

ANNUAL REPORT GUIDELINES

GOOD PRACTICE GUIDELINES
January 2018

Annual report

An annual report is a key mechanism by which councils report to and are accountable to their communities.

Section 72 of the *Local Government Act 1993* (the Act) requires councils to prepare an annual report and make copies available for public inspection.

The Act specifies the matters that must be contained in the annual report and requires councils to invite the public to make submissions on the report for discussion at its annual general meeting.

There is no requirement under the Act for the annual report to be approved or adopted at the annual general meeting.

Guidelines

These guidelines have been prepared to assist councils in producing an annual report in accordance with the requirements of the Act.

The guidelines contain a checklist of the specific requirements in Sections 72 and 77 of the Act. Additional requirements are detailed in regulation 29 of the *Local Government (General) Regulations 2015* (the Regulations).

The Regulations include a division for annual reporting requirements in relation to tenders and contracts, which comprehensively sets out the information required to be included by each council in its Annual Report, including:

- for the reporting of tenders valued at over \$250 000 and contracts awarded by a council over \$100 000: a description of the tender or contract, the period and value of the tender or contract, the name and address of the successful contractor and the value of the tender or contract awarded; and
- for certain public tender exemptions: a description of the reason for not inviting tenders and the goods and services acquired, the name of the supplier, and the value of the goods and services. The relevant exemptions are, as before, 'in an emergency' or where 'a council determines by absolute majority that a tender process would not achieve a satisfactory result due to extenuating circumstances, the remoteness of the locality, or the unavailability of competitive or reliable tenderers'.

Best practice suggestions

The guidelines also contain best practice suggestions for improving the standard and usefulness of the annual report. The suggestions are included in the Annual Report Checklist.

Other legislation

The annual report may also be an appropriate vehicle for meeting the requirements of other legislation which call for councils to report to the public. Councils should refer to the other relevant state and commonwealth legislation, such as Tasmania's *Public Interest Disclosures Act 2002*.

**ANNUAL REPORT CHECKLIST
LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS**

Part I Local Government Act 1993			
Matter	Section/ Regulation	Requirement	Comments on good practice
Annual report	Section 72(1)	<p>A council must prepare an annual report containing specified information.</p> <p>The council is required to invite the community to make submissions on the report for discussion at its annual general meeting (section 72(2)(d)). Such a meeting can be held no later than 15 December each year (section 72B(1)(a)).</p>	<p>Prepare an annual report as soon as possible after the end of the financial year, as recent information is of most relevance to readers. Copies of the report should be available by 1 November to provide the community sufficient time to read the report before the council's annual general meeting.</p>
Annual plan summary	Section 72(1)(a)	<p>A summary of the annual plan for the preceding financial year.</p> <p>Section 71(2) states that an annual plan is to:</p> <ul style="list-style-type: none"> • be consistent with the strategic plan; • include a statement about how the council will meet the goals and objectives of the strategic plan; • include a summary of the estimates adopted under section 82; and • include a summary of the major strategies to be used to achieve the council's public health goals and objectives. 	<p>This statement can be linked with the activities and performance statement.</p>

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

Public health statement	Section 72(1)(ab)	<p>A statement of the public health goals and objectives for the preceding financial year, including:</p> <ul style="list-style-type: none"> • extent to which the council has carried out its functions under the <i>Public Health Act 1997</i> and the <i>Food Act 2003</i>; • resources allocated to public health; • extent to which its goals, policies and programs met the public needs; and • details of the completion of any strategies. <p>(section 72(1A))</p>	
Activities and performance statement	Section 72(1)(b)	<p>A statement of council's activities and performance in respect of the preceding financial year's goals and objectives.</p>	<p>Expand aspects of this information in an 'Overview and Highlights' section and report on specific issues and council programs.</p> <p>Outline the council's strategic and annual plans, major projects and initiatives and where further details can be obtained.</p> <p>Report on factors affecting performance, and the extent to which targets were achieved. Include reasons for significant variations, both positive and negative, and on performance over time.</p> <p>Report on future directions, projections and predictions.</p> <p>The information should be easily understood and relevant to the local community.</p>

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

Code of Conduct - complaints	Section 72(1)(ba)	A statement of the number of code of conduct complaints that were upheld either wholly or in part during the preceding financial year.	
Code of Conduct - costs	Section 72(1)(bb)	The total costs met by the council during the preceding financial year in respect of all code of conduct complaints dealt with during the preceding financial year.	
Financial statements	Section 72(1)(c)	Financial statement for preceding financial year	<p>The information should be in a user-friendly form and be meaningful to non-financial readers.</p> <p>Include clear, concise notes explaining major changes in assets and liabilities, significant budget variations, relevant details from previous years, and performance over time.</p> <p>Include a budget outline for the coming year giving an overview of council funds and where they are to be spent. This information could be expressed graphically and numerically.</p>
Enterprise powers statement	Section 72(1)(ca)	A statement of council activities and performance undertaken under section 21 (enterprise powers) as compared to the objectives for the preceding financial year.	
Councillor allowances and expenses statement	Section 72(1)(cb)	A statement of total allowances and expenses paid to the mayor, deputy mayor and councillors.	A table format is recommended.

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

Councillor attendance statement	Section 72(1)(cc)	<p>A statement detailing the attendance of each councillor at council and committee meetings during the preceding financial year.</p>	<p>A table format is recommended.</p> <p>A general report on committees could be included covering:</p> <ul style="list-style-type: none"> • structure and members • major tasks and achievements • time and location of meetings, and whether they are open to the public • extent of use of confidentiality provisions during committee hearings
Senior employee total annual remuneration statement	Section 72(1)(cd)	<p>A statement in accordance with subsection (4) relating to total annual remuneration to council employees in senior positions.</p> <p>Under subsection (4) the statement is to list the number of employees in groups according to the total annual remuneration as specified in subsection (5). Groups should have a maximum of \$20 000 between the highest and lowest total annual remuneration.</p> <p>Under subsection (5) the total annual remuneration of an employee means the total of the following for the financial year:</p> <ul style="list-style-type: none"> • salary payable to an employee • amount of employer contribution to the employee's superannuation • value of use of any motor vehicle provided to the employee • the value of any other allowances or 	<p>A table format is recommended.</p> <p>Additional information could include:</p> <ul style="list-style-type: none"> • organisational chart • names, roles, responsibilities and profile of key staff • staffing overview, including number and type of employees

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

		benefits paid or payable to, or provided for the benefit of, the employee	
Audit opinion	Section 72(1)(d)	A copy of the audit opinion for the preceding financial year.	
Land donated under section 177 statement	Section 72(1)(da)	A statement specifying details of any land donated by council under section 177, including: <ul style="list-style-type: none"> • name of the recipient • reasons for the donation • value of the land 	A table format is recommended. If no land is donated, include a statement to this effect.
Availability of the annual report	Section 72(2)	The general manager is to: <ul style="list-style-type: none"> • submit one copy of the report to the Director of Local Government; • submit one copy to the Director of Public Health; • make available copies free of charge or on payment of a prescribed fee (maximum of five fee units – Schedule 3 of the <i>Local Government (General) Regulations 2015</i>); and • advertise the availability of the report in a daily newspaper circulated in the municipal area. 	A council must invite the community to make submissions on its report for discussion at its annual general meeting (section 72(2)(d)). The meeting must be held no later than 15 December each year (section 72B(1)(a)). Copies of the report should therefore be available as early as possible each year to provide the community with sufficient time to read the report prior to the council's annual general meeting. The availability of the report to the public should be advertised in one of the daily newspapers (the Mercury, the Examiner or the Advocate), council website and/or any prescribed local newspapers. The advertisement should invite the community to make submissions on its report for discussion at its annual general meeting, as per section 72(2)(d).
Community	Section	A council must invite the community to make	Councils should explore means of encouraging participation.

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

submissions	72(2)(d)	submissions on its report for discussion at its annual general meeting.	<p>A copy of the annual report should be provided on the council's website.</p> <p>The report should clearly outline how the community can comment on the report – including details of the deadline for written submissions, and details for verbal submissions at the annual general meeting.</p>
Grants and Benefits	Section 77(2)	The details of any grant made or benefit provided are to be included in the report.	A benefit provided under section 77(1) may include in-kind assistance, fully or partially reduced fees, rates or charges, and remission of rates or charges.

**ANNUAL REPORT CHECKLIST
LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS**

Reporting requirements in other Tasmanian Acts			
Matter	Section/ Regulation	Requirement	Comments on good practice
<i>Public Interest Disclosures Act 2002</i>	86. Annual reports by a public body	<p>If a public body is required by an Act to prepare an annual report on its activities during a year, the report must include:</p> <ul style="list-style-type: none"> a) information as to how persons may obtain or access copies of the current procedures established by the body under Part 7 (of this Act); and b) the number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures; and c) the number of disclosures determined by the public body to be public interest disclosures that it investigated during the year; and d) the number and types of disclosed matters referred to the public body during the year by the ombudsman; and e) the number and types of disclosed matters referred during the year by the public body to the ombudsman to investigate; and f) the number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year; and g) the number and types of disclosed matters that the public body has decided not to investigate during the year; and h) the number and types of disclosed matters that were 	

ANNUAL REPORT CHECKLIST LEGISLATIVE AND NON-LEGISLATIVE REQUIREMENTS

		<p>substantiated on investigation and the action taken on completion of the investigation; and</p> <p>i) any recommendations of the Ombudsman under this Act that relate to the public body.</p>	
<p><i>Local Government (General) Regulations 2015</i></p>	<p>Regulation 29</p>	<p>Information required to be included by each council in its Annual Report, includes:</p> <ul style="list-style-type: none"> • for the reporting of tenders valued at over \$250 000 and contracts awarded by a council over \$100 000: a description of the tender or contract, the period and value of the tender or contract, the name and address of the successful contractor and the value of the tender or contract awarded; and • for certain public tender exemptions: a description of the reason for not inviting tenders and the goods and services acquired, the name of the supplier, and the value of the goods and services. The relevant exemptions are, as before, 'in an emergency' or where 'a council determines by absolute majority that a tender process would not achieve a satisfactory result due to extenuating circumstances, the remoteness of the locality, or the unavailability of competitive or reliable tenderers'. 	
<p>Please note that the above list is not exhaustive - there may be other requirements not mentioned in the above Acts.</p>			

Additional publications

Australasian Reporting Awards

- Australasian Reporting Awards' (ARA) criteria for guidance in annual report contents. It sets out a series of principles and expectations for best practice annual reports. It is widely accepted internationally as a most comprehensive guide for both the public and private sectors, and for effectively communicating with stakeholders. These criteria can be downloaded from www.arawards.com.au.

Global Reporting Initiative

- Global Reporting Initiative (GRI) is an international benchmark in reporting. It provides guidelines that are sector specific and country specific. Sustainability Reporting Guidelines are the cornerstone of the GRI framework. The latest version of the guidelines, GRI Standards, can be downloaded from <http://www.globalreporting.org/>.

Annual Report Guidelines

- In 2007, the South Australian Local Government Association published its reviewed guidelines to assist councils in the preparation of annual reports within the context of the *Local Government Act 1999 (SA)*. The guidelines include central themes for councils, such as autonomy, performance and accountability. A copy of the guidelines can be downloaded from www.lga.sa.gov.au.

Disclaimer: Information contained in this document is for information and general guidance only. Such information is not professional legal opinion.