Promoting Better Practice Program

REVIEW REPORT

FAIRFIELD CITY COUNCIL

APRIL 2013

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EXECUTIVE SUMMARY

A review conducted under the Division of Local Government, Department of Premier and Cabinet's (the Division's) Promoting Better Practice Program examined Fairfield City Council's (the Council's) compliance with a broad range of relevant legislation. Current policies and procedures that were in place relating to how the Council operates were also examined. However, the scope of this review report is limited to documenting examples of better practice and those aspects of the Council's operations that warrant further development and attention.

Overall Fairfield City Council presents as a well-managed and efficient local government body with strong links to the local community.

While the reviewer identified several examples of better practice, there are some important issues that the Council should give priority to improving.

After extensive, innovative engagement with the community, the Council endorsed the *2010-2020 Fairfield City Plan – Community Strategic Plan*. It reflects community aspirations in five themes - community wellbeing, places and infrastructure, environmental sustainability, local economy and employment, and good governance and leadership – reflecting the required quadruple bottom line. Each theme includes strategies and outcomes that will be used to measure progress.

The plan is easy to read and navigate. The Council has prepared the *Draft 2012-2022 Fairfield City Plan – Community Strategic Plan.* At the time of the review, the Council was seeking community feedback, prior to the recently elected Council endorsing the Plan*.*

The Council has also received a number of awards which recognise the success of its community services and other programs within the local government sector.

Governance emerged as an area requiring development as a matter of priority. In particular, risk management, the internal audit function, and Information Technology issues need close attention.

Details of these and other issues requiring further development are provided in the body of the report and recommendations have been made to assist the Council in addressing them.

PART I.   BACKGROUND

1   ABOUT THE REVIEW

Reviews of councils are undertaken by the Division of Local Government as part of its Promoting Better Practice Program.

Program objectives
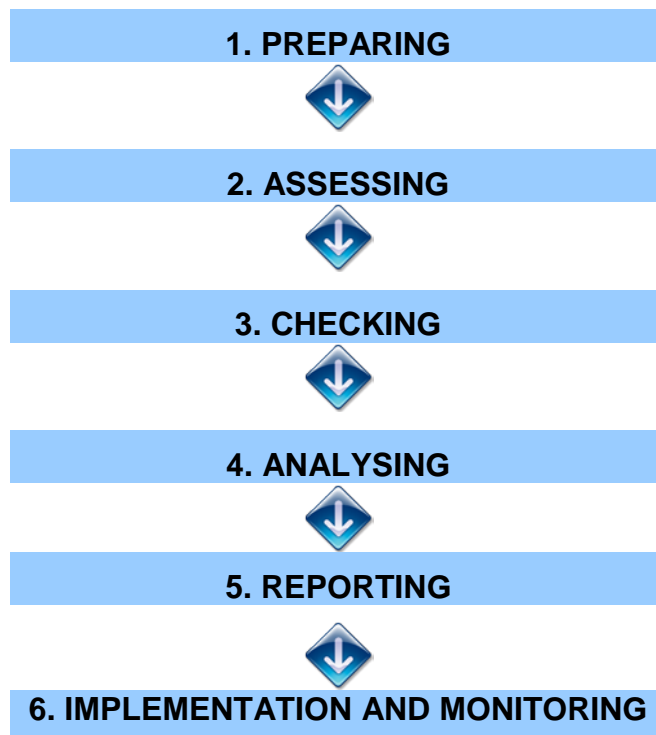
By promoting better practices, the Division aims to:

- work with councils toward strengthening the local government sector by assessing performance and promoting a culture of continuous improvement with an emphasis on:

  - o strategic community planning
  - o efficient and effective service delivery
  - o quality governance and ethical conduct
  - o financial sustainability.

- work cooperatively with councils to promote strong relationships within the sector.
- provide councils with feedback on areas requiring improvement or further development, and assist them in developing solutions.
- identify trends and issues arising from reviews to support policy and legislative changes for the local government sector.
- encourage and facilitate innovation by responding creatively to identified trends and issues.

Review Process

The reviews are designed to act as a 'health check', giving confidence about what is being done well and helping focus attention on key priorities. They are conducted by a review team from, or on behalf of, the Division of Local Government.

A risk-based approach is taken, targeting resources to areas identified as core matters for examination, and those matters considered to be important having regard to the local circumstances of an individual council. In other words, a review does not examine every aspect of a council's operations.

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A review essentially involves six key steps, as follows:

1. PREPARING
⬇
2. ASSESSING
⬇
3. CHECKING
⬇
4. ANALYSING
⬇
5. REPORTING
⬇
6. IMPLEMENTATION AND MONITORING

1. *Preparing*: This involves the completion of a comprehensive self-assessment checklist by the council and the examination of a range of documents by the reviewer/s.

2. *Assessing:* The reviewer/s examine local circumstances in order to understand the pressures on the council and how the council has sought to manage that environment.

3. *Checking:* The reviewer/s visit council to 'reality check' what they are seeing or finding in the material received from the council. Activities usually include meeting with senior officers, talking with individual staff and councillors, observing a council or committee meeting, and viewing systems or processes in action. Determining whether the council has frameworks in place to monitor its own performance is also important.

4. *Analysing:* Post visit, the reviewer/s examine a range of information obtained from the council to determine whether this material is in line with applicable legislation, policy, guidelines and available good practice indicators.

5. _Reporting:_ The scope of the review report is limited to identifying areas of better practice or otherwise noteworthy, and areas requiring improvement as defined below:

SIGNIFICANT OBSERVATIONS	DESCRIPTION
Better practice	• Beyond or above minimum compliance requirements and good practice indicators • Innovative and/or very effective • Contributes to continuous improvement within the sector
In need of improvement or further development	• Does not satisfactorily meet minimum compliance and good practice indicators and may impact negatively on the council operations • Significant improvement initiatives that are in progress and which need to be continued
Otherwise noteworthy	• 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.

The reviewer/s prepare a draft report that includes recommendations which are set out within the draft Action Plan at the back of this report (see Part V). The council is asked to provide comments on the draft report and complete the Action Plan. These will be reproduced in the final report.

6. _Implementation and monitoring:_ As stated earlier, the final report is to be adopted by the council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division will advise whether it intends to monitor the implementation of the recommendations of the report or leave this responsibility with the elected body and senior management of the council.

Fairfield City Council Review

Fairfield City Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. The reviewer was Bronwyn Nosworthy, a consultant with Internal Audit Bureau (IAB) Services acting on behalf of the Division. Mrs Nosworthy 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 during March and April 2012. It involved interviews with four Executive Managers and other relevant staff members, an interview with the General Manager at the completion of the on-site visit, and a review of a selection of the Council's policies and procedures.

2   ABOUT THE COUNCIL AND THE AREA

Location and demographics

Fairfield City is located 32 kilometres south-west of the Sydney CBD, and covers 104 square kilometres. The local council area includes the suburbs and localities of Abbotsbury, Bonnyrigg, Bonnyrigg Heights, Bossley Park, Cabramatta, Cabramatta West, Canley Heights, Canley Vale, Carramar, Cecil Park, Edensor Park, Fairfield, Fairfield East, Fairfield Heights, Fairfield West, Greenfield Park, Horsley Park, Lansvale, Mount Pritchard, Old Guildford, Prairiewood, Smithfield, St Johns Park, Villawood, Wakeley, Wetherill Park and Yennora.

The original inhabitants of the Fairfield City Council area are the Cabrogal clan of the Darug Peoples. The area was described by the early European settlers as 'bad country' that frequently overflowed. The construction of the railway between the townships of Parramatta and Liverpool in 1856 encouraged the development of orchards, farms, and sawmills as an increasing population moved into the area.

In 1888, the area was gazetted as the Municipality of Smithfield and Fairfield. In 1920, the area was renamed the Municipality of Fairfield, and in 1948 with a population of over 27,000, the Council was amalgamated with the Cabramatta-Canley Vale Council. In 1979, the City of Fairfield was proclaimed.

Currently the city has an estimated population of 200,000, and is one of the most culturally diverse council areas in NSW. More that half of the residents of the local government area were born overseas with the majority from non-English speaking countries. The majority of residents speak a language other than English, with the most common being Vietnamese, Arabic, Assyrian, Cantonese and Spanish.

Income levels are generally low for local residents. In 2006, the median individual annual income was $16,558 (or $319 per week) and the median annual family income was $49,192 (or $946 per week), representing some of the lowest incomes in Sydney. The unemployment rate is also much higher than for other metropolitan areas (10 % in December 2006 compared with 4.7 % for Sydney at that time).

While mainly residential, the council area contains large-scale industrial estates at Wetherill Park and Smithfield, as well as local industrial centres. There are two major

business and retail centres at Fairfield and Cabramatta, a growing centre in Prairiewood, and a number of suburban shopping centres. Large expanses of rural land characterise the suburbs of Horsley Park and Cecil Park. There are 580 parks (60 of which are major parks), plus the NSW Government's 5,500 hectare Western Sydney Regional Parklands.

Accommodation in the council area comprises mainly detached housing with some relatively small pockets of residential medium-density development surrounding the older established town centres. In recent times there has been a growth in low-rise medium density developments throughout the area.

Local issues

The main challenges identified by staff and councillors, as well as community responses within the within the Community Strategic Plan, appear to be associated with cultural diversity and low-level incomes.

The Current Council

The elected body is comprised of twelve elected Councillors and a popularly elected Mayor. The Council has three wards- Parks, Cabravale and Fairfield. Four councillors are elected from each ward to represent the residents and landowners within the ward.

As at 30 June 2011, the Council employed approximately 885 full-time equivalent staff. The Council's organisation structure is described in more detail within the Workforce Relations Section (9) of this report.

3 SUMMARY OF KEY FINDINGS

Better practices/Other noteworthy practices		Areas for improvement	
STRATEGIC POSITION			
	The community engagement process is well developed.		The links between the Long-Term Financial Plan and other integrated planning and reporting documents need to be strengthened.
	Plans reflect community priorities through comprehensive participation.		
	Plans are clearly presented and well integrated in a logical hierarchy between the Community Strategic Plan, Delivery Program and Operational Plan.		
GOVERNANCE			
	A strong set of values exists, which has been developed and refined through the community engagement process.		A Complaints Handling Policy and procedures is required.
	Fraud Control Policy.		Staff/councillor interaction policy and procedures should be developed.
	Well-structured Executive Management meetings.		Contractor performance needs to be better monitored.
	Clear understanding of and processes to handle information requests.		Bi-annual independent risk assessment of procurement practices.
	Gifts and Benefits Declaration forms.		Councillors need to be aware of Code of Meeting Practice and ensure a quorum is maintained at Council meetings.
	Compliance Register to ensure legislative and regulatory compliance throughout the		All policies and procedures should record the date of approval and when they are to

Better practices/Other noteworthy practices		Areas for improvement	
	organisation.		be reviewed.
	Strong processes exist to ensure awareness and compliance with the Code of Conduct.		Role and function of Internal Audit position needs to be maintained in accordance with DLG requirements.
			Audit and Risk Committee membership needs external representation.
PLANNING AND REGULATORY			
	High number of development applications determined under staff delegation leading to improved turnaround times.		Water Management Plan to be reviewed and updated.
	Education programs promoting responsible companion animal ownership.		Develop a Companion Animal Management Plan.
			Finalise the Stormwater Management Plan.
			Maintain on-site inspection program for swimming pools in LGA.
ASSET AND FINANCIAL MANAGEMENT			
	Well developed Asset Management Strategy and Policy.		Complete asset management planning for all asset classes.
	Long-term financial forecasts.		Further develop and populate data within the individual asset management plan categories.
			Clearly state the Council's preferred option in the Long-Term Financial Plan scenarios.
COMMUNITY, COMMUNICATION AND CONSULTATION			
	Community engagement and		Prepare and adopt a single

Better practices/Other noteworthy practices		Areas for improvement	
	regular surveys of the Council performance.		Economic Development Plan.
	Aged & Disability Services Strategic Plan guides the Councils strong community performance.		Develop an overarching Tourism Plan.
WORKFORCE RELATIONS			
	Winner of Business Excellence Award in OHS&E.		The Workforce Plan should specifically address workforce requirements identified within the Delivery Program strategies.
	First NSW Metropolitan Council to adopt a Local Employment Policy.		Develop specific grievance processes and procedures for unsuccessful candidates.
			Strengthen the links between individual Actions and the Delivery Program Strategies.

PART II.   PLANNING A SUSTAINABLE FUTURE

This part of the review focussed on the Council's implementation of Integrated Planning and Reporting 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.

An overall assessment of how the Council is performing in relation to strategic planning and reporting is presented in Table 1 below. Examples of better or noteworthy practice and areas requiring improvement are discussed later in this section.

Table 1: Strategic Planning and Reporting Assessment

| Area	Status
Strategic planning	Meets most requirements
Community engagement	Meets most requirements
Integration of plans across the Council	Partially meets requirements
Resourcing Strategy	Partially meets requirements

4   INTEGRATED PLANNING AND REPORTING

4.1 SCOPE

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 and strategies. The Community Strategic Plan is supported by a four year Delivery Program, annual Operational Plans and 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:
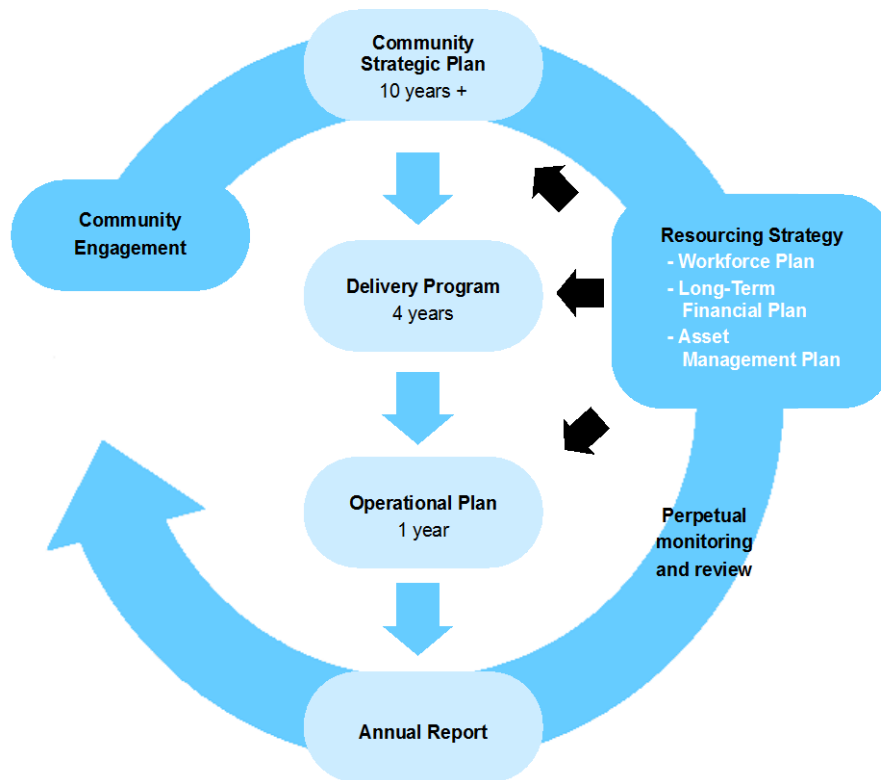
Integrated Planning and Reporting

The following is a summary of the review of the Council's Integrated Planning and Reporting suite of documents. The review found that the Council largely meets the legislative requirements of the Integrated Planning and Reporting Framework. The Workforce Management Plan, the Asset Management Plan and the Long-Term Financial Plan are discussed in the other relevant sections of this Report.

Community Strategic Plan

The Council has a clear commitment to engaging the community, and undertook a thorough community engagement program to inform the development of the *Fairfield City Plan 2010-2020* (Community Strategic Plan). The Council's community engagement reflects social justice principles and included engagement with specific groups within the community.

The *City Plan* was first developed in 2007 and revised in 2009. The *Fairfield City Plan 2010-2020* reflects community aspirations in five themes - community wellbeing, places and infrastructure, environmental sustainability, local economy and

employment, and good governance and leadership – which reflects the quadruple bottom line. Each theme includes strategies and outcomes that will be used to measure progress.

The Fairfield community voice and outcomes of engagement are clearly reflected in the Plan. Social justice principles are also reflected in the Plan and its priorities. An Appendix effectively outlines by goal the partners who will assist the Council in delivering community outcomes.

Reference is also made to relevant regional, state, national and international planning contexts. The *NSW State Plan* priorities and targets which will assist Fairfield in achieving outcomes are effectively summarised in an appendix. Overall, the *Fairfield City Plan 2010-2020* is easy to read and navigate and is aided by consistent colour coding and numbering throughout.

Community engagement

The community engagement process, reporting and outcomes are clearly articulated. Information contained in the City Plan about the outcomes of community engagement is particularly strong. The Plan reflects the community priorities identified by the comprehensive engagement process.

The Community Engagement Strategy meets all requirements and addresses social justice principles with the inclusion of specific strategies for individual social justice groups. The Community Engagement Strategy is to be commended for the Community Engagement Strategies and Actions 2010 table which clearly articulates a range of methods the Council will use to engage with the community, together with timeframes and performance indicators.

The Community Engagement Strategy is supported by the comprehensive Community Consultation Report 2010 which is available on the Council's website. The Council undertook a comprehensive community engagement program in accordance with social justice principles to develop a vision and identify community priorities to update the Community Strategic Plan.

The Council informs the community of its progress towards achieving its ambitions and strategic priorities on an ongoing basis through the media, quarterly reports and a six-monthly Delivery Program report, which provide the public with information about what services the Council offers and what is being achieved.

Delivery Program

The Council's Delivery Program identifies the principal activities that will be undertaken to realise the objectives identified in the Community Strategic Plan. The Delivery Program and Community Strategic Plan are well-integrated, aided by the use of consistent colour coding, language and numbering. Major programs and projects are outlined for each of the five themes. Against each theme, service objectives/ outputs and major projects are provided, together with links to the goals.

High level responsibility for each group of service objectives is allocated by Department/Division. High-level financial estimates are also provided in the Delivery program for the duration of the Program. These figures do not clearly match those for the same period in the Long-Term Financial Plan. The Delivery Program includes performance indicators against each strategic objective.

Operational Plan

The Operational Plan has been prepared as a sub-plan of the Delivery Program, outlining the actions to be undertaken by the Council in 2011-12. In some cases the Operational Plan actions duplicate the information of the Delivery Program, while in others the information is appropriately developed and further detail is provided.

A Statement of Revenue policy is included in the Operational Plan and includes the required level of detail. A budget is included for capital works to be undertaken in the year. Financial estimates against each project are provided. Responsibility is allocated against each project by responsible person and performance indicators are included against each service provided.

Overall integration of plans

The Community Strategic Plan, Delivery Program and Operational Plan are well integrated. Integration is also enhanced by the consistent use of numbering, colour coding, themes and language. There are some links between the Long Term Financial Plan and the other plans where there is consistent financial information but this has not been applied in all cases. Further integration of each of the components of the Resourcing Strategy with each other and other component plans would strengthen the overall integration of the full suite of documents.

Better practice

Community engagement

The Council is to be commended for its comprehensive community engagement in the development of the Fairfield City Plan.

Integration of the Fairfield City Plan, the Delivery Program and Operational plan

The Community Strategic Plan, Delivery Program and Operational Plan are well-integrated. Integration is enhanced by the consistent use of numbering, colour coding, themes and language.

Areas for further development

Links between the Workforce Management Plan and Delivery Program

The Council could enhance the links between the individual Workforce Management Plan themes and actions, and corresponding Delivery Program strategies and actions.

Asset management planning

The Division, in its initial assessment of the Council's asset management plans, noted that the plans were not completed but were due to be finalised by June 2012. The Council should ensure that these plans have been finalised and are appropriately integrated with its other integrated planning and reporting documents.

Financial management planning

In the Division's original assessment of the Council's plans, there were some occasions in the Long-Term Financial Plan and the other plans where there appeared to be inconsistent financial information. It was noted that this was not applicable in all cases. As part of the process of finalising the *Draft 2012-2022 Fairfield City Plan*, the Council should ensure the consistency of financial information across its suite of integrated planning and reporting documents.

Recommendation 1

The Council should ensure:

- *there are strong links between the individual Workforce Management Strategy themes and actions, and corresponding Delivery Program strategies and actions*

- *that its asset management plans have been finalised and are appropriately integrated with its other integrated planning and reporting documents*
- *the consistency of financial information across the suite of integrated planning and reporting documents.*

The Council's response

Recommendation 1

The Council should ensure:

- *there are strong links between the individual Workforce Management Strategy themes and actions, and corresponding Delivery Program strategies and actions*

Council's response to this part of the recommendation is dealt with later in response to Recommendation 24 which appears to be identical

- *that its asset management plans have been finalised and are appropriately integrated with its other integrated planning and reporting documents*

Council's Asset Management Plans were finalised and adopted by Council in December 2012 and are appropriately integrated with Integrated Planning and Reporting documents. The decision to present the Asset Management Plans to Council in this timeline recognised that a new Council was elected in September 2012 that would need appropriate briefings on strategic documents that would be significant in the new Council's considerations for the 4 year Delivery Program.

- *the consistency of financial information across the suite of integrated planning and reporting documents.*

Council updated its Long Term Financial Plan (LTFP), which was adopted by Council at its June 2012 meeting. The LTFP now has stronger links with the Asset Management Plans and the Workforce Management Plan. A process to strengthen quality assurance and to ensure consistency of financial information has been undertaken.

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 Fairfield City Council's Community Strategic Plan. This included considering the means by which the Council:

- governs its day to day operations

- undertakes it planning and regulatory obligations

- manages its assets and finances

- involves the community

- recruits and retains its workforce.

5   GOVERNANCE

5.1 OVERVIEW

"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.

Scope of review

The review considered the following key Governance practices:

• *Ethics and values*	• *Fraud and corruption prevention*
• *Code of conduct*	• *Support for councillors*
• *Gifts and benefits*	• *Records management*

- *Risk management*
- *Internal audit*
- *Procurement, disposal and tendering*
- *Privacy management*

- *Access to information*
- *Complaints handling*
- *Information technology*
- *Legislative compliance*

Overview of Fairfield City Council's governance practices

In 2005 the Council conducted its own self-assessment of better practice within the organisation using the Promoting Better Practice Tools available on the Division's website, and commenced addressing issues arising from this self-assessment.

As a result, Fairfield City Council has many effective governance systems and processes in place, and has prioritised the further introduction of systems and internal controls to enhance its governance performance.

Table 2, below, assesses the Council's performance in relation to key areas of the self-assessment checklist to provide an overview of the Council's governance framework.

Significant observations relating to better practices, noteworthy practices and suggested improvements to build a stronger governance framework are presented in the following section.

Table 2: Assessment of the Council's Governance Framework

Area	Status
Values	Meets most requirements
Code of Conduct	Meets most requirements
Gifts and benefits	Meets most requirements
Communications devices	Meets most requirements
Disclosure of pecuniary interests	Meets most requirements
Business ethics	Meets most requirements
Risk management	Requires further development
Internal audit	Requires further development
Fraud and corruption prevention	Requires further development
Business continuity	Meets most requirements
Legislative and regulatory compliance	Meets most requirements
Legal services	Meets most requirements

Procurement, disposal and tendering	Requires further development
Privacy management	Meets most requirements
Records management	Meets most requirements
Public Officer	Meets most requirements
Access to information by the public	Meets most requirements
Policy register	Meets most requirements
Executive Management meetings	Meets most requirements
Delegations	Meets most requirements
Council meetings	Requires further development
Council committees (s355 and others)	Meets most requirements
Councillor induction and ongoing training	Meets most requirements
Expenses and facilities policy	Meets most requirements
Councillor/staff interaction	Requires further development
Access to information by councillors	Meets most requirements
Campaign donations	Partially meets requirements
Complaints handling	Meets most requirements
Protected disclosures and internal reporting	Meets most requirements
Awards	Meets most requirements
Strategic alliances	Meets most requirements
Information technology	Partially meets requirements

Significant Observations

Better Practice

The Council is commended for its long-term self-assessment and improvement program using the Promoting Better Practice Toolkit.

Code of conduct

All new employees, councillors and delegates receive a copy of the Council's Code of Conduct, which was adopted in September 2008. The Council also reviewed the Model Code and, where appropriate, has included supplementary information and references to applicable policies, procedural documents and codes and standards relevant specifically to the Council.

The Code of Conduct is available online for all staff, delegates, contractors and external community groups. New staff members undertake a mandatory half-day

training session conducted by an external provider. Also, within the formal 'Welcome and Introduction' half-day training, Code of Conduct obligations and responsibilities and expected behaviours are discussed. Attendance records are kept for both training programs and reported back to the Council against the Operational Plan, recording the number of Code of Conduct sessions completed with the total number of staff attending these sessions.

All staff are required to also complete both an annual competency-based assessment about the adopted Code of Conduct and a signed acknowledgement that they have read and fully understand the Code of Conduct every 60 days.

Councillors also participate in regular briefing sessions on Code of Conduct topics, which have included induction and training sessions conducted by external providers.

Legislative and Regulatory Compliance

Councils are required to comply with a large number of legislative and regulatory requirements. In order to meet the requirements of these legislative demands, councils should have a Compliance Register against which they can monitor their compliance obligations. The Council has a system whereby all relevant employees are made aware of their current obligations and responsibilities and are promptly advised of amendments to legislation and regulations.

The Council has developed a spreadsheet which lists all relevant Acts, Regulations and Codes that are applicable to Fairfield City Council. This spreadsheet has been shared within the Governance Network Group. Managers of each business unit maintain networks to keep abreast of legislative changes. Managers and officers within the Council also advise the Governance Group of any changes.

The Council notes that there have been no legislative fines reported against the Council for the last five years, and it won an award for the creation of this database in 2009.

Gifts and Benefits

During October and November, email reminders are sent to all staff highlighting their obligations to declare gifts and benefits accepted and declined. Included in this email is a reference and link to the Statement of Business Ethics. The Council has developed a Gifts and Benefits Form which is used to record all declarations and must

be submitted to the relevant Manager on completion. This is considered to be an example of better practice.

Awards

The Council has received ten awards over the last three years, with the most recent being:

- Winner - **E-Learning** - Innovation Award for the Fairfield Library Service, 2011.
- Winner – **NSW Community and Regional History Prize** - Cabrogal to Fairfield City: a history of a multicultural community, 2011.
- Winner - **Excellence in Leadership** - Local Government Managers Australia Management Excellence Awards, 2011.

Noteworthy practices

Statement of values

As stated in the City Plan, "*Fairfield City Council aims to foster a thriving, safe and friendly community with people who support and respect one another. Furthermore, a place where are proud to live, invest and prosper together"*. These values were developed by extensive community consultation.

Gifts and Benefits

The Council doesn't have a specific policy regarding gift and benefits, but has procedures providing guidance to staff in the Statement of Business Ethics and Code of Conduct. At the time of the on-site visit, the reviewer was informed that a draft Gifts and Benefits Policy was being developed.

Access to information

The Council has clear processes in place to handle requests for information. All requests for information received, granted and refused are appropriately recorded. The Council provides information on its website, as per the requirements of the Government Information (Public Access) Act 2009.

At the time of the review, the Council was in the middle of a wider project aimed to enable Development Assessment (DA) Tracking (MasterView) to be provided on the Council's website to the local community. This system will also include the ability to automatically publish the Council's adopted policies directly to the public website.

Part of this project is the requirement from 1 January 2012 that DA's be provided to the Council in electronic form. The Council utilises its corporate pages in local newspapers, the public website and public exhibitions to keep the local community informed.

Executive Management Meetings

The Council Executive is made up of the City Manager (ie General Manager) and four Executive Managers who meet on a weekly basis to consider strategic, major and key issues. These meetings are regulated by a structured agenda and supported by minutes. This Executive group is called the Executive Management Team (EMT).

The EMT also regularly discusses items such as Integrated Planning and Reporting and financial matters. The weekly EMT meetings are supported by the decisions of two other management forums within the Council. These are:

1. a separate monthly EMT meeting to review key Council reports prior to presentation at meetings of the Council

2. a monthly senior management team meeting to consider matters of strategy, leadership and organisational development. This group consists of the EMT along with other relevant senior managers.

Requires further development

Risk management

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

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. It is important that the Council consider the development and implementation of a risk management policy to

minimise the likelihood of negative events which could have otherwise been foreseen and thereby managed or avoided. Such a policy should extend beyond those risks that are insurable.

The Council has adopted a Risk Management Plan that addresses the key business risks across the wider organisation that can be prioritised to provide direction to any internal audit program that can test the internal controls within the organisation. This Risk Management Plan was created in 2010.

The Council's Risk Management Policy was last reviewed in 2000 and the Council advised that a new draft Risk Management Policy is being considered.

The Audit and Risk Committee have prepared a three-year Audit Risk Plan, which incorporates risks identified, assessment and evaluation guidelines as part of the standard operating procedures when developing both strategic and operational plans across the Council.

Recommendation 2 *The Council should prioritise the drafting of a new Risk Management Policy to ensure that there is a dynamic framework for the identification of risk exposure throughout the Council.*

<u>*Internal Audit*</u>

Having an Internal Audit function is important for the following reasons:

- it supports good internal governance

- to improve the effectiveness of risk management, control and governance processes

- it helps to instil public confidence in a council's ability to operate effectively.

The Council currently has a three-year strategic Internal Audit Plan which was reviewed and approved in March 2012.

From examination of documentation and discussions with relevant staff, it appears that over the last 2-3 years there has been a dilution of the Internal Audit function within the organisation. Rather than the Internal Auditor reporting directly to the City Manager, the Internal Auditor in reality reports to the Business Services Manager who in turn reports to the Executive Manager, who then reports to the City Manager. The current Internal Audit Charter states that 'The Internal Auditor reports administratively to the Manager, Governance & Customer Service [Business Services Manager] and has

independent access to the Audit & Risk Committee, the City Manager and Executive Managers, as required.'

Other sections documented in the Internal Auditor Charter are reflective of a lack of independence being held by the internal audit function, with many functions relating to governance and risk being performed by other senior staff members within the organisation such as the Governance Co-ordinator.

The internal audit function has also recently been downgraded from a Grade 8 position to a Grade 7 position.

There are also issues in regard to the conduct of reviews considered to be high risk within the organisation. It appears that the Internal Auditor is not being involved in the review of high-risk areas within the organisation, with these reviews being conducted by other members of senior management. The Internal Auditor is often not made aware of these reviews until after the review has been completed.

It is noted that there are no Councillors or external members represented on the Council's Audit and Risk Committee. As a consequence, the Audit and Risk Committee is operating as an internal management committee only. This does not accord with the requirements of the Division's Internal Audit Guidelines. It needs to be stressed that the Council should be reminded of and consider the Division's Guidelines for Internal Audit for guidance on the role and function of internal audit.

Recommendation 3 *The Council should ensure that the role and function of the Internal Audit position within the organisation is not compromised, is independent and is consistent with the Division's* Guidelines for Internal Audit*.*

Recommendation 4 *The Council needs to ensure that the membership of the Audit and Risk Committee includes external representation.*

<u>*Fraud and corruption prevention strategy/policy*</u>

The Council has an undated Fraud Control Policy which identifies internal controls to mitigate identified risks and which is linked to the Council's Risk Management Plan. However, a systematic fraud risk assessment has not been undertaken within the past two years. 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.

However, some elements of associated with risk assessment have been undertaken as part of the Internal Audit Program and the Council has recently provided training in the issues relating to fraud control in a fraud control workshop.

It was noted that some other policies and procedures were undated. All policies and procedures need to be clearly dated when approved and when they become effective in operation.

Recommendation 5 *The Council needs to conduct a fraud risk assessment as part of its internal audit process.*

Recommendation 6 *The Council should prioritise a systematic fraud assessment to satisfy compliance in this area.*

Recommendation 7 *The Council needs to ensure that all policies and procedures identify when they are approved/take effect and when they are to be reviewed.*

<u>Meetings of the Council</u>

As documented in the minutes of the Council meeting/s held during the on-site visit, it appears that ordinary council meetings have, on occasion, experienced some chronic problems and issues regarding quorum. It is important that councillors are aware of the Code of Meeting Practice and demonstrate reasonable and fair behaviour during council meetings as appropriate to the Council's Code of Conduct and ethical values.

Recommendation 8 *At the beginning of each Council meeting, the Mayor should remind all Councillors of their obligation to abide by the Code of Meeting Practice. A quorum is necessary to constitute a decision of the Council.*

<u>Procurement and Disposal of Assets</u>

The procurement function within the governance area has recently received attention. For example, procurement has been the subject of recent reports from the Independent Commission Against Corruption (ICAC) which reinforces the need for all councils to be aware of the need for clear policies and internal controls. An assessment of a sample of recent tenders showed a high standard of evaluation.

The Council has been active in developing Procurement policy and procedures. However, there is a deficiency in monitoring and acting on unsatisfactory contractor

performance. In addition, bi-annual independent risk assessments of the Council's procurement and disposal practices are lacking.

Recommendation 9   The Council should review its Procurement Policy and Procedures to include monitoring of contractor performance.

Recommendation 10   The Council should undertake a bi-annual independent risk assessment of its procurement and disposal practices.

Councillor/Staff Interaction

At the time of the review the Council did not have a policy/procedure governing the interaction between councillors and council staff. In the last twelve months, the City Manager has received two complaints in relation to inappropriate councillor interaction. The Council advised that an information session was held during a Councillor briefing session in late 2011 to address issues raised in these complaints.

Recommendation 11   The Council needs to develop policy and procedures relating to staff/councillor interaction as a matter of priority.

Complaints Handling

Recommendation 12   The Council adopted a Complaints Management Policy on March 2012 so this recommendation has been withdrawn and the Action Plan in Part V has been amended accordingly.

The Council's response

Risk Management

Recommendation 2
The Council should prioritise the drafting of a new Risk Management Policy to ensure that there is a dynamic framework for the identification of risk exposure throughout the Council.

A new Enterprise Risk Management (ERM) Policy was adopted on 18 April 2012. The policy directly links ERM to Integrated Planning and Reporting (IPR). The use of the IPR framework will permit enterprise risk to be mapped against, and comprehensively

incorporated into, the articulation of community priorities and aspirations, Council's long term strategies and the delivery of services and projects.

Internal Audit

Recommendation 3

The Council should ensure that the role and function of the Internal Audit position within the organisation is not compromised, is independent and is consistent with the Division's Guidelines for Internal Audit

The statements made in the report in respect of the independence of Internal Audit are incorrect.

The statement made in the report in respect of the down grading of the Internal Audit position from a Grade 8 to a Grade 7, is incorrect.

The position of Internal Auditor was upgraded in 2005 to a Grade 8 from a Grade 7 in accordance with the additional responsibilities given to internal audit at the time. To date, the position of the Internal Auditor remains at the Grade 8 level.

The independence of the Internal Auditor in fulfilling the responsibilities of the position is clearly defined in Council's Internal Audit Charter and principles of Best Practice, and are practiced accordingly.

The Internal Auditor is the Head of Internal Audit (IA) at Council and reports to the Governance Co-ordinator for administrative purposes only. The Internal Auditor has independent access to the Audit and Risk Committee, the City Manager and the Executive Management Team. The Internal Auditor also has unrestricted access to any information required necessary to perform the internal audit duties. The exact nature of functions to be performed by the Internal Auditor are clearly defined in the Audit & Risk Committee Charter. Typically, the role encompasses the areas of internal control, risk and governance.

The statement made in the report in regard to the Internal Auditor not being involved in the review of high-risk areas across the organisation, is incorrect.

The Internal Auditor is involved in all reviews of high risk areas across the organisation as evidenced by the Strategic Audit Plan, approved by the Audit & Risk Committee. There are certain matters which require specialist investigative skills, such as specialist forensic skills, that are not the province of the Internal Auditor where Council will engage senior staff or specialised contractors/consultants to deal with these. For instance, IT related projects are outsourced to IT specialists for forensic analysis of data.

There are also other matters that may arise such as the investigation of Code of Conduct complaints, usually conducted by qualified investigators or HR staff. In such matters the Internal Auditor is involved at the conclusion of the investigation if control and risk issues have emerged.

Recommendation 4

The Council needs to ensure that the membership of the Audit and Risk Committee includes external representation.

The statement made in the report in respect of a lack of external representation on the Audit and Risk Committee is incorrect.

Council first established an Audit & Risk Committee (ARC) in March 2005, based on the principles of Best Practice, well before the Division of Local Government (DLG) issued its first Internal Audit Guidelines of October 2008. There has always been external representation on the Committee.

In 2009, Council reviewed its ARC membership and functions and adopted the current model of 3 external representatives. The external members are a Director from Sutherland Shire Council (who has also chaired the Committee since that date), an independent community representative and Council's External Auditor.

With the issuing of the Division of Local Government's Guidelines Internal Audit Guidelines in September 2010, Council again reviewed its ARC membership in October 2010. The Guidelines were taken into consideration during this review and approved the Internal Audit Charter in November 2010. At that time the City Manager wrote to the Chief Executive, Local Government and advised him of the outcome of our deliberations. In part, this letter stated that Council considers that we have fulfilled our obligations in accordance with Section 23A (3) of the Local Government Act 1993.

The current membership of the ARC consists of the 3 independent members, the City Manager, Executive Manager Corporate Support and one other Executive Manager on an annual rotation basis. The Internal Auditor and Chief Finance Officer attend the meeting in an advisory capacity.

Recommendation 5

The Council needs to conduct a fraud risk assessment as part of its internal audit process.

The statements made in the report which underpin Recommendation 5 above are incorrect.

Council's Fraud and Corruption Prevention Policy was approved by the Executive Management Team on 21 October 2005.

A systematic fraud risk assessment is completed on average every 3 years for Council. The latest risk assessment was completed in July 2012 by the Senior Management Team as part of the process for developing the 3 Year Strategic Audit Plan for Council which was approved by the ARC in September 2012.

The strategies outlined in Council's Fraud and Corruption Prevention Policy to minimise the risk of fraud and corruption are actively pursued by Council in the form of:

- The Internal Audit Program
- Implementation of Audit Recommendations
- Implementation of Recommendations made by the ARC

- Tracking and follow up on Implementation of Recommendations

- Code of Conduct Training program for FCC

- Investigation into all reported allegations of fraud & corruption

- Investigation of complaints received

- Development of Policies by the Governance Section

- Mandatory training and education of staff through Policypoint – an online training tool.

- Public Interest Disclosure Policy adopted on 11 October 2011 and associated training in 2012 where Council trained over 500 managers and staff regarding their responsibilities for reporting areas of suspected fraud and corruption

Recommendation 6

The Council should prioritise a systematic fraud assessment to satisfy compliance in this area.

This recommendation is redundant in view of our comments in respect of Recommendation 5 above.

Reviewer's Comment – Recommendations 3-6

Comments contained in the report relating to internal audit and risk management are based on information provided by the Council during the review visit early in 2012. Therefore, referring to these recommendations as 'redundant' is an incorrect use of terminology. It maybe the case that the Council has addressed these issues since the review visit. However, these recommendations were made as a result of the identification of significant issues requiring improvement at the time when the review was conducted and are considered valid.

Based on Council's response to Recommendation 6, whilst there is a statement that the recommendation is 'redundant' it is uncertain if this recommendation has actually been satisfied since the site visit was conducted in 2012, taking into account the redirection to the responses made to Recommendation 5.

Recommendation 7

The Council needs to ensure that all policies and procedures identify when they are approved/take effect and when they are to be reviewed.

In 2010, Council reviewed its Master Policy Register and as a result all policies were placed on review to check for outdated, superseded or other irrelevant documents. The review also included integrating the policies with Council's records management system (Objective) and the intranet. As part of the review, a template was created that contains the effective date, review date and document version in the footer section of every policy. Further information about the author, by whom the policy was approved and reference to related documents are also included in the template..

At that time some policies and procedures did not contain such information and this irregularity was rectified in late 2011 with all policies now containing an effective and review date. We are currently reviewing all policies on the Master Policy Register to ensure that the template has been correctly applied.

Reviewer's Comment

As stated in the report, during the review visit early in 2012, it was noted that some policies and procedures were undated. Council's efforts in reviewing the Master Policy Register and the development a policy template are acknowledged. As Council is currently reviewing whether all policies have correctly applied the template, recommendation 7 is considered as valid and in progress rather than completed.

Meetings of the Council

Recommendation 8

At the beginning of each Council Meeting, the Mayor should remind all Councillors of their obligation to abide by the Code of Meeting Practice. A quorum is necessary to constitute a decision of the Council.

A new Mayor commenced office in March 2012, and on this **one** occasion a quorum was not available and resulted in the meeting being held over subsequent evenings. This is not a regular occurrence at Fairfield Council.

Following the local government election in September 2012, Council has conducted information sessions and training with the Chairpersons of Standing Committees including the Mayor, to explain meeting practices and requirements of the Act, Regulation, Code of Meeting Practice and Code of Conduct. Regular reminders are provided to all Councillors of their obligations.

The Code of Meeting Practice was last reviewed and adopted by Council on 24 April 2012. Council considers this document to be up-to-date and facilitative of orderly and productive meetings.

Procurement and Disposal of Assets

Recommendation 9
The Council should review its Procurement Policy and procedures to include monitoring of contractor performance.

The comments made by the Reviewer show a lack of appreciation of the efforts invested by Council since July 2009 to ensure that strong and effective governance is in place over Council's procurement activities.

Since 2009, at the request of the ARC, procurement in particular in areas was identified to be high risk to Council. This has been the subject of at least a six monthly internal audit review, with regular quarterly reporting to the ARC on progress made to improve the control environment, based on the recommendations made by Internal Audit.

These reviews were completed both by Council's own Internal Auditor and also as a result of the engagement of specialised contract auditors from the Internal Audit Bureau.

At the time that the Promoting Better Practice review was being completed, the Internal Audit function of Council was being undertaken by a contractor from the Internal Audit Bureau, as Council's own Internal Auditor had been seconded to a project specifically aimed at documenting the end to end purchasing practices in one of Council's highest spending Departments. This involved analysis of purchasing trends, review of procurement and purchasing practices and making recommendations to mitigate the identified risks.

As a result of both the audit findings completed since 2009 and the recommendations of the procurement project of 2012, Council adopted a new risk based Procurement Policy in September 2012.

Council's Procurement policy clearly defines responsibilities and accountabilities of all stakeholders in the procurement cycle and specifically obligates business unit managers to manage their contractors/suppliers' performance.

To support contract managers meet their policy responsibilities in this regard, Council has developed and deployed a suite of contract management guidance, templates and performance assessment tools. In addition, a full time permanent Procurement resource has also been allocated to the contract management function in line with the thrust of Council's current Procurement Policy.

As can be seen from the measures taken since July 2009, Council has been proactive in managing its procurement function, in driving continuous improvements and also strengthening its procurement governance framework to mitigate associated risks. This is clearly evident in Council's current Procurement Policy, a copy of which is attached herewith.

Recommendation 10
The Council should undertake a bi-annual independent risk assessment of its procurement and disposal practices.

The recommendation made above by the reviewer is not considered to be applicable in view of the fact that Council has had in place since 2010 a continuous procurement risk based audit program as recommended by its ARC.

The ARC at Fairfield City Council is a strong committee comprising of three independents members with extensive local government experience, including Senior Executive Officers of Council itself.

As pointed out in connection with Recommendation 9, procurement is an activity that is subject to continuous review by Internal Audit at Fairfield City Council. When appropriate, Council also engages independent auditors from the Internal Audit Bureau to review its procurement functions. This has been the practice at least since 2009.

As part of its drive to promote an ethical culture across the organisation and also to mitigate the risk of corruption in procurement/disposal, the Procurement Manager has also directly engaged the ICAC on a number of occasions over the last two years to conduct procurement corruption prevention workshops at Council. About 70-80 managers and staff attended this training.

We are confident that the strategies we have adopted at Council since 2009 have provided us with a strong governance framework over this activity and that procurement is being managed effectively in accordance with Council's Risk Management approach, underpinned by its Procurement Policy.

Reviewer's Comment

Comments contained in the report relating to procurement are based on information provided by the Council during the review visit early in 2012. The Council's adoption of a Procurement Policy in September 2012 since the visit is noted and recommendation 9 is considered to be complete. Items completed should be noted in the Action Plan at Part V in the Progress Report column. Recommendation 10 is considered as better practice and is of an ongoing nature.

Councillor/Staff Interaction

Recommendation 11

The Council needs to develop policy and procedures relating to staff/councillor interaction as a matter of priority.

Council believes that the Code of Conduct adequately covers the staff/Councillor relationship and it is considered that Council does not require a further policy on this subject. The following practices have been established:

- Councillors having restricted access to the Administration Building
- Meetings with Councillors are usually held in the Councillors Room
- Council's solicitors delivered a briefing session to Councillors dealing with these matters in 2011 which was later followed up by one on one training with Councillors
- Distribution of a booklet with key staff details that Councillors may contact to raise operational matters
- Training on the Code of Conduct was provided at Councillor Briefings on 16 October 2012 and 5 February 2013 by an external provider.

The current practice works effectively for Fairfield City Council and the two older complaint matters referred to in the Report were of a nature that would not have been prevented by a Staff/Councillor interaction policy.

Complaints Handling

Recommendation 12

The Council needs to develop a policy and procedures relating to complaints handling as a matter of priority.

The statement in the report in relation to Council developing an overarching policy to consolidate the Council's position on the effective management of complaints handling, is incorrect.

A Complaints Management Policy was adopted by the Executive Management Team on 14 March 2012. The Policy contains definitions and guidance on how complaints are to be categorised and how each category will be dealt with. The categories are 1) minor conduct complaint, 2) substantial conduct complaint and 3) service complaint. The Policy makes reference to guidelines (Practice Notes) issued by the NSW Ombudsman and Division of Local Government.

The Policy has been communicated to the organisation and key staff have received training on how to define, register, action and report on complaints.

Reviewer's Comment

It is noted that the Council adopted a Complaints Management Policy in March 2012. The statement has been corrected in the report. The original Recommendation 12 has been removed and the Action Plan in Part V has been amended accordingly.

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6 PLANNING AND OTHER REGULATORY FUNCTIONS

6.1 OVERVIEW

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 are 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.

Scope of review

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

- *Council's planning instruments and policies*
- *Development assessment*
- *Local delegation of planning determinations*
- *Companion animals*
- *Compliance and enforcement practices*
- *Swimming pools*

Table 3 assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's planning and regulatory framework.

Table 3: The Council's Planning and Regulatory Framework

Area	Status
Strategic land use instruments	Meets most requirements
Local approvals policy	Meets most requirements
Development applications process	Requires further development
Contribution plans and planning agreements	Meets most requirements
BASIX	Meets most requirements
State of the Environment reporting	Meets most requirements
Graffiti removal	Meets most requirements

Enforcement	Partially meets requirements
Environmental management	Meets most requirements
Companion animals	Requires further development
Water safety	Requires further development
Compulsory acquisitions	Meets most requirements

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

The Council has various land-use strategic plans which form its planning framework. These include the following documents:

- the *Fairfield Retail and Commercial Centres Study*

- the *Fairfield Open Space Strategy*

- the *Fairfield Employment Land Strategy*

- the *Fairfield Residential Strategy*.

The Council has a single Local Environmental Plan (LEP) that covers the entire local government area. This LEP was gazetted in 1994. At the time of this review, the Council was reviewing and developing a new draft LEP.

The Council has a program for the review and updating of the LEP and other planning policies on a needs basis. Development control plans (DCPs) are updated on a quarterly basis.

The Council undertook an audit of its development assessment and contributions processes, using the ICAC development assessment internal audit tool, in October 2010.

Overall, the Council's planning and regulatory systems appears to function well but would be enhanced by a review of the *Contribution Plans,* and ensuring that it continues to enforce development conditions and identify illegal or non compliant construction.

Significant Observations

Noteworthy practices

<u>*Local delegation of planning determinations*</u>

During 2010/11, 98% of DAs were determined under staff delegation, with a total of 14 applications being referred to the Independent Assessment Committee. This use of delegations to planning staff within specific criteria can improve the time taken for determination and utilises the skill base of planning specialists in undertaking final responsibility for these determinations.

The Council has not reviewed or evaluated its development assessment processes since 2010, due to information technology (IT) issues being experienced within the Council. The Council advised that the town planners, building engineers and engineers group all have slightly different procedures. The Council is currently working towards running the assessment processes on one system to eliminate these issues. The IT issues impact on the Council's capacity to provide electronic lodgement of DAs and on-line tracking of DAs. At the time of the review, the Council was using the Masterview system and DAs could not be electronically lodged.

The Council's turnaround times for DAs are monitored on a monthly basis by the unit manager. Quarterly management plan progress reports and annual department service reports are used to report turnaround times to the Council and the Executive Management Team.

The Council also maintains a register of all planning decisions made by the Council, and it has appropriate procedures in place to ensure that the Council is adequately informed of all determinations made under delegated authority. Determinations are listed on the Council's website, and advertising of consents is made pursuant to section 1010 of the *Environmental Planning and Assessment Act 1979*.

Requires further development

<u>*Companion Animals*</u>

The Council undertakes quarterly registration checks and six-monthly searches of the Companion Animals Register, and has reported pound statistics for the past three financial years as required. The Council also appears to be consistently reporting dog attacks within its area. However, the Council does not have a companion animals

management plan in place to strategically plan and manage all of its companion animals responsibilities.

The Council is making regular payments to the Companion Animals Fund and as at November 2011 there were no outstanding amounts. Data indicates that the percentage of animals euthanased has steadily increased over the past three years. However, the latest figure for 2010/2011 (43%) is consistent with the state average of (49%).

The rate of lifetime registration of cats (66%) is well above the State average of 43%, and the rate of lifetime registration for dogs (75%) is also above the State average (61%). The Council appears to be actively following up potentially dangerous and restricted dog breeds in the local area and issuing Dangerous Dog declarations and Notices of Intent to Declare a Dog a Restricted Breed.

According to data and indicators available via the 'Restricted Dog Report', the Council is actively enforcing compliance with the restricted breed provisions of the Act and Regulation.

The Council also consistently reports dog attack incidents as required by the regulation. Dog attack investigation data as indicated on the Dog Attack Report' indicates an extremely high finalisation rate is noteworthy. Indicators suggest the Council is effective and consistent in the way it manages companion animals in the local area.

The Council conducts education programs on the responsible management of companion animals including an annual free microchipping day for dogs, 'Operation Cat' that offers discounted de-sexing and microchipping for cats, and a Pet Awareness Information display stall provided at the Fairfield markets that promotes responsible pet ownership. In conjunction with a local vet, the RSPCA and the Department of Housing, the Council co-ordinates a project to eliminate stray cats from aged care facilities by supporting aged tenants. In accordance with legislation and considering the welfare of the animals, an education and de-sexing program is provided.

Recommendation 13 *The Council needs to develop a Companion Animals Management Plan as a matter of priority.*

Water Safety

Under the *Swimming Pools Act 1992,* councils have a responsibility to take such steps as are appropriate to ensure they are notified of the existence of all swimming pools within their area to which the Act applies. The Act also requires councils to promote awareness within the local area of the requirements of the Act. The Council advised that awareness is promoted through local newspaper articles, and includes a requirement to notify the Council of domestic swimming pools.

An ongoing inspection program is not undertaken by the Council due to costs of staff resources. When complaints or observations are made about non-compliant pools by Council officers these are actioned for enforcement action as required.

The Council maintains a Register and identifies swimming pools through the utilisation of the Council's LIS systems (aerial maps).

The Council's Leisure Centres at Cabramatta, Fairfield and Prairiewood undertake the flowing actions in accordance with the Division's *Note 15 Water Safety*:

- conducts compliance tests in accordance with Note 15

- conducts RISSA annual Aquatic Facility Safety Assessments (5 star accredited Water Safety partner)

- develops and implements risk assessments for school excursion information packages

- accredits lifeguards with ongoing qualifications in accordance with Note 15.

Recommendation 14   *The Council needs to consider the development of an on-site inspection program for swimming pool barrier compliance, in line with recent amendments to the Swimming Pools Act.*

Development Assessment Procedures

The Council does not have a procedures manual to assist staff in the assessment of development applications. However, it does have various tools in the form of a series of checklists that are used in this process such as the Site Inspection Checklist, DA checklist, and DA Development Control checklist. The Council has not reviewed its development assessment processes over the past four years, although it has undertaken a self-audit using the ICAC Development Assessment Internal Audit Tool

as a benchmark review. There is benefit in undertaking a regular independent review of the Development Assessment process, either within the internal audit program or through an independent planning professional, to rate the current policy and procedures in place. The Council also has a series of checklists, flowcharts and procedures that could be consolidated into a Development Assessment Manual to provide a clear procedural reference for staff. Although planning staff is stable there is benefit in recording procedures and planning policy in terms of knowledge management for future administrative and planning appointments.

Recommendation 15 *The Council needs to undertake a review of the Development Assessment process to ensure that it continues to comply with legislative and regulatory obligations.*

Recommendation 16 *The Council should consolidate the various tools and checklists into a Development Assessment Manual to ensure clear procedural reference for all staff.*

Stormwater Management Plan

The Council has consolidated all stormwater management information in an overarching *Water Management Plan*. The *Water Management Plan* was adopted in July 2007. This Plan needs to be reviewed and updated accordingly.

Recommendation 17 *The Council needs to review and update its Water Management Plan.*

The Council's response

Companion Animals

Recommendation 13
The Council needs to develop a Companion Animals Management Plan as a matter of priority.

While the preparation of a Companion Animal Plan of Management is not a legislative requirement, Council intends to develop such a Plan within the term of its new Delivery Program (2014-2017).

Water Safety

Recommendation 14

The Council needs to consider the development of an on-site inspection program for swimming pool barrier compliance, in line with recent amendments to the Swimming Pools Act.

An initial report on the amendments to the Swimming Pools Act and the need to implement an inspection program for swimming pool barrier compliance was considered by Council at the Services Committee Meeting of 4 December 2012 at which it was resolved that the swimming pool inspection program be implemented in accordance with the timelines indicated in the amendments to the Swimming Pools Act.

Council is now in the process of developing a mandatory on-site inspection program for swimming pool barrier compliance in accordance with the new amendments to the Swimming Pools Act and in consultation with the community.

Development Assessment Procedures

Recommendation 15

The Council needs to undertake a review of the Development Assessment process to ensure that it continues to comply with legislative and regulatory obligations.

The review of the development assessment process is a regular process on the Internal Audit Program and was last conducted in November 2010. The next development assessment process review will be conducted following release of the new planning legislation.

Reviewer's comment

As stated in the body of the report, there is benefit in undertaking a regular independent review of the Development Assessment process, either within the internal audit program or through an independent planning professional, to rate the current policy and procedures in place. While the Council's efforts to date are acknowledged, recommendation 15 is therefore ongoing.

Recommendation 16

The Council should consolidate the various tools and checklists into a Development Assessment Manual to ensure clear procedural reference for all staff.

A new Development & Building Control Team Operations Manual was developed and implemented in December 2012 dealing with the procedures for development related matters of Complying Development, Construction and Building Certificates, Development & Local Approval applications. In addition, the Manual deals with specialised processes such as matters to be referred to the Joint Regional Planning Panel and the Land & Environment Court.

Stormwater Management Plan

Recommendation 17

The Council needs to review and update its Water Management Plan.

The statement in the report in relation to the Water Management Plan being last reviewed in April 2001 is incorrect.

Council adopted its Water Management Plan in July 2007. This plan consolidates and ranks all actions and measures that are recommended in relevant Council programs and plans. The methodology used to assess and rank measures is based on a multi-criteria assessment.

The Water Management Plan is currently being updated with the addition of new projects that have been sourced from investigations and studies undertaken after 2007 and the removal of projects that have been completed. It is anticipated that the

updated plan will be submitted to Council for its information in July 2013. Projects from the Water Management Plan are used to inform the preparation of Council's 4 year Delivery Program.

Reviewer's Comment

The statement in relation to the Water Management Plan being last reviewed in April 2001 has been corrected in the report to state that it was adopted in July 2007. The progress toward submitting an updated plan to the Council in July 2013 is noted.

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7 ASSET AND FINANCIAL MANAGEMENT

7.1 OVERVIEW

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.

Scope of review

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

- *Asset management, including land assets, plant replacement and capital works*

- *Financial management*

- *Management of community land.*

Table 4 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's asset and financial management framework.

Table 4:   The Council's asset and financial management framework

Area	Status
Asset management	Requires further development
Land assets	Meets most requirements
Financial management	Requires further development
Council businesses	Meets most requirements
Council involvement in companies, partnerships, corporations, co-operatives, joint ventures	Meets most requirements
Insurance	Meets most requirements

Overview of asset and financial management practices

Asset management

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. Its objective is to maximise

asset service delivery potential and manage related risks and costs over the entire life of the asset. It involves effective coordination of the Council's financial and engineering resources.

The Council has prepared an Asset Management Strategy and Asset Management Policy. The Asset Management Strategy identifies assets critical to the Council's operations and states that Risk Management Plans will be developed for the major classes of assets.

The Asset Management Strategy includes a 'Priority Action List 2011-2013' that addresses how Council will improve its asset management capability. There are some links between the Asset Management Strategy and the Community Strategic Plan themes. The Links between the Asset Management Strategy and other Integrated Planning and Reporting documents could be strengthened.

The Long-Term Financial Plan indicates that Asset Management Plans for individual asset classes will be finalised by June 2012.

Financial Management

The Council has prepared a Long-Term Financial Plan outlining three scenarios – target case, best case, and the no-policy-change case. The Plan does not clearly identify which is Council's preferred option. Detailed assumptions are included in the Plan for all three scenarios.

Financial sustainability and performance indicators are included in the Plan. It is unexpected that the analysis relating to sources of operating income, expenditure and capital investment relate only to a two-year period, and not the ten-year life of the plan.

As the Council was still finalising its detailed asset management plans at the time the Long-Term Financial Plan was developed, it is unclear how asset maintenance and replacement estimates have been determined.

Overview of financial position

Fairfield City Council appears to be performing well, with surpluses in the last three years (2010/11, 2009/10 and 2008/09) amounting to $6,129,000, $2,795,000 and $4,866,000 respectively.

Liquidity and cash position

The Council's performance ratios are set out below and are considered to be satisfactory within the Division's guidelines. The majority show an improvement over the previous year's operations. The employee leave entitlements ratio is low but is considered to be appropriate for a metropolitan council based on the composition of the Council's workforce and prior experience.

Overall the Council's financial indicators are considered to be satisfactory as shown in **Tables A** and **B** below:

TABLE A

Liquidity and Cash Position

LIQUIDITY & CASH POSITION	2010/11	2009/10	2008/09
Unrestricted Current Ratio	2.24	2.49	3.50
Debt Service Ratio	1.99	2.09	2.11
Rates & Annual Charges, Interest and Extra Charges Outstanding	3.76%	4.88%	3.97%
Infrastructure Renewal Ratio	89.47%	117.18%	11.49%
Employee Leave Entitlements	4%	5%	5%

TABLE B

Operating Results and Trends

OPERATING RESULTS & TRENDS $,000	2010/11	2009/10	2008/09
Operating Results before Capital Grants	5578	329	26
Operating Results after Continuing Operations	13574	10973	8440

Significant Observations

Noteworthy practices

Asset Management Plan

The Council has prepared an Asset Management Strategy and Asset Management Policy. The Asset Management Strategy identifies assets critical to the Council's operations and states that Risk Management Plans will be developed for the major classes of assets. The Strategy includes a 'Priority Action List 2011-2013' that addresses how the Council will improve its asset management capability. There are some links between the Asset Management Strategy and the Community Strategic Plan themes.

Requires further development

Asset management

The links between the Asset Management Strategy and other Integrated Planning Reporting documents could be strengthened. The Council needs to also ensure it has completed its Asset Management Planning.

One of the strengths of the Asset Management Plan developed by the Council is the inclusion of references to asset activity over the designated four year review period. For greater impact, these references should be replicated in the Delivery Program and relevant Operational Plans. In the Council's Asset Management Strategy there is a reference to the Asset Management Policy, however this appears to have been omitted from the strategy document.

Asset management plans were not available for review. The Long-Term Financial Plan indicates that these plans will be finalised in June 2012.

Recommendation 18   The Council should ensure that its asset management planning has been completed and that the asset activity references contained within the Asset Management Plan are reflected in the Delivery Program and relevant Operational Plans.

Recommendation 19   The Council should include the Asset Management Policy within the Asset Management Strategy.

Long-term financial planning

The Council has prepared a Long-Term Financial Plan outlining three scenarios - target case, best case and the no-policy-change case. The Plan does not clearly identify which is the Council's preferred option. Detailed assumptions are included in the Plan for all three scenarios.

Financial sustainability and performance indicators are included in the Plan. However, the analysis relating to sources of operating income, expenditure and capital investment relate only to a two-year period and not the ten year life of the Plan.

At the time of the review, the Council was in the process of finalising its detailed asset management plans. It is unclear how the asset maintenance and replacement estimates were determined. The process of asset rationalisation and plant replacement policy appears to have been developed as part of the Asset Management Strategy.

Recommendation 20   *The Council needs to clearly state its preferred option in regard to its Long-Term Financial Plan scenarios.*

Recommendation 21   *The Council needs to include information relating to sources of operating income, expenditure and capital investment for the ten year life of the Long-Term Financial Plan.*

The Council's response

Asset Management

Recommendation 18
The Council should ensure that its asset management planning has been completed and that the asset activity references contained within the Asset Management Plan are reflected in the Delivery Program and relevant Operational Plans.

Council's Asset Management Plans were finalised and adopted by Council in December 2012 and are appropriately integrated with Integrated Planning and Reporting documents. The decision to present the Asset Management Plans to Council in this timeline recognised that a new Council was elected in September 2012 that would require appropriate briefings on strategic documents that would be

significant in the new Council's considerations for the 4 year Delivery Program. All asset related activities in the proposed Delivery Program and Operational Plans are derived from the adopted Asset Management Plans and detailed asset modelling. This modelling also informs the Long Term Financial Plan and other Integrated Planning and Reporting documents.

Recommendation 19

The Council should include the Asset Management Policy within the Asset Management Strategy.

Council is unclear about this recommendation. The Asset Management Strategy references the Asset Management Policy in many parts of the document. Example areas of reference include the following:

- 1.1 Where Asset Management fits into Integrated Planning & Reporting,
- 1.3 Fairfield City Council's Asset Management Framework
- 1.4 The purpose of the Asset Management Strategy
- 4.0 How will we get there?

It is Council's preferred approach to have the 2 documents separate but related. This objective has been achieved with the current arrangement.

Long-term Financial Planning

Recommendation 20

The Council needs to clearly state its preferred option in regard to its Long-Term Financial Plan scenarios.

Council updated its Long-Term Financial Plan (LTFP) which was adopted by Council at its June 2012 meeting. This document does state that Council's preferred option is Scenario 1 or what is referred to as the "Target Case".

Recommendation 21

The Council needs to include information relating to sources of operating income, expenditure and capital investment for the ten year life of the Long-Term Financial Plan.

Council updated its LTFP which was adopted by Council at its June 2012 meeting. The updated LTFP now provides sources of operating income, expenditure and capital investment information for the 10 year period.

__Reviewer's Comment__

Based on the information provided by the Council in relation to its actions since the review visit earlier in 2012, recommendations 18, 20 and 21 are considered to be complete. The Action Plan in Part V. has been amended accordingly.

In relation to recommendation 19, the Council's attention is drawn to section 2.12 of the 'Integrated Planning and Reporting Guidelines for local government in NSW, Planning sustainable future, March 2013'. Section 2.12 states "the Asset Management Strategy must include a Council-endorsed Asset Management Policy". Therefore, recommendation 19 stands and requires completion as a matter of priority.

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8   COMMUNITY AND CONSULTATION

8.1 OVERVIEW

Under its charter, the Council is required to:

- provide services after due consultation

- facilitate 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 promote the principles of multiculturalism

- plan, promote and provide for the needs of children

- keep the local community and State government informed about its activities.

Scope of review

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

- *the methods the Council uses to involve and determine the views of its community*

- *ageing population*

- *social and community functions of the Council*

- *annual reporting*

- customer service standards.

The reviewer found that there is a strong culture of community consultation within the Council, demonstrated by providing strong leadership for programs and key initiatives (listed later in this report). Community consultation has strongly underpinned the development of the Community Strategic Plan/City Plan. This has included targeted levels of engagement with social justice groups to encourage their participation, with specific and broad coverage of social justice groups targeted for consultation during this process.

Table 5 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's communication and consultation framework.

Table 5:   The Council's Community and Consultation Framework.

Community and consultation area	Status
Social and community planning	Meets most requirements
Ageing population	Meets most requirements
Community participation and engagement	Meets most requirements
Communication policy	Meets most requirements
Annual reporting	Meets most requirements
Cultural planning	Meets most requirements
Multiculturalism	Meets most requirements
Tourism	Requires further development
Economic development	Requires further development

Overview of Community and Consultation Practices

Significant Observations

Best practice

The Council has a published a *Community Engagement Strategy* that it is to be commended on. This document clearly articulates how the Council intended to engage the community for the development of the *Fairfield City Plan (*Community Strategic Plan). The Strategy contains timeframes and performance indicators for each activity. The Council undertook a comprehensive community engagement program in accordance with social justice principles during the process of updating the *Fairfield City Plan*.

Noteworthy practices

<u>*Aged and Disability Services*</u>

The Council's *Disability Action Strategic Plan* was last reviewed and updated in June 2011 and aligns with the Community Strategic Plan.

Social and Community Planning

The Council social and community planning activities are undertaken as part of the Community Strategic Plan/City Plan. The Council also has individual social plans that address specific social justice groups within the community such as the Ageing Strategy; the Youth Strategy; the Multicultural Strategy; the Crime and Safety Strategy; the Transport strategy and framework, and the Reconciliation Plan.

Requires further development

Tourism

The Council currently does not have an overarching tourism plan. The Council's tourism objectives are delivered primarily through its Place Management Programs. There are programs and strategies in place that link together the various suburbs within the local government area. These programs and strategies are the responsibility for four specific teams within the Council. Tourism objectives feature strongly for Cabramatta and are being developed for Bonnyrigg and Fairfield.

Recommendation 22 *The Council to develop and adopt an overarching Tourism Plan for the local government area.*

Economic Development

The Council advised that it does not have a single economic development plan for its area. At the time of the review, the Council was in the midst of preparing an economic strategy, which was due to be submitted to the Council during 2012. The Council recognises the close ties between tourism and economic development and has combined these roles in a combined strategy. The draft Economic Development Plan will provide key strategic direction for local businesses, investors and the general community.

The Council supports economic development in its local government area by providing a range of services and projects through its Economic Development Officer and Place Management Team. These include:

- business liaison with local business operators

- business support in the way of business networking

- the delivery of seminars and workshops that assist business success

- the support of festivals and local cultural events

- the promotion of a unified community leading to unified economic development of the area.

Recommendation 23   *The Council should finalise the draft Economic Development Plan and consider its adoption.*

The Council's response

Tourism

Recommendation 22

The Council to develop and adopt an overarching Tourism Plan for the local government area.

The Report incorrectly states that "...Council advised that a Tourism Plan is being developed."

Council incorporates tourism initiatives through its Place Management Strategies and programs. This approach enables a local focus on the specific marketing/promotion and tourism features of the different areas across the City. Four Place Strategies cover the City of Fairfield with two of them being updated this year with tourism remaining a key priority to support additional visitors/shoppers being attracted to the City.

Examples of the tourism initiatives that are growing in success and attracting visitors from outside the region include Cabramatta Moon Festival (80,000-90,000 visitors), Lunar New Year Festival(8,000 visitors), Fairfield South American Festival(6,000 visitors), festivals and activities associated with the Sydney International Food festival at Fairfield, Cabramatta, Canley Heights, Canley Vale, etc. Food tours in Cabramatta and Fairfield are also growing in popularity with fresh foods for a variety of cuisines enticing visitors from across Sydney.

The Fairfield Showground provides a significant venue for a wide range of events from wedding receptions to many large cultural and display events. Capable of holding from

80 to 20,000 people in the one venue, the Showground is the ideal venue for festivals, carnivals, car shows, fund-raising events and more.

Markets are held at the Fairfield Showground every Saturday and are now recognised as one of the largest markets in the south west area of Sydney. The Markets are very popular with more than 600 stalls, free entry and lots of parking. The market sells only new products and traders have a wide variety of clothes, toys, food, sporting gear, groceries, household items, jewellery and more.

Council recognises tourism as a key priority for the City, but we believe that we can achieve more through a "Place approach" to tourism initiatives than we can by preparing a stand-alone Tourism Plan.

Reviewer's Comment

During the on-site component of the review, it was indicated that the Council was developing a Tourism Plan. It is noted that this information was not correct and this is not the Council's official position. The statement has been removed in the body of the report.

Development of an overarching tourism plan (linked to the Community Strategic Plan) which guides the Council's commitment to attracting, welcoming and engaging tourists is considered as better practice.

However, Fairfield City Council's position that "it can achieve more through a 'Place' approach to tourism initiatives than by preparing a stand-alone Tourism Plan" is noted. Council's intention not to implement recommendation 22 has been recorded in the Action Plan in Part V.

Economic Development

Recommendation 23

The Council should finalise the draft Economic Development Plan and consider its adoption.

As stated in the Report, Council is currently finalising an Economic Development Framework and Strategy (Action Plan) which will be submitted to Council for adoption by mid 2013.

Council has a proud record of supporting local businesses and town centres, including the Smithfield-Wetherill Park Industrial Area, Fairfield City Centre, Cabramatta, Canley Vale and Canley Heights.

Fairfield City Council commenced its Place Management program in 1998, and the four Place Managers now provide valuable support and advocacy for the industrial/business/retail sectors across the City. Council also allocates significant funds to public domain upgrade projects, marketing/promotion activities and events to support these sectors. Information and training sessions are also conducted to assist new and emerging businesses and to provide information in other languages for our multicultural community.

9   WORKFORCE RELATIONS

9.1 OVERVIEW

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.

Scope of review

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

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Recruitment and selection processes*
- *Occupational health and safety.*

Table 6 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's framework in relation to workforce relations.

Table 6:   The Council's Workforce Relations Framework

Area	Status
Workforce Management Strategy	Requires further development
Workforce planning	Partially meets requirements
Employee surveys	Meets most requirements
Employment contracts	Meets most requirements
Consultative committees	Meets most requirements
Recruitment and selection	Requires further development
Job descriptions and evaluation	Meets most requirements
Employee remuneration	Meets most requirements
Equal Employment Opportunity	Meets most requirements
Staff development	Meets most requirements
Grievance management	Meets most requirements
Work Health and Safety	Meets most requirements
Secondary employment	Meets most requirements
Exit of staff	Meets most requirements

Overview of the organisation

Profile of the workforce of Fairfield City Council

Fairfield City Council has four main operational areas consisting of City Outcomes, Corporate Support, Environmental Standards, and City Services. The Council currently employs 885 full-time equivalent employees. The Council's proportion of female staff, 55.3%, is slightly higher than the 2001 (50.1%) and 2006 (50.6%) Census data for the local government area.

The Council's gender and ethnic diversity mirrors the local community, as described in census data for 2001 and 2006. The Council has a high representation of staff born overseas and, like the local government area, has a proportion of staff who speak a language other than English. The Council has a high number of professionals (32.7%) compared to the local government area data, which in 2001 was 10.3% and in 2006 was 11.6%. The workforce has a lower percentage of Trade Workers than in the local government area (6.5%, compared to 15.6% in 2001 and 16.9% in 2006).

Better practice

Local Employment Policy

The Council has a Local Employment Policy which was the first in the NSW metropolitan area. This Policy is expected to positively impact on the community in terms of employments, skills and qualifications, but also the Council's own workforce in terms of ensuring synergy with the diversity of the local community.

Work Health and Safety

The Council was the winner of the **Business Excellence through OHS&E** National Safety Council of Australia Awards in 2008.

Requires further development

Workforce Management Strategy

The Council has prepared the *Our People, Our Future: A Human Resources Strategic Plan* which provides detailed information regarding the Council's workforce profile and emerging workforce issues that the Council will face in the future. The Plan includes a gap analysis and establishes themes and a corresponding 'Action Plan', including

outcomes and performance indicators to measure the success of outputs. The Action Plan would be enhanced by the inclusion of timeframes.

A section in the Delivery Plan is dedicated to summarising the workforce management plan. The use of consistent language and numbering to link the individual Workforce Management Plan actions and Delivery Program strategies and actions would enhance the integration between these documents.

Recommendation 24 *The Council should review the Workforce Management Plan to specifically strengthen the links between the individual Actions and the Delivery Program strategies.*

<u>*Recruitment Appeal Process*</u>

The Council's current *Recruitment and Selection Policy* does not incorporate any grievance processes or procedures for candidates to follow when they are unsatisfied with the outcome of their job applications. Relevant processes and procedures need to be developed by the Council to cover this area.

Recommendation 25 *The Council needs to develop specific grievance processes and procedures for unsuccessful candidates who wish to appeal decisions in relation to job applications.*

The Council's response

<u>Workforce Management Strategy</u>

<u>*Recommendation 24*</u>
The Council should review the Workforce Management Plan to specifically strengthen the links between the individual Actions and the Delivery Program strategies.

Council is nearing the final stages of its revision of the Workforce Management Plan in preparation for the new Resourcing Strategy to be put before Council in June 2013. Specific and detailed consideration of the needs of the Delivery Program have been incorporated in both the analysis of workforce needs and resulting organisational responses contained within this plan.

Recruitment Appeal Process

Recommendation 25

The Council needs to develop specific grievance processes and procedures for unsuccessful candidates who wish to appeal decisions in relation to job applications.

Council has a formally detailed grievance procedure in addition to a recently adopted complaints procedure. As part of the Recruitment and Selection Review Project, the relationship between these procedures and unsuccessful applications will be documented more explicitly.

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 *Significant risk to the operations of the Council, and if not addressed could cause public outrage, non-compliance with the Council's statutory responsibilities, severe disruption to the Council's operations and the Council's ability to meet its goals.*	**Moderate** *Moderate risk to the operations of the Council and if not addressed could cause adverse publicity, some disruption to the Council's operations, and the Council's ability to meet its goals.*	**Minor** *Minimal risk to the operations of the Council, little disruption to the Council's operations, and will not limit the Council's ability to meet its goals.*
LIKELIHOOD	**Almost certain**	**High**	**High**	**Medium**
	Possible	**Medium**	**Medium**	**Low**
	Rare	**Medium**	**Low**	**Low**

Priorities for recommendations: *(based on application of risk analysis)*	Risk categories could include:
• **High** • **Medium** • **Low**	• 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 reviewer has 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
1 The Council should ensure: **a)** there are strong links between the individual Workforce Management Strategy themes and actions, and corresponding Delivery Program strategies and actions **b)** that its asset management plans have been finalised and are appropriately integrated with its other integrated planning and reporting documents **c)** the consistency of financial information across the suite of integrated planning and reporting documents.	*MEDIUM*	A: refer to Recommendation 24 B: Completed	June 2013		A. In progress to be put to Council in June 2013 B. Completed C: Completed refer to Recommendations 20 & 21
2 The Council should prioritise the drafting of a new Risk Management Policy to ensure that there is a dynamic framework for the identification of risk exposure throughout the Council.	*HIGH*				Completed
3 The Council should ensure that the role and function of the Internal Audit position within the organisation is not comprised, is independent and is consistent with the Division's *Guidelines for Internal Audit*.	*HIGH*				Completed
4 The Council needs to ensure that the membership of the Audit and Risk Committee includes external representation.	*HIGH*				Completed
5 The Council needs to conduct a fraud risk assessment as part of its internal audit process.	*HIGH*				Completed
6 The Council should prioritise a systematic fraud assessment to satisfy compliance in this area.	*HIGH*				Ongoing – in progress

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
7 The Council needs to ensure that all policies and procedures identify when they are approved/take effect, and when they are to be reviewed.	MEDIUM				Review to ensure all policies comply with template underway.
8 At the beginning of each Council meeting, the Mayor should remind all Councillors of their obligation to abide by the Code of Meeting Practice. A quorum is necessary to constitute a decision of the Council.	HIGH				Ongoing
9 The Council should review its Procurement Policy and Procedures to include monitoring of contractor performance.	HIGH				Complete
10 The Council should undertake a bi-annual independent risk assessment of its procurement and disposal practices.	HIGH				Ongoing – in progress
11 The Council needs to develop a policy and procedures relating to staff/councillor interaction as a matter of priority.	LOW	Refer to Council response on page 36			Council has chosen not to implement.
12 Withdrawn					N/A
13 The Council needs to develop a Companion Animals Management Plan as a matter of priority.	LOW	Develop Companion Animal Management Plan as part of Delivery program	31 December 2013	Executive Manager Environmental Standards	In progress
14 The Council needs to consider an on-site inspection program on an annual or bi-annual basis for swimming pool compliance.	MEDIUM	Program being developed for on-site inspection of swimming pools	31 December 2013	Executive Manager Environmental Standards	In progress
15 The Council needs to undertake a review of the Development Assessment process to ensure that it continues to comply with legislative and regulatory obligations.	MEDIUM	No action – refer to Council response on page 43			Ongoing – next review to align with new planning legislation.
16 The Council should consolidate the various tools and checklists into a Development Assessment Manual to ensure clear procedural reference for all staff.	MEDIUM				Completed
17 The Council needs to review and update its Water Management Plan.	MEDIUM	No action – refer to Council response on page 44	July 2013		Update in progress

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
18 The Council should ensure that its asset management planning has been completed and that the asset activity references contained within the Asset Management Plan are reflected in the Delivery Program and relevant Operational Plans.	MEDIUM				Completed in Dec 12
19 The Council should include the Asset Management Policy within the Asset Management Strategy.	HIGH				To be commenced in accordance with IP&R guidelines
20 The Council needs to clearly state its preferred option in regard to its Long-Term Financial Plan scenarios.	LOW				Completed
21 The Council needs to include information relating to sources of operating income, expenditure and capital investment for the ten year life of the Long-Term Financial Plan.	MEDIUM				Completed
22 The Council to develop and adopt an overarching Tourism Plan for the local government area.	MEDIUM	No Plan required as Council has addressed this through Place Management Strategies			Council not to implement.
23 The Council should finalise the draft Economic Development Plan and consider its adoption.	MEDIUM	Develop an Economic Development Framework and Strategy	1 September 2013	Executive Manager City Outcomes	In progress
24 The Council should review the Workforce Management Plan to specifically strengthen the links between the individual Actions and the Delivery Program strategies.	MEDIUM	Review Workforce Management Plan to strengthen links	1 July 2013	Manager Human Resources	In progress
25 The Council needs to develop specific grievance processes and procedures for unsuccessful candidates who wish to appeal decisions in relations to job applications.	LOW	Incorporated into revised Recruitment and Selection process	1 July 2013	Manager Human Resources	In progress