

Promoting Better Practice Program

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REVIEW REPORT

LEETON SHIRE COUNCIL

JANUARY 2011



Division of Local Government
Department of Premier and Cabinet

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EXECUTIVE SUMMARY

The review was conducted by an independent consultant on behalf of the Division of Local Government, Department of Premier and Cabinet. The onsite component of the review took place in April 2010 and was preceded by a self assessment process that required the Council to complete a comprehensive checklist and collect evidence as to its current state of plans, systems and processes.

The intent in writing this report was to place focus on Council's better practices and those other aspects of its operations that warrant additional attention. Given this, the report does not focus on the vast majority of Council's practices. These practices appear to be of a good standard. The reviewer's overall assessment is that Council appears to be generally performing well, but there are some important issues that the Council will need to address for the future.

This review identified many examples of better practices, such as sound financial management, financial planning, asset management and works planning, a new community engagement plan to drive the Community Strategic Plan and an improved strategic focus by management. However, the review also identified a number of improvement opportunities that the Council needs to address. The report provides details of these areas.

Council has made significant changes in prioritising the revision of policies and procedures, the engagement of a Regional Internal Auditor, who is shared between certain councils within RAMROC, and completing its Asset Management Plan. The Asset Management Plan won a commendation for the quality of its preparation, which was overseen by the Director Engineering and Technical Services. This Directorate has also been working towards the completion of Business Plans for its Water and Sewerage works and is now integrated water cycle management (IWCM) compliant. Integrated water cycle management is an innovative way of managing the urban water services for local water utilities. The Council staff who were interviewed by the reviewer appear to be fully committed to supporting the current positive direction of the Council. However, there is scope for an improved relationship between senior staff and the councillors, as evidenced from discussions with the Mayor and Senior Management.

Council has agreed to a timetable for the implementation of the Integrated Planning and Reporting Framework by July 2011 and is actively progressing towards this date, through identifying responsibility for the function and resourcing the role to meet the deadline.

The preparation of a comprehensive 10 year Financial Plan has been a key outcome and allows Council to more adequately assess its future planning and performance. Together with the newly completed Asset Management Plan, this now provides a more solid base for Council's future strategic direction.

1 ABOUT THE REVIEW

Review objectives

Promoting Better Practice Reviews have a number of objectives. These include generating momentum for a culture of continuous improvement and the promotion of good governance and ethical conduct. These reviews are designed to act as a "health check", giving confidence about what is being done well and helping to focus attention on key priorities.

Review process

The process involves a review team from the Department of Premier and Cabinet's Division of Local Government (DLG) evaluating the effectiveness and efficiency of the council's operations and giving feedback.

There are essentially five steps in a typical review: preparing; assessing; checking; analysing; and reporting. The completion of a comprehensive self-assessment checklist by the council is a key element in all PBP reviews.

The review team takes a risk based approach targeting its resources to areas identified as core matters to be examined as part of a PBP Review and those matters considered to be important having regard to the circumstances of an individual council. It does not examine every aspect of a council's operations.

The review involves checking compliance with a range of statutory requirements, examining appropriate practices and ensuring that the council has frameworks in place to monitor its performance. All reviews seek to identify better and noteworthy practices.

The review team examines local circumstances in order to understand the pressures on the council and how the council has sought to manage its environment.

The scope of a review such as this is limited to documenting those areas the review team identified as:

- exceeding good practice (referred to as better practice)
- in need of improvement or further development
- otherwise noteworthy for the reasons detailed in the body of the report.

Leeton Shire Council Review

Leeton Shire Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. An independent consultant from IAB Services, Ian Melville, examined the completed checklist/questionnaire and a range of other source documents prior to visiting Council in order to gain a preliminary understanding of the circumstances of Council and how the Council is responding.

The on-site component of the review took place in April and May 2010. It involved initial interviews with the General Manager, two (2) of the Directors and an Acting Director, interviews with a cross section of other managers, attendance at the May 2010 Council meeting and a review of Council policies and other documents.

Implementation and monitoring of recommendations of final report

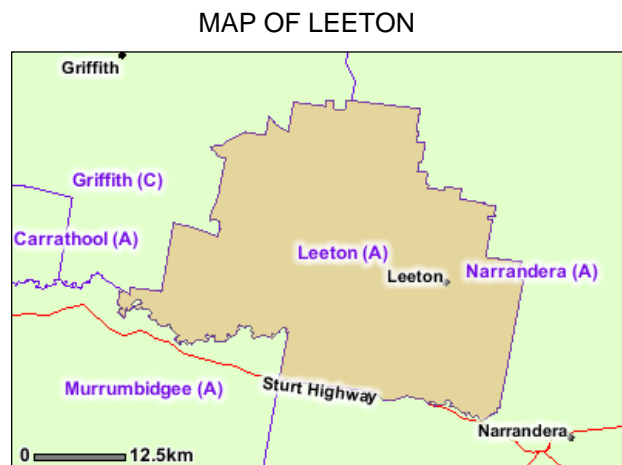
Council is to be commended on its pro-active approach to addressing the high risk recommendations made in the draft report. Due to the nature of the recommendations and work already undertaken by Council in relation to these, the Division does not propose to monitor the implementation of the recommendations of this report. This responsibility will rest with the elected body and senior management of Council. The General Manager should prepare regular reports for Council on the implementation of the action plan.

2 ABOUT THE COUNCIL AND THE AREA

Location and demographics

Leeton is the site of the administrative centre of Council and is located in the Riverina Region of the State, 579 km south west of Sydney and 457 km north of Melbourne. Leeton was established in 1914 and was the first town built within the Murrumbidgee Irrigation Area. It is one of the most productive farming regions in NSW with

citrus, rice, grapes and wheat farms scattered throughout the Shire. Leeton is known as Australia's Rice Centre and is a purpose built town designed by Walter Burley Griffin after the irrigation schemes were announced by the NSW Government in the early 1900s. The town is noted for its Art Deco architecture and has well known landmarks including the Roxy Theatre, War Memorial, St Peter's Church and the historic Hydro Motor Inn all located in the centre of town.



The Shire includes the town of [Leeton](#) and the small villages of [Yanco](#), [Whitton](#), [Wamoon](#) and [Murrami](#). Leeton Shire Council is surrounded by the four (4) shires of Griffith, Narrandera, Carrathool and Murrumbidgee. It operates within both RIVROC (Riverina Region of Councils) and RAMROC (Riverina and Murray Region of Councils) to provide alliances and potentially shared services to assist the administrative performance between adjoining councils.

Current Council

Leeton Shire Council is comprised of nine (9) councillors. The area is currently divided into three (3) Wards, each electing three (3) councillors. The Mayor is elected by the councillors.

At the September 2008 election, there were four (4) new councillors elected. There was another new councillor elected at a by-election in 2010. Accordingly, there has been a transitional period where new councillors were required to become aware of

their roles as councillors and update themselves on the current issues before Council.

Local issues

Council and the community have experienced various issues including:

- Clarification of sustainable diversion limits (SDLs) and licences of irrigation farmers in the Murray Darling Basin following the release of the Murray Darling Basin Plan on the future of water rights
- The effects of limited rate income through a percentage reduction of irrigated farming on properties within the Shire
- The ongoing reduction in rice production and the closure of rice mills within the region
- Potential sale by the State Government of the community funded Carramar Nursing Home, which has resulted in many representations from local politicians and community members.

3 SUMMARY OF KEY FINDINGS

Better practices/Other noteworthy practices		Areas for improvement	
STRATEGIC POSITION			
	Nominating to fast track the Community Strategic Plan		Integration of strategic documentation within Council
	Completion of the Asset Management System to provide valuable strategic input into Council works programs		
GOVERNANCE			
	Use of strategic alliances for reviewing governance through resource sharing		Enterprise-wide risk assessment and risk management plan
	Preparation of Councillors' Handbook		Audit Committee Member independence
			Development of Strategic Internal Audit Plan
			Legislative compliance
			Fraud and corruption prevention risk assessment and policy
			Councillor staff interaction
			Complaint handling
			Organisation structure
PLANNING AND REGULATORY			
	Education programs for Companion Animals		Planning reform
	Upskilling planning staff		SOE reporting
			Water safety

Better practices/Other noteworthy practices	Areas for improvement	
ASSET AND FINANCIAL MANAGEMENT		
	Asset Management	Rate income
	Financial management	Overdraft policy
	Sound financial position	Policy on loan borrowings
COMMUNITY, COMMUNICATION AND CONSULTATION		
	New community engagement policy	Social community and cultural plan
	Community participation	Annual reports
		Disability Action Plan
		Customer service standards
		Ageing population
		Tourism strategies KPI
WORKFORCE RELATIONS		
	Initiate Workforce Plan for Community Strategic Plan	HR policy and procedures
		Succession plan
		Position Descriptions
		Recruitment and Selection
		Employee surveys
		Consultative committees

4 COUNCIL'S STRATEGIC POSITION

This part of the review focussed on Council's strategic intent and how it has involved its communities and other stakeholders in developing long term strategic plans. The review assessed the clarity of Council's strategic direction, whether its plans reflect a shared and realistic vision, and its overall approach to corporate planning. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to Council's performance in this area.

A new planning and reporting framework for NSW Local Government has been introduced to improve local councils' long-term community planning and asset management process, as well as streamline reporting to the community.

This new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans and appropriate delivery programs. Community strategic plans will be supported by a resourcing strategy, including a long-term financial strategy, asset management plan and workforce strategy. The framework is set out in the following diagram.



Noteworthy practice

Strategic planning

Although Council does not have a current strategic plan, it has taken the opportunity to establish its Community Strategic Plan by 1 July 2011. Planning is well advanced in this process. Additional staff resources have been directed to this goal and during

the review the reviewer noted that senior management were focussed on assisting in the process to involve the community through workshops and identification of required outcomes for the Shire. This is a marked improvement from recent times when the lack of an effective strategic direction and resource strategies prevented the identification of the needs of the community and a measured way forward. The lack of a Community Engagement Plan was previously another factor in not encouraging community members to provide valuable local input to Council. Council is encouraged to continue this current drive towards a formal strategic framework from which it can develop outcomes and programs to enhance planning of local community improvements.

The Council's Asset Management Plan has already been completed and, as a priority document under the Integrated Planning and Reporting Framework requirements, will inform the current strategic planning. The Council's Workforce Strategy is also currently in progress as part of the larger community strategic plan and should be prioritised to ensure that it is completed early in 2011.

5 DELIVERING AND ACHIEVING

This part of the review focussed on examining key structures, systems and processes involved in delivering the stated outcomes of Leeton Shire Council's Management Plan. This included considering the means by which Council:

- governs its day to day operations
- undertakes its planning and regulatory obligations
- manages its assets and finances
- involves the community
- recruits and retains its workforce.

5.1 GOVERNANCE

“Corporate governance refers to all the means by which entities are directed and controlled.” (Standards Australia, HB401-2004:12) Corporate governance is important because it enhances organisational performance, manages and minimises risks, increases the confidence of the community and the local government sector in the organisation, ensures that an organisation is meeting its legal and ethical obligations, and assists in the prevention and detection of dishonest or unethical behaviour.

5.1.1 Scope of review

A review was conducted on aspects of Council's corporate governance including:

- *Procurement and tendering*
- *Risk management*
- *Internal audit*
- *Council's decision-making processes, including conduct of meetings*
- *Councillor-staff interaction*
- *Fraud and corruption prevention*
- *Legislative compliance*
- *Complaint handling*
- *Councillor induction and professional development*
- *Organisational structure*

5.1.2 Overview of Leeton Shire Council's governance practices

Overall, Leeton Shire Council is acting to improve its systems of governance and to introduce more effective processes. Examples of these systems and processes are outlined in the following paragraphs. Council should continue to give high priority to corporate governance within the organisation.

5.1.3 Significant Observations

Noteworthy practices

Procurement and Tendering

As a result of negative findings from a recent Internal Audit of its procurement and tendering processes, Council has undertaken a comprehensive review of its tendering and procurement policy to meet best practice. The revised policy was tabled before Council at its May 2010 meeting for implementation to achieve compliance in its tendering and procurement processes. Council should continue to monitor its tendering and procurement processes and make any necessary adjustments to ensure compliance with DLG Guidelines.

Initiation of internal audit review/ strategic alliances

Along with other council strategic partners, Council has engaged an experienced shared internal auditor to commence an assessment of business risk and to address some identified deficiencies. It has also acted to establish an Audit Committee ahead of initiating further internal audit reviews which should be based on the risk assessment being undertaken.

Councillors' Handbook reference

Council has prepared a comprehensive Handbook for councillor use to provide references to all policy and operational functions so as to enhance their knowledge and ability to contribute to debate in performing their duties as community representatives. The Handbook is reviewed periodically to take account of changes in practices and legislation.

Areas for improvement

Risk management

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. While risk cannot be entirely eliminated, councils should aim to establish a risk aware culture and to continually work towards establishing structures, processes and controls that can effectively reduce the council's risk profile and thereby protect the interests of the council, the public and other key stakeholders. There should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

Council does not have an Enterprise Risk Management System (ERMS) to address key business risks that impact on the Council. At the moment, Council has mostly concentrated on OH&S and insurance type risks without properly identifying the broader risks across the organisation. While the engagement of an internal auditor shared through several councils in RAMROC is starting to yield benefits, internal audit activities do not yet include a risk assessment of broader enterprise risks.

Recommendation 1

Completion of an enterprise wide risk assessment and the development of a risk management plan to identify and mitigate key risks within the organisation.

Internal audit

Council has established an Audit Committee to guide/monitor the future internal reviews within the organisation, as well as other aspects of governance, compliance, etc. It is essential that Council establish a three year (3) ongoing strategic internal audit plan as part of the internal audit process. The content of this plan will be determined from a prioritisation of the higher risks identified from an ERMS. Reports from internal audits undertaken should be presented to the Audit Committee to assess the findings and recommendations, seek comment from Council before acceptance and monitor the implementation of the recommendations.

Council should consider the DLG 'Guidelines for Internal Audit' in terms of the membership composition and the functions of the Audit Committee. The appointment of independent external members, including the Chair, should also be given due

consideration to ensure that Council benefits from the input of professionals and possibly experienced auditors, apart from the appointed councillors.

Recommendation 2

Prioritise the preparation of a three (3) year risk based internal audit plan to prioritise internal audit reviews of Council's operations.

Recommendation 3

Council should consider the requirement in the DLG's 'Guidelines for Internal Audit' in relation to the composition of its Audit Committee and its deliberations in regard to its internal audit planning.

Council meetings

Council holds its ordinary meeting on the 4th Wednesday of the month starting at 7:30pm and reports that there is very poor community attendance at these meetings. The reviewer attended the April 2010 meeting and observed that the Mayor controlled proceedings quite well. There was marked variation among councillors in the participation in debate, with a minority engaged in most of the discussion. The Mayor should continue to encourage all councillors to involve themselves in the meeting and to present a broad range of debate over issues that need full examination.

However, it was unusual that immediately after the commencement of the April 2010 meeting the Mayor immediately sought and received approval to close the meeting to discuss a Mayoral minute, copies of which he had just handed to councillors. The minutes of that meeting later recorded the two resolutions as to enter into "Closed Committee" and "for the purpose of dealing with the Mayoral Minute". There were two people in the gallery to make representations to Council, and another visitor, who were not welcomed by the Mayor before the meeting was 'closed'. This required staff and visitors to vacate the chamber for 40 minutes while this matter was resolved. Before and after the closure of the meeting there was no reason given for the urgency of this action, which could have been held a short time later in the meeting without adversely affecting proceedings.

Under section 10(A)-(D) of the Local Government Act and the Regulations, there is a requirement for Council to state the reason within section 10 as to why a meeting is proposed to be closed to the public. The reason given, “to deal with the Mayoral Minute”, does not meet this requirement. In addition, at the resumption of the meeting there was no statement made as to any outcomes or resolution from the ‘closed’ session. The Minutes of the April 2010 meeting record that *“The Mayor provided a verbal report of matters relating to issues arising out of discussions at the March meeting on Item 9 of the Engineering & Technical Services Report Road General – Plan of Safety for the Almond, Petersham, Corbi Hill Roads and Grevillia Street area”*.

Council has held three (3) extraordinary meetings over the past year and adequate notice has not always been provided to allow interested parties to attend. On occasion, an extraordinary meeting may be called at short notice, which makes advertising through the local newspaper impossible due to printing deadlines.

The reviewer also noted that business papers are not available on the website prior to the meetings, although they are available at library facilities. To engage the community more, this availability should be reviewed and adequate time allowed for involvement by the community.

Council has closed its meetings on twelve (12) occasions during the past year and the review indicated that the criteria had been met and recorded accurately in the minutes. As previously noted, the business papers are not universally available prior to the meeting. Therefore, it is difficult for Council to close the meeting and declare that there has been no opposing representation from any member of the public. A prior opportunity must be provided to all interested parties to be advised of the items on the Business Paper.

Recommendation 4

Business Papers should be made available to the community on Council’s website prior to scheduled ordinary meetings to allow representation on any matters of concern.

Recommendation 5

Ensure that proper procedures are followed on closure of Council meetings.

Councillor staff interaction

In general, it appears that the relationship between councillors and Council staff is workable. However, in discussions with councillors and senior management, concern was expressed as to the understanding of the responsibilities of the two parties. It needs to be understood that councillors must take the key strategic role in the future planning of Council. Management, in carrying out an operational role, needs to do so within the strategic direction provided by Council. The reviewer noted that there seems to be some misunderstanding of the separation of power, as defined within the Act, and this should be clarified within Council to resolve these issues. The challenge for all councillors and Council staff is to develop a more collaborative relationship so that they work as a team in providing services and meeting the needs of the community.

Recommendation 6

Adopt suitable strategies to maintain and build more productive and continuing working relationships between councillors and senior management.

Fraud and corruption prevention plan

Council has not yet prepared a fraud and corruption prevention control policy that is linked to the Council's Risk Management Plan. A complete systematic fraud and corruption prevention risk assessment has not been undertaken in the last five years. However, elements of a fraud and corruption risk assessment have been regularly undertaken on an annual basis as part of the annual audit process conducted by Council's external auditors. As mentioned previously, Council is currently in the process of establishing an Audit Committee, which will oversee an internal audit program that will incorporate fraud and corruption prevention risk assessments.

Recommendation 7

Council needs to prepare a fraud and corruption prevention policy and include a fraud and corruption risk assessment as part of its Internal Audit process.

Legislative compliance

Councils are required to comply with a range of legislation. Council does not currently have a system whereby all relevant employees are made aware of their

current obligations and promptly advised of future amendments to legislation or regulations.

Council advised that it has recently appointed an internal auditor to work with relevant staff to assist in establishing an appropriate system to ensure that its legislative and regulatory obligations are met.

Recommendation 8

Council should develop a compliance system whereby it can gain assurance that all legislative and regulatory obligations are documented, assigned and met on an ongoing basis.

Complaint handling

An effective complaint handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction and provides a useful source of information and feedback for improving the council's service. Good practice complaints management, as reflected in the NSW Ombudsman's Complaint Handler's Toolkit, involves a tiered approach to dealing with complaints (for example, frontline complaint handling, internal review or investigation and external review) and formal procedures for collecting, analysing and reporting complaints data.

Council has prepared a draft Complaints Handling Policy & Procedure, yet to be adopted by Council. The draft makes provision for internal review where a complainant is dissatisfied with the outcome and also external review.

As most complaints received by the Council can be simply requests for service, Council should distinguish between a complaint and a service request in its policy and in practice. Reporting on complaints and customer requests will be initiated once Council implements its Customer Request Management System (CRMS).

Recommendation 9

Provide more detail of its Complaints Handling Procedure to the community through the Council website.

Recommendation 10

Council should ensure that it distinguishes between complaints and customer service requests in its policy.

Councillor professional development

Council has prepared a Councillor's Handbook to provide a comprehensive information base for new councillors and as an ongoing ready reference. Some training is currently made available through links with other strategic partners, although at the time of review there was no structured induction program for new councillors. Council should work with councillors to identify any initial 'skill gaps' and prepare future training and development needs. A by-election in 2010 to fill a vacancy highlights the ongoing importance for new councillors to be adequately oriented to their role.

Council should establish a suitable individual training plan to meet the identified needs of each Councillor, monitor and record training undertaken and seek feedback on the value to each participant.

Recommendation 11

Council should develop an orientation program and individual professional development plans for councillors.

Organisation Structure

Council last reviewed its Organisation Structure in February 2010 and with the knowledge of Council, has been further reviewing the functions of tourism and economic development to enable more efficient use of its staff resources. Due to the absence of a Community Strategic Plan and Workforce Strategy, it has not been able to align changes in the structure to these policy documents. On their completion Council should ensure that future changes in organisation structure are reflected in these two documents.

Recommendation 12

Ensure that future changes to the Organisation Structure are reflected in the new Community Strategic Plan and Workforce Strategy.

Council's response

Recommendation 1 Risk Management

Identification of key Enterprise Risks across Council's operations is included in Council's 2010/11 Audit Plan. This area has been given No 1 priority in the Audit Plan.

Directors and Managers will be responsible for assessing their respective areas and identifying key business risks. Work has already commenced on identification of key risks. Internal Auditor will complete when he returns in late March.

Recommendation 2 Internal Audit

Upon completion of ERM process priorities will be determined and included in a 3 year audit plan

Recommendation 3 Internal Audit

Audit Committee appointed by Council in July 2009 with two (2) independent members and one (1) councillor as voting members. The composition of the Audit complies with the DLG "Guidelines for Internal Audit".

Revised DLG "Guidelines for Internal Audit" considered by the Audit Committee at its meeting on 24th November 2010. Composition of the Audit Committee remains compliant.

Audit Plan for 2010/11 adopted in June 2010.

Recommendation 4 Council Meetings – Business Papers

The recommendation comments are noted.

Council plans to implement InfoCouncil to automate its business paper process. Once implemented, business papers will be put up on Council's website prior to council meetings.

InfoCouncil implementation is currently being negotiated with Civica, which hosts Council's IT environment.

Recommendation 5 Council Meetings – Closure of Meetings to the Public

The recommendation comments are noted

The Mayor and Councillors will be briefed on requirements of meeting procedure when closing the meeting to the public.

Recommendation 6 Councillor / Staff Interaction

Recommendation noted. This matter will be the subject of a workshop with a view to assessing issues and determining any action necessary.

Listed for a workshop in February 2011.

Recommendation 7 Fraud and Corruption Prevention Plan

The development of a Fraud and Corruption Prevention Plan is included in the 2010/11 Audit Plan adopted by Council's Audit Committee in June 2010.

Internal auditor to review current fraud prevention and detection controls.

Recommendation 8 Legislative Compliance

Council has noted the comments and following the BPR Review in April this year it has taken up a subscription offer from SAI Global to address the issue of legislative compliance. As part of the arrangement SAI have set up profiles of employees with responsibilities for compliance in the various areas of Council's operations.

Council Officers are now provided with legislative alerts from SAI Global whenever changes to legislation occur in their areas of responsibility. Officers are also able to access all current Legislation, Regulations, Codes and Standards electronically through Council's arrangement with SAI Global.

Officers also use the DLG Strategic Tasks Guide. Finance and administration staff also use the monthly report from LG Solutions highlighting strategic tasks and completion dates.

Recommendation 9 Complaint Handling

A revised Complaint Handling Policy was adopted by Council at its September 2010 meeting. The policy is now on website.

Council has recently implemented a new Customer Request Management System (CRMS) via its IT provider Civica. The new CRMS has been operative since mid November and is designed to provide an analysis of complaints and customer requests for reporting and administrative purposes.

Recommendation 10 Complaint Handling

A revised Complaint Handling Policy was adopted by Council at its September 2010 meeting.

Council's adopted policy makes the distinction between complaints and customer service requests.

Recommendation 11 Councillor Professional Development

Recommendation comments are noted. Council will continue to be an active member of the RAMROC Governance Group and participate in identified training and development courses for Councillors.

Councillors have completed a questionnaire to identify specific training needs. A report was presented to Council in July 2010 detailing identified priorities. One (1) joint training course has been held by the RAMROC Governance Group in August 2010 for Code of Conduct, and Pecuniary Interest.

The Governance Group are planning further training courses for member councils consistent with identified priorities.

Recommendation 12 Organisation Structure

Recommendation comments are noted.

Council is on track to meet its Group 2 obligations in respect of implementation of Integrated Planning and Reporting.

Reviewer's comment

Council's responses to the draft report recommendations are noted. Council is to be commended on its pro-active approach to the implementation of the recommended actions. In regard to recommendation 9, while it is noted that the newly adopted Complaint Handling Policy is available on Council's website, Council should take additional steps in relation to this recommendation. Council's complaint processes are not immediately evident on the website. Council should provide more information on the way that community members can make complaints and the processes to be followed by Council. This could be by way of an information page relating to this on the website and possibly on-line lodgement of complaints or customer service requests. It was noted that Council had indicated in its action plan that this recommendation was considered completed. It is suggested that Council re-consider this recommendation and how it can make information on the complaint procedures more explicit on its website.

5.2 LAND USE PLANNING & OTHER REGULATORY FUNCTIONS

Council exercises regulatory functions in relation to a range of activities within its area. The efficiency and probity of Council's regulatory functions is important for effectively managing its responsibilities and for preserving public trust in the Council and its staff. Regulation is important in achieving a wide range of social, economic and environmental goals.

5.2.1 Scope of review

A review was conducted on a range of aspects of Council's planning and regulatory practices, including:

- *Development assessment*
- *Contributions Plans*
- *Companion animals*
- *State of environment reporting*
- *Water safety*

5.2.2 Overview of land use planning, development assessment and regulatory practices

Leeton Shire Council has experienced a slowing down in development pressure within its area and now processes around one hundred and eighty (180) development applications annually. Council has not progressed consolidation of major planning instruments without external Plan Reform funding. Preparation of contribution plans outside of Leeton and Yanco are also being deferred, awaiting these planning reforms.

Council has not moved to the preparation of a single Local Environmental Plan using the LEP template designed to simplify plan making in the State. Council advised that Leeton Shire is not on the priority list and has not received Plan Reform funding for this purpose.

5.2.3 Significant Observations

Noteworthy practices

Succession planning

Given that there is a small number of staff employed within the Directorate, Council has identified the need for a career path to prepare other staff to assist in development planning. It is currently utilising the services of an officer within the Health and Building Section who is undertaking tertiary studies in planning and is mentored by the Manager in the local planning role.

Community education for management of companion animals

The Council Ranger is reported to adopt a proactive approach to the management of companion animals and undertakes media interviews and consults regularly within the community. Council also issues flyers concerning proper management with rate notices to maintain high community awareness and press releases provide additional local publicity. Annual subsidised programs for microchip implantation have been introduced and for participants in this program, staff forward information within 30 days to encourage owners to complete lifetime registration for their animal. This has resulted in a high level (74%) of lifetime dog registrations compared to the State average, although it remains low (39%) for cat registrations.

Areas for improvement

State of environment (SoE) reporting

The 2008 comprehensive SoE was prepared by Habitat Planning on behalf of fourteen (14) councils within RAMROC, which included Leeton. It acknowledges the existence of the previous comprehensive 2003/04 report, but no comparisons are made to this document or the most recent supplementary SoE (2004/05) throughout the report.

In relation to the pressure-state-response model (PSR), information given in relation to *pressure* is very general in nature and does not outline the issues affecting the region or the councils involved. The information given in relation to *state* refers to information presented in tables and figures which often do not contain useful information and can be difficult to decipher. The information provided in relation to

response is also general in nature and sheds little light on how councils have managed particular issues.

The quality of data provided that relates to Leeton Shire is very low. For example, in relation to land salinity, Table 1 indicates that Leeton is affected but the amount of land is *unknown*. Table 2 indicates that Leeton has a Contaminated Land Register but the report does not explain what information is included in the Register or what the Register is used for or why a Register is required. Table 2 also refers to *number of articles* but does not explain what this means. Table 4 relates to smoke pollution and indicates that the number of hectares of controlled burns by the RFS/Council is *unknown*. Table 4 also indicates that Leeton has issued no stubble permits but does not explain anywhere in the report what this is or how it is relevant to the PSR information provided. Figure 9 indicates the *Number of kilometres travelled by council* (time period not specified) for which Leeton's data is either Not Applicable or Not Available. Each council should be able to provide accurate information about the number of kilometres travelled. Table 8 relates to tree removal applications with *NA* recorded for Leeton. The only case study information in the report specific to Leeton relates to the introduction of kerbside recycling which indicates that since the November 2008 introduction, 500 kg of material has been recycled - but no cut off date is provided so it will be difficult to compare in the next SoE. Table 15 relates to water consumption with Leeton's average noted at 1.15 kL per person. The next nearest figure is 100 kL (Corowa), up to a maximum of 900 kL (Balranald), but there is no explanation of the discrepancy and could indicate an error in the data.

In summary, a small amount of useful information is able to be gleaned about Leeton from the Comprehensive SoE report. However, the report raises more questions than it answers. It is considered to be deficient as a valuable document for Leeton Shire Council or the community in failing to address previous SoE reports or to provide a useful baseline for environmental indicators to be compared in the next SoE.

Recommendation 13

Examine Council's individual needs from the regional approach to SoE reporting and take action to address deficiencies identified.

Water safety

Under the *Swimming Pools Act 1992* councils have a responsibility to take such steps as are appropriate to ensure they are notified of the existence of all swimming pools within their area to which the Act applies. The Act also requires councils to promote awareness within their area of the requirements of the Act.

The challenge for Council in developing a compliance program for private swimming pools is that the existence of unauthorised pools, or pools which are constructed as exempt or complying development, may not come to the attention of the Council. It is considered good practice for a register to be maintained of all pools, of which the Council is aware, within the Council's area. Council should also consider the development of a compliance and awareness program.

Council has prepared an Excel program for checking compliance with pools from 2004 onwards. A register has been compiled from approvals as well as from aerial photography. However, there are resource limitations. Council intends to utilise an additional Ranger, once he is trained, to complete a formal strategy following the completion of the current review of the Act and Regulations.

Recommendation 14

Council develop a compliance and awareness program in relation to domestic swimming pools in the Leeton Shire.

Council's response

Recommendation 13 SOE Reporting

Within the next 6 months Council plans to raise issues at RAMROC level for discussion to assist with a review of consultants brief for future SOE Reports.

Date gaps will be addressed over next two (2) years.

Recommendation 14 Water Safety

Council proposes to formalise and implement an awareness programme in relation to domestic swimming pools. This will include compliance inspections to be undertaken by Council's Ranger.

Letters have been forwarded to all property owners with domestic swimming pools advising of requirements for fencing, display of CPR Charts, and rules for safe swimming.

5.3 ASSET & FINANCIAL MANAGEMENT

Under its Charter, Council has a responsibility to raise funds for the purposes of carrying out its functions. This can be achieved by the fair imposition of rates, charges and fees, borrowings and grants. The Council is also the custodian and trustee of public assets and must effectively account for and manage these assets.

5.3.1 Scope of review

A review was conducted of a range of aspects of Council's asset and financial management practices, including:

- *Financial management*
- *Asset management*
- *Rate income*
- *Overdraft and borrowing facilities*

5.3.2 Overview of asset and financial management practices

Council's short-term financial position is sound and with the completion of an Asset Management Plan and ten year Financial Plan, it is well placed to incorporate these documents into the Community Strategic Plan for the next financial year. However, the long-term financial position needs to be monitored as there are concerns about the Council's continued deficit and its ability to meet maintenance expenses within the operational budget. Council needs to plan and budget for the future maintenance and replacement of infrastructure assets and buildings. Council is not involved in the operation of any businesses, companies, partnerships, corporations, co-operatives or joint ventures.

The capture of building assets is yet to be completed within the Asset Management Plan and this will be completed this financial year.

5.3.3 Significant Observations

Noteworthy practice

Financial management

Council has a long-term Financial Plan that was developed in March 2010. This long term Financial Plan produces financial tables that will be presented in the Delivery

Program and Operational Plan which link into the Community Strategic Plan. The Financial Plan is used to develop the budget and as a result, is updated each year and revised on a quarterly basis. The reviewer was informed that Council developed a long term strategy that was used to set assumptions and take into account interest rate changes. Council staff ensure that financial information provided to Council is relevant and understandable by holding workshops with councillors and through each of the quarterly reviews presented to Council with open discussion and explanations of the financials provided.

Council uses the following financial performance indicators to assess its financial health:

- Unrestricted current ratio
- Debt service ratio
- Rates Coverage ratio
- Rates Outstanding Percentage

These financial and liquidity ratios as shown in the 2008/2009 financial reports are above industry benchmarks and indicate that Council is in a strong financial position.

Areas for improvement

Rate income

Council's rating structure is a base amount plus an ad valorem rate. Council has a Residential category, Business category and Farmland category. Council levies the Stormwater Management Service Charge for residential, strata and business.

Council's general income will be limited to its "notional general income" for the previous year, as varied by the percentage applicable to Council for the year for which the rates and charges are made.

Section 511 of the Act enables a council, if it does not take advantage of the "full percentage increase available to it" under section 506 for a particular year, to "catch up" the shortfall in either or both of the next 2 years. However, the amount of any shortfall may be caught up once only.

Councils should note that "catch up" will be available only where a council did not take advantage of the full "rate pegging" percentage increase available to it. If a council does not take up this catch-up within two years, it will no longer be available and the notional general income of the council will be reduced by that amount.

Council has had a rates catch-up result for the last 3 years totalling \$297,145. In 2009/10; \$31,948 of this potential income was lost. If Council continues to not include the catch-up results in the next year's general rates, it will continue to lose potential income. This will also erode its rate base.

Council may be aware of the above and be intentionally not rating catch-ups to offset income gains resulting from the 20% limit in farmland rates. However, this will erode its rate base.

Council's financial accounts for 2008/2009 were qualified by its external auditors due to the fact that some investments could not be fairly valued (CDOs - \$4.46M). Council will need to address this issue with its external auditors to satisfy financial reporting requirements.

In the reviewer's opinion, Council has performed well in reducing the arrears position (rates and charges outstanding). Overall, the reviewer considers that Council has again achieved very satisfactory financial results in the current year. The Net Operating Result for the Year 2008/2009 was a surplus of \$4,353,000 and before Grants and Contributions provided for Capital Purposes was \$2,394,000.

Recommendation 15

Council should consider its rating approach to ensure that no further income is lost.

Policies on overdraft facilities and borrowing/use of loans

Council advised that it has an informal policy not to reach a financial position where an overdraft facility is required. It does this through close monitoring of its cash position and good creditor management, which is demonstrated in the accounting results currently achieved.

There is also no policy on the borrowing and use of loans for circumstances where opportunities may provide options to undertake works at a rate that is of benefit to

Council. Policies on these two financial strategies could be formatted to guide Council and future councillors.

Recommendation 16

Council prepare a formal policy on overdraft facilities to formally consider strategies and circumstances where this funding source may be used.

Recommendation 17

Council prepare a formal policy on borrowing and use of loans to finance future programs.

Council's response

Recommendation 15 Rate Income

Recommendation comments are noted. Council does not however necessarily agree with calculation methodology. Now that Farmland capping no longer exists Council will not be factoring in “catch up” amounts in addition to the % increase allowed via IPART.

Council has a history of always taking up the full ratepegging % amount. General Rate increases over the last 5 years are as follows –

Year	Ratepegging %	Catchup	Total % Increase
2006/07	3.60	Nil	3.60
2007/08	3.40	Nil	3.40
2008/09	3.20	2.5	5.70
2009/10	3.50	1.7	5.20
2010/11	2.60	0.33	2.93

Council will determine the level of rate increase in May 2011 for 2011/12, as part of implementation of IPR from 1st July 2011.

Recommendation 16 Policy on Overdraft Facilities

Draft policy has been completed and will be presented to Council's January meeting.

Recommendation 17 Policy on Borrowing / Use of Loans

Policy to be developed and formally adopted by Council. Timeframe is February 2011.

5.4 COMMUNITY & CONSULTATION

A council's Charter requires that it:

- provides services after due consultation
- facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government
- actively promotes the principles of multiculturalism
- plans, promotes and provides for the needs of children
- keeps the local community and State Government informed about its activities.

5.4.1 Scope of review

A review was conducted of a range of aspects of Council's community and consultation practices, including:

- *The methods council uses to involve and determine the views of its community*
- *Ageing Population*
- *Social and community functions of council*
- *Annual reporting*
- *Customer service standards*
- *Tourist plans*

5.4.2 Overview of community and consultation practices

Council has initiated a new Community Engagement Policy to drive the preparation of the Community Strategic Plan. This has engaged the community through forums, workshops and representation from community groups to add value to the future planning of the Shire. This new strategic direction, with linking of programs and services throughout the Shire, will bring significant benefits to the community.

5.4.3 Significant Observations

Noteworthy practice

Community Participation

Council prepared a Community Engagement Strategy and Policy in January 2010 which will set a path for community involvement in the Community Strategic Plan. It acknowledges the need for Council to connect in the development and implementation of policies, programs and services. The framework of this strategy is designed to give the community a clear understanding of:

- Council's commitment to Community Engagement
- when community engagement will occur
- what level of engagement will occur
- how community engagement processes will be managed.

Council keeps the community informed of its activities by way of a full page bi-monthly community newsletter placed within the local newspaper that provides the community with information on key issues/contact details/events. There are also newsletters, weekly newspaper items, television and radio announcements, direct mail outs and community interagency meetings.

Areas for improvement

Social and community plan

The Leeton Social, Community and Cultural Plan 2004-2009 covers all of the mandatory target groups and provides evidence of having been developed in consultation with the community. It clearly indicates the results of the community consultation and the recommendations made to address the issues that were raised. While the recommendations can be somewhat general (e.g. "support" or "investigate"), they are clearly related to the issues raised and are easy to read.

Leeton has attached to its 2006/07 Annual Report the Social, Community and Cultural Plan 2005-2010 Action Plan, which gives a table of objectives and strategies but it is not clear which of these have been achieved. The Council Performance

section of the Annual Report mentions Social Plan recommendations, however, often reports "Basic requirements met" without explaining what they might be.

There is no Access and Equity Statement (as required) in Leeton's 2008/09 Management Plan or any information about which of the objectives in the Social, Community and Cultural Plan are to be achieved.

While the Social, Community and Cultural Plan itself is an adequate document, the integration of this Plan with Council's Management Plan and Annual Report are poor. It appears from an examination of the different parts of the Annual Report and Action Plan, as well as the Council's website, that few of the Social Plan's objectives are being achieved. For example, no Social Plan objectives for women were mentioned in the 2006/07 Annual Report.

While the 2004-09 Social, Community and Cultural Plan did not comprehensively review the 2001 Social Plan, it did include the target group issues raised in the previous plan and it appears that for some groups those issues remain largely unchanged. No links were drawn between the two plans in the document.

The Social, Community and Cultural Plan provides some valuable information about the Leeton community's needs. However, it is difficult to ascertain whether those needs are being considered across Council's business units to deliver real outcomes.

The new Integrated Planning and Reporting framework should assist Leeton to deliver community goals through better integration of its planning and reporting processes.

Recommendation 18

Council note the identified deficiencies within the Social, Community and Cultural Plan for action and inclusion in the development of the Community Strategic Plan.

Disability Action Plan

The Social, Community and Cultural Plan 2004-2009 briefly outlines in a discussion on People with Disabilities, the physical, intellectual, psychological, sensory and acquired brain injury aspects of disability. The content and recommendations are confined to physical aspects of disability, such as facilities, services and transport.

There is further scope to include other disability areas and how Council may respond to these special needs. There is benefit in Council preparing a separate Disability Action Plan to respond to the broader disability needs of community members and visitors using Council facilities within the Shire.

Recommendation 19

Prepare a Disability Action Plan/Strategy to identify community needs within the Shire for people living with disabilities.

Ageing population

The 2006 Australian Census reports that in the Leeton LGA 24.9% of the population are aged 55 years or over. Accordingly, there is a need for Council to identify a strategy for programs and services for this sector of the community.

Council has included a section in the Social, Community and Cultural Plan 2004-2009 for older people (65+) and this will be reviewed in a wider context within the new Community Strategic Plan. The following strategies should be considered in an ageing population strategy to respond to these community members:

- Prepare a social demographic profile for 55+ years
- Consultation with other agencies
- Support for community initiatives for seniors
- Identify opportunities for continuing input into the local workforce
- Community participation using knowledge and skill base
- Identify any gaps in service provision
- Priorities for future action
- Staged action plan

Recommendation 20

Consider the preparation of an Ageing population strategy to respond to an increasing ageing community sector.

Customer service standards

Council has not prepared a comprehensive set of customer service standards to inform staff and the community of the expected quality and type of service that can be expected. Once developed, the customer service standards should be placed on the Council's website and included in the staff Induction Training Program. Council should collect information on its performance against these standards and report to Council.

Recommendation 21

Prepare a set of customer service standards to ensure that the community receives customer service that is of a high standard.

Tourism

Council commissioned a review of its tourism activities in August 2007 to support the development of strategies 'to ensure that tourism within the Shire was on a sound footing'.

Section 12 of the report contains a list of strategies and action plans which are continuing to be addressed by Council. The reviewer supports the comment in Section 1.3.3 of the report that "there needs to be development of relevant key performance indicators and rigorous annual assessment against these indicators".

Council is currently reviewing the roles of tourism and economic development to assess the most appropriate structure to maximise the development of these key resources. In the 2008/2009 financial year, tourism program expenditure was \$428,000. It is also essential that there is integration of the tourism plan with other key strategic documents, such as the LEP and Council's Delivery Program.

Recommendation 22

Review its strategies and action plans to ensure that key performance indicators in the SMART format adequately measure the outcomes of its Tourism plans.

Recommendation 23

The Tourism Plan should integrate with other key strategic planning documents.

Council's response

Recommendation 18 Social and Community Plan

A report has been prepared on the outcomes of the 2004-2009 Social Community and Cultural Plan. The report establishes cross over links to the recently adopted Community Strategic Plan.

Recommendation 19 Disability Action Plan

A Disability Action Plan has been prepared utilising information gathered from the recent community consultation undertaken as part of developing Council's CSP.

Recommendation 20 Ageing Population

An Ageing Population Strategy has been prepared utilising information gathered from the recent community consultation undertaken as part of developing Council's CSP.

Recommendation 21 Customer Service Standards

Customer Service Standards will be developed in conjunction with adoption of Ethics and Values Statements.

Recommendation 22 Tourism

Recommendation comments noted. KPI's to be developed in the SMART format.

Recommendation 23 Tourism

Recommendation comments noted.

5.5 WORKFORCE RELATIONS

Councils have a number of legislative responsibilities in relation to their role as an employer. Council is required to conduct itself as a responsible employer.

5.5.1 Scope of review

A review was conducted of a range of aspects of Council's workforce relations practices, including:

- *Human resources policy*
- *Workforce planning*
- *Succession Planning*
- *Recruitment and selection*
- *Employee attitude surveys*
- *Consultative committees*

5.5.2 Overview of the organisation

Council, in preparing for the Community Strategic Plan, must link a new Workforce Strategy with the Financial Plan and Asset Management Plan to provide a comprehensive strategy to drive the new Strategic plan. A key development will be the completion of a Workforce Strategy. As previously described in the strategic planning section of this report, Council is currently developing its Workforce Strategy.

Leeton Council's workforce

The organisation structure provides for the General Manager and (3) Directors who manage the areas of Corporate, Environmental and Community Services, and Engineering and Technical Services.

Council has a ceiling on staff numbers through restricting recruitment within the approved positions of its staff structure.

Council currently employs 119 full-time equivalent staff. Data on the Council's staff are recorded within Council's AUTHORITY system.

Council will, in the next five years, be faced with the impact of an ageing and retiring workforce, with 23.5% of its workforce currently aged over 55 years.

Council's workforce is somewhat diverse, as follows:

- 3% of its employees are identified as being of Aboriginal and Torres Strait Islander origin
- 44% of its employees are women
- 6% are from a non-English speaking background.

When comparing against the 2006 Census, it appears that Council's workforce generally reflects the diversity of the Council area.

The General Manager's most recent performance review was conducted in April 2010 and resulted in a satisfactory performance assessment. The performance review was conducted by the Mayor, Deputy Mayor and two Councillors, with facilitation by an independent representative from Local Government Solutions. This review appears to have been conducted in accordance with the requirements of the DLG standard contract with performance assessed on documented evaluation and against the achievement of performance targets that relate to Council's Management Plan. This assessment process will be improved further with the formulation of robust outcomes developed from the draft Community Strategic Plan for the 2011 performance review.

5.5.3 Significant Observations

Areas for improvement

Human Resources Policy and Procedures

Council is currently developing a draft Human Resources Policy and Procedures Register that needs to be completed at the earliest opportunity.

To achieve compliance, Council should ensure that the following HR policies and procedures are captured:

- Recruitment and retention of staff
- Training needs

- Salary system and performance management
- OH&S
- Workplace/industrial relations issues and approach to consultation
- Equity/diversity
- Succession issues, selection and appointment
- Attendance, leave and absences
- Discipline
- Workplace bullying and harassment.

Council should ensure that staff can access the HR register on Council's intranet.

Recommendation 24

Complete the Human Resources Register at the earliest opportunity so as to include all required policies and procedures.

Succession Planning

While there has been some informal planning in the Engineering and Technical Services, as well as Planning and Development Directorate (as described previously in the land use planning and other regulatory functions section), to anticipate upcoming retirements, there is a need to document a strategy to respond to loss of experienced staff and the potential loss of knowledge within the organisation. In addition, Council has identified the key position of Manager, Planning and Development Services as a position where work cannot be performed by other staff and this needs to be addressed. This plan for key positions/personnel should be included in the Workforce Management Plan document.

Recommendation 25

Prepare a Succession Planning Strategy within the Workforce Management Plan to deal with potential loss of key personnel.

Position Descriptions

Council needs to ensure that all position descriptions are reviewed on a regular basis to take account of any changes to employees' duties and/or grading of the position or changes to performance outcomes. In addition, the position descriptions should be provided to all employees for review, signature and for their records.

Recommendation 26

Ensure that all employees have a current position description with an accurate description of the duties and that these are reviewed on a regular basis.

Recruitment and Selection

Council has a policy on recruitment and selection. However, this needs to be updated and recorded in a more composite document. The document should include, as a minimum, the following criteria:

- Requirement for the current job description and regular review
- Process of developing selection criteria
- Requirements for advertising
- Need for merit based decisions
- need for confidentiality during the process
- Provide guidance about managing conflict of interests that may arise
- Require decisions and reasons for decisions to be documented
- Define who is accountable throughout the process
- The use and composition of selection committees.

Two (2) recent appointments were reviewed and while it was found that the process was adequate, there was no external independent person on the selection committee. In a small community, it is preferable to have an external independent

from a government agency or professional organisation to check any inherent bias that may develop in this process.

Recommendation 27

Council should review the recruitment and selection policy document to ensure it includes the criteria outlined in this report.

Employee surveys

Council does not conduct employee surveys and should consider doing so as part of the development of its Community Strategic Plan, especially in determining the values within the community and the organisation.

Recommendation 28

Undertake an Employee attitude survey in conjunction with planning for the Community Strategic Plan during 2010/11.

Employment contract – Director Corporate Services

The reviewer noted that the Corporate Services Director's position is under contract. However, details of the performance agreement for this position are yet to be finalised. This makes it difficult to assess the outcomes within this area and keep the Director and staff accountable for critical programs that form part of the general direction of Council.

Recommendation 29

The General Manager establishes Key Performance Indicators for the Corporate Services Director's employment contract in line with the new strategic directions determined by Council.

Consultative committees

The composition of Council's consultative committee is as follows:

- two management representatives
- three staff representatives
- two United Services Union Representatives

- one Development and Environmental Professionals Association representative
- one Local Government Engineers' Association representative.

Meetings are normally held on a monthly basis. However, for various reasons, the committee has only met on one occasion during the last twelve months. The effectiveness of the committee needs to be reassessed to ensure that the frequency of meetings meets the constitution of the consultative committee.

Recommendation 30

Review the effectiveness of the consultative committee and ensure that its operations comply with the committee's constitution.

Council's response

Recommendation 24 Human Resources Policy and Procedures

Recommendation comments noted.

Register to be reviewed to include all required policies, and made available to all staff via the intranet

Recommendation 25 Succession Planning

To be included in the Workforce Plan as part of IPR implementation to commence as from 1 July 2011

Recommendation 26 Position Descriptions

Position Descriptions (PD's) are to be reviewed annually at time of Performance Appraisals, and at times when a vacancy occurs. Changes to PD's are to be referred to the HR Officer for updating and re evaluation of positions if required.

Directors, Managers and Supervisors are reviewing PD's in conjunction with HR Officer when vacancies arise.

A detailed review of all positions within Corporate Services was undertaken in 2009.

Recommendation 27 Recruitment and Selection

Recommendation comments are noted. The policy document will be listed for review to include criteria outlined in the report. Timeframe is March 2011.

Recommendation 28 Employee Survey

Recommendation comments are noted. External consultant to be engaged to undertake survey. Provision to be made in 2011/12 operational plan.

Recommendation 29 Employment Contract Director Corporate Services

KPI's to be developed once CSP – Strategies and Goals are developed and adopted by Council.

KPI's for other senior management positions of Director Engineering and Technical Services, and Director Environment and Community Services will also be developed at the same time.

Recommendation 30 Consultative Committees

Recommendation comments noted. HR Officer to review. Timeframe June 2011.

6 ACTION PLAN

The Action Plan is to be completed and adopted by Council to guide the implementation and monitoring of the recommendations in this report. The reviewers have allocated notional priority rankings using the risk rating analysis in the previous section. Council is encouraged to review and revise these, if necessary.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>1 Completion of an enterprise –wide risk assessment and the development of risk management plan to identify and mitigate key risk within the organisation.</p>	<p>HIGH</p>	<p>Included in Council's 2010/11 Audit Plan</p> <p>Directors and Managers will be responsible for assessing their respective areas and identifying key business risks.</p>	<p>Due for completion by May 2011.</p>	<p>Director Corporate Services</p> <p>Internal Auditor.</p>	<p>Listed for action. Internal Auditor will complete when he returns in late March. Some work has already commenced on identification of key risks.</p>
<p>2 Prioritise the preparation of a three (3) year risk based internal audit plan to prioritise internal audit reviews of Council's operations</p>	<p>HIGH</p>	<p>Upon completion of ERM process priorities will be determined and included in 3 year audit plan</p>	<p>June 2011</p>	<p>Audit Committee</p>	<p>Identification of key business risks to be listed for action as part of 2010/11 Audit Plan</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>3 The Audit Committee should consider the requirement in DLG “Guidelines for Internal Audit” in relation to the composition of its Audit Committee and its deliberations in regard to internal audit planning.</p>	<p>HIGH</p>	<p>Audit Committee appointed by Council in July 2009 with two (2) independent members and one (1) councillor as voting members. The composition of the Audit complies with the DLG “Guidelines for Internal Audit”.</p> <p>Revised DLG “Guidelines for Internal Audit” considered by the Audit Committee at its meeting on 24th November 2010. Composition of the Audit Committee remains compliant.</p> <p>Audit Plan for 2010/11 adopted in June 2010.</p>	<p>Completed</p>	<p>Audit Committee</p>	<p>Completed</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>4 Business Papers should be made available to the community prior to scheduled ordinary meetings to allow representation on any matters of concern.</p>	<p>MEDIUM</p>	<p>Council plans to implement InfoCouncil to automate its business paper process. Once implemented Business papers will be put up on Council's website prior to council meetings.</p>	<p>June 2011</p>	<p>Director Corporate Services</p>	<p>InfoCouncil implementation currently being negotiated with Civica.</p>
<p>5 Ensure that proper procedures are followed on the closure of Council meetings</p>	<p>HIGH</p>	<p>Mayor to be briefed on requirements of meeting procedure when closing the meeting to the public.</p>	<p>February 2011</p>	<p>General Manager</p>	<p>Listed for discussion with Mayor</p>
<p>6 Adopt suitable strategies to maintain and build more productive and continuing working relationships between Councillors and Senior Management.</p>	<p>HIGH</p>	<p>Recommendation noted. This matter will be the subject of a workshop with a view to assessing issues and determining any action necessary</p>	<p>February 2011</p>	<p>General Manager Directors Councillors</p>	<p>Listed for a workshop in February 2011</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>7 Council needs to prepare a fraud and corruption prevention policy and include as part of its internal audit process.</p>	<p>HIGH</p>	<p>Included in Council's 2010/11 Audit Plan. Internal auditor to review current fraud prevention and detection controls as part of 2010/11 Audit Plan.</p>	<p>May 2011</p>	<p>Director Corporate Services Internal Auditor</p>	<p>Part of 2010/11 Audit Plan adopted by Council's Audit Committee in June 2010</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>8 Council should develop a system whereby it can gain assurance that all legislative and regulatory obligations are met on an ongoing basis</p>	<p>HIGH</p>	<p>Action taken - Council Officers are now provided with legislative alerts from SAI Global whenever changes to legislation occur in their areas of responsibility.</p> <p>Officers also use the DLG Strategic Tasks Guide. Finance and administration staff also use the monthly report from LG Solutions highlighting strategic tasks and completion dates.</p>	<p>Completed</p>	<p>Director Corporate Services</p>	<p>Completed</p>
<p>9 Provide more detail of Complaints Handling Procedure to the community through the Council website.</p>	<p>MEDIUM</p>	<p>Policy adopted by Council at its September meeting, Policy is now on website</p>		<p>Director Corporate Services</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>10 Council should ensure that it distinguishes between complaints and customer service requests in its policy.</p>	MEDIUM	<p>Completed. Council's adopted policy makes the distinction</p>	Completed	Director Corporate Services	Completed
<p>11 Council should continue to use the strategic alliance to assist Councillors in their orientation and individual professional development.</p>	MEDIUM	<p>Noted. Council will continue to be an active member of the RAMROC Governance Group and participate in identified training and development courses for Councillors.</p> <p>A report was presented to Council in July 2010 detailing identified priorities.</p>	Ongoing over the next 2 Years.	<p>General Manager Director Corporate Services Mayor and Councillors</p>	<p>Councillors have completed a questionnaire to identify specific training needs. A report was presented to Council in July 2010 detailing identified priorities. One (1) joint training course has been held by the RAMROC Governance Group in August 2010 for Code of Conduct, and Pecuniary Interest. More are planned</p>
<p>12 Ensure that future changes to the Organisational Structure are reflected in the new Community Strategic Plan and</p>	MEDIUM	Noted.	As required once other documents have	General Manager	Council is on track to meet its group 2

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
Human Resources Strategy.			been completed		obligations.
<p>13 Examine Council's individual needs from the Regional approach to SoE reporting and take action to address deficiencies identified that are non compliant.</p>	MEDIUM	<p>Raise issues at RAMROC level for discussion to assist with a review of consultant's brief for future SOE reports.</p> <p>Improve quality of input data from LSC.</p> <p>Address data gaps as resources become available.</p>	<p>Six months</p> <p>2010/11 supplementary report.</p> <p>2012/13 comprehensive report.</p>	<p>Manager Planning & Development Services and Manager Environmental Health & Building Services</p>	<p>Listed for discussion at next RAMROC meeting.</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>14 Council develop a compliance and awareness program in relation to domestic swimming pools in the Leeton Shire</p>	<p>MEDIUM</p>	<p>Formalise and implement Council's program in relation to domestic swimming pools.</p>	<p>Six months</p>	<p>Manager Environmental Health & Building Services</p>	<p>Letters have been forwarded to all property owners with domestic swimming pools advising of requirements for fencing, CPR Charts, and rules for safe swimming.</p>
<p>15 Council should consider their rating approach to ensure that no further income is lost.</p>	<p>LOW</p>	<p>Comments are noted. Council does not however necessarily agree with calculation methodology. Now that Farmland capping no longer exists Council will not be factoring in "catch up" amounts in addition to the % increase allowed via IPART.</p>	<p>May 2011</p>	<p>Director Corporate Services Rates Officer Council</p>	<p>Council will determine the level of rate increase in May 2011 as part of implementation of IPR from 1st July 2011</p>
<p>16 Council prepare a formal policy on overdraft facilities to formally consider</p>	<p>LOW</p>	<p>Policy to be developed and formally adopted by</p>	<p>February 2011</p>	<p>Director Corporate</p>	<p>Draft policy has been completed and will be</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
strategies and circumstances where this funding source may be used.		Council		Services	presented to Council's January meeting.
17 Council prepare a formal policy on borrowing and use of loans to finance future programs.	LOW	Policy to be developed and formally adopted by Council	February 2011	Director Corporate Services	Draft policy not yet completed.
18 Council note the identified deficiencies within the Social Community and Culture Plan for action and inclusion in the development of the Community Strategic Plan	MEDIUM	Report prepared on the outcomes of the 2004-2009 Social, Community and Cultural Plan establishing crossover links to the recently adopted Community Strategic Plan.	6 months	Manager Community Services	To be included as part of IPR implementation.
19 Prepare a Disability Action Plan / Strategy to identify community needs within the Shire for this disadvantaged sector.	MEDIUM	Disability Action Plan prepared utilising information gathered from the recent community consultation.	12 months	Manager Community Services	Plan prepared. To be included as part of IPR implementation.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>20 Consider the preparation of an Aging population strategy to respond to an increasing community sector</p>	<p>LOW</p>	<p>Ageing Population Strategy prepared utilising information gathered from the recent community consultation.</p>	<p>12 months</p>	<p>Manager Community Services</p>	<p>Strategy prepared. To be included as part of IPR implementation.</p>
<p>21 Prepare a set of customer service standards to ensure that the community receives customer service that is of a high standard.</p>	<p>LOW</p>	<p>To be developed in conjunction with adoption of Ethics and Values Statements.</p>	<p>May 2011</p>	<p>Director Corporate Services</p>	<p>To be included in IPR implementation.</p>
<p>22 Review the strategies and action plans to ensure that key performance indicators in the <i>SMART</i> format to adequately measure the outcomes of its Tourism Plan.</p>	<p>MEDIUM</p>	<p>KPI's to be developed in SMART format.</p>	<p>March 2011</p>	<p>Manager Economic Development, Tourism & Events</p>	<p>February 2011 - Draft</p>
<p>23 The Tourism Plan should integrate with other key strategic planning documents.</p>	<p>MEDIUM</p>	<p>Tourism Plan to be drafted to integrate with other key planning documents.</p>	<p>June 2011</p>	<p>Manager Economic Development Tourism & Events</p>	<p>May 2011 - Draft</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>24 Complete the Human Resources Register at the earliest opportunity to include all required policies and procedures with access from the Intranet.</p>	<p>MEDIUM</p>	<p>Register to be reviewed to include all required policies, and made available to all staff via the intranet</p>	<p>March 2011</p>	<p>Human Resources Officer</p>	<p>Review to commence in January 2011</p>
<p>25 Prepare a Succession Planning strategy within the Workforce Plan to deal with potential loss of key personnel</p>	<p>MEDIUM</p>	<p>To be included in the Workforce Plan as part of IPR implementation to commence as from 1 July 2011</p>	<p>March 2011</p>	<p>Human Resources Officer</p>	<p>Listed for inclusion in IPR</p>
<p>26 Ensure that all employees have a current Position Description with an accurate description of the duties and that these are reviewed on a regular period.</p>	<p>LOW</p>	<p>Position Descriptions to be reviewed annually at time of Performance Appraisals, and at times when a vacancy occurs.</p> <p>Changes to be referred to the HR Officer for updating and re evaluation of position if</p>	<p>June 2011</p>	<p>Human Resources Officer</p> <p>Directors</p> <p>Managers and / or Supervisors</p>	<p>Directors, Managers and Supervisors are reviewing Position Descriptions in conjunction with HR Officer when vacancies arise.</p> <p>A detailed review of all positions within Corporate Services was</p>

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		required.			undertaken in 2009
<p>27 Review the Recruitment and Selection policy and procedures document to ensure that criteria are available for selection committees to assess and recommend candidates for merit selection.</p>	MEDIUM	<p>Noted.</p> <p>Will be reviewed</p>	March 2011	Human Resources Officer	Listed for action by HR Officer
<p>28 Undertake an Employee attitude survey in conjunction with planning for the Community Strategic Plan during 2010/11.</p>	MEDIUM	External consultant to be engaged to undertake survey.	July 2011	Human Resources Officer	Provision to be made in 2011/12 operational plan.
<p>29 The General Manager establishes Key Performance Indicators for the Corporate Services Director's employment contract in line with the new strategic directions determined by Council.</p>	MEDIUM	To be developed once CSP – Strategies and Goals are developed and adopted by Council	May 2011	General Manager	Listed as part of IPR

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
30 Review the effectiveness of the Consultative Committee and ensure that its operation complies with the Committee Constitution	MEDIUM	HR Officer to review.	June 2011	Human Resources Officer	Listed for action.

APPENDIX – RISK RATING OF RECOMMENDATIONS

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

		CONSEQUENCE		
		Significant <i>Significant risk to the operations of council and if not addressed could cause public outrage, non-compliance with council's statutory responsibilities, severe disruption to council's operations and council's ability to meet its goals.</i>	Moderate <i>Moderate risk to the operations of council and if not addressed could cause adverse publicity, some disruption to council's operations and council's ability to meet its goals.</i>	Minor <i>Minimal risk to the operations of council, little disruption to council's operations and will not limit council's ability to meet its goals.</i>
L I K E L I H O O D	Almost certain	High	High	Medium
	Possible	Medium	Medium	Low
	Rare	Medium	Low	Low

Priorities for recommendations: <i>(based on application of risk analysis)</i>	Risk categories could include:
<ul style="list-style-type: none"> • High • Medium • Low 	<ul style="list-style-type: none"> • Reputation • Compliance with statutory requirements • Fraud/corruption • Financial • Legal liability • OH&S