Martin Gill

A black rectangular redaction box covering the signature of Martin Gill.

Chief Executive Officer



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Table 1 – Responses to partially completed recommendations

No.	VAGO recommendation, that councils:	Queenscliffe action agreed
7	Ensure strategic indicators in their annual reports communicate the outcomes of services for the community.	Council has incorporated this recommendation in developing 2023-24 Annual report.
9	Develop and report against targets for all performance indicators.	<p>As the smallest Council in Victoria, the Borough of Queenscliffe operates under unique circumstances.</p> <p>In this context, setting and frequently reporting on all indicators may not add significant value, particularly given the resources required to implement such reporting mechanisms in a small organization.</p> <p>Instead, the Council prioritizes the development of contemporary and relevant targets through its Council Plan and provides quarterly reports on these key priorities.</p>

Appendix B:

Abbreviations, acronyms and glossary

Abbreviations We use the following abbreviations in this report:

Abbreviation	Full spelling
Baw Baw	Baw Baw Shire Council
Casey	City of Casey
Horsham	Horsham Rural City Council
Moonee Valley	Moonee Valley City Council
the Act	the <i>Local Government Act 2020</i>
Queenscliffe	Borough of Queenscliffe

Acronyms We use the following acronyms in this report:

Acronym	Full spelling
API	application programming interfaces
ELT	Executive Leadership Team
KYC	Know Your Council
LGPRF	Local Government Performance Reporting Framework
LGV	Local Government Victoria
VAGO	Victorian Auditor-General's Office
QA	quality assurance

Glossary

The following terms are included in or relevant to this report

Term	Explanation
Level of assurance	<p>This is a measure of the confidence we have in our conclusions. The quality and quantity of evidence we obtain affects our level of assurance.</p> <p>We design our work programs with the information needs of our report users in mind. We consider if we need to provide them with reasonable assurance or if a lower level of assurance may be appropriate.</p>
Limited assurance	<p>We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, 'nothing has come to our attention to indicate there is a problem.'</p> <p>See our assurance services fact sheet for more information.</p>
Reasonable assurance	<p>We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to draw a conclusion against an objective with a high level of assurance. We call these performance audits.</p> <p>See our assurance services fact sheet for more information.</p>

Appendix C:

Review scope and method

Scope of this review

Who we examined

We examined the following entities:

Entity	Their key responsibilities
LGV	Providing policy advice, overseeing legislation and working with Victoria's 79 local councils to support responsive and accountable local government services. LGV is responsible for developing and coordinating the LGPRF. LGV is a part of the Department of Government Services.
Selected local councils	Local councils have a range of planning and reporting responsibilities set out under the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Amendment Regulations 2022</i> .

Our review objective

To determine whether LGV and audited councils have implemented all the recommendations from our 2019 audit *Reporting on Local Government Performance*.

What we examined

We assessed:

- progress in implementing actions agreed in response to our recommendations from 2019
- causes of delays in implementing recommendations, where applicable.

Conducting this review

Assessing performance

The recommendations from the 2019 audit are the criteria for this engagement.

Our methods

As part of the review, we:

- reviewed and analysed documents from the agencies
- met regularly with key staff.

Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

Compliance

We conducted our review in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain limited assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided copies of the report to the Department of Premier and Cabinet and the Department of Treasury and Finance.

Cost and time

The full cost of the review and preparation of this report was \$315,000.

The duration of the review was 8 months from initiation to tabling.

Appendix D:

Agency progress updates on our recommendations

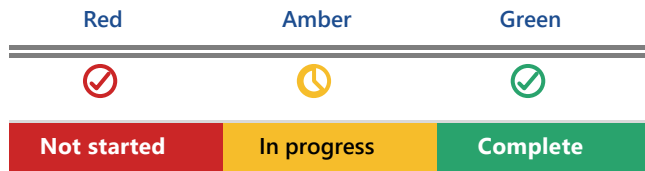








































































Figure D1: Agencies' updates to us on their progress against our recommendations from 2019

Recommendation	2021 update	2022 update	2023 update	2024 update
1 LGV				
2 LGV				
3 LGV				
4 LGV				
5 LGV				
6 Baw Baw				
Casey				
Horsham				
Moonee Valley				
Queenscliffe				
7 Baw Baw				
Casey				
Horsham				
Moonee Valley				
Queenscliffe				
8 Baw Baw				
Casey				
Horsham				
Moonee Valley				
Queenscliffe				

Recommendation	2021 update	2022 update	2023 update	2024 update
9 Baw Baw				
				
				
				
				
10 Baw Baw				
				
				
				
				
11 Baw Baw				
				
				
				
				

Auditor-General's reports tabled in 2024–25

Report title	Tabled
<i>Results of 2023 Audits: Technical and Further Education Institutes</i> (2024–25: 1)	July 2024
<i>Building a Capable and High-performing Public Service Workforce</i> (2024–25: 2)	August 2024
<i>Protecting the Biosecurity of Agricultural Plant Species</i> (2024–25: 3)	October 2024
<i>Responses to Performance Engagement Recommendations: Annual Status Update 2024</i> (2024–25: 4)	October 2024
<i>Auditor-General's Report on the Annual Financial Report of the State of Victoria 2023–24</i> (2024–25: 5)	November 2024
<i>Fair Presentation of Service Delivery Performance 2024</i> (2024–25: 6)	November 2024
<i>Staff Wellbeing in Fire Rescue Victoria</i> (2024–25: 7)	November 2024
<i>Reporting on Local Government Performance: Follow-up</i> (2024–25: 8)	February 2025

All reports are available for download in PDF and HTML format on our website at <https://www.audit.vic.gov.au>

Our role and contact details

The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

Contact details

Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne Vic 3000
AUSTRALIA
Phone +61 3 8601 7000
Email enquiries@audit.vic.gov.au
