

Promoting Better Practice Program

REVIEW REPORT

BURWOOD COUNCIL

FEBRUARY 2013



Premier & Cabinet
Division of Local Government

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EXECUTIVE SUMMARY

Burwood Council has recently emerged from a period of significant upheaval and organisational change. While the Independent Commission Against Corruption's (ICAC) 2011 Operation Magnus report into Burwood Council has not been considered in detail as part of this Promoting Better Practice review, it is recognised that this has had a major influence on Council's operations in the past 18 months.

The Council has made significant progress over that time, particularly in strengthening its internal governance systems, aspects of which were criticised strongly in the ICAC report. The Council is to be commended for this. It is also apparent that significant organisational cultural change has occurred over this time, driven by the Executive Team in consultation with staff.

Major governance gaps addressed by the Council include a comprehensive and ongoing update of policies and procedures and the establishment of internal auditing processes, as well as the appointment of an internal auditor two days per week. It is acknowledged that the Council has also planned for significant future work to be undertaken in this area.

This review focussed on areas of better practice, areas requiring improvement and otherwise noteworthy practice. For this reason the report does not focus on every aspect of the Council's practices.

The following better practice examples were identified:

- a very well designed software system for internal reporting which links well with the Council's integrated planning and reporting framework
- a comprehensive Public Interest Disclosures policy and procedures to facilitate the reporting of serious wrongdoing
- comprehensive enforcement and compliance policies and procedures
- effective mechanisms to promote openness and transparency in decision making and communication with the Council staff
- the development and implementation of the *Different People Different Voices* Project to combat cultural bullying in schools.

This report highlights a number of other noteworthy practices across all functional areas of the Council. However, the review has also identified a number of areas where the Council should improve its performance.

The Council's suite of Integrated Planning and Reporting documents appear to be well integrated and meet most legislative requirements. However, the Council's Asset Management Plans must be finalised.

With respect to governance, the work that the Council has commenced in the areas of risk management, procurement, disposal and tendering practices, fraud and corruption prevention, and legislative compliance should be finalised as a matter of priority. The Council should also:

- improve its practices in communicating its Statement of Business Ethics with external parties
- review its councillor training material to ensure that it is comprehensive and tailored to the needs of individual councillors
- prioritise the integration of its information and communications technology platforms to ensure maximum staff productivity.

The Council has many effective planning and regulatory systems in place. However, it should develop a centralised and publicly available register of planning decisions to ensure transparency in this area, and prioritise the development of a compliance and awareness program for private swimming pools.

The Council's overall financial position appears to be sound in the short-term and many of its key financial indicators are positive. However, there is a concern that the Council is not maintaining its assets at the required level, and that its 10-year Long-Term Financial Plan is forecasting operating deficits before capital grants. This report also identifies a number of areas where council should strengthen its financial reporting practices and policy framework.

The Council appears to be delivering well in the area of community services. However, it needs to prioritise the recruitment of a Community Services Manager and ensure that this position focuses appropriately on strategic issues.

The Council also appears to engage well with the community, particularly on strategic issues. It also utilises a variety of mechanisms to communicate information to the community.

While the report notes a positive workplace culture within the Council, and motivated staff, the Council could strengthen its systems in this area by:

- developing a succession plan
- updating its Work Health and Safety Plan and Employee Handbook
- implementing changes to its human resources and salary systems.

The adoption of the recommendations in this report will help the Council to consolidate the significant work it has undertaken in recent times.

A summary of key findings from the review is provided in the following table:

Summary of key findings

Better practices/Other noteworthy practices	Areas for improvement
STRATEGIC POSITION	
<i>Well designed internal reporting software system which links to the Council's integrated planning and reporting framework</i>	
<i>Successful implementation of the integrated planning and reporting framework, meeting most legislative requirements</i>	<i>The Council should complete its Asset Management Plans. When this is done, its Long-term Financial Plan, Operating Statement and Delivery Program should be updated to reflect this new planning information</i>
GOVERNANCE	
<i>Public interest disclosures policy and procedures are of a high standard</i>	<i>The Council should complete its Risk Management Plan review</i>
<i>The identification of gaps in general policies and procedures, and commencement of a process to address them</i>	<i>The Council should complete its planned review of processes and procedures for the engagement of contractors</i>

Better practices/Other noteworthy practices	Areas for improvement
<i>Development of a comprehensive Councillor Expenses and Facilities Policy</i>	<i>The Council should complete its development of a procurement strategy</i>
<i>Establishment of an Audit Committee, appointment of a part-time internal auditor, and commencement of the development of related internal auditing programs</i>	<i>The Council should undertake regular audits and staff awareness training to ensure its purchasing and tendering policies are adhered to</i>
<i>Comprehensive Delegations guidelines and a planned review of the delegations framework</i>	<i>The Council should provide its Statement of Business ethics to all external contractors and establish a monitoring system to ensure compliance</i>
<i>The Council's webpage contains good information on how to obtain access to the Council policies and other information</i>	<i>The Council must establish a publicly available register of private sector contracts to meet GIPA requirements</i>
	<i>The Council should finalise its Fraud and Corruption Prevention Policy and ensure fraud risk assessments are undertaken</i>
	<i>The Council should develop a Compliance Register</i>
	<i>The Council should review aspects of its councillor training material</i>
	<i>The Council should prioritise the integration of its information and communications technology platforms to ensure maximum efficiency</i>
	<i>The Council should finalise its Information Technology Strategic Plan and Disaster Recovery Plan</i>
PLANNING AND REGULATORY	
<i>Comprehensive enforcement and compliance policies and procedures</i>	<i>Enforcement policies and procedures should be made publicly available</i>
<i>Good companion animal management practices (including a Companion Animals Management Plan)</i>	<i>The Council should develop a centralised register of planning decisions</i>

Better practices/Other noteworthy practices	Areas for improvement
<i>A high number of development application determinations are made under delegated authority</i>	<i>The Council should include a report on development decisions for information at Council meetings</i>
<i>A comprehensive parking strategy, the effectiveness of which has been reviewed</i>	<i>The Council should prioritise the development of a compliance and awareness program for private swimming pools</i>
<i>A comprehensive Graffiti Management Strategy</i>	<i>The Council should finalise the update of its Graffiti Register to ensure it meets legislative requirements</i>
ASSET AND FINANCIAL MANAGEMENT	
<i>The Council is in a sound financial position, has actively controlled its debts, and has generally good financial indicators</i>	<i>The Council should adopt its draft Hardship Policy and revised Debt Recovery Strategy</i>
	<i>The Council should investigate integrating its Asset Register with its General Ledger</i>
	<i>The Council should update its generic Plans of Management for community land</i>
	<i>The Council should ensure that its Quarterly Budget Review income statement is based on accrual accounting methods</i>
COMMUNITY, COMMUNICATION AND CONSULTATION	
<i>The development and implementation of the Different People Different Voices Project to combat cultural bullying in schools</i>	<i>The Council should prioritise the appointment of a Manager Community Services, and ensure that this position prioritises the development of community services work plans which align with the Community Strategic Plan and Delivery Program</i>
<i>The adoption of a Community Engagement Policy and sound practices in this area, particularly on strategic planning issues</i>	<i>The Council should develop a Communications Policy to capture and formalise existing practices</i>

Better practices/Other noteworthy practices	Areas for improvement
<i>Effective communication with the local community using a variety of mechanisms</i>	
WORKFORCE RELATIONS	
<i>The establishment of a Transformation Team to include council staff in the organisational restructure process</i>	<i>The Council should incorporate succession planning into its Workforce Management Plan.</i>
<i>The Council has a good induction program for new staff</i>	<i>The Council should prioritise the implementation of its Technology One human resources software program</i>
	<i>The Council's Documented Salary System should be updated</i>
	<i>The Council should update its Work, Health and Safety Plan</i>
	<i>The Council should update its Employee Handbook</i>

PART I. BACKGROUND

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. The reviews are designed to act as a 'health check', giving confidence to the Council and the community about what is being done well, and helping to focus attention on key priorities for further development.

Review process

The review process involves a team from the Department of Premier and Cabinet's Division of Local Government evaluating the effectiveness and efficiency of the council's operations, and providing feedback to the Council about the review findings.

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 Promoting Better Practice 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 Promoting Better Practice review, as well as 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.

All reviews involve checking compliance with a range of statutory requirements, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance. All reviews seek to identify better and noteworthy practices, and areas requiring improvement or further development.

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

Review report

The scope of the review report is limited to providing an overall assessment of how the Council is performing in key areas. It also documents those areas the review team identified as better practice, in need of further development or otherwise noteworthy.

Overall performance

The council's overall performance status is ranked for each key area (as per requirements/standards set out in the self-assessment checklist) according to three categories, defined below:

PERFORMANCE STATUS	DESCRIPTION
Performing well	<ul style="list-style-type: none"> • Meets all requirements to a good or high standard • Demonstrates elements of good/better practice
Satisfactory	<ul style="list-style-type: none"> • Meets all or most requirements to the required standard • Improvements have been identified by the council and progress towards improvement is evident
Requires action	<ul style="list-style-type: none"> • A key requirement has not been met • Significant improvement or further development is required in a particular area

Significant observations

The review team will also provide feedback on practice which it considers as better practice, in need of further development or otherwise noteworthy. These categories are further defined in the following table:

SIGNIFICANT OBSERVATIONS	DESCRIPTION
Better practice	<ul style="list-style-type: none"> • Beyond or above minimum compliance requirements and good practice indicators • Innovative and/or very effective • Contributes to continuous improvement within the sector
Areas for improvement	<ul style="list-style-type: none"> • Does not satisfactorily meet minimum compliance and good practice indicators, and may impact negatively on council operations • Significant improvement initiatives that are in progress and which need to be continued

Noteworthy practices

- May include successful initiatives which respond effectively to local circumstances or practice that is in other ways significant for the council/community
- Practice which in general exceeds good practice but may have some aspects that require fine-tuning

Burwood Council Review

Burwood Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. The Division of Local Government's review team comprised of Senior Program Officer, Mr Ross Bailey and Principal Program Officer, Mr Glen Colley, who examined these and a range of other source documents prior to visiting the Council in order to gain a preliminary understanding of the circumstances of the Council and how the Council is responding.

The on-site component of the review took place from 20 to 26 June 2012. It involved initial interviews with the General Manager, interviews with the Deputy General Managers and a cross section of staff, observation of a Council committee meeting, a review of the Council policies and other documents, and a visit to the Council's library.

Implementation and monitoring of recommendations of final report

While the overall assessment is that Burwood Council appears to be generally performing well, there are some important issues that the Council will need to address for the future. The review has identified a number of improvement opportunities that the Council needs to address.

It is recognised that the Council has implemented a number of recommendations contained in the draft report. The Council is asked to report to the Division of Local Government in twelve month's time on its progress towards implementing the remaining recommendations.

2 ABOUT THE COUNCIL AND THE AREA

Location and demographics

The Burwood Local Government Area (LGA) occupies 7.26 sq kms with a population of 34,079 (estimated resident population as at 30 June 2012, ABS data). This is expected to increase by almost 65% (to 56,167) by 2036 (NSW Department of Planning and Infrastructure projection).

The Burwood LGA comprises the suburbs of Burwood Heights, Croydon and parts of Croydon Park, Enfield and Strathfield. Burwood is part of the inner west region of Sydney, which typically includes Ashfield LGA, Burwood LGA, City of Canada Bay LGA and Strathfield LGA (2011 ABS Census data).

The original inhabitants of the area were the Wangal clan of the Eora nation. The area was first settled by Europeans in 1790. Burwood derived its name from a grant of 250 acres made by Governor Hunter on 3 August 1799, to Captain Thomas Rowley of the New South Wales Corps, who named the land after Burwood Farm where he lived in his native Cornwell, England.

The Municipality of Burwood was incorporated by proclamation in the Government Gazette on 27 March 1874. The first Council was elected on 9 June that year.

Local issues

Burwood's LGA has a high number of people aged 20-29 years (21% of the population). However, the Burwood LGA also has an ageing population, with the highest proportional population growth occurring in the 80-100+ age bracket (ABS 2011 Census data).

Burwood's population is culturally diverse with about 58% of the population being born overseas. The five most commonly spoken languages (other than English) are Mandarin, Cantonese, Italian, Korean and Arabic. A small proportion (0.4%) of the Burwood LGA identifies as Aboriginal or Torres Strait Islander (ABS 2011 Census data).

The median household income recorded in the 2011 census for the Burwood LGA was \$1,370 per week, which represents an increase of 28% since 2006 (ABS 2011 Census data). Burwood’s workforce is employed in retail trade (12%), health care and social assistance (10.5%), scientific and technical services (9%), and accommodation and food service (8%) (ABS 2006 Census data – latest available at time of publication).

The NSW State Government has identified Burwood as a Major Centre in its *Metropolitan Strategy* and projected that Burwood would have significant employment growth (36.5%) between 2001 and 2031. The *Metropolitan Strategy* projects the Inner West will have an additional 30,000 homes by 2031, and many of these homes are planned for Burwood. The following provides a snapshot of the LGA:



Population snapshot (including data source*)

- Population (estimate at 30/06/12): 34,079 (ABS)
- Projected population in 2036: 56,167 (DP&I)
- Average Age: 32 (ABS)
- Density: 4,800 people per sq km (DLG)
- Aboriginal and Torres Strait Islanders: 0.39% (ABS)
- Non-English Speaking Background: 45.15% (ABS)
- Aged people (aged 60+ years): 19% (ABS)
- Young people (aged <15 years): 15% (ABS)

- ABS = Australian Bureau of Statistics
- DP&I = Department of Planning and Infrastructure
- DLG = Division of Local Government

Elected Council at the time of the Review

Burwood Council nominally has seven (7) elected representatives (Councillors). However, it should be noted that at the time that this review was conducted, only six (6) councillors were serving. This followed the resignation of former Mayor, Cllr John Sidoti, in February 2012, and a request from the Council to the Minister for Local Government not to conduct a by-election in the LGA due to the proximity of the September 2012 local government elections.

Council staffing

As at 30 June 2012, the Council employed approximately 186 full-time equivalent staff. The Council's organisation structure is described in more detail later in this report.

PART II. PLANNING A SUSTAINABLE FUTURE

This part of the review focussed on the 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 the 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 the Council’s performance in this area.

3 STRATEGIC PLANNING AND REPORTING

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

The new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans. The Community Strategic Plan is supported by a Resourcing Strategy that includes long-term financial planning, asset management planning and workforce management planning. The framework is set out in the following diagram:



3.1 OVERVIEW OF STRATEGIC PLANNING

Burwood Council elected to be a Group 2 council for the purposes of implementing the Integrated Planning and Reporting (IP&R) framework, adopting the suite of plans by June 2011. The Division of Local Government undertook a review of the documents and provided the Council with feedback about how well the plans met the intent of the IP&R framework. The feedback to the Council was that overall the plans met the intent of the IP&R framework, with some areas identified for further development.

The Plans include quadruple bottom line (QBL) strategies, objectives and actions which reflect community aspirations and desired outcomes identified during consultation and engagement in relation to social, economic, environmental and civic leadership issues.

High level responsibility is assigned for achievement of actions identified in the plans. Service standards (or performance measures), determined in consultation with the community, are included for measuring progress against actions and strategic objectives.

An assessment of each of the components of the framework, together with their overall integration, is outlined below:

Community Strategic Plan

Burwood 2030 includes contextual information, including socio-economic and demographic information about the local government area.

It includes strategies for the realisation of strategic objectives reflecting the quadruple bottom line, and based on community aspirations and desired outcomes grouped under five themes. A summary of community and stakeholder consultation and activities is included in the Community Strategic Plan. A more detailed and thorough report on engagement results is available on the dedicated webpage on the Council's website.

The plan identifies assessment and reporting measures, comprising key performance measures, a four yearly community satisfaction survey, and six monthly internal and annual external reporting.

Community Engagement Strategy

Consultation and engagement activities were undertaken with the community and stakeholders, including social justice groups, to inform the development of the Community Strategic Plan. A range of engagement methods were used in different contexts. Information was presented in various accessible formats.

The Council has indicated that it will conduct a survey every four years to gauge community satisfaction with progress and prioritisation of areas for future implementation.

Resourcing Strategy

The Workforce Management Plan and the Long-Term Financial Plan were mostly compliant with the IP&R Guidelines. They are easy to read and informative. However, asset management planning is incomplete as the Parks and Transport Plans are still being finalised.

Delivery Program

The four-year Delivery Program includes actions encompassing all of the Council's operations for realisation of the strategic objectives of the Community Strategic Plan. Responsibility for achievement of the actions is assigned at the service level.

The Delivery Program includes service standards (or performance indicators) for measuring progress in achieving the actions.

The Delivery Program outlines reporting arrangements to Council and to the Community.

Operational Plan

The Operational Plan 2011-2012 details activities that will be undertaken during the financial year to address the actions of the Delivery Program, for realisation of the strategic objectives of *Burwood 2030*.

The Operational Plan assigns primary and secondary level responsibility to service areas and others for realisation of the identified activities.

The Operational Plan includes service level standards (or performance indicators) for measuring progress in achieving activities. A colour coding system is used to indicate the status of each action.

Overall integration of plans

Council's IP&R plans are well integrated, with the Operational Plan actions linking to the Delivery Program actions, and Delivery Program actions linking to the Community Strategic Plan strategies.

There is some evidence of integration of strategies across functional areas in the Community Strategic Plan.

Integration could be further enhanced by cross-referencing strategies of the Community Strategic Plan with those of regional and State strategic plans.

A general assessment of Council's performance in relation to the key components of the IP&R framework is outlined in Table 1.

Table 1: Assessment of key components of the Council's integrated planning and reporting framework

Area	Performance Status*
Community engagement	Satisfactory
Community Strategic Plan	Satisfactory
Delivery Program	Satisfactory
Operational Plan	Satisfactory
Workforce Management Plan	Satisfactory
Long Term Financial Plan	Satisfactory
Asset Management Plan	Requires action

* A description of each of the performance categories is provided in Part I, Background.

3.2 SIGNIFICANT OBSERVATIONS

Better practice

The Council's internal reporting software system has been significantly updated in the past 12 months. The Council uses the Technology One software platform for this purpose, which is set out in a very clear and logical format. Managerial and Executive staff unanimously commented on the ease of use of the system and indicated that it has streamlined their reporting practices.

The system features an upwardly cascading sign-off structure, whereby team leaders and managers are given limited access to report on items in their areas of responsibility while the Executive has an overall view of the system, which can be viewed in more detail as necessary. This allows the Executive to view at any time the status of a particular job, when it is due, and who has carriage of the project.

The system features a 'traffic light' system to allow managers to easily track items, which are reported as "Not achievable", "Needing attention" or "On track". The system also features an effective reminder system under which emails are automatically sent to managers advising when the quarterly report is due.

Apart from functioning as an internal performance monitoring tool, the system is also integrated with the Council's integrated planning and reporting framework. This provides the Council with an efficient mechanism to produce information for quarterly reporting against its Delivery Program.

A key feature of this system is that it enables staff to enter internal commentary for the information of managers, and also to provide information for the public on the progress of initiatives, the latter of which is also used in the quarterly report. The system's user-friendly template data-entry screens clearly set out the level of detail required to be reported by officers.

The Council advised that a financial software module that can be integrated with the system is being investigated. This means that managers will be able to see not only where a project is up to, but also how much it has cost compared to the allocated budget. It is considered that this will further strengthen the planning and reporting capacity of the Council in the long term.

Noteworthy practices

On the whole, the Council has successfully implemented the Integrated Planning and Reporting framework, although there is scope for improvement. The Council is clearly committed to the integrated planning and reporting process and this is reflected in the suite of documents that comprise its integrated planning and reporting framework. Subject to the comments below, community priorities and aspirations have clearly been considered in strategic and asset planning.

A council must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every 6 months. Burwood Council provides a quarterly report which is detailed and easy to read.

As noted in the Better Practice section above, the Council has customised its program tracking system to report on the Delivery Program on a quarterly basis. This appears to be functioning well.

Areas for improvement

Asset Management Plans

The Council is still to complete its Asset Management Plans for Parks and Transport as part of its implementation of the Integrated Planning and Reporting process.

Recommendation 1

The Council should complete its Asset Management Plans and ensure they are approved by the elected council. When this is done, the Long-term Financial Plan, Operating Statement and Delivery Program should be updated to reflect this new planning information.

PART III. DELIVERING AND ACHIEVING

This part of the review focussed on examining key structures, systems and processes involved in delivering the stated outcomes of Burwood's Community Strategic Plan. This included considering the means by which the 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.

4 GOVERNANCE

4.1 SCOPE

“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
- assists in the prevention and detection of dishonest or unethical behaviour.

4.2 OVERVIEW OF BURWOOD COUNCIL’S GOVERNANCE PRACTICES

Burwood Council appears to operate under a robust governance framework. However, a number of areas for improvement are highlighted later in this section.

The Council has made significant progress in strengthening its governance systems, for which it is commended. There appears to have been a strong commitment from

the Council's Executive Team and staff to ensure that previous gaps identified in the Council's governance framework are promptly addressed.

Table 2: Assessment of key governance policies and practices

Area	Performance Status*
Ethics and values	Performing well
Code of Conduct	Satisfactory
Gifts and benefits	Satisfactory
Communications devices	Satisfactory
Disclosure of pecuniary interests	Satisfactory
Business ethics	Requires action
Risk management	Requires action
Fraud control	Requires action
Business continuity	Satisfactory
Internal audit	Satisfactory
Legislative compliance	Requires action
Legal services	Satisfactory
Procurement, disposal and tendering	Requires action
Privacy management	Satisfactory
Records management	Satisfactory
Public Officer	Satisfactory
Access to information by the public	Satisfactory
Executive Management meetings/communication	Performing well
Delegations	Satisfactory
Council meetings	Requires action
Council committees (s355 and others)	Satisfactory
Councillor induction and ongoing training	Requires action
Expenses and facilities policy	Performing well
Councillor staff interaction	Performing well
Access to information by councillors	Satisfactory
Campaign donations	Satisfactory
Complaints handling	Performing well
Protected disclosures and internal reporting	Performing well
Awards	2 ISAAC arts awards
Strategic alliances	Satisfactory
Information technology	Requires action

* A description of each of the performance categories is provided in Part I, Background.

4.3 SIGNIFICANT OBSERVATIONS

Better practices

Public Interest Disclosures Policy and internal reporting process

Under the *Public Interest Disclosures Act 1994*, councils are required to have a policy and procedures for receiving, assessing and dealing with public interest disclosures. Protected disclosures are an important means by which councils can signal their commitment to ethical practice. They can also act as an early warning system for management. The things people can make public interest disclosures about include corrupt conduct, serious maladministration, and serious and substantial waste.

Burwood Council's policy is based on the NSW Ombudsman's model policy. Advice received from the Ombudsman's Office suggests that Council's policy and the approach to its implementation fall in the category of better practice

While the Ombudsman's model suggests that councils should appoint 'disclosure officers' (to whom people may make disclosures), many councils do not. However, Burwood Council has appointed seven such officers (including the Mayor, in relation to disclosures involving the General Manager).

Burwood's policy includes a commitment that the Council will provide relevant individuals with information about all stages of any investigation undertaken as a result of a disclosure. This is considered to be good practice as it helps to manage individual expectations about what an investigation involves and how long it may take.

The Council has supported the implementation of the policy with detailed training (provided by the Ombudsman's office) of staff and elected representatives, and provided additional training for the Council's appointed disclosure officers. However, it is noted that only two councillors attended the training.

The Council has produced a Fact Sheet summarising its policy, which is available on its website. The Fact Sheet is based on the Division of Local Government's *Thinking about blowing the whistle?* publication, and contains a statement outlining the General Manager's commitment to the process.

Noteworthy practices

Policies and procedures

Policies and procedures are an important mechanism for setting, monitoring and reviewing the Council's systems and processes. It is noted that in the past 18 months, Burwood Council has developed an extensive suite of new policies and procedures and has updated a number of pre-existing policies. The Council acknowledges that this was prompted by adverse findings in the ICAC report in relation to a number of its policies and procedures. However, it is noted that the policy review process has been wide-ranging.

The Council has established a Policy, Corporate Practice and Procedures Panel to oversee the policy review process. This consists of the Executive Manager, Deputy General Manager Corporate, Governance and Community, and Deputy General Manager Land, Infrastructure and Environment, the Chief Finance Officer and the Governance Coordinator. The Panel meets on a bi-monthly basis and reports directly to the General Manager.

The Council appears to have adopted a best practice approach to its policy development processes, applying model policies from the Division of Local Government (eg the Councillor Expenses and Facilities Policy), and referring to the policies of other State agencies and local councils for benchmarking purposes.

All new Council policies are presented in a standard format, which identifies an adoption date (with a reference to the minutes of the relevant Council meeting, where appropriate), a 'last reviewed' date, and the area of the Council that is responsible for the implementation of the policy. The Council advises that all of its pre-existing policies will be adapted into this format as they are updated. The Council's policies also generally appear to be cross-referenced to related internal policy documents, which serves to promote understanding of the Council's broader policy framework.

The Council's policies and procedures appear to be well communicated to all staff and elected representatives. All new and updated policies include an "Implementation Statement", which sets out the strategies that the Council will use to inform councillors, staff and the community about the policy.

Additionally, a report is regularly tabled at council meetings, identifying the status of policies being considered by the Panel.

The Council has built-in review times for new and updated policies. The responsible manager receives an automated notice when a policy is approaching its review deadline. Progress is monitored through the Council's internal reporting system.

It is noted that a number of the Council's policies and procedures are currently under review or are planned to be reviewed in the near future. It is recognised that this has generally occurred either as a result of such policies being given lower priority in the face of the large volume of work being undertaken, or in some instances because the finalisation of other work is necessary before a particular policy can be reviewed.

Recommendation 2

The Council should continue to utilise its existing policy review processes to ensure that all policies and procedures are updated during the forthcoming Council term.

Councillor expenses and facilities policy

The Council has adopted a policy to manage the payment of expenses and provision of facilities to the Mayor and councillors. Under the *Local Government Act 1993*, such policies are required, and must be updated by councils by 30 November each year. Burwood Council's policy was last updated in November 2011, as required.

Burwood Council's policy meets the minimum standards set out in the Division of Local Government's *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW*, with the exception of the omission of a statement to the effect that gifts and benefits received by councillors must only be of token value. This should be addressed when the policy is revised prior to November 2012.

Other good features of the policy include:

- a well structured and readable format, which promotes a high degree of transparency and accountability
- a clear and appropriate reimbursement process

- a clear dispute resolution process when a claim has been refused
- clear and appropriate limits for all expenses and facilities.

It is also noted that the Council's current policy reflects a recommendation contained in the ICAC report to remove a provision which allowed the General Manager wide discretion for the approval of the expenses of individual councillors.

Recommendation 3

The Council should update its Councillor Expenses and Facilities Policy to include a statement that gifts and benefits received by councillors must only be of token value.

Internal Audit

The ICAC report noted the absence of formal internal audit processes at Burwood Council and made a number of recommendations about how such a function could operate at the council. Having an Internal Audit function is considered vital for a council as it supports good internal governance, improves the effectiveness of risk management and control processes, and helps instil public confidence in a council's ability to operate effectively.

In May 2010, Burwood Council resolved to establish an Audit Committee. The Council appears to have considered the Division of Local Government's *Guidelines for Internal Audit* in establishing the Committee. For example, the Committee is chaired by an independent community member and includes another community member and two councillors.

The Committee held its first meeting in March 2011. While this is a relatively long lead-in time, it is acknowledged that significant related work was undertaken by the Council in the interim, including the development of a Committee Charter and recruitment of the independent member.

The establishment of an internal audit function was flagged as a priority for the Audit Committee at its inception. An internal auditor, selected by the Council, was engaged through Southern Sydney Regional Organisation of Councils (SSROC) in June 2011 to provide services on a two-day per week basis.

The Committee has adopted one-year and three-year audit plans, highlighting proposed audit activities over those time periods and prioritising them accordingly. The plans appear to have considered all functional areas of the Council.

Council response

The program of audit activities has been planned initially around the recommendations contained in the 2011 ICAC Report, then following a number of key directions contained in the Delivery Program and Operational Plan, such as Parking Strategy (On-street parking review), environmental strategies (trade waste and fleet management reviews)

Delegations

The power of delegation is an important tool that assists the Council officers carry out the functions of the Council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the *Local Government Act 1993* and should be regularly reviewed to ensure they remain current.

Burwood Council adopted a *Delegations Guidelines* in 2009, which sets out the powers delegated by the Council to the General Manager and Mayor. Sub-delegations from the General Manager to staff are dealt with on a case-by-case basis, by way of a specific authority issued by the General Manager to the relevant staff member. Sub-delegations appear to be provided to staff at manager level or above. Copies of sub-delegations are maintained in a centralised record in the Council's electronic record-keeping system.

The Council advises that it plans to review its existing delegations to ensure they are current, and to remove some existing duplication of approval powers. This will involve the development of a standard delegation template for all designated officers.

The *Delegations Guidelines* also addresses delegations to Council's Building & Development Committee, which has the authority to determine matters for inclusion on its agenda. All other committees of the Council are advisory in nature and therefore do not have any delegated powers.

Access to information

The *Government Information (Public Access) Act 2009* (GIPA Act) applies to all NSW Government agencies, including local councils. It requires proactive information disclosure through mandatory publication and the authorised release of ‘open access information’.

Burwood Council generally complies with the requirements of this legislation and has systems in place to ensure open access to information. Of particular note is its detailed ‘Access to Council Information’ webpage, which explains how the Council meets its obligations under this legislation, and how members of the public may obtain access to information held by the Council.

The Council also maintains an online policy register which appears to comply with section 23 of the *GIPA Act 2009* in relation to open access. Relevant Council policies and procedures are available for download from a centralised location on the Council’s website, or are otherwise available on request.

However, it is noted that the Council does not maintain a register for contracts with the private sector. The Council needs to do so in order to meet its obligations under the GIPA Act. The register must also be publicly available.

In establishing such a register the Council should have regard to the *Government Information (Public Access) Act 2009 (NSW)* and the related *Compliance checklist for agencies*. This document is available for download on the website of the Office of the Information Commissioner (OIC) www.oic.nsw.gov.au.

Recommendation 4

The Council must establish a register of private sector contracts as a matter of priority, and make this publicly available on its website to ensure that it complies with GIPA requirements.

Areas for improvement

Risk Management

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council. A risk management plan should provide a council with a framework to proactively identify, communicate and manage generic and specific risks.

Burwood Council's Risk Management Plan dates back to 2003. However, the Council advises that it is currently in the process of reviewing the document. This should be finalised as a matter of priority.

It is noted that Council's Audit Committee has been responsible for overseeing the Council's risk management arrangements since 2011. The Committee's Terms of Reference give it responsibility for overseeing the review of the Council's Risk Management Plan. The Council also conducts an annual audit through Statewide Mutual and the Committee provides regular updates to the Executive Team on specific risk management issues.

The Council adopted a *Risk Management Corporate Practice and Charter* in 2011. Additionally, Council staff provided a presentation to the Audit Committee in May 2012 on the Council's approach to enterprise risk management, and risk management training was provided to selected staff in May and June 2012.

Recommendation 5

The Council should ensure that the review of its Risk Management Plan is completed as a matter of priority, and ensure that the Audit Committee monitors the Plan's implementation.

Procurement, Disposal and Tendering practices

Procurement, disposal and tendering are activities which potentially pose high risk to councils. All councils should regularly review and analyse the potential risk exposure within their procurement and disposal practices. This will minimise financial loss through non-compliance. A risk analysis should be undertaken every two years as part of the internal audit program.

The Division of Local Government has produced *Tendering Guidelines for NSW Local Government* to assist councils in applying clear policies, consistent procedures and effective risk management strategies in accordance with the *Local Government Act 1993*, the *Regulation* and other relevant legislation.

The Council's Executive approved *Purchasing/Tendering Procedures* in August 2008, which sets out the following key objectives:

- to incorporate 'Best Value'
- to withstand public scrutiny
- for the Council to benefit from competition
- to be environmentally responsible.

The document complies with the Division of Local Government's Guidelines. However, a number of the Council's practices and procedures in the area of procurement need to be addressed as a matter of priority. For example, the Council does not have a formalised framework for the monitoring and auditing of purchasing and tendering. Staff training in this area appears to be limited.

Similarly, the Council does not have documented procedures for monitoring and acting upon unsatisfactory contractor performance. While anecdotal evidence suggests that few problems of this nature have been encountered by the Council in the past two years, the Council would benefit from the development of a formalised framework to guide staff on contract management.

It is noted that the Council's Audit Committee has identified a review of the processes and procedures for the engagement of contractors as a high priority in its 3 year plan. The Council also advises that the development of a procurement strategy is planned for the 2013/14 financial year. These should be undertaken as a matter of priority.

Recommendation 6

The Council should ensure that its planned review of processes and procedures for the engagement of contractors, and the planned development of a procurement strategy is finalised as a high priority.

Recommendation 7

The Council should undertake regular audits and staff awareness training to ensure that its purchasing and tendering policy and procedures are adhered to.

Council response

The Council's auditing program is based on a staged approach and has already analysed a number of areas related to procurement, disposal and tendering, including: a Fleet Management Review, a Trade Waste Review, a Legal Services Review and a Cash Management Review.

The Council has also conducted an audit of its Legal Services, which included a review of the tendering process to appoint a new legal panel for the Council, as well as the newly established process for the allocation of work to the legal firms appointed.

As part of the contract management of the Council's legal panel, spot checks are undertaken to ensure compliance with service agreements and allocation of work processes.

Business Ethics

The Council adopted a *Statement of Business Ethics* in July 2010, which aims to "assist those dealing with Burwood Council to understand the ethical standards that the community expects from all the Council officials (Councillors and staff) and those that enter into a business relationship with the Council".

While the statement is publicly available on the Council's website, it is not routinely provided to the suppliers, contractors and business partners the Council engages. The Council has previously provided such information as part of a contractor information pack, but over time this practice appears to have ceased.

Similarly, there is no formal process in place to ensure that external parties abide by the Statement of Business Ethics. However, the Council advises that individual functional areas of the Council informally monitor compliance with the Statement of Business Ethics by the parties they engage.

Recommendation 8

The Council should ensure that its Statement of Business Ethics is provided to all external parties it engages, and ensure that a formalised monitoring system is established to ensure compliance with the Statement and deal with any allegations of breaches.

Fraud and Corruption Prevention Strategy/Policy

A Fraud and Corruption Prevention Control Policy is considered to be a key tool that allows councils to identify internal controls to mitigate identified risks. Such a policy should be linked to a council's Risk Management Plan.

Burwood Council has developed a draft *Fraud Control Guidelines, Strategy & Procedure*, and resolved to refer it to the Audit Committee for review. The document is yet to be adopted. However, it is noted that the Council's Executive Manager is in the process of developing a Fraud and Corruption Prevention Control Policy in consultation with ICAC.

The Council has not undertaken a fraud and corruption risk assessment within the past five years. While it is recognised that the 2010 ICAC review has acted to some degree as a defacto external review of the Council's activities in this area, a formal assessment should be undertaken. The Australian Auditing Standard 210 (AIS210) requires all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks.

Recommendation 9

The Council should prioritise the completion of current work being undertaken to develop a Fraud and Corruption Prevention Policy in consultation with ICAC.

Recommendation 10

The Council should ensure fraud risk assessments of the core areas of organisational risk are undertaken and that these are managed in order to limit exposure to fraudulent and corrupt activities.

Council response

The Council's Fraud and Corruption Prevention policy is currently in draft format and has been submitted to ICAC for comment. In addition, the Executive Manager is developing a Fraud and Corruption Prevention Action Plan, which includes a number of risk assessment and audit checks steps.

Legislative Compliance

Councils are required to comply with a large variety of legislation and regulations. In order to meet the requirements of these legislative demands, the Council should have a Compliance Register against which it can monitor its compliance obligations.

The Council does not currently have a system where all relevant employees are made aware of their current obligations and promptly advised of relevant amendments to legislation and regulations. At present, individual staff are responsible for keeping up-to-date with regulatory changes that apply to their area of expertise and notifying colleagues when there are changes.

It is noted that the Council's Audit Committee's Terms of Reference give it responsibility to "review the effectiveness of the system of monitoring compliance with relevant laws, regulations and associated government policies".

Recommendation 11

The Council should ensure that its Audit Committee develops a Compliance Register, and that all staff are made aware of the Register and trained in its use.

Council response

At its meeting on 19 July 2012, the Audit Committee received a detailed presentation on Council's Control Systems as per the Committee's Terms of Reference and were satisfied that there were sufficient controls in place. The development and maintenance of a Compliance Register would be a costly and time consuming activity that may not significantly contribute to increased compliance. It is recommended that the register be introduced based on a risk-management approach.

Reviewer's comments

The Council's concerns about the nature of this recommendation are noted. However, it is recommended that the development of a Compliance Register be incorporated into the Audit Committee's planned work, in-line with available resources.

Councillor induction and ongoing training

All councillors require induction training to equip them with the skills required to properly carry out their duties and allow them to be effective members of the Council's elected body. To assist councillors in achieving these goals, councillor induction training should familiarise councillors with the activities and functions of their Council, and the legislative framework in which they operate.

The program should ensure that councillors are made aware of their general legal responsibilities as an elected member and their obligations of disclosure under the pecuniary interest provisions of the *Local Government Act 1993*.

The Council provides new councillors with an induction kit, which covers a wide range of councillor functions. However, it is noted that the kit does not include information on key roles and responsibilities such as team work, complaints handling,

communication and conflict resolution, decision making, strategic planning (including community consultation), and financial management.

The Council reports that it offers regular, ongoing training to councillors but that councillor attendance has been sporadic. For example, in 2012 the NSW Ombudsman's Office ran training on Public Interest Disclosures for councillors but only two of the six councillors attended.

As a means to encourage 'buy-in' from councillors, the Council should consider establishing individual training plans to meet the identified needs of each Councillor, monitor and record training undertaken, and seek feedback on the value to each participant. This may include working with new councillors to identify any initial 'skill gaps' and prepare future training and development plans.

Recommendation 12

The Council should review its councillor induction material to ensure it addresses the key roles and responsibilities of councillors, including team work, complaints handling, communication and conflict resolution, decision making, strategic planning (including community consultation), and financial management.

Recommendation 13

The Council should assess the training needs of individual councillors and develop individual professional development plans for them.

Council response

The Council provided a comprehensive induction over two evenings to the new councillors following the (2012) election regarding their roles and responsibilities. However, it is not considered the role of the Council to deliver, through an induction process, training on team work, decision-making and financial management.

While Council staff have no authority to compel councillors to attend training or develop training plans, the Council does make available \$5000 per annum per councillor for councillor professional development. It is not considered appropriate that Council staff make an assessment of the performance of councillors with a view to developing a training plan.

Council staff do facilitate councillor training by providing information on relevant courses and processing training requests.

Reviewer's comments

The Council's commitment to councillor induction and ongoing councillor training is noted. However, as the subject areas referred to in recommendation 7 reflect the key roles of councillors, the inclusion of such information in councillor induction material is considered to be better practice.

Information and Communications Technology

The Council currently has six different computer operating systems. Not all of these systems are compatible with each other, and the lack of integration has resulted in an increased workload for the Council staff. Some council areas reported a high level of data entry and the continuous management of bridging programs to transfer data from one system to another.

It is accepted that the integration of computer systems is an expensive process. However, the Council has identified that this is a priority for the organisation and has also identified that integrating its systems with the Technology One software reporting system will have significant efficiency benefits for the organisation. It is also essential that the Council ensure that all staff are trained in the new technology platform to ensure maximum uptake and efficient use of the system.

The Council is currently in the process of developing an Information Technology Strategic Plan as a strategy to develop these facilities across the organisation. The Council should ensure that this Plan links with all other strategic documents and provides an underlying foundation for all business systems.

It is noted that the Council has undertaken significant work in developing and implementing a Disaster Recovery Plan. This should also be finalised as a matter of priority, given the significant risks associated with loss of documentation and corporate knowledge as a result of a disaster.

Recommendation 14

The Council should finalise the integration of its information and communication technology systems as soon as practicable and prioritise staff training in the new platform to ensure maximum uptake and efficient use.

Recommendation 15

The Council should ensure its Information Technology Strategic Plan and Disaster Recovery Plan are finalised as a matter of priority.

Council response

It will not be possible to “finalise the integration” within a short to medium timeframe.

Council meetings

The review team inspected a sample of the Council’s minutes and attended the Council’s meeting on 26 June 2012. Observation of the meeting indicated that the elected body appears to function well.

However, it is suggested that the following observations of the review team be noted by the Council to ensure that future meetings are conducted in accordance with the provisions of the Council’s Code of Meeting Practice:

- Some councillors spoke on motions before they were moved and seconded.
- There was a lot of general discussion allowed on matters where councillors sought clarification, which held up the Council business. It is suggested that councillors should take time before the Council meeting to clarify matters in staff reports with the General Manager. If the reports do not provide sufficient information for councillors to make decisions, then the content and format of reports should be reviewed.
- There appeared to be a lot of cross-table talk allowed at the meeting.
- Some councillors spoke to motions more than once.

- Some councillors directly questioned senior management during the meeting without going through the Chair.
- Staff addressed councillors directly without going through the chair.

5 PLANNING AND OTHER REGULATORY FUNCTIONS

5.1 SCOPE

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

5.2 OVERVIEW OF LAND USE PLANNING AND REGULATORY PRACTICES

Overall, Burwood Council has many effective planning and regulatory systems and processes in place. While the Council does not have an overarching land use strategic plan, it appears to undertake its practices in this area with due regard to relevant local planning documents including the *Burwood 2030 Community Strategic Plan* and relevant State Government plans such as the *Sydney Metropolitan Strategy*.

In recent years the Council has finalised the Burwood Town Centre Local Environment Plan (LEP) and the draft Burwood LEP (which at the time of review had been lodged with the Department of Planning and Infrastructure for approval). These appear to have been underpinned by strong community consultation.

There appears to have been a significant cultural shift in recent years, which has resulted in a closer working relationship between the Council's strategic planning staff and the Department of Planning and Infrastructure. The Council staff report that this was particularly beneficial in drafting the Burwood LEP.

The Council has three 'section 94 contribution' plans relating to its area. It also maintains a detailed register of the section 94 contributions it receives and the way in which they are expended. However, there are some concerns about the lack of integration of this register with the Council's existing financial reporting systems, which may result in duplication of data entry and processing delays. It is expected that the planned integration of the Council's information and communication technology systems may address this issue to a large degree.

The Council is in the early stages of reviewing its Development Control Plans (DCPs). This is being undertaken as a joint project by the Strategic Planning team and the Building and Development team. These teams are relatively small in size but appear to enjoy a strong working relationship on strategic planning issues.

In 2011, the Council's compliance and enforcement staff were centralised into the Compliance Team from the Building and Development team and the Environmental Health team. At the time of the review, there were 11 staff in the Compliance team, 6 of whom were dedicated parking patrol officers. The remaining team members were responsible for compliance and enforcement across three broad areas: companion animal management, development and building control, and environment and health.

The Compliance Team appears to adopt strong cross-team approaches with staff in the Building and Development team and Environmental Health team. The Compliance Team also appears to have worked closely with the Strategic Planning team on projects such as the development and review of the Council's Parking Strategy.

The Council's small Environmental Health team appears to be successfully managing its inspection regime and education programs, in response to growing community demand for services in this area.

Table 3: Assessment of key planning and regulatory policies and practices

Area	Performance Status*
Strategic land use instruments	Satisfactory
Development applications process	Satisfactory
Contribution plans and planning agreements	Satisfactory
BASIX	Satisfactory
Environment reporting	Satisfactory
Graffiti	Satisfactory
Enforcement	Performing well
Environmental management	Satisfactory
Companion animals	Performing well
Water safety (swimming pools)	Requires action

* A description of each of the performance categories is provided in Part I, Background.

5.3 SIGNIFICANT OBSERVATIONS

Better practice

Enforcement and compliance policies and procedures

In the exercise of their functions, councils must ensure compliance with a wide variety of regulatory requirements and, where necessary, take enforcement action. Councils must properly deal with allegations about unlawful or non-compliant activities, as failure to do so could expose a council to liability for compensation and the expense of litigation.

Burwood Council has developed an extensive suite of compliance and enforcement procedures to guide its officers in exercising their duties. The primary document is *Compliance and Enforcement Corporate Practice*, which appears to take into consideration the NSW Ombudsman's *Enforcement Guidelines for Councils*. It provides detailed guidance on matters such as:

- the principles that officers should consider before taking compliance or enforcement action
- expected responses to complaints about alleged unlawful activity (based on a sliding scale of seriousness)
- issues relating to occupational health and safety, including the intimidation, obstruction or assault of officers
- alternatives to enforcement action (including mediation and negotiation).

Compliance and Enforcement Corporate Practice is supported by three internal compliance procedures documents relating to: General Enforcement, Building and Health, and Prosecution. The Council has also developed *Parking Enforcement Corporate Practice* which addresses issues such as general standards of behaviour for parking officers, and the use of covert surveillance during parking enforcement.

Together, these documents provide a comprehensive wide-ranging toolkit for the Council's compliance and enforcement officers. However, it is noted that *Compliance and Enforcement Corporate Practice* and *Parking Enforcement Corporate Practice* are not currently available on Council's website. Publishing the documents would

assist members of the community in understanding the compliance and enforcement priorities and activities of the Council.

Parking Enforcement Corporate Practice addresses many of the issues raised in the Division of Local Government's circular to councils (08-36), which advised that it is good practice for a council to develop a publicly available parking priority policy. However, as well as making it publicly available, the Council should update the document to explain its priorities in regard to achieving an appropriate balance between public safety, traffic flow and equitable access to available parking spaces.

The Council's compliance and enforcement activities also include a strong education component. For example, members of the Compliance team meet with the developers of all larger scale developments to emphasise the importance of compliance with development consent conditions, and to outline the consequences of non-compliance. Regular in-house training is also provided for Compliance staff.

Recommendation 16

The Council should make its Compliance and Enforcement Corporate Practice document available on its website as a means to improve public understanding of the Council's priorities in this area.

Recommendation 17

The Council should update its Parking Enforcement Corporate Practice document to address all of the issues raised in Circular 08-36 and make it available to the public.

Noteworthy practice

Companion animal management

The Council prepared a Local Companion Animals Management Plan in 2010, which complies with guidelines issued by the Division of Local Government. The Plan reiterates the Council's commitment to a no-kill policy for impounded animals (where only feral animals or those with behavioural problems or untreatable injuries or illness are euthanased), and a focus on community education with regard to companion animal management and welfare issues.

The Council's companion animal management practices also appear to be very positive, although the Council acknowledges that it is generally regarded as a lower priority issue due to the relatively small number of cats and dogs residing in the LGA.

Lifetime registration rates for animals in Burwood LGA are good, and the total number of animals impounded by Burwood Council is low compared with other metropolitan and neighbouring LGAs. Euthanasia rates for animals at the Council's contracted impounding facility (Enfield Veterinary Hospital) have decreased in recent years and are lower than the State average.

The Council advises that the overwhelming majority of animals euthanased at its pound are feral cats surrendered by persons other than their owners. The Council has determined that these cats are unsuitable for rehoming.

The number of dangerous and restricted dogs in the Burwood LGA is low compared to other metropolitan councils. Burwood Council also generally reports low numbers of dog attacks (only 3 have been reported so far in 2012). The Council also appears to have effective mechanisms in place to deal with complaints about dangerous and restricted dogs, as documented in its *General Enforcement Procedures* document.

One strategic issue which the Council may face in this area is the ability to maintain its current impounding contractor if demand for impounding space increases significantly in future years. The Council has indicated that there are limited alternative options available for this purpose. A regional approach could be considered.

Development Application Processing

The Council reported that approximately 97% of development applications (DAs) are determined by staff under delegated authority. The Department of Planning and Infrastructure's *Local Development Performance Monitoring: 2010-11* report puts the figure at 95.8%, with 97.1% of DA's determined by staff in 2009-10. This is a very good use of delegated authority. The use of delegations to this extent suggests that the focus of the elected council is appropriately upon policy and strategic planning.

Criteria for the referral of DAs to Council is set out in the Council's *Criteria for the referral of Development Applications to Committee/Council* document. This includes safeguards to allow councillors to call matters to full Council for determination.

The Council's turnaround times for DAs are greater than the average for its peer councils. The *Local Development Performance Monitoring: 2010-11* report states that the 'Division of Local Government Group Averages' mean gross time for determining DAs was 68 days. Burwood Council's mean gross time for determining DAs was 81 days.

The Council's processing of section 96 applications (which relate to modifying development consents) is considered excellent. The 'Division of Local Government Group Averages' mean gross time for processing such applications was 52 days compared with Burwood Council's mean gross time of 34 days.

The Council advises that it monitors its performance in these areas on an annual basis, following the publication of the Department of Planning and Infrastructure's report.

The Council's noteworthy practices in this area are acknowledged. However, the Council should establish a register of planning decisions and communicate the decisions about development determinations made by staff at council meetings (see recommendations 20 and 21).

Parking Strategy

The Parking Strategy was introduced in 2010. It aims to address increased parking pressures which are expected to arise as a result of an influx of medium- and high-density development, as foreshadowed in the Burwood Town Centre LEP. The Parking Strategy introduced resident permit parking schemes and increased timed and paid parking spaces to address these issues.

The effectiveness of the Parking Strategy was reviewed in 2012. A number of amendments were made to the Council's residential, on-street and off-street parking schemes as a result.

Both the development of the Strategy and its subsequent review appear to have involved strong community engagement, including information sessions which all affected business and residents were directly invited to attend. The integration of the Strategy with both the Burwood Town Centre LEP and the draft Burwood LEP (which will ultimately supersede the Town Centre LEP) is also noteworthy.

Graffiti Management Strategy

Graffiti is a significant issue in the Burwood area, and the source of high levels of complaint from residents primarily in relation to property damage. The Council incurs significant costs for graffiti removal, at approximately \$100,000 per annum.

In response, the Council has developed the *Burwood Graffiti Management Strategy 2011-2015*, which proposes a strategic approach to graffiti control, including working with others to restrict the sale of graffiti equipment and providing alternative outlets to vandalism through local arts projects.

The Graffiti Management Strategy was developed in consultation with the community and other key stakeholders including NSW Police. It is integrated with the Council's Community Strategic Plan and Delivery Program.

The Council maintains a Graffiti register, as required under section 13 of the *Graffiti Control Act 2010*. The Register is simple in format and is largely compliant with legislative requirements. However, it does not contain information about the actual or estimated costs to the Council of carrying out specific graffiti-removal work, or the amount charged by the Council for removal work where agreement has been obtained with the owner or occupier of private land to carry out such work.

The Council advises that it recently obtained a substantial grant from the Commonwealth Government for the implementation of its Graffiti Management Strategy. The Council will use part of this money to update its Graffiti Register to ensure it complies with legislative requirements.

Recommendation 18

The Council should finalise the update of its Graffiti Register to ensure it complies with legislative requirements.

Areas for improvement

Register of planning decisions

The Council currently maintains a register of development application (DA) decisions, which is accessible to the public at the counter of the Council's customer service centre. The Council also publishes decisions about DAs and building matters in local newspaper advertisements every fortnight.

While this information is also available on the Council's website, it is presented in a format which makes accessing information about specific DAs onerous for both Council staff and members of the community.

The system comprises separate pages relating to DAs received and approved, grouped in documents which are listed in chronological order. Therefore, knowledge of the relevant date of lodgement and/or approval is required to access the information. Similarly, there is no clear search mechanism available to find information using relevant terms (eg: DA number, street address, applicant name).

Such a register should also include details such as whether approvals were made by the Council staff under delegated authority and, if approved by the elected Council, which councillors supported or opposed the decision.

It is noted that, under clause 264 of the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation), all councils are required to provide a register of planning decisions that meets the above specifications.

It is also noted that the elected Council is not routinely informed of the development determinations made by staff under delegated authority. This should be included as a standing item for Council meetings.

Recommendation 19

The Council should develop a centralised register of planning decisions which meets the requirements of clause 264 of the EP&A Regulation.

Recommendation 20

The Council should table for the information of Council meetings a report on development determinations made by staff under delegated authority.

Council response

Under current arrangements the Council does maintain a DA register which is available at Customer Service for any person that requests a list of lodged DAs. Additionally residents are able to carry out a search via Council's web site for a list of DA's approved.

The Council provides a full list of DAs received and approved in the local paper and on the web site on a fortnightly basis. Additionally residents are able to carry out a search via the Council's web site for a list of DA's approved

Reviewer's comments

The Council's comments are noted and the relevant commentary has been updated to reflect the existence of the physical and online DA notification system. However, the limitations of this system are also highlighted, including its non-compliance with the requirements of clause 264 of the EP&A Regulation.

Water safety/private swimming pools

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

Due to resource constraints, the Council currently only carries out inspections of swimming pools when complaints of non-compliance are received, or as part of the development approval process.

The challenge for the Council in developing a compliance program for private swimming pools is that the existence of unapproved pools, or pools which are constructed as exempt or complying development, may not come to the attention of the Council.

It is noted that the Council does not currently have documented procedures for the investigation of complaints about breaches of the *Swimming Pools Act 1992*. This should be addressed as a matter of priority. The Council may wish to consider developing a *Swimming Pools Corporate Practice* document for this purpose.

The Council has a register of the private swimming pools within its area, but acknowledges that the register is out of date. The Council cites resourcing constraints as the reason this has not been maintained.

The Council is also encouraged to more actively promote water safety in its area. It is acknowledged that Mayoral columns in local newspapers have been used to raise awareness of this issue, particularly in summer months.

However, a more comprehensive swimming pool safety campaign could involve the dissemination of existing education materials emphasising key issues such as supervision of children near water and fencing requirements for swimming pools.

Recommendation 21

The Council should develop a compliance and awareness program for private swimming pools and develop a Swimming Pools Corporate Practice to guide the Council and the community on processes for handling complaints about breaches of the Swimming Pools Act.

Reviewer's comments

The Council should also note that the *Swimming Pools Amendment Act 2012* commenced on 29 October 2012, and make any necessary arrangements to ensure that its relevant policies and procedures comply with the requirements of this legislation. Further information about these requirements can be found in *Circular to Councils 12-40*, which is available for download on the Division of Local Government's website: www.dlg.nsw.gov.au.

6 FINANCIAL AND ASSET MANAGEMENT

6.1 SCOPE

Under its charter, the 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.

6.2 OVERVIEW OF FINANCIAL AND ASSET MANAGEMENT PRACTICES

Councils in NSW are required to provide services, facilities and infrastructure through the effective and efficient use of resources. Burwood Council's net operating result before capital grants for 2010/11 was a surplus of \$7.026M, mainly due to a gain from the disposal of assets of \$13.941M. The Council has reported an operating surplus before capital grants in three of the last five financial years. The Council's Long-Term Financial Plan is forecasting deficits before capital grants for the majority of the next ten years. Surpluses that are budgeted for are the result of estimated profits on the sale of assets, which can not be guaranteed.

Table 4 Burwood Council financial results for the last four years

Consolidated results	2010/11	2009/10	2008/09	2007/08
Income Statement (Fin Performance)	\$'000	\$'000	\$'000	\$'000
Rates & Annual Charges	17,565	17,677	16,334	15,698
User Charges & Fees	5,060	3,435	3,142	3,357
Interest and Investment revenue	2,841	651	45	0
Other Revenues	2,635	3,032	3,757	2,690
Grants & Contributions for Op. purposes	3,726	3,744	3,314	3,644
Grants & Contributions for Cap Purposes	2,979	3,272	2,262	4,890
Net gain from the Asset Disposal	13,941	6,599	5,291	1,188
Total income from continuing operations	48,747	38,410	34,145	31,467
Employee Costs & on-costs	16,060	15,356	14,331	13,360
Borrowing Costs	998	660	512	206
Materials & Contracts	8,272	9,003	7,378	7,085
Depreciations & Amortisation	5,707	3,231	2,948	2,327
Interest and Investment Losses	0	0	0	284
Other Expenses	7,705	6,890	5,791	5,860
Net loss from disposal of assets	0	0	0	0
Total expenses from continuing operations	38,742	35,140	30,960	29,122
Operating result from cont. operations	10,005	3,270	3,185	2,345
Net Operating result for the year <u>before</u> Grants	7,026	-2	923	-2,545

Financial indicators

The Promoting Better Practice review considers a number of financial indicators when examining a council's financial position and sustainability.

The indicator of Unrestricted Current Ratio (UCR) is a measure of a council's ability to meet its financial obligations such as paying for goods and services supplied. A ratio between 1.5:1 and 2:0 is considered satisfactory and shows that a council has sufficient liquid assets on hand to meet its short-term liabilities. The Council had a UCR (as at 30 June 2011) of 1.1:1 which is unsatisfactory (with a ratio of 2.64:1 in 2009/10). The ratio has continued to decline in recent years, having been affected by the delay in settlement of property sales.

The Debt Service Ratio (DSR) is an indicator that assesses the degree to which revenue from continuing operations is committed to the repayment of debt. It is generally higher for councils in growth areas where loans have been required to fund infrastructure such as roads, water and sewerage works. The Division of Local Government's accepted benchmark for the DSR is <10%. Burwood Council's DSR as at 30 June 2011 was 2.43% (3.76% in 2009/10).which indicates the Council has low borrowings.

The Rates and Annual Charges Coverage Ratio compares a Council's total income to that of its rate revenue. The Council's ratio of 36.03% (46.02% in 2009/10) shows that the Council has a good mix of revenue streams and is not overly reliant on its rate revenue.

Rates and Annual Charges Outstanding Ratio (RACO) reflects the amount of rates unpaid as at the end of a period (usually 30 June each year) compared to the total charged for the year. The benchmark for city/coastal councils is 5% or less. The Council's RACO of 2.53% (2.46% in 2009/10) demonstrates effectiveness in managing rates debt.

The Building and Infrastructure Renewal Ratio (BIRR) assesses the rate at which these assets are being renewed against the rate at which they are depreciated. A ratio of 1:1 indicates that the renewal of assets equals the amount of depreciation, amortisation and impairment. Burwood Councils BIRR as at 30 June 2011 was

47.24% (94.69% for 2009/10), which is below the benchmark of 100%. However, the Council's BIRR averaged over the last five years was 126.82%, which is acceptable as it is usual for fluctuations to occur from year to year.

Summary of financial position

Overall, the Council's financial position is sound. The Council is generally recording operating surpluses before capital grants, and its Long-Term Financial Plan predicts surpluses for the next ten years. The Council's key performance indicators are good, except for its Unrestricted Current Ratio which needs to be improved. The Council is not maintaining its assets at the required level. A shortfall in required spending was recorded in 2010/11 of \$2.613M (and \$2.095M in 2009/10).

Table 5: The Council's asset and financial management framework

Area	Performance Status*
Asset management	Requires action
Land assets	Requires action
Financial management	Satisfactory
Council businesses	Satisfactory
Council involvement in companies, partnerships, corporations, co-operatives, joint ventures	Satisfactory
Insurance	Satisfactory

* A description of each of the performance categories is provided in Part I, Background.

6.3 SIGNIFICANT OBSERVATIONS

Noteworthy practices

Debt Recovery

The Council's outstanding rates and annual charges has been consistently low over the past five financial years (average 2.57%). This shows that the Council actively control its debts.

Recommendation 22

The Council should adopt its draft Hardship Policy and revised Debt Recovery Strategy as soon as practicable.

Areas for improvement

Asset Register/General Ledger Integration

The Council's asset register is a stand-alone program with only depreciation being transferred to the general ledger automatically. All purchases are entered into the asset register and the general ledger separately, which means double handling of transactions. It is possible that assets may be recorded in the general ledger, but not the asset register, which could cause reconciliation problems at year end. The Council has advised that it is possible to integrate the Asset Register with the General Ledger, but the cost is prohibitive. The Asset Register should be integrated with the Council's General Ledger system to reduce double handling.

Recommendation 23

The Council should investigate integrating its Asset Register with its General Ledger.

Plans of Management – Community Land

The Council has Plans of Management in place for most of its land assets, and a generic plan for the remaining land assets that was last updated in 1996 .

Recommendation 24

The Council should update its generic Plans of Management for community land as soon as practicable.

Quarterly Budget Review (QBR)

A quarterly budget review (QBR) should act as a barometer of the Council's financial health during the year. It needs to adequately disclose the Council's overall financial position, provide sufficient information to enable informed decision-making while ensuring transparency in decision-making. It is also a means by which councillors can ensure that the Council remains on track to meet its objectives, targets and outcomes as set out in the Operational Plan.

The income and expense statement reported in the QBR is to be based on accrual accounting, so it can be compared to the Operational Plan which is based on accrual accounting.

The Council has advised that its operating and income statement in the QBR is mainly based on a cash position, largely due to a lack of resources.

Recommendation 25

The Council should ensure that its Quarterly Budget Review income statement is based on accrual accounting methods.

7 COMMUNITY AND CONSULTATION

7.1 SCOPE

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.

7.2 OVERVIEW OF COMMUNITY AND CONSULTATION PRACTICES

As noted in section 2 of this report, the Burwood Council area has a high proportion of young people and an increasing ageing population. The area is also very culturally diverse, with 58% of residents born overseas.

The Council therefore experiences a high demand for community services, and provides a wide range of services to its community, including library services, a Home and Community Podiatry service, a Home and Community Care program, children and family services, and services for seniors. The Council's recent Delivery Program quarterly reviews indicate that it is delivering well in this area.

The Council has a substantial community services team of approximately 35 staff (including library staff). However, it is noted that the Council's Community Services Manager position has been vacant for a long period, which has affected the priority given by the Council to addressing strategic issues in this area.

The Council appears to engage well with the community, particularly on strategic planning matters. It also utilises a variety of effective mechanisms to communicate with the community.

Table 6: The Council’s community and consultation framework

Community and consultation area	Performance Status*
Social and community planning	Performing well
Ageing population	Satisfactory
Community participation	Satisfactory
Communication policy	Requires action
Annual Report	Satisfactory
Cultural planning	Satisfactory
Ethnic affairs	Satisfactory
Economic development	Satisfactory

* A description of each of the performance categories is provided in Part I, Background.

7.3 SIGNIFICANT OBSERVATIONS

Better practices

‘Different People Different Voices’ Project

The Council’s Youth Services group has coordinated the *Different People Different Voices* Project, which aims to combat cultural bullying in schools by addressing issues of identity, creating a sense of belonging and eliminating cultural isolation through education. It also more broadly aims to highlight how a lack of awareness and understanding can lead to violent extremism.

The project received funding from the Federal Attorney-General Department’s *Building Community Resilience* grants program. It was developed in consultation with the NSW Police Force Counter Terrorism and Special Tactics Command and youth leaders. The key resources developed by the program were an Inner West youth services map and intercultural board game. These were developed through a series of workshops in 2012, involving local young people and facilitated by the Council.

The Council advises that five local schools participated in a pilot to test the Program’s resources. Over 160 students played the board game, which requires participants to put themselves in the role of a person from a minority group.

At the project launch in June 2012, it was announced that funding had been secured to roll out the project to other areas in Inner Western Sydney.

Noteworthy practices

Community Engagement Policy and practices

The Council adopted a Community Engagement Policy in June 2012. This sets out the key principles which underpin the Council's community consultation practices, including recognising and addressing the significant cultural diversity of the local community. It is noted that the Policy is consistent with the Community Engagement Strategy utilised by the Council in the development and implementation of its Community Strategic Plan, as outlined in section 3.1 of this report.

The Council also appears to have consulted the community well in regard to its strategic planning activities, including the development and review of its Parking Strategy and the Burwood Town Centre LEP in 2010, and the draft Burwood LEP 2012.

Communicating with the community

The Council communicates effectively with the local community in a variety of ways. A good example is the 2010/11 Annual Report summary flyer, which the Council distributed to every household in the area. The flyer was presented in a clear and concise format, and provided key information about the Council's operations, key achievements and broad strategic priorities. The Council's Mayor also publishes a weekly column in local newspapers, providing information for residents on the Council's activities.

The Council's website is easy to navigate and contains a wide variety of information about the Council's activities, the local area, and current news. The website also provides details about a number of key Council services and programs translated into the top five languages for the Council area.

The Council's increasing use of social media, including Facebook, Twitter and Youtube is also noted. These can be effective tools for councils to provide information to particular social groups who may not otherwise be engaged, including young people.

However, it is noted that the Council does not have a documented communications policy. Such a policy can assist councils to communicate their priorities in this area to the community, and help to educate staff about the importance of communication and planning in meeting the needs of the community.

Recommendation 26

The Council should develop a Communications Policy to capture and formalise existing practices.

Areas for improvement

Manager Community Services

At the time of this review, the position of Manager Community Services had been vacant for an extended period. The position has previously been back-filled by other Council managerial staff but more recently has fallen under the responsibilities of the Deputy General Manager, Corporate, Governance and Community.

It is noted that the focus of those acting in this role has largely been on operational matters. This has been necessary due to the size of the Council's Community Services team, and the breadth and complexity of services it provides.

There is a strong need for the Council to prioritise recruitment to this position, and for the position to include a focus on strategic issues. In particular, the position should oversee the development of work plans for the individual functional areas within the team. This will help ensure that the Council's community services activities align with the priorities set out in the Council's Community Strategic Plan and Delivery Program.

A strategic approach will be particularly important in the area of library services. While the Council appears to be delivering well in this area, it is noted that there are plans to relocate the Council's library to new premises in coming years. It will be important for the Manager Community Services to oversee this process in consultation with the Library Manager. However, the relocation may also provide the Council with an opportunity to re-evaluate the way its library is utilised as a community space, and the types of services the library provides, particularly in relation to online and electronic services.

Recommendation 27

The Council should prioritise the appointment of the Manager Community Services, and ensure that this position prioritises the development of community services work plans which align with the Community Strategic Plan and Delivery Program.

Council response

The Manager, Community and Library Services, commenced work on 15 October 2012.

8 WORKFORCE RELATIONS

8.1 SCOPE

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

8.2 OVERVIEW OF THE ORGANISATION

Burwood Council's workforce is divided into two main operational areas (*Land, Infrastructure and Environment, and Corporate, Governance and Community*). The review team observed that the Council's workforce appears to be culturally diverse and representative of the community it serves.

The Council records that it had 186 full-time equivalent staff as at 30 June 2012, of which men represented 50% and women 50%. This does not include casuals or part-time seasonal workers. Burwood Council employs a higher percentage of women than the average for Local Government nationally.

The age range of employees is diverse, with 21.2% of the workforce over the age of 55, and there are no employees under the age of 21 years. The Council has no published statistics on the numbers of staff from the different cultural groups that make up its workforce. The following table gives a breakup of the Council's Workforce age profile:

Table 7: Burwood Council's Workforce age profile

Age Bracket	% Permanent Employees
<24 years	1.8%
25-35 years	20.1%
35-44 years	29.1%
45-54 years	27.8%
55-60 years	11.8%
61-64 years	6.5%
65 years +	2.9%

8.3 OVERVIEW OF WORKFORCE RELATIONS

Overall, the Council appears to have a positive culture with a motivated workforce. The vast majority of staff reported that they enjoyed working for the Council and had confidence in its management. Staff across the organisation appeared to be committed to the implementation of the Integrated Planning and Reporting framework.

A council's Workforce Management Strategy forms part of the Resourcing Strategy, helping to meet the community's priorities and aspirations, as expressed in the Community Strategic Plan, by having the right people in the right places with the right skills doing the right jobs at the right time. The development of an effective workforce strategy will enable the Council to plan its future workforce to deliver goals, focus on the medium- and long-term, and also provide a framework for dealing with immediate challenges in a consistent way.

The Council's Workforce Management Plan meets most of the requirements of the Integrated Planning and Reporting Guidelines. The plan does not include a succession plan, or address the Council's ageing workforce or any identified skills shortages.

Table 8: The Council's workforce relations framework

Area	Performance Status*
Workforce Management Strategy	Satisfactory
Workforce planning	Satisfactory
Employee surveys	Satisfactory
Employment contracts	Satisfactory
Consultative committee	Satisfactory
Recruitment and selection	Satisfactory
Job descriptions and evaluation	Satisfactory
Employee remuneration	Requires action
Equal Employment Opportunity	Satisfactory
Staff induction	Performing well
Grievance management	Satisfactory
Work Health and Safety	Requires action
Secondary employment	Satisfactory
Exit of staff	Satisfactory

8.4 SIGNIFICANT OBSERVATIONS

Better practice

Communication between Executive and Council staff

The Council finalised a significant organisational restructure in 2011. Under the new structure two new Deputy General Managers were appointed, and the functional areas of the Council were broadly divided into their respective areas, apart from a small number of positions which remain grouped in the Executive team.

This change was supported by a commitment from the Executive Team to improve the openness and transparency of decision-making and communication with staff, which is commonly acknowledged to have been previously lacking.

Central to this was the establishment of a 'Transformation Team' to advise the Executive on developing the Council's Corporate Plan (including a new Vision for the Council), revising Council values, developing the Council's Strategic Plan and supporting Business Plan, and linking the plans to the performance management system.

The Team comprises the Deputy General Managers, the Executive Manager and fourteen other Council staff appointed through an expression of interest process to ensure that the collective views of staff are represented. The Team's terms of reference indicates that it will be disbanded when it has completed its set activities.

This represents a proactive and inclusive approach to organisational change. In the context of the previous pressures on relationships between the Executive and staff at the Council, this is considered to be a particularly significant initiative to improve the organisational culture.

Other significant improvements to the Council's staff communication processes have included the distribution of summaries of Executive Team meetings and a weekly newsletter. These appear to have been positively received by the Council staff. There also appears to have been genuine efforts undertaken to rebuild the relationship between councillors and the General Manager.

The Council also has an ongoing staff Consultative Committee, which includes representation from management, staff and unions. The Council reports that the Committee meets on a monthly basis to discuss strategic and operational workplace issues.

Noteworthy practices

Staff inductions

The Council has a good induction program for new staff. The program includes:

- providing new staff with the Council's probation guidelines
- a corporate induction, including an explanation of Council's Code of Conduct Policy
- information about Work Health and Safety and Equal Employment Opportunity requirements
- meeting with the Executive
- introduction to other Council policies.

Areas for improvement

Workforce Management Plan

The Council does not have a succession plan for key positions/personnel as part of its Workforce Management Plan. Succession planning involves managing recruitment and professional development processes to ensure that the workforce can be sustained to effectively achieve the Council's objectives.

Succession planning is less of an issue in metropolitan councils where the pool of potential applicants is generally large. However, it is still considered vital for business continuity as vacancies in key positions, particularly for extended periods, can have a detrimental impact on a council's ability to deliver services to the community.

Recommendation 28

The Council should incorporate succession planning into its Workforce Management Plan as a matter of priority.

Council response

A Draft Corporate Practice has been submitted to the General Manager for comment. The results of a recent Employee Opinion Survey, and feedback regarding the draft Training and Development Plan which have been circulated for comment, will also be considered in drafting the Succession Plan.

Human Resources Software

The Council is currently not using any dedicated human resources software. The Council relies on the payroll system and a series of spreadsheets.

The Council's Technology One software has a human resources module which is a dedicated human resources package. As indicated in section 5.3 of this report, the Council has identified that it is a priority for the organisation to implement this software program as it will contribute to efficiency benefits for the organisation.

Recommendation 29

The Council should prioritise the implementation of its Technology One human resources software program.

Employee Remuneration

The Council's Documented Salary System was originally completed around 25 years ago, and partially updated approximately ten years ago. The Council has advised that the publication is due to be reviewed by June 2013 and that it intends to go to the market to obtain independent expert consultants to work with the Council to develop a new Salary Administration and Benefits System.

Recommendation 30

The Council should update its Documented Salary System as soon as practicable.

Work, Health and Safety Plan

The Work, Health and Safety Plan should be reviewed at regular intervals to ensure that it is maintained in an up to date condition. The Work, Health and Safety Plan should be established around existing Occupational Health and Safety management systems and associated procedures and controls.

Reference should be made to existing procedures and documentation in the Health and Safety Plan. This will assist in minimising the size of the document.

The Council's document outlines the following:

- Safe work practices and procedures
- Induction and safety training
- Risk assessment
- Work health and safety inspections
- Emergency procedures
- Incident recording and investigation
- Health and safety performance monitoring.

The Council's Work, Health and Safety Plan has not been updated since 1999.

Recommendation 31

The Council should update its Work, Health and Safety Plan to ensure currency.

Employee Handbook

The Council's Employee Handbook is a document which sets out the following:

- Customer service expectations
- Conditions of employment
- Superannuation
- Policies and procedures
- Reporting of corrupt conduct
- Grievance policy
- Discrimination and harassment.

The Handbook is easy to read and informative, but has not been updated since 1998.

Recommendation 32

The Council should review and revise its Employee Handbook to ensure currency.

Council response

An updated draft Employee Handbook will be submitted to the Policy Corporate Practices and Procedures Panel in early 2013.

PART IV. 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 the 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 the council and if not addressed could cause adverse publicity, some disruption to the council's operations and council's ability to meet its goals.</i>	Minor <i>Minimal risk to the operations of the council, little disruption to council's operations and will not limit the council's ability to meet its goals.</i>
LIKELIHOOD	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

PART V. ACTION PLAN

The Action Plan is to be completed and adopted by the 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. The Council is encouraged to review and revise these, if necessary.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>1 The Council should complete its Asset Management Plans and ensure they are approved by the elected council. When this is done, the Long-term Financial Plan, Operating Statement and Delivery Program should be updated to reflect this new planning information.</p>	<p><i>High</i></p>	<p>Council adopted its Asset management Strategy in 2012 as part of the 2030 Strategic Plan. Council will update its infrastructure Asset Management and property Plans using the latest asset condition data and it will include Parks and Drainage</p>	<p>Ongoing over the next two years</p>	<p>Deputy General Manager – Land, Infrastructure and Environment Deputy General Manager – Corporate, Governance and Community</p>	
<p>2 The Council should continue to utilise its existing policy review processes to ensure that all policies and procedures are updated during the forthcoming Council term.</p>	<p><i>Medium</i></p>	<p>The Policy, Corporate Practice and Procedures Panel meets six times per year and all policies, corporate practices and procedures are reviewed every 4 years or when there is a change to legislation, Government or Council policy</p>	<p>Ongoing</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	

<i>RECOMMENDATION</i>	<i>PRIORITY</i>	<i>ACTION PROPOSED</i>	<i>TIME FRAME</i>	<i>RESPONSIBILITY</i>	<i>PROGRESS REPORT</i>
3 The Council should update its Councillor Expenses and Facilities Policy to include a statement that gifts and benefits received by councillors must only be of token value.	<i>High</i>	As per legislation the Policy is reviewed annually and is required to be submitted to the DLG by 30 November each year. The Policy will be updated at the next review	30 November 2013	Deputy General Manager – Corporate, Governance and Community	
4 The Council must establish a register of private sector contracts as a matter of priority, and make this publicly available on its website to ensure that it complies with GIPA requirements.	<i>High</i>	Council is currently recruiting for the position of Procurement Coordinator, whose responsibility is to establish the contracts register.	30 June 2013	Deputy General Manager – Corporate, Governance and Community	
5 The Council should ensure that the review of its Risk Management Plan is completed as a matter of priority, and ensure that the Audit Committee monitors the Plan's implementation.	<i>High</i>	The review of the Risk Management Plan has commenced and is to be developed and refined during 2013.	31 December 2013	Manager, Organisation Development	
6 The Council should ensure that its planned review of processes and procedures for the engagement of contractors, and the planned development of a procurement strategy is finalised as a high priority.	<i>High</i>	Council is currently recruiting for the position of Procurement Coordinator, whose responsibility is to develop the Procurement Strategy and associated processes and procedures.	31 December 2013	Deputy General Manager – Corporate, Governance and Community	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>7 The Council should undertake regular audits and staff awareness training to ensure that its purchasing and tendering policy and procedures are adhered to.</p>	<p><i>High</i></p>	<p>Council is currently recruiting for the position of Procurement Coordinator, whose responsibility is to undertake these checks and training. A refresher session was provided to managers on 26 September 2012.</p>	<p>Ongoing</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	
<p>8 The Council should ensure that its Statement of Business Ethics is provided to all external parties it engages, and ensure that a formalised monitoring system is established to ensure compliance with the Statement and deal with any allegations of breaches.</p>	<p><i>High</i></p>	<p>Council is currently recruiting for the position of Procurement Coordinator, whose responsibility is to undertake this action. It should be noted that the Statement of Business Ethics is provided and is available on Council's website.</p>	<p>Ongoing</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	
<p>9 The Council should prioritise the completion of current work being undertaken to develop a Fraud and Corruption Prevention Policy in consultation with ICAC.</p>	<p><i>High</i></p>	<p>Fraud and Corruption Prevention Policy currently in draft format, submitted to ICAC for comment. In addition, the Executive Manager is developing a Fraud and Corruption Prevention Action Plan, which includes a number of risk assessment and audit checks steps.</p>	<p>30 June 2013</p>	<p>Executive Manager</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>10 The Council should ensure fraud risk assessments of the core areas of organisational risk are undertaken and that these are managed in order to limit exposure to fraudulent and corrupt activities.</p>	<p><i>High</i></p>	<p>The Executive Manager is developing a Fraud and Corruption Prevention Action Plan, which includes a number of risk assessment and audit checks steps.</p>	<p>31 December 2013</p>	<p>Executive Manager</p>	
<p>11 The Council should ensure that its Audit Committee develops a Compliance Register, and that all staff are made aware of the Register and trained in its use.</p>	<p><i>Low</i></p>	<p>At its meeting on 19 July the Audit Committee received a detailed presentation on Council's Control Systems as per the Committee's Terms of Reference and were satisfied that there were sufficient controls in place. The development and maintenance of a Compliance Register will be introduced based on a risk management approach.</p>	<p>To be determined</p>	<p>Executive Manager</p>	
<p>12 The Council should review its councillor induction material to ensure it addresses the key roles and responsibilities of councillors, including team work, complaints handling, communication and conflict resolution, decision making, strategic planning (including community consultation), and financial management.</p>	<p><i>High</i></p>	<p>Council provided a comprehensive induction over two evenings to new Councillors following the election regarding their roles and responsibilities. It is not the role of Council to deliver, through an induction process, training on team work, decision making and financial management.</p>	<p>Completed</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>13 The Council should assess the training needs of individual councillors and develop individual professional development plans for them.</p>	<p><i>High</i></p>	<p>Council staff have no authority to compel Councillors to attend training or develop training plans. However, Council does make available \$5000 per annum per Councillor for professional development. It is not considered appropriate that Council staff make an assessment of the performance of Councillors with a view to developing a training plan. Staff facilitate Councillor training by providing information on relevant courses and processing training requests.</p>	<p>Ongoing</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	
<p>14 The Council should finalise the integration of its information and communication technology systems as soon as practicable and prioritise staff training in the new platform to ensure maximum uptake and efficient use.</p>	<p><i>High</i></p>	<p>Council is constantly in the process of integrating its systems, subject to funding and staff resources. This is an ongoing project that will be prioritised within the context of business needs into the future.</p>	<p>Ongoing</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	
<p>15 The Council should ensure its Information Technology Strategic Plan and Disaster Recovery Plan are finalised as a matter of priority.</p>	<p><i>High</i></p>	<p>The draft Plan is being further developed following scheduled exercises and will be finalised during 2013.</p>	<p>30 June 2013</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>16 The Council should make its <i>Compliance and Enforcement Corporate Practice</i> document available on its website as a means to improve public understanding of the Council's priorities in this area.</p>	<p><i>Medium</i></p>	<p>Document to be reviewed to remove internal operational procedures and will then be made publicly available.</p>	<p>31 December 2013</p>	<p>Deputy General Manager – Land, Infrastructure and Environment</p>	
<p>17 The Council should update its <i>Parking Enforcement Corporate Practice</i> document to address all of the issues raised in Circular 08-36 and make it available to the public.</p>	<p><i>Medium</i></p>	<p>To be reviewed and also develop a document for public viewing that does not include internal operational procedures.</p>	<p>31 December 2013</p>	<p>Deputy General Manager – Land, Infrastructure and Environment</p>	
<p>18 The Council should finalise the update of its Graffiti Register to ensure it complies with legislative requirements.</p>	<p><i>High</i></p>	<p>Council is currently updating the register and exploring alternative reporting and update options to ensure its currency.</p>	<p>Ongoing and update completed by 30 June 2013</p>	<p>Deputy General Manager – Land, Infrastructure and Environment</p>	
<p>19 The Council should develop a centralised register of planning decisions which meets the requirements of clause 264 of the EP&A Regulation.</p>	<p><i>High</i></p>	<p>Council's website does include information on all DAs received and approved. However, Council will review the adequacy of its existing arrangements in relation to the determining authority.</p>	<p>31 December 2013</p>	<p>Deputy General Manager – Land, Infrastructure and Environment</p>	
<p>20 The Council should table for the information of the Council meetings a report on development determinations made by staff under delegated authority.</p>	<p><i>High</i></p>	<p>Council provides a full list of DA's received and approved in the local paper and on the web site on a fortnightly basis. Council will canvas this matter with the Councillors.</p>	<p>30 June 2013</p>	<p>General Manager</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>21 The Council should develop a compliance and awareness program for private swimming pools and develop a Swimming Pools Corporate Practice to guide the Council and the community on processes for handling complaints about breaches of the Swimming Pools Act.</p>	<p><i>Medium</i></p>	<p>A draft Corporate Practice is in development.</p>	<p>30 September 2013</p>	<p>Deputy General Manager – Land, Infrastructure and Environment</p>	
<p>22 The Council should adopt its draft Hardship Policy and revised Debt Recovery Strategy as soon as practicable.</p>	<p><i>Medium</i></p>	<p>The draft Hardship Policy is to be considered at the next Policy Panel meeting to be held on 14 February 2013. The Debt Recovery Strategy will be considered at the meeting to be held on 11 April 2013.</p>	<p>Adoption by Council expected by 30 June 2013</p>	<p>Deputy General Manager – Corporate, Governance and Community</p>	
<p>23 The Council should investigate integrating its Asset Register with its General Ledger.</p>	<p><i>Low</i></p>	<p>Council is aware of the need for this integration, however is currently focusing on other priorities and will consider this recommendation when staff resources and funds become available.</p>	<p>To be determined</p>	<p>Deputy General Manager – Land, Infrastructure and Environment Deputy General Manager – Corporate, Governance and Community</p>	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
24 .The Council should update its generic Plans of Management for community land as soon as practicable.	<i>High</i>	Council's Plans of Management are currently under review and due to be completed in 2013.	31 December 2013	Deputy General Manager – Corporate, Governance and Community	
25 The Council should ensure that its Quarterly Budget Review income statement is based on accrual accounting methods.	<i>High</i>	Council is currently in the process of reviewing its cost centre structure and following implementation of this the move to full accrual budgeting will be implemented.	September 2013	Deputy General Manager – Corporate, Governance and Community	
26 The Council should develop a Communications Policy to capture and formalise existing practices.	<i>Medium</i>	To be developed.	31 October 2013	Executive Manager	
27 The Council should prioritise the appointment of the Manager Community Services, and ensure that this position prioritises the development of community services work plans which align with the Community Strategic Plan and Delivery Program.	<i>High</i>	The new Manager, Community and Library Services commenced on 15 October 2012.	Completed	Deputy General Manager – Corporate, Governance and Community	
28 The Council should incorporate succession planning into its Workforce Management Plan as a matter of priority.	<i>High</i>	The development of a Succession Plan has commenced.	30 June 2013	Manager, Organisation Development	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>29 The Council should prioritise the implementation of its Technology One human resources software program.</p>	<p><i>Medium</i></p>	<p>Council purchased the Recruitment, Work Health and Safety and Training modules of Technology One in September 2012 and the implementation of the Work Health and Safety module is the priority for 2013.</p>	<p>Ongoing</p>	<p>Manager, Organisation Development</p>	
<p>30 The Council should update its Documented Salary System as soon as practicable.</p>	<p><i>High</i></p>	<p>Council has appointed a consultant to undertake this review.</p>	<p>30 June 2013</p>	<p>Manager, Organisation Development</p>	
<p>31 The Council should update its Work, Health and Safety Plan to ensure currency.</p>	<p><i>Medium</i></p>	<p>The Work, Health and Safety Plan is to be considered by the Policy Panel at its next meeting on 14 February 2012.</p>	<p>28 February 2013</p>	<p>Manager, Organisation Development</p>	
<p>32 The Council should review and revise its Employee Handbook to ensure currency.</p>	<p><i>Medium</i></p>	<p>Updated Employee Handbook currently in draft format and to be submitted to the Policy, Corporate Practices & Procedures Panel in the first half of 2013.</p>	<p>30 June 2013</p>	<p>Manager, Organisation Development</p>	