

# Local Government Reform Program - Promoting Better Practice

Challenges Improvement Innovation Good Governance

## REVIEW REPORT

## TUMUT SHIRE COUNCIL

DECEMBER 2005



Department of Local Government

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## 1 ABOUT THE REVIEW

### Review objectives

The Local Government Reform Program - Promoting Better Practice is a review process that has a number of objectives:

- to generate momentum for a culture of continuous improvement and greater compliance across local government
- to provide an 'early intervention' option for councils experiencing operating problems
- to promote good governance and ethical conduct principles
- to identify and share innovation and good practice in local government
- to enable the department to use review information to feed back into its work in identifying necessary legislative and policy work for the local government sector.

### Review process

The review process was developed after extensive research into council performance measurements in Australia and overseas. The review process is based upon a range of models including:

- the UK Audit Commission council inspection model
- the ICAC corruption resistance reviews
- LGMA/ICAC governance health check
- LGMA financial health check
- previous programs conducted by the Department of Local Government.

Promoting Better Practice is designed to encourage improvement in the way councils conduct their activities and to ensure good governance. Promoting Better Practice is also about monitoring performance of councils.

Reviews also have a wider role in the development of local government services across the state and identifying the need for future action or legislative change by the department.

A review involves a review team evaluating the effectiveness and efficiency of the council's operations and giving feedback. This involves checking compliance,

examining appropriate practices and ensuring that council has frameworks in place to monitor its performance. The results of reviews are analysed and fed back to the elected council, the Director General of the Department of Local Government and the Minister for Local Government.

There are essentially five steps in a review - preparing, assessing, checking, analysing and reporting. The review team examines local circumstances in order to understand the pressures on council and how the council has sought to manage that environment.

It is expected that a review will only “scratch the surface” of council operations. The analysis of the corporate self-assessment and the practice checklist, as well as the activities undertaken during the review visit, give reviewers a reasonable picture of the council’s operations and future strategic direction.

Reviews act as a “health check”, giving confidence about what is being done and helping to focus attention on key priorities.

### **Council Review**

Tumut Shire Council was asked to complete a strategic management assessment and a checklist of key council practices. The completed self-assessment and checklist were analysed by the review team prior to commencing the on-site review process.

Bronwynn Nosworthy, a Senior Risk Management Consultant acting for the Department of Local Government, conducted an on-site review of council from 20 June to 24 June 2005.

The review was based on council’s response to the self-assessment of its corporate arrangements and capacity. This assessment asked council to respond to four critical questions of its capacity to improve:

- how has council determined its ambitions and priorities?
- how do these ambitions and priorities drive the council’s services and resources?

- how does council use its corporate capacity and systems to drive forward the organisation in an ambitious, challenging yet managed way?
- how does council measure the progress it is making with its agenda to ensure that its priorities are delivered and that service improvement is achieved?

In order to review council it is necessary to examine its performance across a range of functions. A number of modules of a practice checklist have been developed to assist council in assessing its functions and checking its compliance. Council's response to the checklist is used as a guide for the on-site review and tests how council has set about delivering its priorities and measuring its achievements.

The on-site review consisted of discussions with council's senior staff, conducting interviews, attending council MANEX committee meeting, and the review of a number of council's policies and other documents.

The General Manager was asked to respond to a draft confidential report on the review issued on 5 October 2005. The General Manager responded by letter dated 21 October 2005. The General Manager's comments have been considered in preparing this final report.



## 2. EXECUTIVE SUMMARY

Tumut Shire Council has shown that it is a well-managed authority. It enjoys good resident and employee satisfaction and is actively planning to achieve continuous improvement.

The council has set the foundations for a strong strategic approach to its future needs. There is a mature approach by both council management and elected officials to decision-making. There is a shared vision for the Tumut Shire and its councillors work together to achieve this vision.

Council aligns its business priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports. Council moves its finances to align with meeting its priorities through this monitoring. Council's management and strategic plans are substantiated by a series of integrated plans, underpinned by sound financial modelling. This financial planning identifies alternative sources of revenue, a long term rates strategy, and reserves for capital works, land acquisition and community facilities.

The council is mindful of its responsibility as trustee of public assets and has developed a comprehensive asset management plan. This allows council to assess, evaluate, maintain and replace assets proactively.

Council has developed a corporate approach to complaint management, which has been implemented throughout the organisation.

Council uses performance indicators across the organisation, to ensure a best value approach to services is developed.

Overall, Tumut Shire Council has a strong community service focus. The council understands its community and has comprehensive community services and activities to meet community needs.

It is an organisation where people like to work, with a skill and performance based salary system that encourages employee development. The council faces a future

challenge with an ageing workforce. Council needs to develop a workforce plan to identify changes that may occur in workload in particular divisions and the need for the acquisition and transfer of skills.

In summary, the council has strong and clear leadership that is well positioned to strategically address the future needs for the Tumut Shire Council area.

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### 3 RECOMMENDATIONS

It is recommended that:

#### ***Council's Ambitions, Priorities and Future Focus***

1. Council should prepare annual reports on its performance in respect of its strategies, in addressing issues concerning an ageing population.

#### ***Governance***

2. Council should enhance the internal audit function and increase risk assessment analysis throughout the organisation.
3. Council should undertake the LGMA Governance Health Check.
4. Council's audit function should conduct a detailed IT records and risk management audit, particularly examining security issues.
5. Council should ensure that there is full disclosure of financial statements, including notes to the financial statements and the accompanying audit report in its annual report.
6. Council should ensure that Annual Reports are placed on its website.

#### ***Regulatory Affairs***

7. Council should examine the development of an enforcement and prosecutions policy, drawing on the advice and guidance set out in the NSW Ombudsman's Enforcement Guidelines for Councils (2002).
8. Council should develop a Companion Animals Management Plan.

#### ***Asset and Financial Management***

9. Council should put in place controls that will ensure the future integrity of the Land Asset register on the 'Conquest' system.

10. Council should complete the Integrated Water Cycle Management Strategy.

***Community and Consultation***

11. Council should formalise a MOU with the local Aboriginal community.
12. Council should proceed with the planned development of a cultural plan for the council area.
13. Council should develop a Local Affairs Ethnic Priority Statement.
14. Council should ensure that all appropriate policies and documents are available for public access on its website.

***Workplace Relations***

15. Council should develop a succession plan.
16. Council should ensure that there is no councillor membership on its consultative committee.
17. Council should conduct a performance review of the processing of job progression to higher levels within the salary system.

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## 4. CONTEXT

The former Tumut Shire was amalgamated with part of the former Yarrowlumla Shire to form the new Tumut Shire Council in February 2004.

Tumut Shire is rich in natural beauty and has developed a profile that is genuinely enmeshed with its natural resources. The region is nestled in the western foothills of the Snowy Mountains with the Tumut River an important feature of the district. The Shire includes the townships of Tumut, Adelong, Batlow and Talbingo as well as the villages of Brungle and Cabramurra with a total population of approximately 12,000 people. Tumut lies halfway between Sydney and Melbourne with the Hume Highway the main route for transport to the district. Tumut Shire is a scenic region enjoying four very distinct seasons. The Shire has a total area of 3760 sq. km of which 2315 sq. km is State Forest or National Park.

Tumut Shire is the home of Batlow apples and stone fruit. This sector is continuing to both expand and diversify, thriving on the good soil quality, excellent rainfall and the high chill factor.

The Shire is also an important grazing area, and its cattle in particular are sought after by buyers due to its high quality.

Around 40,000 visitors come to the Tumut Shire each year. Visitors are attracted by the Tumut River, popular for fly-fishing. Selwyn Snowfields in Kosciuszko National Park are a popular attraction, and the historic goldfield town of Adelong, and the site of the Tumut 3 power station. Lake Blowering is also very popular with water skiers, fishermen and families camping.

Tumut Shire has a significant Aboriginal population and there are many local sites of importance for the Aboriginal inhabitants. It was a seasonal meeting place for three tribes, the Wiradjuri, Ngunawal and Walgalu who were attracted to the area to feast on the plentiful Bogong moths of the region. European settlement of the district began in the 1850s through agricultural production and the town took its name from an Aboriginal word meaning "resting place by the river".

The Shire has undergone a period of growth driven by developments in the plantation timber industry. Apart from activities associated with the construction of the recently completed \$400M Visy Pulp and Paper mill, there have been major retail developments in Tumut and further industrial developments (mostly related to the timber industry), in particular upgrading works in the particleboard mill operated by Carter Holt Harvey and the sawmill operated by Weyerhaeuser.

This growth has brought economic prosperity to many in the shire, but is also putting considerable demands on the community with likely flow-on effects occurring over the next ten years. The need for upgraded infrastructure and strengthened community development processes will impose real strains on council and the community.

Tumut Shire sees itself as a strategically located regional centre, already diversified and prospering with a regional executive ready to facilitate new enterprises. This is evidence of a lively community working hard to improve its various industries and constantly striving to meet world's best practice.



## **5 COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS**

This part of council's assessment focussed on: clear ambition; a focus on communities and services; ownership of problems and willingness to change; a shared and realistic vision; a sustained focus on what matters; improvement integrated into day to day management; flexibility and innovation; capacity and systems to continue to deliver performance improvement.

### ***What is working well***

Tumut Shire Council is a dynamic and innovative organisation dedicated to creating a sense of community, a healthy environment and economic prosperity for its citizens. Council is committed to providing, facilitating and brokering high quality services that meet the present and future needs of the community, efficiently and effectively, while being ecologically sustainable and retaining the things that make the Shire the special place that it is.

Council is focused on developing an environment of trust and respect, of community activism, of encouraging innovative solutions, and delivering fairness and equity to all stakeholders.

Council recognises that its strengths lie with its councillors, multi-skilled staff and its buildings, plant and equipment. Supporting these key strengths are excellent facilities such as the Riverina Highlands Building, the visitors centre (joint venture with NPWS) and the library and telecentre facilities in Tumut and in the small towns in the Shire. Excellent support is also given to council from the numerous community committees, including the Youth Council, Waste Management Committee, Sports Council, Tree Committee, Communications Committee, Aboriginal Liaison Committee, Access Committee, Communications Committee, Social Planning Committee, Third Age Committee, Saleyards Committee and Youth Focus Committee.

In 2001 Council was awarded a gold public health award by the Public Health Unit of the Greater Murray Health Service, as it met the highest standards in its delivery public health services.

This was soon joined by an award to Tumut Shire Council as the Aboriginal Employer of the Year - local government section. Then in June, 2002 Council was awarded the highest accolade that any Council in NSW can achieve - the Bluett Award for Shire Councils. This award is made annually to the council that achieves the most relative progress over the proceeding year. This was the first time that Tumut Shire Council won this award, which was a reflection of the growth that has occurred in the Shire had over this period. Shortly after this award, the council won the Local Government Managers Association special management innovation award, particularly recognising the work of council's Access Committee, its Aboriginal Liaison Committee and the Tumut Shire Youth Council. Tumut Shire Library was also awarded a prize by the NSW State Library Service for a website for children. This website was developed in conjunction with the Tumut Network Centre.

Major projects that Council has recently completed, is currently constructing, is planning or is facilitating are:

- the filtration of the Batlow water supply
- extension of sewerage reticulation to Adelong
- additional reservoir and trunk mains in Tumut water supply
- major augmentation of the Tumut sewerage treatment plant
- major augmentation of Batlow Sewerage Treatment plant
- filtration of the water supply to Brungle village
- sewerage reticulation to Brungle village
- a Rural Transaction Centre in the Batlow Library
- a new industrial land development to the west of Tumut
- cycle ways in and around Tumut
- upgrade of Adelong main street (completed) and Wynyard St, Tumut
- major upgrading on Gocup Road in the vicinity of Gilmore Creek
- Youth recreation area in Tumut, including skateboard ramp (completed) and in the villages of Batlow, Adelong and Talbingo
- facilitation of residential land developments in Tumut (ongoing)
- facilitation of natural gas to Tumut and Adelong
- public artworks, including indigenous artworks, in Tumut
- mobile phone coverage to Adelong, Batlow, Talbingo and major sections of the Snowy Mountains Highway

- full television coverage of all towns in the Shire
- wetland rehabilitation and development

Council's major uncertainty for the future stems from restrictions to income. This includes the council's desire to maintain rates at low levels, and the large area (61.3%) of the Shire that is non-ratable land (State Forests and National Parks). Council has adopted the goal of providing a similar standard of service to all urban centres of the Shire, particularly in the provision of water and sewerage services.

To offset this, council is taking advantage of significant opportunities such as a potential broadening of the rate base as more residential and industrial development occurs. Increased commercial activities within and outside of council are providing opportunities to raise income from entrepreneurial activities, such as private works and gravel sales.

To this end council has separated its service delivery from its governance and regulatory functions, by the establishment of an independent works unit, SnowyWS. It is hoped that this unit will provide cost effective and efficient services to its client base, which is primarily council and other government agencies. SnowyWS commenced operations on 1st July, 2002.

Council and its stakeholders will be experiencing challenging times in the next few years. However, the investment by three separate international companies in timber processing enterprises in the Shire has reinforced Tumut's position as a major centre for the plantation timber industry in Australia. With a worldwide shortage of timber forecast by the year 2010 and the possibility of additional income for plantations from carbon and salt credits, the future looks bright for the Shire and its citizens.

There is clear evidence that the council has a culture where divisions work together to achieve their objectives. Examples of this include the close working relationship between all divisions on the strategic planning initiative and the 2025 planning process. Other examples include the establishment of inter-divisional committees dealing with specific issues such as section 94 plans and plans of management.

Council also has examples where it works collaboratively with its neighbouring councils and other organisations. Council is a strong supporter of and participant in the Riverina East Regional Organisation of Councils.

Strong links between financial management and the organisation's priorities are evident. This is clearly evident in the financial statements that are presented to council. These statements provide comparisons and analysis of the budget position against the management plan objectives.

Council has brought together the views that have been gathered from the community and used them to guide the strategic and planning strategy processes. Council has conducted a range of community surveys including surveys on vision, social planning, and service delivery. The consistent themes that have come through these surveys form the basis of the key strategic directions for council.

Council aligns its business priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports. Council manages its finances to align with its priorities through this monitoring process.

Council recognises that one of the most important strategic challenges facing local government is the effective management of infrastructure. Council has recently formulated a strategic asset management plan for its area. Council's aim is to ensure local infrastructure supports future social, economic and cultural needs.

Council has regular briefing sessions for councillors to keep them informed of current issues. There are clear examples of the different divisions of council working together on issues. Council has developed processes to enable this to work.

Council adopts performance indicators across the organisation to ensure a best value approach to services is developed.

## **CHALLENGES TO IMPROVE**

### ***Ageing population***

In response to, and planning for, the major changes and service demands, that will be created by Australia's ageing population, will be a major challenge for all levels of government.

Tumut has an ageing population, with the population aged 65 or over currently estimated to be 13.8% of the total and is projected to grow to over 20% by 2022. Its younger population is projected to decline in size and its average working age to increase.

This will have a significant impact on the demand on services, facilities and infrastructure and all aspects of council's operations. The Local Government and Shires Associations have produced 'Planning the Local Government Response to Ageing'. This paper is intended to offer a framework to assist councils to begin to plan for the population ageing unique to their area by:

- providing information on what is happening with the general population trends and access to population projection information for each local government area
- providing information on the existing and likely diversity amongst older people
- providing evidence on what population ageing means for all roles that councils perform
- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts, and to identify what roles they may need to change

The department encourages councils to use this paper in its planning process.

Tumut council's social plan includes a number of valuable strategies for older people. It is evident that council has integrated strategies across all its functional areas to address this challenge.

Progress in relation to these priorities should be reported on a quarterly basis via the performance appraisal system and management plan reports as well as annually in the council's Annual Report. (*Recommendation 1*)

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## 6 DELIVERING AND ACHIEVING

This part of council's assessment focussed on: capacity and systems to deliver performance improvement; defined roles and responsibilities and accountabilities; delivery through partnership; modern structures and processes; strong financial management; resources follow priorities; performance information; risk managed appropriately; open to external challenge.

### 6.1 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 industry 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.

A review was conducted of a range of aspects of council's governance practices including:

- *Ethics and values*
- *Risk management and internal control*
- *Council's decision-making processes*
- *Monitoring and review*

### WHAT IS WORKING WELL

#### ***Ethics and values***

The council's code of conduct, adopted under the Local Government Act, is important because it assists councillors and council staff to understand the standards of conduct that are expected of them.

Tumut Shire Council's code of conduct is a current document that covers key ethical issues. It provides a reference to related policies and standards. It is provided to all new staff and councillors as part of their induction. Refresher training on the code of conduct is also provided for staff. The code of conduct is also made available to council's contractors.

On 20 June 2005 Council adopted its current explicit set of values. These are presented in the code of conduct. Council publishes these values in its Management Plan on an annual basis. For staff, these values are emphasised in inductions training, job competency statements, employment performance system applications and job descriptions. These actions ensure that all councillors, staff, delegates and the community are aware of the council's explicit values.

Council's current code of conduct was adopted in May 2005 and a copy of this code is also provided to all new staff and councillors on commencement.

Council has a statement of business ethics for the purpose of guiding external parties, such as contractors and suppliers, on the standards expected and required when dealing with the council or acting on behalf of the council.

Council has a formalised policy and procedures governing the interaction between councillors and staff.

### ***Management plan***

Each year council is required to prepare a draft Management Plan with respect to its activities for at least the next 3 years and its revenue policy for the next year. Sections 403 and 404 of the Local Government Act 1993 and the Local Government (General) Regulation 1999 require certain particulars to be included in council's draft management plan. The draft Management Plan is to be exhibited in accordance with section 405 of the Act.

The council's current Management Plan, adopted in May 2005, was examined and appears to be in accordance with the relevant provisions of the Local Government Act and Regulations.

Prior to its adoption, council conducted research to ascertain community views, conducted public meetings, and internal workshops, and appropriately public displayed the plan. Council monitors the implementation of the management plan through quarterly reports to council.

### ***Pecuniary interest***

The Local Government Act sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private interests that constitute pecuniary interests. The Act requires that councillors and designated staff complete and lodge disclosure of pecuniary interest returns.

Council maintains a register of disclosure of interest returns by councillors and designated persons, as prescribed by section 449 of the Act.

### ***Councillor expenses and facilities policy***

A policy on the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors is a requirement under section 252 of the Local Government Act. Council's policy is clearly written and covers key topics including the issue of legal assistance for councillors as well as the circumstances for private use of resources. The revised policy is due to be placed on public exhibition as required by section 253.

### ***Risk management and internal control***

Council has an effective risk management plan, and risk management committee which guides the council's risk management activities. This provides a framework to proactively identify and manage generic and specific risks within the organization. Reports from the Risk Management Committee are presented in MANEX meetings.

Council applies a council-wide structured and integrated plan covering all risks-financial, operational, customer services, safety, security, environmental and technical. Divisions within the organisation also have their own individual risk plans, which are a subset of the council wide risk management plan.

Council has an internal audit function, consisting of an internal auditor and an internal audit committee. Review of the internal audit plan for 2005/2006 revealed that it mainly had a financial and procedural focus. This focus could be enhanced, and widen to cover the council-wide risks identified and risk assessments, and seek to add value to council. (*Recommendation 2*)

Council's fraud control policy is in a draft stage and currently in the process of being completed in association with REROC.

Council has fully documented policies and procedures for the procurement of goods and services, managing contracts and the disposal of assets. These processes and related risks are extensively monitored and regularly audited.

Council also has formalised policies and procedures on the following:

- records management policy and procedures
- a records disaster recovery plan
- a records disposal plan

These policies and procedures cover both electronic and paper based records.

Council has a system to ensure that legislative and regulatory obligations are met and reported internally. Each department within the council monitors compliance, and then reports through MANEX to the General Manager.

### ***Gifts and Benefits***

Council has a formalised gifts and benefit policy and procedures, and records the receipt of all gifts in a register. At the end of each year at the Christmas party, Council auctions off these gifts and donates all proceeds to the NSW Cancer Council.

### ***Record keeping and information technology***

Council is required to make and keep full and accurate records of all its activities in accordance with section 12 of the State Records Act 1988. Council has a records management policy and program that conforms to the requirements of the State Records Act 1998.

Council has been involved in implementing the State Records Act for five years. Staff attend training when available in the regional area. The Records Committee meets on a monthly basis and these meetings are minuted.

### ***Council's Organisation Structure***

Pursuant to section 333 of the Local Government Act, council has re-determined its organisation structure within 12 months of an ordinary council election.

### ***Protected disclosures***

Protected disclosures are an important means by which councils can signal commitment to ethical practice. They also can act as an early warning system for management.

Council has an internal reporting policy to assist staff in making any disclosures of alleged corrupt conduct, maladministration or serious and substantial waste of public money under the Protected Disclosures Act 1994.

### ***Section 355 Committees***

Council's section 355 committee members are all provided with a constitution setting out their membership, functions and delegations, a code of conduct, documented procedures and relevant training. All meeting deliberations are minuted.

### ***Complaints Handling***

Council has a Complaints Handling Policy and associated procedures that clearly define who is responsible for dealing with complaints and how complaints are to be handled. All staff are trained in the application of this policy. Management prepares and receives regular reports on the number, progress and outcome of all complaints received.

## **CHALLENGES TO IMPROVE**

### ***LGMA Governance Health Check***

Corporate governance is defined as "the system by which entities are directed and controlled". Good governance is seen as an important indicator of economic stability and development, for gaining and retaining the trust of the public and other stakeholders and for the effective operations of the organisation. The governance health check is a tool for council's to more deeply assess their level of compliance with good governance principles and as an aid to assist council to achieving even higher levels of good governance. Council's staff have attended courses but the

council has not undertaken the LGMA Governance Health Check. Council would find benefit flowing from the review process to now undertake this health check and to make any necessary improvements to its governance framework. (*Recommendation 3*)

### ***Information Technology***

There are some risks associated with procedures regarding information received and sent from council. It is recommended a detailed IT and associated risk management audit be conducted to review IT strategy, IT project management, environmental controls, and to conduct an associated risk assessment.

(*Recommendation 4*)

### ***Annual Report***

Council presents its financial statements in the annual report, but doesn't not include the notes to the financial statements nor the audit report, which provides an opinion on these financial statements. Under statutory requirements, this information must be fully disclosed. (*Recommendation 5*)

Council needs to place its annual reports, along with other documents, promptly on its website. (*Recommendation 6*)

## **6.2 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 council's responsibilities and for preserving public trust in council and its staff. Regulation is important to achieve a wide range of social, economic and environmental goals.

A review was conducted of a range of aspects of council's regulatory practices including:

- *Council's planning instruments and policies*
- *development assessment*
- *Section 94 plans*
- *environmental management*
- *graffiti removal*
- *enforcement practices*

### **WHAT IS WORKING WELL**

#### ***Strategic planning instruments***

Council has an overall strategic plan, which it uses as its framework for land use planning. The relevant strategy documents are Vision 2020, the Urban Strategy , the Rural Local Environment Study, Parking Strategy and the Industrial Lands Local Environment Study.

Council does not have a single current local environmental plan, but in 2006 will be conducting a comprehensive review of this 1990 local environmental plan. Council also has approved program for the review and updating of LEPs, DCPs and other planning policies. Council assists the community in obtaining land use information by making available relevant documents at the council office, at libraries and also can be emailed on request. A process has just been initiated to make this information available on the council website.

Council integrates and links its management plan with its LEPs, DCPs, State of the Environment Report and other planning policies by including these instruments and

stated objectives in the management plan and reporting process towards achievement in quarterly reviews.

Council has evaluated its planning function in the last two years and as a result made appropriate changes to staff positions, responsibilities and level of delegations.

### ***Development application process***

Council has a pre-lodgement advice service for applicants and provides a list of developer information sheets, which provide guidance and are available to applicants and the public. Council has a monitoring system use for progress of assessments and turnaround times. 95% of DAs are dealt with under delegated authority. Council is kept adequately informed of all determinations made under delegated authority with all approvals being reported to council monthly.

Council also provides facilities for electronic lodgement of DAs. Council has its own tracking system for DA assessment, using the 'PRACTICAL' approvals module. This system has only been in use for 6 months and is the most advanced in terms of approvals. The system provides a database, records referrals and its own internal tracking system. The council is currently working on making this information available on the internet for public access. PRACTICAL also allows for the recording and processing of 'stop the clock' provisions.

Council provides a review process for applications for development consent and for approval under section 82A of the Environmental Planning and Assessment Act and section 100 of the Local Government Act. Council has a process to assist to resolve disputed or contentious applications, using a conciliation conference whenever there are 5 or more objections to an application.

### ***Section 94***

Council has prepared and adopted section 94 plans for its area, and there are guidelines available for the making of assessments under section 94 of the Environmental Planning and Assessment Act.

The council maintains a section 94 register. The expenditure of section 94 contributions are monitored to ensure that these funds are spent within a reasonable

time and in an area to which they relate. Council sets specific time frames for spending these funds and has a plan that prioritises the funds.

### ***State of the Environment Reporting***

Council uses the Department of Local Government's environmental guidelines: "State of the Environment Reporting by Local Government". Council has prepared a comprehensive supplementary report of the environment as part of its Annual Report pursuant to section 428(2)(c) of the Act in the last year, and this report appeared to meet the requirements of clauses 34, 35, and 36 of the now repealed Local Government (General) Regulation 1999.

### ***Enforcement***

Council has a very comprehensive local orders policy, as required under section 159 of the Local Government Act. There is extensive documentation of steps that will be taken by the council when breaches of legislation occur. These measures are positive, but it appears that council does not have a formal documented enforcement and prosecutions policy. Such a policy is valuable in introducing greater transparency and consistency in the enforcement and prosecutions process. Council is encouraged to examine the development of such a policy, drawing on the advice and guidance set out in the NSW Ombudsman's Enforcement Guidelines for Councils (2002) (*Recommendation 7*).

Council has a separate system for the reporting and investigation of reports of non-compliance and unauthorised development. Members of the public can report suspected non-compliance and unauthorised development to the council using a 'Customer Action Request' form. This information is then entered into the council's complaint tracking system.

Council has a proactive program for monitoring compliance with environmental requirements in the council area.

Council has a compliance program for food preparation premises operating under public health legislation.

### ***Environmental management***

Council has a proactive program for monitoring compliance with the environmental and planning requirements for which it is responsible, but as yet has not fully implemented the program.

Council has a waste management strategy, an on-site sewage management plan, a stormwater management plan, and is actively involved in the Catchment Management Authority that covers its area.

### ***Companion animals***

The adoption of a Companion Animal Management Plan is recognised as good practice. Council does not, as yet, have a formal Companion Animals Management Plan. This plan would provide Council with the capacity to meet associated challenges in providing these services to the community. The council is currently considering the formalisation of a management plan for this area of operations, and is encouraged to do so. (*Recommendation 8*).

Despite the non-existence of an associated management plan, council is proactive in this area. Council runs an extensive community education program on companion animals, such as monthly articles in newspapers, and has a Companion Animals Good Citizen Award. Council also has in place strategies to reduce euthanasia rates of unwanted animals, and procedures in place to handle nuisance animals in the area. Council has also implemented a School Education Program and invites all local schools in the shire to participate.

Currently, local vets in the area provide micro-chipping services to the community. This service has been kept with the local vets to retain community relations but the Council has also recently been considering offering these services. The ranger is trained to do micro-chipping.

Council has procedures in place to enter dangerous dogs data and nuisance dogs and cats data on the CAR and reports dog attacks to the department.

The Companion Animals Act requires that a seized animal is delivered to its owner, if the owner can be identified, as soon as possible. Council returns seized micro-chipped dogs and cats to their owners. Council co-operates with the local “SMART”

program, Council has an agreement with the local “SMART” animal rescue team which attempt to re-house valuable dogs, if these dogs cannot be returned to the registered owner.

### ***Swimming Pools***

The Swimming Pools Act 1992 requires council to promote awareness of the requirements of this Act in relation to private swimming pools within the shire’s area. Council has a compliance program to ensure it is notified of all swimming pools in its council area, and that swimming pools comply with the Swimming Pools Act 1992.

Council has a compliance program for monitoring activities regulated under Chapter 7 Part 1 of the Local Government Act 1993. Council has implemented a formal awareness program and has fact sheets on Swimming Pool Safety, that meets relevant requirements, and are available to the public.

### ***Water safety***

Council presents its strategies for compliance with Practice Note 15 on water safety in its Public Health Plan, and conducts regular reviews of the training requirements for swimming pools operators. The Riverina Risk Management Group was to develop an Operating Manual for swimming pools during July/August 2005. This group comprises of the Council’s Risk Manager and corresponding representatives from the other Riverina councils.

### **6.3 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.

A review was conducted of a range of aspects of council's practices in the areas of:

- *financial management*
- *asset management*
- *insurance*

#### **Overview of financial position**

Council's overall financial position is deemed to be satisfactory. Council has a 'Zero New External Debt' policy. Council has developed a 5-10 year integrated financial model.

Council has made an operating surplus before and after capital items for the past two years. This is in contrast to deficits made after capital items in 3 out of 4 years prior to that period. For the period 2003/2004, the surplus before and after capital items were \$1.6 M and \$2.4M, respectively.

#### **WHAT IS WORKING WELL**

##### ***Financial management***

The council's actual surplus before capital items in 2003/04 was \$1.6M compared to a budgeted deficit of \$5.1M. The actual surplus after capital items for the same period was \$2.4M compared to a budgeted deficit of \$3.3M. The large variance was due to budgeted materials and contract costs, which had been capitalised. During the period 2002/03 and 2001/02, the actual results after capital items were a surplus of \$2.4M and a deficit of \$370k compared to the budgeted deficit of \$594k and surplus of \$94k, respectively.

Council's unrestricted cash ratio for the 2003/04 period was 2.86. For the period 2002/03 and 2001/02, it was 3.38 and 2.78, respectively. Council's unrestricted current ratio is estimated for 30 June 2005 to be 3:1.

Council's auditor has recently commented, "The current ratio performance measure of 3.9 is a broad indicator of Tumut Shire Council's solvency as at balance date. The Shire Council therefore remains in a very strong position to pay its obligations as and when they become due".

The annual contribution towards reserves to fund future operations and capital work continues and is providing a solid foundation for council's current and future commitments.

Council measures its performance against predetermined standards. Council's performance measurement is presented in the Annual Report, which shows 5 year trends for financial indicators, and by the external auditor's Special Report to Council.

For 2003/04 council's annual report was fully compliant with the accounting code, and has always submitted financial statements to the department on a timely basis.

Council conducts a 'Customer Survey' within the 4 year cycle of each council election. The community priorities are considered in formulating the annual capital works program.

Council has numerous Committees of Management with community representatives. Each committee prepares its annual capital works priorities for consideration in council's annual works plan.

Council submitted a Special Variation application seeking to transfer \$409 000 annually from its Water and Sewer Funds to the General Fund. This will provide \$7.7 million over 15 years to support long term future works. This application has been approved.

Council has a hardship policy for ratepayers, which is exercised in account payment arrangements as required, and complies with the new hardship guidelines, which have been adopted.

Council implements the following strategies to minimise revotes at the year's end:

- comprehensive monthly budget reviews
- projects that will not be started can be revoked
- the General Manager must approve all revotes

Council's investment policy reflects the intent of the Ministerial order.

Council has identified new and additional funding sources required to support long term future works. These are the current special variation and council's independent service provider, SnowyWS, which is expected to produce profit dividends for future works.

SnowyWS operates at arm's length as a section 355 committee. SnowyWS has its own constitution and board, and reports monthly to council.

Asset management remains a priority with council. Council implements its strategic planning systems using 'Conquest' software as its asset management program. This has enabled long term maintenance and construction schedules to be integrated into council's annual Management Plan and budget projections. This system also compliments the quadruple bottom line strategic planning philosophy adopted by the council.

Council uses the financial software 'PRACTICAL' and has a complete register of all assets that includes asset ID, valuation and depreciation. In addition, all asset details are being entered into Conquest, including condition assessments.

Council has developed long term asset management plans as follows:

- water supply assets
- sewer service assets
- bridge assets.

All remaining asset classes will be completed within the next 12 months, by 30 June 2006.

Council has a rigorous self monitoring process, analysing its financial results and comparing them to benchmarks across the industry.

Council is also conducts comprehensive reviews of its water and sewer services to comply with best practice guidelines, to ensure that Government subsidies and prepare for the possibility of dividends from water and sewer services. Council has produced a 30 year Business Plan for its water and sewerage functions.

Council maintains both internal and external reserves to fund specific infrastructure reserves. The current special variation has been submitted to provide approximately \$7.7 million for infrastructure improvements over the next 15 years. The funds are actually being transferred from the Water and Sewer Funds to the General Reserve.

Council has conducted significant ROI investigations for its annual road resealing program to prove the benefits of timely capital works.

Council currently uses an external contractor to transfer Domestic Waste to a regional landfill facility. Council has produced a report, which outlines the savings that have been achieved through this activity.

Council leases its computer hardware assets. Reserves are maintained for specific capital expenditure projects. Internal loans have been arranged where the borrowing service has its own income source to repay principal and interest, for example caravan park, swimming pool and cemetery.

Plant and equipment is analysed every 2 years to ensure utilisation. Council's current 2 year internal audit plan will examine land and buildings within the next twelve months.

### ***Land Assets***

Council currently has the following 'land registers';

- practical assets module
- practical rates module
- legal documents for leases
- land register spreadsheet

These documents are currently being reconciled. One register will be included in the Conquest system. Controls will be put in place to ensure the future integrity of the register. (*Recommendation 9*)

### ***Resource sharing***

Council shares the following resources with other councils, mainly Tumbarumba Shire Council:

- Road Safety Officer
- Human Resources Officer
- Regional Library Service
- Tourist Information Centre
- Regional Landfill Facility

### ***Category 1 Businesses***

Council's independent service provider, SnowyWS contributes its annual profit on private works to long term capital works.

Council has declared four businesses, namely Water, Sewer, SnowyWS and Domestic Works as category 1 businesses. These businesses are disclosed appropriately in the council's Annual Report.

## **CHALLENGES TO IMPROVE**

### ***Water supply and sewerage business***

Council has yet to complete an integrated water cycle management strategy, and should do so. (*Recommendation 10*)

## 6.4 Community & Consultation

A council's charter requires that a council:

- 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

The review of council's activities in this area looked at:

- *the methods council uses to involve and determine the views of its community*
- *access to information*
- *interaction between councillors and staff*
- *social and community functions of council*
- *annual reporting*
- *cultural planning*
- *ethnic affairs obligations*
- *reporting to the community and keeping the State government informed about its activities*

### WHAT IS WORKING WELL

#### ***Social and community planning***

Council at the time of the review was currently working on a social and community plan, and has used the department's "Social and Community Planning and Reporting Guidelines" in its preparation. This plan was due to be completed in August 2005.

In the development of this plan, council consulted with the community on issues such as transport and road needs, health, conducted town meetings, visited each locality within the shire, and integrated elements from the Management, Strategic, Access and Housing Plans, and Park Strategy. Once completed the social and community plan will be available on the website.

Council has a recreational facilities plan and its own management committee. Council is aware of “Getting Australia Active-Towards better practice for the promotion of physical activity” publication and used this publication. The council is very proactive in this area and has been instrumental in the development of the following:

- the Tumut cycle way
- Adelong walks
- lookout trail in Batlow
- forestry trail in the National Park
- Tumut High School fun run
- ACT Mountain Bicycle Club annual race being in Tumut

### ***Community participation***

Council consults with social justice groups within its area through council committees, which mainly comprise of citizen representatives. These committees consist of the following:

- Aboriginal Liaison Committee
- Access Committee
- Youth Council Committee
- Social Plan Action Committee
- Third Age Committee
- Youth Focus Committee.

The council does not have a formal MOU with the local Aboriginal Community, but the council was the first in the State to establish an Aboriginal Liaison Committee. The Aboriginal community is represented on council by an Aboriginal Councillor. These current arrangements work very well and there is a possibility that an MOU could be established with the Tumut Land Council. (*Recommendation 11*)

Council determines the community’s views on issues and council performance by conducting a community survey in each term of council, through focus groups, community forums, holding town and locality annual meetings, advertising for the purpose of inviting public comment on specific issues, reviewing customer feedback and complaints, conducting research into service trends, informal assessment through networking and having citizen representatives on council committees.

Council last conducted a council survey of community views on council's performance in 2004.

There is extensive evidence that council acts on outcomes attained from this community interaction. One example is that council recently proposed that a group of trees be culled in an area along the Tumut River. The council invited public comment and held informal meetings to determine the community's views. As a result of views expressed by the community, the council did not proceed with the proposal.

Council also has a set of specific customer service standards, and collects and reviews information on its performance against these standards. Council then uses this information to develop associated policies.

### ***Cultural planning***

Council does not currently have a formalised cultural plan, but has advised it will commence drafting after the social plan is complete. Council is currently setting up a committee in respect to Cultural Planning and Museums. Applications were invited by advertisement in April 2005 but resulted in a low community response. Further publicity will be provided in July 2005. Council should proceed with this planning process. (*Recommendation 12*)

### ***Reporting to community and keeping the State government informed about its activities***

Council provides a copy of its annual report and management plan to the department each year on a timely basis.

Council also uses advertising, media releases in local newspapers, conducts interviews on radio and television, and the Mayor and General Manager both attend Progress and Ratepayers Association meetings, ensuring that both the local community are informed as to council's activities, as required under the council's charter obligation.

### ***Tourism and economic development***

Council has a current formalised tourism plan for its area. Last financial year, the council spent \$102,000 on tourism. Council has the following tourist programs in place:

- operation of a Tourist Centre in partnership with the Department of Environment and Conservation in Tumut
- high country touring project with Gundagai, Tumbarumba, Towong and Indigo shires
- active membership of Snowy Mountains Tourism

Council supports and promotes economic development in its area by employing an economic development officer and has established and promoted an economic development organisation “Tumut Region Developing Naturally”.

## **CHALLENGES TO IMPROVE**

### ***Ethnic affairs***

The council recognises all backgrounds and cultural diversity in the community and this is reflected in its social plan. The council does not currently have, and is encouraged to develop, a local affairs ethnic priority statement. (*Recommendation 13*)

### ***Council website***

The council has a user friendly website and has a number of policies and plans located on the website. It would be good practice, however to also include the code of conduct, complaints handling and public forum policies and key planning documents such as the social and cultural plans, as well as forms associated with development applications, to provide additional information to the community. (*Recommendation 14*)

## **6.5 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.

A review was conducted of a range of aspects of council's workplace relations practices including:

- *Consultative committee processes*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Employee remuneration*
- *Equal employment opportunity*
- *Staff development*
- *Grievance management*
- *Occupational health and safety*
- *Secondary employment*

### **Overview of the organisation**

The composition of the council's workforce is reflective of the diversity of the community it serves. The council employs 117 staff and is representative of community members from Aboriginal and non-English speaking backgrounds, women, and people with physical disabilities.

The council's salary budget for last financial year, as adopted in the management plan, was \$5,350,000. The total salary expenditure for last financial year was \$5,478,000. Council was over budget by 2.4%, due to additional work associated with Roads and Traffic Authority grants being received. In the current year ending 2005, salary expenditure is on budget.

The total value of overtime paid during the last financial year was \$700,000, which represented 13% of total wages and salaries for that year. This high figure was due to large amount of road works being conducted. This percentage is high but the total salary expenditure was only over budget by a small percentage. Therefore, it can be concluded that this presently is not a significant concern.

## **WHAT IS WORKING WELL**

### ***Human resources strategy***

Council has a current human resource strategy plan, for 2005-2008, which was to be reviewed and adopted in August 2005 by the consultative committee. This strategy plan reflects major changes to councils operations, addressing new initiatives and changes in funding priorities. The plan includes actions to address the following key workforce issues:

- recruitment and retention of staff
- training needs
- OH&S issues
- workplace/industrial relations issues and approach to consultation
- equity and diversity

A performance measurement and reward system will be formally presented as a separate document following the strategy plan adoption.

Council presents its human resources policy and procedures in a manual resource. These policies and procedures cover the following:

- recruitment, selection and appointment
- attendance, leave and absences
- discipline
- salary system/performance management

All staff can access and are made aware of policies and procedures by the following:

- policies and procedures are documented in a manual
- listed and accessible via intranet
- training courses
- needs of outdoor/field staff are recognised
- attach changes in policies to each team and then the teams sign off as advised of changes and new policies

### ***Workforce planning***

The demographic of council's workforce suggests that it is exposed to risk from ageing. Currently, 20% of the council's workforce is between the ages of 55 to 65+ years. This problem has been highlighted in the Strategic Plan. The council is

attempting to address this problem by offering cadetships and trainee programs for young people in the area. The council also has a Youth Commitment Plan, offers work placements, work experience, has very strong commitments and very strong workplace connections.

Council currently has no succession plan for key personnel/positions but has taken action to ensure that individual employees work can be cover and performed by other employees. (*Recommendation 15*)

Performance based contracts of senior management were examined. All contracts included information on how performance is reviewed, how any bonus payments will be made, the value of the contract, and evidence was found that the General Manager consults with council prior to the appointment of any senior staff members.

### ***Consultative committee***

Council has established a consultative committee in accordance with the Local Government (State) Award 2004. The aim of the consultative committee is to provide a forum for consultation between council and its employees. The functions of the consultative committee are about day to day management issues such as award implementation, training, job redesign, and performance management systems.

The membership of this committee includes one councillor. Council should be represented on this committee by its general manager or his/her nominee. Due to the day to day operational issues considered by this committee, it is inappropriate for councillors to be members of consultative committees. (*Recommendation 16*)

Each union or association has representation on this committee as required. The committee has met six times in the last twelve months and keeps the appropriate records of all its deliberations.

Staff are trained and aware of how the committee operates, their role and rights, the constitution and frequency of meetings. The minutes to all meetings are circulated to all representatives, posted on noticeboards. There is evidence of adequate follow-up and resolution of issues raised.

The committee deals with the following areas:

- HR issues
- the salary system
- changes in position- fulltime to part-time
- job sharing
- changes in regrading of positions
- strategic plan issues
- policies and procedures before they go to council
- HR reports on all activities

### ***Recruitment and selection***

Council has a documented selection policy and procedures that applies to all recruitment by the council.

Council ensures that selections are made on the basis of merit, as required by section 349 of the Local Government Act 1993, by the following:

- all advertisements and job descriptions clearly outline the qualifications, and both essential and desirable criteria required
- all applicants are selected for interview based on a culling process

All procedures are formally documented in the recruitment and selection policy. The council develops and ensures that all selection criteria are made available to all applicants. The council also has a formal policy concerning the use and composition of selection committees. The council has an internal appeal process.

The recruitment and selection policy covers key issues including:

- requirement for current job descriptions
- process for developing selection criteria- both essential and desirable
- requirements for advertising
- the need for impartiality and independence
- the need for confidentiality
- provision of guidance about managing conflict of interest that may arise
- requirement for decisions and reasons for decision to be fully documented
- definition of who is accountable for key decisions throughout the process

### ***Job description and evaluation***

All positions within the council have written job descriptions and all employees have copies of their respective job descriptions. Each position also has a competency statement, which records salary at entry level plus three steps with associated skills and education requirements needed to progress to these levels. Council has a formal policy and practice for the review of job descriptions. The system is excellent but could be strengthened as evidence showed that positions at entry level need to be regraded to move up to the next level. A performance review should be conducted in this area. (*Recommendation 17*)

### ***Employee remuneration***

Council has a documented salary system, eCOMP, which is the sole basis for determining an employee's salary. The system evaluates all positions and salary levels are based on award ensuring that no staff member is paid under the award.

Council has made budgetary provisions for staff progression in accordance with clause 7 of the Local Government (State) Award.

### ***Equal employment opportunity***

Council prepares an annual Equal Employment Opportunity Management Plan and reports on EEO strategies and outcomes in its Annual Report. Its current management plan is dated 22 February 2005.

### ***Staff development***

Council has a structured formal induction program for all new staff, which covers general information, occupational health and safety, computer needs and records management.

Council has a policy and procedures that requires managers to assess the performance of their staff against identified performance targets.

Council has developed a training plan as required by clause 23 of the Local Government (State) Award 2001.

Council was to implement an annual performance review policy on 1 July 2005 for all staff. The first reviews will be conducted in November 2005. The process is being assisted by the conduct of training for all staff and managers.

### ***Grievance management***

Council has grievance handling policy and procedures in place to deal efficiently and effectively should any disputes or litigation arise. All documentation is required to be kept on file in records. Council has not had any staffing dispute or litigation, before any court or tribunal in the last five years.

Council has conducted an employee attitude survey during November/December 2004. This survey rated very positive across the State, with above average responses.

### ***Occupational Health and Safety***

Council has an adopted Occupational Health and Safety policy and an adopted rehabilitation policy. Council has formally constituted occupational health and safety committees and conducts systematic occupational health and safety risk assessments. Occupational health and safety committee members conduct audits at different work sites on a specific day each month.

Council manages risks associated with the use of hazardous substances by ensuring that staff receives specific training in accordance with occupational health and safety requirements and changes. A material safety data sheet is required to be completed by staff members involved. Council monitors and reports on workplace injury and lost time to the monthly occupational health and safety committee meetings. Council also monitors and reports on employee sick leave each quarter to the Management Committee (MANEX), which meets on a weekly basis.

### ***Secondary employment***

Council has a formalised current policy on secondary employment, which is covered in the code of conduct. All applications received are approved by the General Manager. Staff are advised of this policy at induction.

## 7. COUNCIL'S RESPONSE

RM:AN

4.1.2 & 14.3.2  
xref: 28600



**Tumut Shire**  
**COUNCIL**

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21 October 2005

Mr Garry Payne  
Director General  
Department of Local Government  
Locked Bag 3015  
NOWRA NSW 2541

Dear Mr Payne

**Promoting Better Practice Draft Report  
Reference A27945 Mr Paul Terrett**

I respond to your letter dated 5<sup>th</sup> October, 2005 in respect to the above review and draft report provided by the Department of Local Government under the Local Government Reform Program – Promoting Better Practice.

Council's comments are by two methods being in Schedule One (1) based on the wording of the report in respect to suggested amendments to phrases and sentences in the report of a minor nature, and in Schedule Two (2) a response to the sixteen recommendations provided in the draft and confidential report.

Council thanks the Department for providing this review which will allow Council to consider further improvements to its policies, strategic plans and system of governance. Council will be pleased to receive the final report at an early date to report to Council and the community.

Yours faithfully

Christopher Adams  
**GENERAL MANAGER**  
20051021-MCS-promoting better practice report



**SCHEDULE ONE (1)**

Page 8 of 46 Item 1	Remove word quarterly and insert annual.
Page 12 of 46	Include Saleyards Committee.
Page 25 of 46	Development application process delete Council uses an independent assessment panel is needed and include Council has a conciliation conference on development applications when five (5) or more objections are received.
Page 26 of 46	Delete Council has just drafted an enforcement and prosecutions policy, which is going to Council in late June, 2005 and amend next sentence to read There is extensive documentation of steps that will be taken by the Council when breaches of legislation occur.
Page 27 of 46	First line delete words full time and waste, has and include the word has.
Page 27 of 46	Second last paragraph amend to read Council has procedures in place to enter dangerous dogs data etc.
Page 35 of 46	2 <sup>nd</sup> last paragraph remove statement Council advises this has been hindered by problems within the Aboriginal community itself.
Page 39 of 46	Last line remove word strategy and replace with strategic.

**SCHEDULE TWO (2)  
RESPONSE TO RECOMMENDATIONS (PAGES 8 & 9 OF 46)**

***Council's Ambitions, Priorities and Future Focus***

1. Council prepare annual reports on its performance in respect of its strategies, in addressing issues concerning an ageing population.

**Response**

To be provided in Management Plans and Annual Reports and monitored quarterly by the Third Age (Seniors) Committee and Council.

***Governance***

2. Council should enhance the internal audit function and increase risk assessment analysis throughout the organisation.

**Response**

Council has a three year internal audit Risk Management Plan which will be reviewed with the internal auditor to increase risk assessment analysis throughout the organisation in view of the Departments recommendation.

3. Council should undertake the LGMA Governance Health Check.

**Response**

Council will undertake this on an annual basis.

4. Council's audit function conduct a detailed IT records and risk management audit, particularly examining security issues.

**Response**

This will be completed by 30 June, 2006. Further audits will be carried out on a biannual basis.

5. Council ensure that there is full disclosure of financial statements, including notes to the financial statements and the accompanying audit report in its annual report.

**Response**

This will occur annually from the Annual Report being prepared for the year 2004/2005 due for completion in November, 2005.

6. Council ensure that Annual Reports are placed on its website.

**Response**

The Annual Report will be placed on the Council website from November, 2006.

### **Regulatory Affairs**

7. Council develop a Companion Animals Management Plan.

#### **Response**

Council will develop a Companion Animals Management Plan by 31<sup>st</sup> December, 2006.

### **Asset and Financial Management**

8. Council put in place controls that will ensure the future integrity of the Land Asset register on the 'Conquest' system.

#### **Response**

This Register will be compiled by 31<sup>st</sup> December, 2005 and will be updated on a continuing basis and audited internally on a quarterly basis and externally on an annual basis.

9. Council complete the Integrated Water Cycle Management Strategy.

#### **Response**

This Strategy will be completed by 30<sup>th</sup> June, 2006.

### **Community and Consultation**

10. Council formalise a MOU with the local Aboriginal community.

#### **Response**

This item will be reported to the Aboriginal Liaison Committee to implement by 30<sup>th</sup> June, 2006.

11. Council proceeds with the planned development of a cultural plan for the council area.

#### **Response**

Community Co-Ordinator to be appointed in November, 2005 with a priority to complete this plan in the year 2006.

12. Council develops a Local Affairs Ethnic Priority Statement.

#### **Response**

To be effected by 30<sup>th</sup> June, 2006.

13. Council ensure that all appropriate policies and documents are available for public access on its website.

#### **Response**

To be effected by 30<sup>th</sup> June, 2006.

### **Workplace Relations**

14. Council develops a succession plan.

**Response**

This is in progress following a report to engage trainees which was adopted by Council, August 2005.

15. Council ensures that there is no councilor membership on its consultative committee.

**Response**

Consultative Committee is comprised of staff only by Council resolution of 26 September, 2005.

16. Council conducts a performance review of the processing of job progression to higher levels within the salary system.

**Response**

This will be investigated and reported to staff Consultative Committee and Council.

\*\*\*\*\*

## 8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

### **COUNCIL'S PRIORITIES AND FOCUS**

#### ***What is working well***

- meeting present and future needs of the community
- tourism and environmental focus
- encouragement and development of local industry

#### ***Challenges to improve***

- meeting the needs of an ageing population

### **GOVERNANCE**

#### ***What is working well***

- Ethics and values, pecuniary interests, councillor expenses and facilities policy
- Management Plan
- Risk management and internal control
- Gifts and benefits
- Record keeping and Information Technology
- Section 355 committees
- Complaints handling

#### ***Challenges to improve***

- LGMA Governance Health Check
- Information Technology
- Annual report

### **REGULATORY**

#### ***What is working well***

- Strategic planning
- Development applications and Section 94
- Environmental reporting and Enforcement
- Companion Animals, Water Safety and Swimming Pools

## **ASSET AND FINANCIAL MANAGEMENT**

### ***What is working well***

- Financial Management, Asset Management Planning and Land Assets
- Resource sharing

### ***Challenges to improve***

- Integrated water cycle management strategy
- Enforcement and prosecutions policy

## **COMMUNITY, COMMUNICATION AND CONSULTATION**

### ***What is working well***

- Social and community planning, community participation, cultural planning
- Reporting to community and state government
- Tourism and economic development

### ***Challenges to improve***

- Local affairs ethnic priority statement
- Council website

## **WORKPLACE RELATIONS**

### ***What is working well***

- Human resource strategy
- Workforce planning
- Consultative committee function
- Recruitment and selection, job description and evaluation
- Employee remuneration
- EEO, OHS, Grievance management

### ***Challenges to improve***

- Consultative committee membership

-----CBBCB-----