

challenges improvement innovation good governance

# Promoting Better Practice Program

## REVIEW REPORT

### GRIFFITH CITY COUNCIL

AUGUST 2009



**Division of Local Government**  
Department of Premier and Cabinet

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## 1. ABOUT THE REVIEW

### Review objectives

The Promoting Better Practice review program is a review process that has a number of objectives:

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

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

### Review process

The review process was developed after extensive research into council performance measurements in Australia and overseas. There are essentially five steps in a review - preparing, assessing, checking, analysing and reporting. The review team examines local circumstances in order to understand the pressures on council and how the council has sought to manage that environment.

The process involves a review team from the Division of Local Government, Department of Premier and Cabinet evaluating the effectiveness and efficiency of the council's operations and giving feedback. This involves checking compliance, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance. The results of reviews are analysed and fed back to the elected council, the Deputy Director General (Local Government) of the Division of

Local Government, Department of Premier and Cabinet and the Minister for Local Government.

### **Griffith City Council Review**

Griffith City Council was asked to complete a strategic management assessment and a comprehensive set of checklists about key council practices. The review team examined these and a range of other source documents prior to visiting Council in order to gain a preliminary understanding on the pressures on Council and how the Council has sought to manage that environment.

The strategic management assessment tool asked Council to respond to four critical questions:

- *How has Council determined its ambitions and priorities?*
- *How do these ambitions and priorities drive the Council's services and resources?*
- *How does Council use its corporate capacity and systems to drive forward the organisation in an ambitious, challenging yet managed way?*
- *How does Council measure the progress it is making with its agenda to ensure that its priorities are delivered and that service improvement is achieved?*

The review team comprising Senior Investigations Officer, Paul Terrett, and Manager, Legal Services, Alice Leslie, conducted the on-site component of the review from 7 to 10 July 2008.

The on-site review involved a meeting with Council's Mayor and General Manager, a briefing for Council's senior staff, conducting interviews, attending a council meeting and the review of a number of Council's policies and other documents, and visits to a number of Council facilities/worksites.

### **Blackadder Gibbs – Preliminary Audit**

Unlike other reviews conducted by the Division, the Council engaged Blackadder Gibbs Pty Ltd to conduct a preliminary audit of the Council. We found the

engagement of an independent consultant to have been worthwhile in preparing the Council for the Division's review and conducting a self-assessment of its operations. The preliminary audit identified a number of areas within Council that require attention and has made recommendations that will assist Council. It is not the intention of this Promoting Better Practice review report to repeat the findings of Blackadder Gibbs Pty Ltd, but to complement these findings and to encourage Council to go further in a number of areas.

The Division has found the preliminary audit to be sound and a good tool for the Council to use in developing change and improvements in Council operations. It is for this reason that the Division encourages Griffith City Council to act on the recommendations of the audit.

As set out in the conclusion of the preliminary audit report, a number of actions have been highlighted, including:

- Completion of the Community Strategic Plan
- Develop a new councillor induction program
- Provide Code of Conduct training
- Develop a corporate risk management plan and an internal audit program
- Develop a Section 94 contribution expenditure plan
- Develop an asset management plan
- Review the organisational structure, in particular the economic development, corporate property and development functions.

The preliminary audit has also identified potential non-compliance with Council's legislative obligations. They include:

- Lodgement of pecuniary interest returns before due date
- Amend the code of meeting practice to include under section 10A(4) of the Local Government Act to allow a member of the public to make representations as to whether a meeting should be closed to the public

- Ensure that the Annual Report complies with section 428 of the Local Government Act
- Review the State of the Environment report
- Develop a Companion Animals Management Plan
- Prepare a swimming pools inspection program in accordance with the *Swimming Pools Act 1992*
- Prepare plans of management for all community land.

It is proposed that most of the recommendations, as set out in the Blackadder Gibbs Preliminary Audit report, be encompassed in the recommendations of this PBP report.

It is proposed that these recommendations form part of Council's Action Plan and form part of the monitoring of the recommendations of the PBP review report.

**(Recommendation 1)**

Council should consider publishing a version of the Blackadder Gibbs Preliminary Audit report that would be suitable for public release in light of the above recommendation.

## 2. EXECUTIVE SUMMARY

Griffith City Council has clearly set out its vision that reflects Council's values and goals. The Griffith Growth Strategy was adopted in August 2000, with a 30 year vision. Council has reviewed this after the first 5 years.

The Council's vision is rooted in its Griffith Community Action Plan 2030. This long term vision is a road map for Council's future. However, the Plan would be improved by developing long term financial plans that link to this community strategic plan.

The Council understands its community and actively consults with the local residents. A detailed profile of the LGA has helped Council develop strategy and policy and align plans and actions with key outcomes – community, environment, infrastructure and governance.

Council has been working to integrate its planning and Council is encouraged to continue in this direction. Once this has been achieved, Council will be well placed to strategically address the future needs of the Griffith area.

A major challenge for Council is the review of its current policies. Many are out-dated, with the last update for many policies being in excess of five years.

Council is active in seeking resource sharing arrangements with other councils and has developed a sister city relationship with Fairfield City Council. Council could benefit from sharing practices in areas such as internal audit, legislative compliance and professional development.

Given Council's current strategic direction, it is well placed to continue to work with other councils in the region.

Council has not undertaken a risk management plan. Council is encouraged to develop a plan using the Risk Management standard AS/NZS 4360.

Council does not presently have an internal audit committee. However, Council has discussed the establishment of an Internal Audit Committee and an Internal Audit Charter.

It is recommended that a Fraud and Corruption Prevention Risk Assessment also be completed as soon as practicable.

Council's overall financial position appears to be satisfactory. However, Council needs to review a number of areas including asset maintenance programs and long-term asset planning for its infrastructure.

Council has a program of quarterly reporting of financial performance against performance standards.

Council has policies and procedures to manage processes like recruitment and selection, Equal Employment Opportunity, employee grievances, harassment, Occupational Health and Safety (OH&S), occupational rehabilitation and leave. All positions have written job descriptions. Council has developed a human resources strategy which is reviewed annually.

### 3. RECOMMENDATIONS

#### *Ambitions, Priorities and Future Focus*

1. Council continue working towards actioning the recommendations outlined in the Blackadder Gibbs Report.
2. Council should work towards the integration of its strategic plan with its community plan, management plan, asset management plan and long-term financial plan.

#### *Governance*

3. Council should adopt the practice of “matters determined without further debate” in council meetings.
4. Council should develop a procedure for the reporting of gifts and benefits and undertake an awareness program of this procedure with staff and councillors.
5. Council should collect details of all complaints received and provide a summary to senior management on a six (6) monthly basis to assist in identifying problem areas.
6. Council should provide all councillors and designated persons with Department Circular 08-71 *Self-Help Guide to Complete Section 449 Returns of Interest*.
7. Council should continue to develop its risk management plan to effectively control and reduce Council’s risk profile.
8. Council should develop an internal audit plan.
9. Council should undertake a fraud risk assessment.
10. Council should conduct privacy training for staff and councillors.
11. The records repository should be located off-site as part of Council’s disaster recovery plan and consider working with other councils to establish a records repository in their area to minimise risk to records.
12. Council should develop processes for monitoring and auditing purchasing and tendering, disposal of assets and contract management.

13. Council should continue to investigate opportunities to develop strategic alliances with other councils and work towards a collaborative approach in providing joint services.

#### *Planning and other regulatory functions*

14. Council should review its planning administration to improve systems to better utilise its existing IT capability.
15. Council should consider introducing an IHAP (possibly on a regional basis) to consider matters such as councillor and staff development applications, Council DAs, contentious DAs and contentious applications to modify development consents (Section 96).
16. Council should develop adequate 'Plans of Management' for all community land, owned/controlled by Council.
17. Council should develop an enforcement and prosecution policy.
18. Council should establish a register of graffiti removal pursuant to section 67C of the *Local Government Act 1993* in due course.
19. Council should take steps to ensure it has programs that assist with compliance with the *Swimming Pools Act 1992*.

#### *Asset and financial management*

20. Council should develop a long-term financial plan that is integrated with its asset management plan.
21. Council should develop a comprehensive asset management plan that incorporates Council's asset maintenance program.

#### *Community and consultation*

22. Consideration is given to developing a strategy that goes beyond the CAP to address cultural, tourism and economic development.

#### *Workforce relations*

23. To achieve the full and equal participation of women in local government, Council should implement strategies such as the career development,

mentoring and assertiveness training contained in the document *The Review of the National Framework for Women in Local Government – The Way Forward 2007*.

## 4. CONTEXT

Griffith City Council was constituted in 1928 and was known as Wade Shire Council until 1 January 1982 when it was renamed Griffith Shire Council. In 1987 it was renamed Griffith City Council. Council has 11 councillors elected in an undivided area and a popularly elected Mayor.

Council serves a population of approximately 26,000. This population is likely to grow to around 35,230 by 2022. Approximately 17.3% of the population were born overseas, with 6.4% of the population coming from Italy and 2.1% of the population from India.

In contrast to other country NSW local government areas, Griffith has only 12.5% of the population aged 65+ ranking it the 110<sup>th</sup> of the 152 councils with an aged population. This is likely to change to 125<sup>th</sup> by 2022.

Due to the younger age profile of Griffith, the labour market will remain strong, with a stable population of working age. Despite this strong labour market, the expansion of its agricultural base has required the area to attract seasonal agricultural workers.

The main crops of Griffith include citrus, grapes, prunes, peaches, nectarines, apricots and plums. The local wine industry now produces 80% of all wine produced in NSW.

Griffith has an area of 1,640 square kilometres.

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

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

While Council has built the foundations for a strong strategic approach, it does not fully integrate its strategic plans with other more operational plans (such as the management plan, asset management plan and long term financial plan).

### **(Recommendation 2)**

#### *Integrated planning and reporting*

The Division's vision is of a strong and sustainable local government sector that meets community needs.

A major priority of the Division is to work with councils to better integrate their planning, service delivery and reporting. Integrated planning is about ensuring that each council's planning requirements and processes are sufficiently interconnected to maximise the achievement of the council's goals and desired outcomes. If plans are not integrated it is likely that their implementation will work against each other to fragment and confuse responsibilities and targets, and undermine the achievement of the council's goals.

Integrated reporting is about ensuring that reporting is linked to council plans, particularly in regard to the progress toward achieving those plans and then accurately informing the development of future plans. The Division notes that Council has developed a Community Strategic Plan, which aims to incorporate and integrate operational plans. Council acknowledges that additional work is required in this area.

Griffith City Council should work towards the integration of all its plans. Currently, the Council is driven by its management plan. It does not have a long-term financial plan

or a comprehensive asset management plan. Council does have an understanding of its strategic direction. However, this has not been articulated into a single document other than in its planning strategy. Council should work towards an integrated approach to its planning.

## **6. DELIVERING AND ACHIEVING**

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

### **Overview**

Overall, the review team observed that Council has made a number of significant improvements. A contributing factor to this catalyst for change has come from Community Strategic Planning. Council is well placed to develop further by having long-term planning for its Area.

Council understands its local community and has established strategies that are linked to community needs.

Council has reviewed its vision and mission as follows:

### **VISION**

*To be a respected organisation committed to responsible economic management and excellence in the provision of quality services and facilities through leadership, teamwork and consultation with our customers.*

### **MISSION**

*The Griffith City Council has adopted a two point mission statement which it believes is the crux of Council's role and purpose. That mission statement is:*

1) *To respond to the needs of the community and deliver in an economical manner those services which rightly are the responsibility of Local Government.*

2) *To provide Local Government administration that is dedicated, accountable and committed to the improvement of the quality of life and the economic well-being of the citizens of the City of Griffith.*

Council has a co-operative working relationship between staff and councillors. Councillors appear to understand their role and are informed of current issues. This mature approach has contributed to a positive governance structure and provides leadership in planning for the future of the community.

## **6.1 Governance**

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

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

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

### *Management Plan*

Each year Council is required to prepare a draft management plan with respect to its activities for at least the next 3 years and its revenue policy for the next year.

Sections 403 and 404 of the *Local Government Act 1993* and the Local Government (General) Regulation 2005 require certain particulars to be included in Council's draft management plan. The draft management plan is to be exhibited in accordance with section 405 of the Act.

Council's current management plan was examined and appears to be in accordance with the relevant provisions of the Local Government Act and Regulations.

Prior to adopting the management plan, Council conducted public meetings and internal workshops. Council monitors the implementation of the management plan through quarterly reports to the elected body.

### *Council meetings*

The review team observed a Council meeting during the on-site review. Council's code of meeting practice, business papers and minutes were reviewed.

Council should adopt the practice of including "Matters Determined without Further Debate" in the Council meeting papers. This allows the Council to determine those matters that will be adopted in total where councillors agree with the recommendations of staff. This will assist Council meetings to operate more efficiently. **(Recommendation 3)**

Council could consider projecting proposed motions before the Council on overhead displays. In the meeting that was attended by the review team there was substantial delay with the wording of a motion. Using an overhead projection could have assisted councillors to understand the amendments to the motion being debated.

### *Councillor induction and ongoing training*

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

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

It was noted during the Council meeting attended that a councillor declared a conflict of interests. However, whether this was a pecuniary or non-pecuniary conflict of interests was not disclosed. Nor was the nature of that interest disclosed.

Training should be provided on an ongoing basis to ensure that all councillors are aware of their general legal obligations regarding disclosures of pecuniary and non-pecuniary conflicts of interests.

### *Gifts and benefits*

Council officials at some stage in their career may be offered a gift or benefit in the course of their work. The gift or benefit could be offered innocently, in good faith or could be offered in an attempt to influence the council official.

If council officials accept a gift or benefit this can give rise to feelings of obligation on their part towards the giver. It can also create perceptions that they are or will be influenced because of the gift or benefit.

It is therefore important that councils develop a policy and procedures to guide and assist council officials in dealing with gifts and benefits and to support the provisions in the Model Code of Conduct regulating gifts and benefits. From 1 January 2005, councils were required to maintain a gift register to, as a minimum, record the receipt of gifts of more than nominal value.

Council does maintain a gifts register. However, Council does not have a separate procedure for the reporting of the receipt of gifts or benefits other than that provided in its code of conduct.

Council's gifts register has limited entries. An examination of the register revealed that it was used infrequently by a small number of staff and councillors. The review team was advised that councillors generally do not receive gifts. However, Council should develop a procedure for the reporting of gifts and benefits and undertake an awareness program with staff and councillors. **(Recommendation 4)**

#### *Customer service and complaints handling*

An effective complaints handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction to provide a useful source of information and obtain feedback for improving Council's services.

Council has developed a Customer Management Policy (No.202 16/3/6), which sets out procedures on how Council will respond to complaints. Council has also developed a Customer Service Policy establishing clear service values and standards that customers can expect to receive when dealing with council. These policies could be enhanced by cross referencing or amalgamation to more completely establish the Council's customer service commitments.

Council should collect details of all customer complaints received and provide a summary to senior management on a six (6) monthly basis to assist in identifying problem areas. **(Recommendation 5)**

#### *Pecuniary interest*

Chapter 14 of the *Local Government Act 1993* sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private pecuniary interests. The Act also requires councillors and designated staff to lodge returns of interest. Part 8 of the Regulation prescribes the information required to be included when lodging returns.

The review team examined the most recent section 449 returns. The review team found that they were generally completed to a satisfactory standard. However, one councillor failed to submit the return by the due date. Councillors and staff must be vigilant in submitting pecuniary interest returns by the due date and ensuring the return is accurate and completed fully.

Council should provide all councillors and designated staff with a copy of the (then) Department's Circular 08–71 *Self-Help Guide to Complete Section 449 Returns of Interests* to assist them in completing their returns. **(Recommendation 6)**

### *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 are cost effective in reducing the council's risk profile, thereby protecting the interests of 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.

Council does have a risk management policy (No.406 13.3.6) establishing a risk management program. The policy sets out the key objectives responsibilities and targets for corporate risk management. Council should continue to develop and implement the risk management program to minimise the likelihood of negative events that could have otherwise been foreseen and thereby managed or avoided. Such a plan should extend beyond those risks that are insurable. Council may wish to refer to AS/NZS 4360:2004 for more information on risk management.

An invaluable mechanism for implementation of any risk management strategy is the undertaking of an organisational wide risk assessment. It is good practice to undertake an organisational risk assessment at least every three years. Such a risk assessment can be used to identify areas of high risk that a council should focus on and manage, as well as facilitate the development of an internal audit plan for the council. Risk assessment processes such as this ensure that councils look beyond insurable risks and OH&S matters and work to identify and manage all business risks.

While the review team acknowledge that some work has been done in this area, Council needs to address all risks it faces. **(Recommendation 7)**

#### *Internal audit and control*

Internal audit and control provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete, and established procedures are being followed. An internal audit program will also provide councillors and members of the public with assurance that a council is managing its operational risks and performance appropriately.

Council does not have an internal audit committee or an internal audit plan. An internal audit committee and/or an internal audit function would assist Council in monitoring and improving its internal controls. Council should examine the costs and benefits of establishing such a committee and functions.

Council may wish to look to its neighbouring councils or to a larger council to conduct a peer assessment of its internal controls. It should also examine resource sharing of this internal audit function with other councils in the area. **(Recommendation 8)**

Since the time of the review and finalisation of this report, Council has advised that it has established an internal audit function. Council is sharing an internal auditor's services with 5 neighbouring Councils. Council reports that the auditor is working with Councils internal audit committee to develop an appropriate internal audit plan.

Council does not appear to have undertaken any fraud risk assessment. Changes to the Australian Auditing Standard 210 (ASA210) now require all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks. Council needs to address this issue. **(Recommendation 9)**

Council would also benefit from developing an Anti Fraud and Corruption Policy in an effort to minimise the associated risks within the organisation. The Independent Commission Against Corruption (ICAC) produces several publications that can assist public organisations in understanding fraud and corruption risks. These can be found at [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au).

#### *Protected Disclosures*

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

Council has a policy to assist staff in making any disclosures of alleged corrupt conduct, maladministration or serious and substantial waste of public money under the *Protected Disclosures Act 1994*. Council informs its councillors, staff and council delegates of the requirements and protections of the *Protected Disclosures Act 1994* through staff induction and development training programs.

#### *Privacy management*

The *Privacy and Personal Information Protection Act 1998* (“PPIPA”) provides for the protection of personal information and for the protection of the privacy of individuals. Section 33 of the PPIPA requires all councils to prepare a Privacy Management Plan. Council adopted the Model Privacy Management Plan in July 2003. Council should review this and conduct privacy training for staff and councillors. As Council routinely deals with large volumes of personal information, it is essential that staff are aware of the Council’s obligations under the PPIPA. **(Recommendation 10)**

### *Records management*

Councils are required to make and keep full and accurate records of their activities in accordance with section 12 of the *State Records Act 1998*. Council must establish and maintain a records management program that conforms to best practice standards and codes.

The review identified several opportunities for Council to improve its record keeping practices.

Council does have a records management policy. This policy reflects good practice. However, the reviewers did identify some areas where the policy was not being followed. Council needs to be aware that ISO 15489-2002 has superseded Australian Standard AS4390. This new standard has been adopted as a code of best practice for the NSW Public Sector for records management policies and procedures.

Councillors bring to their civic office a variety of knowledge, experience and commitment with a view to providing strong leadership and good governance of council. However, they may not have a knowledge or understanding of their responsibilities for recordkeeping. This includes the regulatory and best practice requirements they are expected to observe when undertaking duties on behalf of council.

To facilitate the efficiency of Council business and to ensure that its decisions and actions are transparent and accountable, Council needs to educate its councillors to meet their specific record keeping responsibilities.

One way councillors can be informed of their responsibilities is through the issue of policy and procedures. State Records NSW has created *Sample records management policy and procedures for councillors* that can be modified by councils to suit their needs. State Records NSW has also produced a brochure titled, *What have records got to do with me?* This is available free of charge. All councillors should be provided with a copy.

Council currently stores its old documents at the back of the Council offices or in old filing cabinets. This on-site approach to archiving is potentially unsafe and exposes

Council to the risk of major records loss in the event of a fire or other major disaster. It appears that no documents or files have ever been archived or destroyed.

The current Records Management Policy states that records are maintained in accordance with the General Disposal Authority (GDA10). The review found no evidence of this. Nor did the review uncover any disposal procedures. All records need to be reviewed periodically to determine if they should be retained, archived to State Archives or destroyed in accordance with GDA10. A copy of this Authority is available from the State Records' website.

A good records management policy should incorporate information about, and procedures for, community access to records under section 12 of the *Local Government Act 1993*. While the Act provides for access it is important to note that the Act also imposes an obligation on Council's Public Officer to assist people gain access to records. A well-written policy and straightforward procedures can be a practical way of assisting the public to gain access to records.

Council should make the required changes to its record keeping practices to facilitate compliance with the *State Records Act 1998*, to ensure that its records system supports the needs of the organisation and to facilitate community access.

The records repository should be located off-site. Council should consider working with other councils to establish a records repository in the area to minimise the risk to records. **(Recommendation 11)**

### *Purchasing and Tendering*

Provisions relating to purchasing and tendering are set out in section 55 of the *Local Government Act 1993* and the Local Government (General) Regulation 2005.

Council has a procurement policy adopted in February 2008. This is based on the policy of obtaining value for money when evaluating and selecting goods and services and provides staff with a set of basic procurement guidelines. Council also adopted a disposal of surplus equipment policy in June 2004. This policy gives a series of general principles, which include obtaining fair value for surplus assets and reducing employee exposure to possible corrupt practices.

A review of tenders was difficult. While the files documented the tender sufficiently, there appeared to be some examples of poor recording, such as receipt of tender and amounts being tendered. In some files the reasons for awarding the tender appeared to be outside the scope of the tender.

Council should consider using a tender checklist to assist compliance with the Local Government Act.

Council should develop processes for monitoring and auditing purchasing and tendering, disposal of assets and contract management. **(Recommendation 12)**

### *External Alliances*

Council is working co-operatively with a number of other councils in the Riverina area and is a member of the Riverina and Murray Regional Organisation of Councils (RAMROC). Council has a resource sharing relationship with other councils in areas such as food inspection and water and sewerage.

Council should continue to investigate other opportunities to develop strategic alliances with other councils and work towards a collaborative approach in providing joint services. **(Recommendation 13)**

Council has developed a “strategic alliance” with Fairfield City Council. The purpose of developing the relationship is to establish a spirit of goodwill between the Councils and encourage reciprocal exchanges in education, resource sharing, culture, economic development and staff exchanges.

Council is enthusiastic at the opportunities for staff development, resource sharing and capacity building for both Councils. Council is encouraged to pursue this opportunity, as it has the potential to offer both Councils benefits in the form of sharing of expertise and resources.

## 6.2 Planning and other regulatory functions

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

The review examined a range of Council's regulatory practices, including:

- *Council's planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Enforcement practices.*

### *Development applications*

During 2007/08, Council handled 419 development applications (DAs) with an estimated value of \$72 million. These were assessed on average in less than 31 days. Planning decisions are clearly documented and developments of any significance are referred to Council for determination. Councillors only dealt with approximately 4.5% of all development applications.

Council appears to apply the 'stop the clock' provisions in accordance with the Environmental Planning and Assessment Regulation (clauses 109-112). In reviewing the processing of DAs, concern was raised at the Council's failure to adequately use its computer system to monitor the progress of DAs and for record keeping. However, Council appears to operate its planning functions successfully.

Council does not have an electronic system for lodging or tracking of development applications. There does not appear to be any plans to upgrade the IT systems in the planning branch to address matters such as e-planning. Council may find it beneficial to consider resource sharing with another council(s) to facilitate the development and

implementation of e-planning. Council should review its planning administration to improve systems to fully utilise its IT system. **(Recommendation 14)**

Council does not presently have an independent hearing and assessment panel (IHAP). Council should consider introducing an IHAP (possibly on a regional basis) to consider matters such as councillor and staff development applications, Council DAs, contentious DAs and contentious applications to modify development consents (Section 96). **(Recommendation 15)**

*Planning – keeping environmental planning instruments under review*

Council is required by section 73 of the *Environmental Planning and Assessment Act 1979* to keep its planning instruments and policies, such as local environmental plans and DCPs, ‘under regular and periodic review’. Council’s current LEP was last updated in 2005 and Council has been pro-active in developing a new local environment plan (LEP) a year ahead of the set timeframe. This was assisted by funding from the Department of Planning.

Council has completed the Land Use Strategy upon which the new LEP will be based.

*Plans of management for community land*

The (then) Department of Local Government issued a circular to councils on 16 May 2000 that included a copy of the revised Practice Note 1 – Public Land Management (May 2000). Point 4.4 of the Practice Note details the minimum requirements for plans of management.

Council does not have plans of management for all of its community land. Plans of management for community land, owned/controlled by Council, need to be developed in the near future. **(Recommendation 16)**

### *Enforcement*

In the exercise of their functions under the *Local Government Act 1993* and various other Acts, councils are required to ensure compliance and, where necessary, take enforcement action.

Councils must properly deal with allegations about unlawful or non-compliant activities, which include activities that are prohibited or unauthorised, or contrary to the terms of a consent, licence or approval, or other instrument of permission issued pursuant to lawful authority. Failure to properly deal with such allegations, quite apart from being poor administrative practice, could expose a council to liability for compensation and the expense of litigation.

Council does not currently have a formal enforcement policy. It was intended that one would be developed by April 2008.

Council should develop an enforcement policy, in line with the NSW Ombudsman's *Enforcement Guidelines for Councils*. **(Recommendation 17)**

### *Companion Animals*

The primary aim of the *Companion Animals Act 1998* is to provide for the effective and responsible care and management of companion animals. Local councils are responsible for implementing the *Companion Animals Act 1998*. The Act imposes requirements on both councils and the owners of companion animals.

Council has developed a companion animals management plan. The plan has identified strategies that Council will pursue in meeting its obligations under the *Companion Animals Act 1998*. This includes community education, enforcement, environmental and community amenity strategies. Council has met its obligation under section 64 of that Act to seek alternatives to that of euthanasia, if practicable.

The Council's pound facilities are well located and allow dogs and cats to be dropped off after hours. The Rangers have a good understanding of the Companion

Animals Act and this is reflected in the reduction in the euthanasia rate: dropping from 74% in 2002/03 to 61% in 2007/08.

### *Graffiti Removal*

Council does not have a register of graffiti removal pursuant to section 67A (2) of the Local Government Act. A register should be established if Council is to be involved in the removal of graffiti on private land. **(Recommendation 18)**

### *Swimming Pools*

The *Swimming Pools Act 1992* requires councils to promote awareness of the requirements of the Act in relation to private swimming pools within a council's area. Griffith City Council does not currently have a compliance program to ensure it is notified of all swimming pools in its area and that swimming pools comply with the *Swimming Pools Act 1992*. Council should take steps to ensure it has programs that assist with compliance. **(Recommendation 19)**

## **6.3 Asset and financial management**

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

### *Overview of financial position*

Council made an operating surplus before capital items in 2006/07 of \$2,072,000, compared to a deficit of \$374,000 in the previous year. While Council's financial position is satisfactory, it should be mindful of its Auditor's comments about achieving a cash flow surplus excluding loan borrowings and windfall gains. This will assist Council to maintain its planned infrastructure and replacement programs.

### *Liquidity and cash position*

Council's unrestricted current ratio (UCR) for the 2006/07 period was 1.26. For the period 2004/05 and 2005/06 it was 1.1 and 1.22 respectively. The UCR measures the adequacy of working capital and the ability to satisfy obligations in the short term. It does not include externally restricted activities such as water, sewer or specific grants. A UCR of greater than 2 is acceptable. However, Griffith City Council has a land bank which, when sold, will enhance this ratio.

The Rates and Annual Charges Outstanding Percentage (RACO%) in 2006/07 was 2.67%. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. This compares with 2004/05 and 2005/06 of 3.92% and 2.96% respectively.

### *Infrastructure maintenance*

The written down value (WDV) of Council's assets for 2006/07 are as follows:

- Roads, bridges and footpaths      38%
- Stormwater drainage                76%
- Water supply network                62%
- Sewerage                                56%.

The Division considers that a WDV below 50% may be a cause for concern. Council's estimated costs to bring assets to a satisfactory condition were \$50,149,000 in 2006/07. There is a shortfall between estimated maintenance to actual maintenance of \$2,730,000.

### *Long term financial planning*

Councils are required to develop a budget each financial year as part of the management plan. This includes providing estimates of revenue and expenses for the next two years.

The Division is also encouraging councils to develop long-term financial plans that are integrated with the council's strategic plan. These financial plans allow a council

to forecast the revenue and expenses that are associated with the council's strategic direction.

By undertaking longer-term financial planning, Council will be able to forecast its financial position, measure the sustainability of its proposed activities and decide whether it can fund additional activities and services and consider appropriate debt levels to finance its activities, as recommended by Council's external auditor.

It is imperative that Council develop a long-term financial plan that should be integrated with its asset management plan. The plan should take into account the following considerations:

- alternative sources of revenue
- long term rates strategy (rating structure, special variations, etc)
- long term borrowing needs and debt service ratio
- investment strategies
- the alignment of its long-term financial plan with other strategic directions, asset management, social and strategic plans
- long-term plans for capital works, land acquisition and anticipated demand for community facilities
- reserves and section 94 contributions
- asset management planning. **(Recommendation 20)**

### *Asset management*

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over the assets entire lives. Asset management involves effective coordination of a council's financial and engineering resources.

Within the context of limited traditional sources of income and increasing costs, the renewal and maintenance of existing community assets is a major issue for Griffith City Council and its community.

The cost of managing and maintaining Council's assets or services at the ideal or even a satisfactory level could have a significant impact on Council's annual budget. Council has commenced collecting data on all assets and has undertaken condition assessments. This data has been input into the Asset Management System.

Council should continue to develop a comprehensive asset management plan that includes the rationalisation of assets and a maintenance program.  
**(Recommendation 21)**

#### *Information technology*

Council leases all its computer hardware and has developed a formal information, communication and technology strategic plan for the period 2007–2010 that incorporates plans of action for information technology, information management and information systems. It would be good business practice to adopt an information technology strategy to meet the business needs, standards and strategic directions of Council.

## **6.4 Community and consultation**

A council's charter requires that a council:

- *Provides services after due consultation*
- *Facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government*
- *Actively promotes the principles of multiculturalism*
- *Plans, promotes and provides for the needs of children, and*
- *Keeps the local community and State government informed about its activities.*

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

- *The methods council uses to involve and determine the views of its community*
- *Social and community functions of council*

- *Annual reporting*
- *Reporting to the community and keeping the State government informed about its activities.*

### *Community Action Plan*

The Griffith Community Action Plan is a working document that reflects the social issues impacting on Griffith. The aim is to ensure the effective implementation of action items of the Community Action Plan (CAP).

The Griffith CAP assists in guiding local service providers, government and non-government agencies in examining and addressing the needs of the Griffith community. The CAP addresses the legislative requirement for social and community planning by briefly reporting on the seven mandatory target groups identified by the Division of Local Government. In addition, the CAP also recommends strategies and actions to address the identified needs of those target groups.

Council's Community Action Plan focused on 3 core community issues:

- Community Harmony and Development
- Safety and Crime Prevention and
- Employment and Workforce Participation.

This resulted in the development of 12 goals, 14 community issues and 40 strategies.

The CAP is a strategic document that includes:

- A review of the previous Social and Community Plan
- Development of a Crime Prevention Plan
- A template for Griffith City Council's revised corporate plan
- A consultation tool kit for whole community use
- Alignment with the Aboriginal Social Action Plan.

### *Cultural planning, tourism planning and economic development*

The (then) Department of Local Government and NSW Ministry for the Arts publication *Cultural Planning Guidelines for Local Government 2004*, identifies cultural planning as a "strategic process which illuminates and gives significance to the values, material and process dimensions of culture in a community in a way which informs a council's thinking, policies and programs".

Council has developed a cultural plan and the Community Action Plan links social and community activities.

One of the items in a council's charter, as defined under section 8(1) of the Local Government Act, is to exercise community leadership. In fulfilling their charter in this respect, councils will take on an economic development leadership role.

Council has an industry assistance package and dedicated staff to drive economic development. However, Council does not have a documented economic development plan.

Griffith City Council developed a tourism plan in May 2008. Council indicates that it expends approximately \$374,000 on tourism activities.

There are strong links between some of Council's other activities, such as land use planning, the operation of the airport and caravan parks, and the need to have a strategic approach to cultural, tourism and economic development planning. Council needs to consider the risks of not having a strategic approach to these areas of its operations. It is suggested that consideration be given to developing a strategy that goes beyond the CAP, to address cultural, tourism and economic development.

#### **(Recommendation 22)**

### *Communicating with the Community*

In 2006 Griffith City Council won the RH Dougherty Award for accountability in reporting to the community. This was in recognition of Council's contribution to the free monthly publication *GO Magazine*, which includes profiles of councillors and staff and Council activities.

Griffith communicates with its local residents through surveys, focus groups, newsletters, community committees, etc, and uses the local newspaper, radio and television to inform the community of its activities.

### *Ethnic Affairs*

Council has developed a separate Local Ethnic Affairs Priorities Statement (LEAPS) and Action Plan 2007-2010. This LEAPS has determined 26 actions to ensure the outcomes are met. The LEAPS is also integrated into the 2006–2007 Management Plan and Griffith’s Community Action Plan.

## **6.5 Workforce relations**

Councils have a number of legislative responsibilities in relation to their role as an employer. Councils are required to be responsible employers.

A review was conducted of a range of aspects of Council’s workplace relations practices including:

- *Consultative committee processes*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Staff development*
- *Occupational health and safety.*

### ***Overview of the organisation***

Council employs 286 staff. Women make up 33.5% of employees. The staff work well together and have a professional approach to their work. They show a willingness to accept a wide variety of tasks and to work cooperatively with all levels of the organisation.

### *Workforce planning and development of human resources strategy*

Workforce planning and the development of a human resources strategy are important activities intended to ensure there are sufficient, appropriately qualified and experienced staff to carry out a council's charter and vision.

All councils are exposed to a number of workforce issues, such as:

- the shortage of specialised skills in certain areas, such as in the area of environmental planning. The 'National Skills Shortage Strategy for Local Government May 2007' provides more information and is available online at [www.lgma.org.au](http://www.lgma.org.au)
- an ageing workforce
- changing workloads as council and government priorities change
- career opportunities outside council and the local government area.

Council should develop a long-term workforce plan, which encompasses continuous processes to shape its workforce so that it is capable of delivering its charter now and in the future. The long-term plan should:

- consider and address internal and external factors affecting its workforce such as those mentioned above
- consider the profile of the current workforce
- result in human resource policies and programs to address workforce issues. Examples are: recruitment and retention strategies and succession plans for key positions; increased opportunities for apprenticeships, cadetships and traineeships
- outline methods to monitor and evaluate the effectiveness of workforce planning measures.

A human resources strategy can integrate and guide Council's overall human resources effort, particularly in the areas of recruitment and retention and staff training and development. A strategy of this kind may be stand-alone or may be integrated into Council's overall corporate strategy. The key is to ensure that, consistent with the Council's view on the future direction of the organisation, planning is underway to support that direction at the human resources level.

This strategy's importance is underlined by the requirement to report annually in the management plan on Council's human resource activities (section 403(2)).

### *Recruitment and selection processes*

Council has a clear overview of the recruitment process. Files include requirements for a current job description, selection criteria, the need for merit based decisions, managing any conflicts of interests/ethical issues that may arise, documentation requirements and the composition of the selection committee.

### *Succession planning*

A central element of workforce planning is succession planning and management. This involves managing the recruitment and professional development processes in line with information on employees leaving Council and the potential workforce to ensure the workforce can be sustained to effectively achieve Council's objectives.

Given the ageing of the workforce in Australia in general and chronic skills shortages in some technical areas, succession planning is vital. An article published by the University of Dalhousie, Canada, lists the following ten top practices in the area of succession planning:

1. Identifying the broad skills, talents and experience needed in the future
2. Identifying what will attract and keep workers, starting with existing staff
3. Identifying collective opportunities for training and development of employees
4. Identification of career development opportunities for individuals
5. Regularly reconsidering rewards and recognition that are available to current and future employees
6. Providing opportunities for promotions and career advancement
7. Creating awareness and support for this particular issue
8. Taking a systematic approach
9. Opportunities for partnering with other councils to address this issue

10. Developing a plan with actions that align with other plans such as council's strategic plan, management plan and workforce plan.

A copy of this article is available from the university's website at <http://www.dal.ca/Continuing%20Education/Files/AMHRC/Top10Practices.doc>.

It is noted that Council has a number of trainees, which will minimise skills shortages at the Council.

### *Occupational Health and Safety (OH&S)*

The *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*, require both employers and employees to work to stringent safety requirements. Council is required to develop written safe work procedures.

The review did not involve a comprehensive audit of Council's occupational health and safety (OH&S) practices. However, the review team did consider a range of matters to gain an understanding of Council's OH&S system. These included Council's policy on OH&S obligations, the operation of its OH&S Committee and the system(s) for recording and following up on identified hazards/accidents. An OH&S committee has been established and meets quarterly in accordance with its constitution. The review team inspected the minutes of the committee. The business of the committee appears well documented.

Overall, it appears that Council has a commitment to occupational health and safety. This commitment is demonstrated through the establishment and ongoing review of an integrated system of policies and practices to create a safe work environment and minimise risk. This commitment has resulted in a reduction of workers compensation premiums.

### *Training*

Councils have other staff training obligations. Council staff in specialised roles are often required to maintain certain qualifications/complete refresher training in order to be allowed to carry out their work.

Council has a 3 year strategic training plan which is reviewed annually.

### *Employee relations/communication*

It is important that organisations have effective means of communication with staff. Effective communication systems will typically use a range of channels to disseminate and gather information.

Council conducted an employee survey in 2007. This has been an effective tool to gauge job satisfaction, overall staff morale and seek suggestions of areas for improvement.

### *Equal employment opportunity (EEO)*

Section 345 of the *Local Government Act 1993* outlines what a council's Equal Employment Opportunity (EEO) Management Plan should include. Of particular significance are the requirements related to collection and recording of appropriate information and the setting of goals and targets. Other relevant legislation is the *NSW Anti-Discrimination Act 1977* and the *Commonwealth Disability Discrimination Act 1992*.

Council adopted an Equal Employment Opportunity Policy and Management Plan. The policy and plan complies with the Act. However many of the actions are general. Most of the target dates are stated as "ongoing".

Without specific key performance indicators (KPIs), it is difficult to accurately monitor or analyse how well Council achieves its EEO objectives.

Earlier this year the Australian Local Government Women's Association Inc released the Review of the National Framework for Women in Local Government – The Way Forward. The document is available at [www.algwa.org.au](http://www.algwa.org.au).

The Framework identified that in 2001 in Australia and NSW approximately 40% of people employed in the local government sector were women and 26% of councillors were women. Only 5% of General Managers and 30% of managers and administrators in local government were women.

The 2007 review has found that women are still significantly under-represented in elected member and employed positions in local government in Australia.

The Way Forward document provides strategies that can be applied by state and local authorities to achieve the full and equal participation of women in local government.

Council should consider implementing some of these, such as particular initiatives for career development like mentoring and assertiveness training.

**(Recommendation 23)**

## 7. COUNCIL'S RESPONSE

Griffith City Council response picked up a number of minor factual errors and minor omissions that have been corrected in the report. More particularly, the Council response raised 4 important issues that resulted in changes to the final report.

1. Griffith City Council does have an electronic gifts register. The report originally stated that this was not the case and that a gifts register needed to be created. The report has been amended to recommend the appropriate policy and procedures are developed to support the proper use of the gift register.
2. Griffith City Council does have a customer service policy, a copy of which has been provided by Council. The report originally stated that this was not the case relying on the provisions of the complaints handling policy as an example of customer service statements. The report has been amended to request these two documents be linked or amalgamated where possible.
3. Griffith City Council does have a risk management policy, a copy of which has been provided by Council. The report originally stated that this was not the case and that a risk management policy needed to be developed. Griffith's policy refers to a risk management programme to be implemented and the report was amended to recommend that the programme be further developed.
4. Griffith City Council has instituted an internal audit process and established an audit committee. This activity has been commenced since the Promoting Better Practice review and drafting of this report. The report now reflects this important development.

## 8. SUMMARY – WHAT’S WORKING WELL & CHALLENGES

### COUNCIL’S PRIORITIES AND FOCUS

#### *What is working well*

- Council has a strong long term strategy driven by the Community Strategic Plan.

#### *Challenges to improve*

- Council should work towards the integration of its plans

### GOVERNANCE

#### *What is working well*

- Council understands its local community and engages the community in its planning processes.
- Council has a good working relationship with other councils and a sister city relationship with Fairfield City Council.

#### *Challenges to improve*

- Council should review its procedures in reporting gifts and benefits.
- Council should further develop its risk management programme.
- Council should develop an internal audit plan

### REGULATORY

#### *What is working well*

- Council is well advanced in reviewing its LEP.

#### *Challenges to improve*

- Council should review its planning administration to implement e-planning.
- Council should develop plans of management for all community land.
- Council should develop an enforcement and prosecution policy.
- Council should prepare a program to assist in compliance of the *Swimming Pools Act 1992*.

## **ASSET AND FINANCIAL MANAGEMENT**

### *What is working well*

- Council is in a satisfactory financial position.

### *Challenges to improve*

- The development of a long term financial plan that is integrated with its management plan
- Develop an asset management plan that incorporates an asset maintenance program.
- Council should develop an information technology strategy.

## **COMMUNITY, COMMUNICATION AND CONSULTATION**

### *What is working well*

- Council has a clear understanding of its community and actively consults with the community.
- Council has a commendable Community Action Plan that drives the provision of services in Griffith.

### *Challenges to improve*

- Council should develop strategies to address cultural, tourism and economic development.

## **WORKPLACE RELATIONS**

### *What is working well*

- Staff relationships appear both positive and professional.
- Council has a 3 year strategic training plan linked to individual training needs and career development.
- Council has a strong commitment to OH&S and has reduced accidents and workers compensation as a consequence.

### *Challenges to improve*

- Council should implement the strategies from the National Framework for Women in Local Government - The Way Forward.