

16. Activity Statements

Introduction

The activity statement is one of the key mechanisms that supports integrated decision-making in that the activity statement draws several pieces of information together into a single tool for presentation in the LTCCP.

A common format for the activity statement is vital for both the look of the document but also for ease of understanding on the part of elected members, the public and staff. You should already have a template on hand from the 2006 LTCCP. Your first step in developing a template for 2009 should be a review of the 2006 template. Care needs to be taken that the template does not obscure key information (or that some flexibility is allowed) – this is particularly true where you intend to use templates developed outside the organisation.

Why are activity statements so important?

Activity statements are one of the basic building blocks of the LTCCP. They take a set of complex and disparate information and package it simply, briefly and in a way that presents the key issues. Activity statements will be replicated in the LTCCP many times, therefore it's important to get the format and presentation right.

Your activity statement should be based on the council's preferred option. The place for discussion of significant options should be alongside other strategic issues at the front of the LTCCP, with some quantification of the impact on the 'headline' financials.

How do activity statements relate to the legislation?

The Act specifies a set of disclosures with respect to each activity or group but does not require the preparation of something called an 'activity statement'. The activity statement is a practice device that ensures that the required information is presented consistently.

The disclosures are:

- an outline of significant negative effects that the activity gives rise to
- statement of the intended levels of service provision, including performance targets and other measures
- estimated expenses of achieving and maintaining the levels of service provision, and
- a statement of how expenses are to be met and the rationale for those choices.

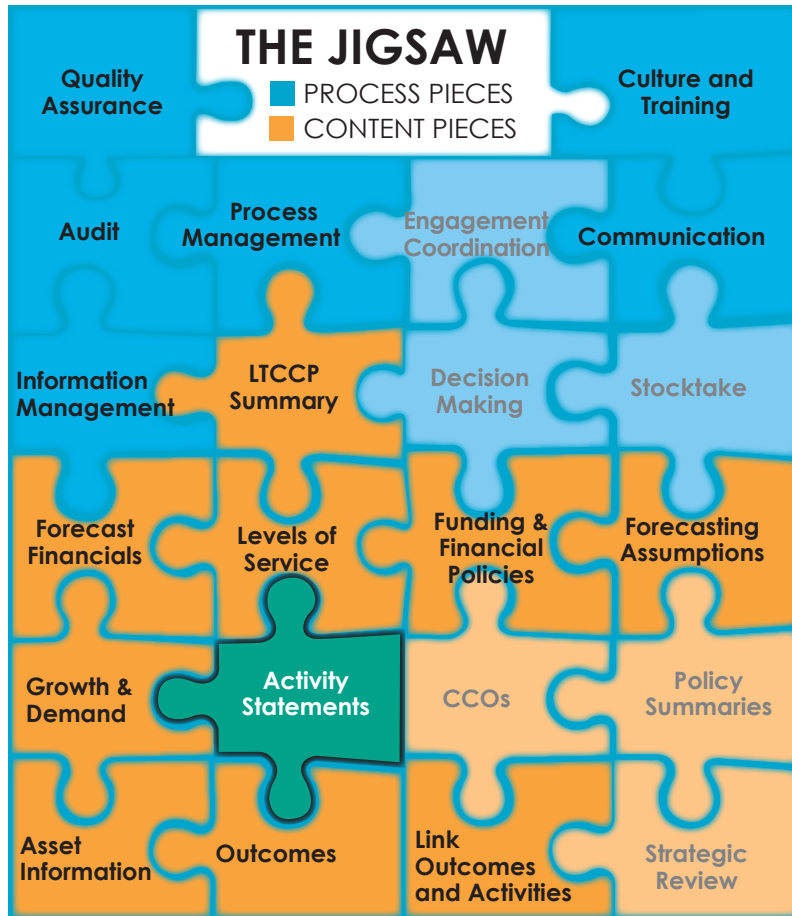
Who should prepare the activity statement?

A template of the statement should be prepared by a multi-disciplinary team of asset managers, finance personnel, with communications input. The template should be 'road-tested' with elected members as a check on its clarity.

When should the activity statement be prepared?

We suggest the template is prepared early in the project, at about the same time as the information management plan.

What other processes are activity statements linked to?



What were the weaknesses with activity statements in 2006 LTCCPs?

There was an imbalance of information (without obvious reason) – some activities had copious amounts of information, others were sparse.

Different formats were used for financial information within the same LTCCP.

Some formats for presenting financial information were difficult for even informed readers to follow.

In some cases, there was a tendency to place entire asset management plans into the LTCCP and leave the reader to find the information.

What good practice information is available?

NAMS (2003), *International Infrastructural Asset Management Manual* – Appendix A contains a well prepared executive summary for your asset/activity management plan which can be used as a major input into the activity statement.

Office of the Auditor-General, (2007), *Matters Arising from the 2006-16 Long-term Council Community Plans* contains various useful tips for the presentation of information. This includes a couple of different examples of the financial disclosures under activity statements which we encourage people to use.

There are various commercially produced templates available – but these will generally require some adaptation to fit the particular needs of your local authority.

Good practice principles to apply when designing activity statements

GOOD PRACTICE AREA	DESCRIPTION
Conciseness	Is the information tightly organised? Are redundancies and repetition avoided?
Clarity	Is the information as jargon free as it could be. Is information simply put, without any spin? Does the information paint an accurate picture of the activity?
Completeness	Have all aspects of Schedule 10, Clause 2 (1) and (2) been covered?
Presentation	Consider the use of graphs, diagrams and photographs <ul style="list-style-type: none"> • to better give an indication of trends • to better portray outline information in years 4 to 10. • to make the figures in all years come alive • to clearly show the assets under discussion
Linking	Is the narrative consistent with information on community outcomes and financial statements for : <ul style="list-style-type: none"> – terms used? – consistency of message? – linkages to the levels of service?
Categorisation	Is the activity financial information categorised consistent with the Act and with generally accepted accounting practice? Are activities in logical, easy to follow groupings?
Common Treatment	Is there consistency of terminology, and consistency of internal accounting rules in: <ul style="list-style-type: none"> – new capex differentiated between levels of service changes and growth? – renewals (for existing levels of service)?
Presentation	Are we able to easily distinguish between: <ul style="list-style-type: none"> accrual financial position? capital movements? total funding of activity?
Link to summary financial statements	Is it possible to easily link the net cost of each activity through to the forecast statement of financial performance?