

Promoting Better Practice Program

REVIEW REPORT

WOLLONDILLY SHIRE COUNCIL

NOVEMBER 2010

capability good governance improvement



Division of Local Government
Department of Premier and Cabinet

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EXECUTIVE SUMMARY

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

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

This review identified many examples of better practices such as strategic planning, community planning, community consultation and communication practices. However, the review also identified a number of improvement opportunities that the Council needs to address. The report provides details of these areas.

The Council has undergone significant organisational and operational changes in the last five years with a change in the management of the organisation. The Council staff that were interviewed in this process appear to be committed to supporting the current positive direction of the Council. Good teamwork between all levels of staff and the councillors was observed throughout the organisation during the site visit.

While good progress appears to have been made towards the implementation of the Integrated Planning and Reporting Framework, Council needs to ensure that this progress continues.

1 ABOUT THE REVIEW

Review objectives

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

Review process

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

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

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

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

The reviewer examined local circumstances in order to understand the pressures on Council and how the Council has sought to manage its environment.

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

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

Wollondilly Shire Council Review

Wollondilly Shire Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. The review team consisted of one external consultant. The external consultant examined the completed checklist/questionnaire and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding of the circumstances of Council and how the Council is responding.

The on-site component of the review took place in June 2010. It involved initial interviews with the General Manager, interviews with a cross section of staff, observation of a Council Forum, and the review of Council policies and other documents.

Implementation and monitoring of recommendations of final report

While the overall assessment is that the Council appears to be generally performing well, there are some important issues that the Council will need to address for the future. The review has identified a number of improvement opportunities that the Council needs to address. Council has identified its intended actions in implementing the recommendations in this report in the action plan contained at the back of the report. It is recognised that Council has already implemented a number of these recommendations. Council is asked to report to the Division in twelve months time on its progress towards implementing the remaining recommendations.

2 ABOUT THE COUNCIL AND THE AREA

Location and demographics

The Wollondilly Shire Local Government Area (LGA) is on the south western edge of Sydney and it is named after the Wollondilly River. The entire area is part of the Macarthur Region of NSW along with Camden Council and the City of Campbelltown.

The Wollondilly LGA contains several small towns and villages broken up by farms and sandstone gorges. In the LGA's west lies wilderness and includes the Nattai Wilderness and the Burragorang Valley. The majority of the Shire is either National Park or Water Catchment for several of Sydney's main dams. It also has the distinction of providing 97% of Sydney's water supply.

The LGA area population is approximately 50,000 with an area covering 2560sq kms.

The major town in the Shire is Picton. Other towns and villages include Tahmoor, Bargo, Thirlmere, Wilton, Menangle, The Oaks, Oakdale, Warragamba and Werombi.

Current Council

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

Council organisation

The Council is divided into two (2) separate divisions each being managed by an Assistant General Manager. One division consists of development, planning and community services; the other facilities, infrastructure, capital works, environmental services and finance. There is also a Manager of Executive Services, which is separate from the two (2) abovementioned divisions.

Council employs 199 full-time equivalent staff. Council does not have a ceiling on staff numbers.

Local issues

The main local issue the Council has had to deal with in recent years is the implications and impact of increasing residential growth in the LGA. With the outskirts of the metropolitan area of Sydney quickly spreading south, the Council area is experiencing many new families moving into the area who travel to Sydney on a daily basis. This in turn is having an impact on development and planning in the LGA. For example, Council has encountered recent community concern about new businesses attempting to move into the area.

3 SUMMARY OF KEY FINDINGS

| Better practices/Other noteworthy practices | Areas for improvement |
|---|---|
| STRATEGIC POSITION | |
| Preparedness for Integrated Planning and Reporting Framework | |
| GOVERNANCE | |
| Organisational Values | Internal Audit function and Audit Committee |
| Code of Conduct | Fraud control |
| Risk Management | Monitoring and auditing procurement and tendering |
| Staff access to policies and procedures/internal communications | Monitoring of gifts and benefits |
| Council meetings and committees | |
| PLANNING AND REGULATORY | |
| Use of delegations | DA processing |
| SOE reporting | Procedures for Companion Animals data entry |
| Contributions plans | Swimming pools |
| Companion Animal Euthanasia rates low | Waste Management Strategy |
| ASSET AND FINANCIAL MANAGEMENT | |
| Asset Management | Asset maintenance |
| Land Assets | Plans of management for community land |
| Financial management indicators | Rates structure |

| Better practices/Other noteworthy practices | | Areas for improvement | |
|--|--------------------------|-----------------------|-----------------------------------|
| COMMUNITY, COMMUNICATION AND CONSULTATION | | | |
| | Ageing strategies | | Customer service standards |
| | Community participation | | MOU with Local Aboriginal Council |
| | Cultural planning | | Disability Action Plan |
| | Economic development | | |
| | Ethnic affairs | | |
| | Tourism | | |
| WORKFORCE RELATIONS | | | |
| | HR policy and procedures | | Workforce Strategy |
| | Employee surveys | | Monitor sick leave liability |
| | Consultative committee | | Update EEO Management Plan |
| | Staff development | | |

4 COUNCIL'S STRATEGIC POSITION

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

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

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

Diagram 1: Proposed planning and reporting framework



Noteworthy practices

Preparedness for implementation of Integrated Planning and Reporting Framework

The Council has undertaken a systematic strategic planning process to identify its strategic priorities and in July 2008, the Council adopted its Community Strategic Plan 2030. This plan is the base document for the implementation of the Integrated Planning and Reporting Framework.

The Plan includes clear descriptions of Council's strategic intent and the description of the Council's key directions on local and regional issues. A review of the document found that it provided explanations of the Council's role in the attainment of community aspirations, its strategic resource implications in meeting the principal activities identified and the social, environmental, economic and civic leadership aspects.

Council has a number of separate plans and strategies that inform the Community Strategic Plan, such as the Council's Economic Development Strategy, the Environmental Management Strategy, the Asset Management Strategy and the long-term Financial Strategy.

The Council is in Group 2 of the council groups for the implementation of the Integrated Planning and Reporting Framework. This means that Council will need to develop a delivery program and operational plan commencing on 1 July 2011.

The Council's Asset Management Plan is currently being developed as a priority document under the Integrated Planning and Reporting Framework requirements. The Council's Workforce Management Plan is also currently in progress and is due for completion in March 2011.

Council has conducted asset mapping of each village and places of connection in the LGA and used this data to identify its current vision. The Community was provided with the opportunity to comment on these 'connections'. Council promoted this through the use of flyers in grocery stores and at the local service station and a variety of other strategic places.

The process used to develop the Community Strategic Plan included a councillor workshop and power-point presentation, a workshop held for Council managers, and community consultation.

Council conducts quarterly reviews of its progress in the achievement of its strategic priorities, and links these results back to its Community Strategic Plan and Management Plans.

As stated in the Community Strategic Plan itself, Council will conduct a comprehensive review of its Strategic Plan at least once during the term of each Council.

Council informs the community of its progress in achieving its strategic priorities through the following mediums:

- Council's annual report
- The 'Bush Telegraph' newsletter
- The local newspaper
- Council's website, which provides information on dates of forums and minutes of meetings
- At ekiosks, which are provided free for public access at public locations, eg, at the mobile library.

Council's response

Page 11 Paragraph 6 recommended additional comment:- "As there is concern that the reader may only perceive that Council placed flyers only in grocery stores and local service stations when a variety of other strategic locations were also utilised such as :- Railway Stations, Sporting Events, Shopping Centres, School Newsletters, Dilly Wanderer Mobile Van etc.

Reviewer's comment

The report has been amended accordingly.

5 DELIVERING AND ACHIEVING

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

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

5.1 GOVERNANCE

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

5.1.1 Scope of review

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

- *Ethics and values*
- *Management planning*
- *Procurement, disposal & tendering*
- *Code of conduct*
- *Risk management*
- *Internal audit*
- *Council's decision-making processes, including delegations and conduct of meetings*
- *Access to information*
- *Gifts and benefits*
- *Fraud control*

5.1.2 Overview of Wollondilly Shire Council's governance practices

Overall, Wollondilly Shire Council has many effective governance systems and processes in place. Examples of these systems and processes are outlined in the

following paragraphs. Council has established a position that is charged with the responsibility of overseeing corporate governance for the organisation.

5.1.3 Significant Observations

Better practices

Values

Council has developed an explicit set of organisational values. The organisational values relate to decision-making, being a custodian of public assets, and having corporate and employee responsibilities. These values are presented in the Management Plan 2009/2010-2012/2013 and the current Community Strategic Plan. These values were determined following a staff survey of organisational culture, with both Council staff and councillors being involved in the process. The Council engaged an external consultant, Kendall Barnes, to conduct the survey and report the results.

Council advertises these values in many ways, such as on its website, in its Management Plan, the Community Strategic Plan, on the exhibition table located in the Council administration building foyer, the library, community centres, children's services and the Visitors Centre. Internally, computer mouse pads are used around the buildings to exhibit the organisational values to all staff. These values are also promoted in the Induction Programs for new staff and Councillors and are also contained in the Statement of Business Ethics.

Noteworthy practices

Staff access to policies and procedures / internal communications

The reviewer was informed that 5 years ago Council did not have an email system. This issue has been rectified. While Council does not presently have an Intranet, Outlook is currently used as a staff access point for any changes in procedures and policies. All staff have access to the Corporate Announcement Folder on Outlook where any changes are announced. Policies and procedures are also readily available in TRIM or in hard copy. Staff are able to access TRIM, including the database index of the Policy Register. The policy register lists all policies and other documents, such as the Code of Conduct, that are relevant to Council staff.

Code of conduct

Council adopted its Code of Conduct in October 2008 and has adopted supplementary provisions. These include requests for staff and councillors to sign room books on attendance at all meetings and their responsibility in relation to accepting offers of money.

The Code of Conduct is communicated to all new staff upon their induction and appointment at the Council. Employees are required and instructed to read and understand their requirements under the Code of Conduct and verify this by a 'sign off' on the Staff Induction Checklist.

As part of Council's corporate training and ongoing awareness, Council also distributes slides from a power-point presentation to all employees about the Code of Conduct.

Council delegates are reminded of Council's values in the Code of Conduct and councillors are provided with the Code of Conduct as part of the Councillor Induction Program.

As part of corporate training, ongoing training and refresher courses on the Code of Conduct are undertaken on a regular basis, especially when there have been changes made to the Code or as part of a routine refresher course.

The Council's Code of Conduct is readily available for viewing on the Council's website. Tenders, contractors and suppliers are also advised of their responsibilities to abide by the Code of Conduct. With the implementation of the new *Government Information (Public Access) Act 2009*, the Code of Conduct will be included in the Council's tendering process, ensuring that all suppliers and contractors acknowledge their obligations under the Code. Members of the community are able to view the Code at the Council's business offices or can request a copy. Hard copies are also available at each Community Forum or Council meeting and are at the disposal of all community members and delegates.

Action relating to suspected breaches are outlined in the Code, which details steps that need to be followed for reporting. Council has also adopted a Complaints Handling Policy and has a draft Complaints Handling Procedure that compliments this process. This draft procedure is expected to be completed by October 2010.

Risk management

Council has a Risk Management Improvement Plan 2008-2009 that addresses key business risks that impact on the Council. This Risk Management Plan was last reviewed in December 2008. The reviewer was informed that a draft Corporate Risk Register is currently being developed to further enhance the process of risk assessment.

The current Risk Management Improvement Plan 2008-2009 was developed in consultation with the Risk Management Committee and in separate working sessions with the Managers from each section within the Council. An external risk audit was conducted by Echelon in August 2007. From this audit, an Internal Risk Management Committee was established in 2008 to monitor and review Council's risk management activities.

Council monitors its risks against its management strategies through its Risk Management Committee. This Committee comprises all of the Executive, the Risk Management Officer, Manager Works, Manager Administration, Manager Development and Manager Facilities and Recreation. All Managers within the Council are responsible for managing risks in their areas.

Council meetings

Council has a draft Code of Meeting Practice, which is currently on public exhibition, and has incorporated Part 3 of the Meetings Practice Note to reflect changes introduced by the Model Code of Conduct where non-pecuniary conflicts of interests are divided into three categories - significant, less than significant, and political donations.

The current Council term is from September 2008 to September 2012 and the Code was considered by Council in April 2010. The Code of Meetings Practice is available on the Council's website, at the Council reception or upon request and extra copies are available at Council meetings.

For the period May 2009 to April 2010, Council held two Extraordinary Meetings. Notices of Extraordinary Meetings are usually put on the website, in the Council foyer and advertised in the local newspaper. On occasion, an Extraordinary Meeting

may be called at short notice, which makes advertising through the local newspaper impossible due to printing deadlines.

Council holds Community Forums one week prior to Ordinary Council Meetings for the purpose of allowing members of the community to speak on issues of concern. The reviewer was informed that generally, community members do not speak at the actual Council meetings. At the forums, the community can address the meeting during community and informal question times. The Council produces a notice of Community Forum that is published at the same time as the Ordinary Meeting Agenda to notify the public. In addition, all enquires are directed through to the Administrative Services section where access to question forms and advice is provided to members of the community.

Council committees

Council has eight active Section 355 committees, including:

- Douglas Park Sportsground
- Tahmoor Sportsground
- Bargo Sportsground
- Thirlmere Sportsground
- Dudley Chesham Sportsground
- Victoria Park
- The Oaks Community Hall.

Council has also formed other advisory committees, as follows:

- Wollondilly Community Leisure Centre Users Advisory Group
- Road Ahead Audit Committee
- Alternate Transport Committee
- Australia Day Committee
- Companion Animals Advisory Group
- Disability Access Advisory Committee
- Healthy Catchments Committee
- Local Traffic Committee
- Rural Industry Liaison Committee

- Traffic Development Committee
- Wollondilly Aboriginal Advisory Committee
- Wollondilly Community Safety Forum
- Wollondilly Road Safety Group
- Wollondilly Youth Advisory Committee.

All of the abovementioned committees are provided with Volunteer Application Forms, Procedures Manual for Council 355 Management Committees, a Code of Conduct, and participants undergo Management Committee training. All committees have their own Charters and records are kept of all committee deliberations. Records of committee meetings are available to the public upon request.

Areas for improvement

Internal Audit and Audit Committee establishment

Council has been slow to implement the DLG *Internal Audit Guidelines* that were issued in October 2008. Council currently does not comply with these Internal Audit Guidelines and does not have an Audit Committee, an internal audit function or a risk based internal audit plan which together make up a Risk Management Framework.

The reviewer was informed that budgetary constraints have previously restricted the Council's ability to fund an internal audit function. Council is currently in the process of establishing an Audit Committee to oversee an internal audit program. Budgetary provision has now been made for an internal audit function to be established.

The Council currently does not have an Internal Audit Plan. However, the Council is currently working towards establishing a plan that is in line with the DLG *Internal Audit Guidelines*.

Council has only recently decided to create an Audit Committee. The Council is yet to decide on the membership of the Audit Committee. The reviewer was informed that the internal audit functional arrangements will be established by the Audit Committee in accordance with the DLG *Internal Audit Guidelines*.

The internal audit function provides assistance to management in the identification and evaluation of a risk management system and contributes to the improvement of risk management and control systems.

The Internal Audit Plan is based on the Risk Management Improvement Plan and risk assessment of Council's strategic and operational areas. It should be developed taking into consideration the Council's Risk Management Improvement Plan and Risk Registers and other areas of high risks to the organisation.

Recommendation 1

Council needs to ensure that its Audit Committee is promptly established.

Recommendation 2

Council needs to ensure that an internal audit function is created and implemented in accordance with DLG Internal Audit Guidelines.

Recommendation 3

Council needs to ensure that a Risk Management Framework is developed. This framework should consist of the Risk Management Improvement Plan and be linked to a risk based internal audit plan.

Fraud control

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

Recommendation 4

Council needs to ensure that fraud and corruption reviews are undertaken as part of its Internal Audit Plan.

Procurement and tendering

Council has Guidelines for Tendering, and a draft Purchasing Policy. These documents provide guidance for obtaining quotes and tenders. Related procedures cover purchasing and tendering and the disposal of assets, but do not cover the monitoring of contractor performance. The reviewer was informed that a process for monitoring contractor performance is currently being developed by the Contractor Management Group.

Council's purchasing policy provides guidance on Council's expectations on procurement. Council has different levels of expenditure that require different controls, such as the number of quotes required. Additionally, all staff have delegations of authority issued to them by the Executive. These delegations are the control mechanism limiting the amount each staff member may commit to expenditure.

Council only has a limited process for the monitoring and auditing of purchasing and tendering by conducting audits in AUTHORITY requisitioning. On-line requisitioning helps enforce the policy, as exceptions can be reported.

Council has conducted limited risk assessment of its procurement and disposal practices in the last two years. The reviewer was informed that this practice is currently being developed as part of the Contracts and Tendering Working Group agenda.

Recommendation 5

Council should ensure that procurement and tendering processes and procedures are reviewed as part of the Internal Audit process.

Gifts and benefits

Council has a Gifts and Benefits Policy and Procedures, a related Gifts and Benefits Register and a Gifts and Benefits Declaration Procedure for Councillors. The Council uses the electronic register developed by ICAC for the recording of gifts and benefits received by Council staff and councillors. The Register is updated whenever an electronic form is submitted by a staff member or councillor. The reviewer examined a sample of Gifts and Benefits Register entries and found that it was consistent with the DLG Model Code of Conduct and suggests that good practice is being followed.

The Council does not regularly analyse the gifts and benefits declarations recorded in its Register and therefore is not identifying trends or emerging issues in relation to the receipt of gifts and benefits. The reviewer was informed that 94 declarations have been made over the last three year period from 2008 to 2010. This demonstrates a high level of awareness of the need to report and record gifts and benefits.

Recommendation 6

Council needs to review the gifts and benefits declarations on a regular basis in order to ensure that any trends or emerging issues are identified and addressed in an appropriate and prompt manner.

Council's response

Recommendation 1:

Audit Committee established. First meeting held 3 November, 2010.

Recommendation 2:

Resources have been provided within the current Management Plan and in Council's future delivery programmes.

Recommendation 3:

Agreed: The Framework and Improvement Plan are scheduled for review and as part of that review, will be linked to the Internal Audit Plan once established.

Recommendation 4:

Will be prepared in line with Council's Fraud and Corruption Policy recommendation made to Audit Committee to include Fraud and Corruption reviews within Internal Audit Plan.

Recommendation 5:

Recommendation made to Audit committee to include Procurement and Tendering processes and procedures within the Internal Audit Plan.

Recommendation 6:

Agreed: This matter will be programmed with Council's Governance Tasks and will be audited on a quarterly basis.

Reviewer's comment

It is noted that recommendation 1 has been implemented and is considered completed.

5.2 DEVELOPMENT CONTROL & OTHER REGULATORY FUNCTIONS

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

5.2.1 Scope of review

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

- Council's planning instruments and policies
- Development assessment
- Companion animals
- Environmental management
- State of environment reporting
- Swimming pools.

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

Land use planning, development assessment and regulatory practices are significant processes for Wollondilly Shire Council. As this aspect of operations will continue to impact the Council's operations, performance needs to be subject to ongoing monitoring by the organisation.

5.2.3 Significant Observations

Noteworthy practices

Use of delegations

Council reported that 95.1% of development applications are determined by staff using delegated authority. The reviewer was informed that applications are reported to Council when they include a variation to a development standard or to a standard in a Development Control Plan (DCP) that is greater than the delegation that has been provided to officers. For example, variations to the front setback in rural zones

greater than 25% are referred to Council for determination. If three or more objections are made on a development application, the councillors are advised and given the opportunity to 'call up' an application by resolution at a Council meeting. This is commendable, as this practice can facilitate timely and objective decision making and suggests that the elected Council appears to have a good understanding of its primary role in determining policy matters and matters of strategic importance.

State of environment reporting

In the last twelve months, Council has prepared a State of the Environment Report (SER), as part of its Annual Report, which meets the requirements of Clauses 218-226 of the Local Government (General) Regulation 2005. The Council's Management Plan refers to the Sustainable Wollondilly Report, which is the basis of reporting in the SER. The Wollondilly Community Strategic Plan also refers to the Sustainable Wollondilly Report, as well as the Council's Sustainable Wollondilly Plan. Council's operating budget has monies allocated for the SER and this is also presented in the Council's Management Plan.

In the development of the most recent SER, Council formally consulted with the community by public forum where a presentation was held in September 2009. Consultation was conducted with the Wollondilly Healthy Catchments Committee and the Council also advertised for public submissions.

Council plays a role in monitoring changes in the local environment. The STREAMWATCH Water Testing Program is conducted by students from the Wollondilly Anglican College. The local Landcare Group is also involved in monitoring and testing of various environmental indicators.

Contributions plans/planning agreements

Council currently has three planning agreements in place. These are as follows:

- Planning Agreement between Wollondilly Shire Council and WG and R Mallan
- Planning Agreement from Hones LA Hood Lawyers
- Voluntary Planning agreement with Bingara Gorge.

Council has adopted Section 94 plans for its area. A review is currently underway with a view to the creation of a new contribution scheme, and together with its policy

on fixed development consent levies, are addressed in the Wollondilly Development Contribution Plan. Guidelines for making assessments under Section 94 are calculated automatically for each locality. This includes taking into account the ageing of the local population, medium density areas and detached dwellings.

Council has an up-to-date Section 94 Contributions Register that identifies Section 94 income for each developer in each category in accordance with Environmental Planning and Assessment Regulations. The reviewer examined the reconciliation of Section 94 income and expenditure. All expenditure is closely monitored by Council.

Strategic land use planning instruments

Council's current land use planning instrument, Vision 2025, is to be replaced by its Growth Management Strategy. This Strategy will be Council's overarching strategic document, which will be used to guide and plan land use and address employment and population growth in the LGA. It is expected that this document will be considered at the July 2010 Council meeting.

Council has recently prepared and adopted a single Local Environmental Plan (LEP). This Plan includes notification of development and the identification of exempt and complying development in the Council area, as required under the new provisions of the *Environmental Planning and Assessment Act 1979*.

Placement of lost and unwanted companion animals

Three years ago, the Council had no strategies in place for the rescue of lost or unwanted companion animals. Council has set up a Companion Animals Committee and now has strategies to reduce the euthanasia rate of unwanted animals by rehoming through other agencies and holding animals for longer than the statutory requirements. Advertisements for homeless animals are placed in local newspapers and on the Council's website in an attempt to find new homes. These strategies have reduced euthanasia rates by 60-70%. Council also runs a community education program called the 'Spot Program' and 'Prevent a Bite Training' for dog owners.

Areas for improvement

Development application (DA) processing

Council has guidelines to assist staff when assessing development applications and also uses checklists to ensure that full consideration of DAs are in compliance with legislative requirements. A pre-lodgement advice is offered at the Council's front desk to all applicants with the advice protocol being followed. Council also has a documented protocol for providing pre-lodgement advice, which is provided to customer service staff as a guide when dealing with applicants.

In the last two years, Council has evaluated its development assessment processes. The reviewer was informed that these processes were evaluated under a Managed Planning Framework when Council's new computer system (AUTHORITY) underwent a final check of its user-acceptance and was implemented on 1 July 2008.

Council uses AUTHORITY to identify all DAs at any point during the time of processing, from the inquiry stage to an update on the progress of the application. Council also uses AUTHORITY to monitor and report on DA processing on a daily and monthly basis. Council is able to use its AUTHORITY database to apply 'stop the clock' provisions. This is done by raising a task requesting additional information and, by raising the task, 'stop the clock' is automatically generated.

Council turnaround times on development applications are reported at Ordinary Council meetings and are published in Council's quarterly review of the Management Plan. Senior management informed the reviewer that, in comparison with other southern councils, Wollondilly Shire Council is the only council that has improved its processing time from 89 days down to 83 days in the last year.

Council does not have an Independent Assessment Panel for development applications.

Council does not provide for the electronic lodgement of DAs or on-line tracking of DA assessments. The reviewer was informed that Council is waiting for the introduction of the Statewide System. Council advised that it nominated to be included in the Department of Planning's Pilot Electronic Lodgement System, but

was unsuccessful as priorities were given to larger councils. Council is of the opinion that it would be inefficient to develop its own system at this stage.

Council has no formal process in place to minimise the use of formal appeal processes arising from its development assessment and approvals decisions. However, senior management informed the reviewer that Council is always open to informal but minuted discussion and advises applicants of their right to a Section 82A review. Council makes use of Section 34 conferences when available in Land and Environment Court hearings and takes advantage of Section 97B in regard to Court costs. In the event that a current development application matter is put before the Court, all Council senior staff and the elected Council receive relevant information and updates. Monthly reports are also received from solicitors on the costs and status of each case.

Recommendation 7

Council should develop a policy and process that encourages conciliation or alternate dispute resolution processes to deal with any issues relating to DAs and approval decisions.

Parking priority policy

Council does not have a Parking Priority Policy that outlines its priorities in regard to achieving an appropriate balance between public safety, traffic flow and equitable access to available parking spaces. However, a key strategic direction identified in the draft Management Plan 2010-2011 is to develop an overall parking strategy that will also include a policy.

Recommendation 8

Council should develop and formalise a Parking Priority Policy that considers public safety, traffic flow and equitable access to parking in the LGA.

Waste management strategy

Council does not have a Waste Management Strategy. Council is currently in mid-contract for collection, one year into a 15-year disposal contract and three years into a 4-year landfill contract. Council received funding to prepare a Waste Strategy in

2010. The reviewer was informed by relevant staff that it is expected that this would commence in June 2010.

Recommendation 9

Council needs to ensure that a Waste Management Strategy for the LGA is developed.

Companion animals

Council has no documented procedures but enters data onto the NSW Companion Animals Register (CAR) for the following circumstances:

- notices of intention to declare a dog a restricted dog
- making or revoking a restricted dog declaration
- entering breed and temperament assessment data in relation to restricted dogs
- ensuring animal identification is entered on the CAR within the prescribed period.

However, Council has procedures relating to the entering of data onto the CAR for the following matters:

- dangerous dogs data onto CAR
- nuisance dog/cat data
- process companion animals monthly invoices to ensure that all registration transactions processed by Council are entered on CAR and that the DLG's monthly invoice reconciles with Council receipt
- report dog attacks to the DLG as required.

The reviewer found that Council completed and submitted its most recent survey on the seizure of cats and dogs that was due to the DLG on 12 August 2009.

Recommendation 10

Council needs to ensure procedures related to entering data onto the NSW CAR are developed and support the processes currently being used by the organisation.

Swimming pools

Council does not have a compliance program in place to ensure that it is notified of all domestic swimming pools in the Council area. However, if Council adopts its Management Plan, as exhibited, then Council will advertise for a position immediately to undertake this task. Despite this, the reviewer recommends that Council develop a compliance program for the inspection of existing domestic swimming pools in the local area.

Council is able to call up all swimming pools in the AUTHORITY system that have been given DA approval. A separate register for all swimming pools is being developed with the appointment of a new Safety Officer.

Recommendation 11

It is recommended that Council develop a compliance program in relation to domestic swimming pools in the LGA.

Council's response

Recommendation 7:

The legislation enables alternate dispute resolution processes to occur and these have occurred as appropriate, based on the merits of the particular case.

A plain English document will be produced which outlines peoples' rights and opportunities to avoid appeals and resolves disputes (in 12 months).

Recommendation 8:

Agreed. As indicated, Council has already identified the development of an overall parking strategy and policy in its adopted Management Plan 2010-2011.

Recommendation 9:

Agreed: Council will review its strategy for waste management. Council currently has a strategic alliance with three (3) other councils.

Recommendation 10:

Procedures are followed in accordance with the Companion Animals Act by experienced trained staff and formal written procedures have been prepared.

Recommendation 11:

Council has been undertaking a programme of inspecting pool fences, in cases where works have commenced but no final inspection was completed for some time. Any expansion beyond this requires the appointment of an additional resource for which funding has been provided in Council's current Management Plan for a period of two years only at this stage. Council has advertised twice for a person to do this work however has been unsuccessful engaging a suitable person. The position will again be advertised in two months time.

5.3 ASSET & FINANCIAL MANAGEMENT

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

5.3.1 Scope of review

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

- *Financial management*
- *Asset management, including land assets, plant replacement and capital works*
- *Management of community land.*

5.3.2 Overview of asset and financial management practices

Council's short-term financial position is generally sound. However, the long-term financial position needs to be monitored, as there are concerns about the Council's continued deficit and its ability to meet maintenance expenses within the operational budget. Council needs to plan and budget for the future maintenance and replacement of infrastructure assets and buildings.

Council is not involved in the operation of any businesses, companies, partnerships, corporations, co-operatives or joint ventures.

5.3.3 Significant Observations

Noteworthy practices

Financial management indicators

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

- Movement in working funds (target = no negative movements)
- Unrestricted current ratio (target >2)
- Debt service ratio (target <10%)

- % of Rates and annual charges outstanding (target <5%)
- Building and infrastructure renewals (target ≥ 1)
- Return on investments (target >UBS Bank bill index).

A ratio analysis shows that the results of these financial and liquidity ratios were regarded as good.

Council is in the process of developing a new set of indicators. Council also uses the Division's Comparative Information publication. The results of these financial indicators are reported to Council and included in its annual financial statements.

Asset management

Council's original Asset Policy was adopted in 2003. At the time of the review, Council's new draft long term Asset Management Strategy and Policy were on public exhibition. The Strategy identifies a series of Individual Asset Management Plans to be developed that cover all asset groups. Timeframes are set for implementation in the next 18 months to 2 years. The reviewer was informed that an audit process is to be included in the Individual Asset Management Plans. The Strategy document refers to the need to review the Individual Asset Management Plans on a regular basis. The reviewer was informed that the original condition assessments are undertaken in accordance with the Priority Rating System. The new system will be based on IPWEA Condition and Performance Guidelines and Campbelltown City Council's Asset Inspection Handbook. This system is to be reviewed as part of the development of Individual Asset Management Plans.

The Council's draft Asset Management Strategy is linked to the Financial Plan, Strategic Plan and Management Plan and refers to Asset Management within the overall framework of Integrated Planning and Reporting.

Council maintains a register of assets and includes asset identification, valuation, condition assessment, and land. The Wollondilly Asset Identification Maintenance (AIM) Register is in the AIM module of AUTHORITY and the Capital Value Register (CVR) is within the Finance module of AUTHORITY. The CVR module contains financial data for all Council assets for the purposes of financial reporting.

Until the new requirements under the Australian International Financial Reporting Standards (AIFRS) were introduced, Council did not revalue any of its assets. With the introduction of AIFRS, Council revalued its operational land, buildings and plant and equipment on 30 June 2008. All other classes of assets were to be revalued in line with DLG requirements when Council's infrastructure assets are revalued as at 30 June 2010.

Land assets

Council records its land assets in the Wollondilly AIM Register in AUTHORITY. This Register records the following information:

- Maps
- Current plan of management
- Identifies Crown Land
- Title reference
- Type of land such as community, operational or other
- Land zoning
- Any licences or leases – Council maintains a register of this information.

The Register is updated on a regular basis and records all land transfers, including non-financial transfers. The Land Register records which community land has plans of management.

Areas for improvement

Asset maintenance and plant replacement

Council has an Asset Maintenance Program in place that is mainly of a reactive nature with maintenance being allocated on the basis of complaints being received. This is due to the Council currently having limited funding available for programmed maintenance. Council has an annual budget for a limited amount of unplanned maintenance, as well as an asset maintenance restricted cash account that can be used for any additional unplanned maintenance issues that may arise.

Council does not have a formal asset rationalisation process in place, but the reviewer was informed that it is intended that this process will be included in the development of the individual asset management plans.

Council currently has no Plant Replacement Policy but does have a Plant Replacement Plan.

Council has not undergone any process of asset rationalisation and does not have a formal asset rationalisation process in place. There have been shortfalls in the last three years between the estimated maintenance to actual maintenance, in 2006/07 (\$5,321,000); in 2007/08 (\$5,556,000); and in 2008/09 (\$4,596,000). The recent shortfalls appear to have been addressed in its long-term financial plans and will be further addressed in the development of individual asset management plans.

Recommendation 12

Council needs to ensure that it has a process of asset rationalisation in place and that individual asset management plans are developed.

Recommendation 13

It is recommended that Council develop a Plant Replacement Policy to support and complement its Plant Replacement Plan.

Plans of management

Council does not have Plans of Management for all its community land as required by the Local Government Act. However, there is a generic plan of management for sportsgrounds and all main areas, such as swimming pools, community centres, and sports ovals, have their own plans of management.

Recommendation 14

Council needs to develop Plans of Management for all of its community land.

Pensioner reductions and rebates

Council does not have a Pensioner Rates and Charges Reduction Policy under section 582 of the Act. In the past, Council has relied on the Act and assessed on a case by case basis. However, Council is in the stages of developing a draft Hardship Policy, which addresses section 582 of the Act, and was to be presented at the Council meeting in July 2010.

Council does not conduct a periodic review of pensioner rebate scheme procedures. However, as part of the normal process when preparing the return, the pensioner list

is compared against Centrelink and Veterans' Affairs information. The external audit of Council's pensioner return involves limited review of the procedures and advice is provided where improvements can be made.

Recommendation 15

Council should consider including a review of its pensioner rebate scheme procedures in its internal audit program.

Overdraft facilities

Council does not have a policy on overdraft facilities. However, a draft policy is currently being developed.

Recommendation 16

Council should ensure that its policy on overdraft facilities is developed and formalised on a timely basis.

Rates structure

Council's rate structure is an ad valorem rate with a minimum amount. Council has the following rating categories:

- Residential - centre of population
- Residential - rural residential
- Residential - general residential
- Farmland - primary production
- Business - general
- Business - business recreational
- Business - light industrial centres
- Mining - mining activity.

The Business - Recreational subcategory does not appear to be compliant. Council charges a Stormwater Management Service Levy on Residential, Residential Strata and Business properties.

There has been an increase in outstanding rates and annual charges over the last 3 years: 2006/07 - 3.84%, 2007/8 - 5.11% and 2008/09 - 8.76%. This trend needs to

be acted upon by Council because the results are above the industry benchmark of 5% for regional councils.

Recommendation 17

Council should implement actions to reduce its outstanding rates and annual charges percentage.

Council's response

Recommendation 12:

Agreed: Asset Rationalisation will be considered within individual Asset Management Plans as they are developed as part of the Integrated Planning and Reporting framework. The Asset Management Plans for Roads and Community Buildings are in progress.

Recommendation 13:

Policy on Plant and Fleet to be included in Council's Asset Management Policy as plant is another class of asset and the detail shall remain in the current 10 year replacement plan.

Recommendation 14:

Agreed: It is identified that Plans of Management be undertaken in the Management Plan as a priority. Additional resources will be required and will be considered as part of the Integrated Planning and Reporting process.

Recommendation 15:

Hardship Policy adopted at October, 2010 Council meeting. Recommendation put to Audit Committee at 3 November, 2010 meeting to include review on year one of the Internal Audit Plan.

Recommendation 16:

Policy adopted by Council in July 2010 – Completed.

Recommendation 17:

New Debt Recovery Policy was adopted at October, 2010 Council meeting. Staff vacancies in Council's Revenue Section has impacted on the ability to follow up on outstanding amounts. Revenue Section now has full staffing complement. Acting Debt Recovery officer tasked with reducing KPI below 5%. As at 31 October, 2010 was approximately 6% (down from 8% at 30/6/10).

Reviewer's comment

It is noted that recommendation 16 has been implemented and Council's overdraft policy is available on its website. This recommendation is considered completed.

5.4 COMMUNITY & CONSULTATION

A council's charter requires that a council:

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

5.4.1 Scope of review

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

- *The methods council uses to involve and determine the views of its community*
- *Ageing Population*
- *Social and community functions of council*
- *Annual reporting*
- *Customer service standards*
- *Tourist plans*
- *Cultural planning*
- *Ethnic affairs*
- *Economic development.*

5.4.2 Overview of community and consultation practices

Council has a comprehensive approach to community consultation and its actions and strategies demonstrate a strong commitment to effective community participation and communication.

5.4.3 Significant Observations

Better practices

Ageing population

Council is currently drafting a strategy for the ageing population in the LGA. Ageing population strategies are also incorporated into Council's Social and Community Plan and the Strategic Community Plan. Council has established an Ageing Reference Group and has conducted an 'Ageing and Health Forum', which, the reviewer was informed, has been used as a model for other forums and is considered best practice. Council also consulted with the community through the use of a community survey, a photo competition and a seniors week event.

Noteworthy practices

Community participation

Council currently has a Community Engagement Plan. This plan identifies the following:

- Who is consulted
- When consultation should occur
- How Council conducts community consultation
- The techniques used to consult with the community
- How the outcomes of community consultation will be used by Council.

Council also developed Community Asset maps of the Council area, which are linked to the Community Engagement Plan. These asset maps were developed to identify heritage sites, nature and environmental locations in the Local Government Area. The asset maps were used as a tool in teaching the UTS Local Government Module and were presented by one of the Assistant General Managers.

Council uses community attitude surveys, focus groups, special community forums, reviews customer feedback and complaints to collect community views on LGA issues. There are also other avenues such as Kiosks, 'Bang the Table' - an online community engagement facility, and intercept surveys.

Council keeps the community informed of its activities by way of newsletters, weekly newspaper items, television and radio announcements, direct mail outs, Council Advisory Committees, the use of community asset maps, and community interagency meetings.

Council has developed specific programs and services for social justice target groups. These include Seniors Week, Youth Week, International Day of People with a Disability, NAIDOC, and the 'Together Arts' Exhibition during Reconciliation Week. Council's 'Welcome to Country' Festival won an award.

Cultural planning

The Council has a Cultural Plan that is available on the Council's website. The Plan appears to be consistent with the DLG publication 'Cultural Planning Guidelines for Local Councils'. Council prepared its Cultural Plan in consultation with Camden Council and received an engagement grant from the University of Western Sydney to undertake cultural planning.

Council's Social and Community Plan, the State Plan, its Community Directory and the STARTS (Southern Tablelands Art Committee) Plan are all linked to the Cultural Plan.

Economic development

Council has an Economic Development Plan for its area that is integrated with its Community Strategic Plan 2030. The Economic Development Plan also considers business and community perspectives.

The Plan was developed in 2007 and is reviewed on a monthly basis with the Economic Development Advisory Group and reported to Council twice a year.

Council supports economic development in the LGA in the following ways:

- Economic Development Officer located at Council
- Contribution to MACROC and MACROC Economic Development Officer outreaching one day per week in Wollondilly at the Council offices
- Economic Development Advisory Committee
- Wollondilly Harvest Experience Rural Tourism Action Plan
- The Creative Traders Program.

Ethnic affairs

Council has a policy on the implementation of multicultural principles titled 'Local Ethnic Affairs Policy'. These multicultural principles have been incorporated into the Council's Social and Community Plan and Cultural Plan.

The LGA does not have a highly diverse multicultural population, but some communities have only recently begun to emerge in the area. There is a newly formed Muslim group and several Greek/Macedonian families have moved into the local government area.

Council currently does not have any publications available in languages other than English, but does facilitate volunteers to read the local newspaper on request. This service has been accessed by residents of the Estonian hostel in the past. The provision of this service is currently resource driven.

Council is able to provide community language translation services for telephone callers and visitors to the Council with 2 to 3 staff members being bi-lingual.

Tourism

Council has three tourism plans for its LGA. These are the Tourism Business Plan, the Visitors Centre Business Plan and the Rural Tourism Action Plan and all plans are available on Council's website. These plans are also integrated into the Council's Economic Development Strategy and the Wollondilly Community Strategic Plan. These plans were last reviewed in 2008 and in May 2010.

Council has the following tourist programs in place:

- Rural Tourism Action Plan
- Visitors Centre Business Plan, and
- Visitors Centre Operations Manual.

Council spent approximately \$339,500 on tourism programs in the last financial year, with the majority of this expense being wages.

Areas for improvement

Disability action plan

Council has a Disability Action Plan/Strategy dated 2005 that is currently due for review. The reviewer was informed that this Plan will be reviewed by the Disability Access Advisory Committee (DAAC) and is monitored by this Committee on a monthly basis.

Recommendation 18

Council needs to ensure that its Disability Action Plan/Strategy is promptly reviewed by the Disability Access Advisory Committee.

MOU with Aboriginal Land Council

Council currently does not have an MOU with the Local Aboriginal Land Council, but is in the process of developing protocols with the Land Council.

Recommendation 19

Council should continue to develop a MOU or other similar arrangement with the Local Aboriginal Land Council.

Customer service standards

Council has a specific set of customer service standards that are on the Council's website and that are covered in the staff Induction Training Program. Council collects information on its performance against these standards. However, these service standards are currently not measured or reported on by Council.

Recommendation 20

Council should measure and report on its customer service in order to ensure that any issues are promptly resolved and that the community receives customer service that is of a high standard.

Council's response

Recommendation 18:

Council agrees that the Disability Action Plan needs a formally reviewed plan to be adopted by Council. The action plan is a living document and its review happens on a monthly basis and is an agenda item discussed at each bi-monthly Disability Access Advisory Committee Meeting.

Recommendation 19:

The development of a MOU with Tharawal Lands Council has been difficult given changes in Administrations. The establishment of a new executive for the Lands Council has only occurred at the end of 2009. To counteract, Council took the initiative to establish a Wollondilly Aboriginal Advisory Committee and employed an Aboriginal Development Officer which was also an identified position. The Wollondilly Advisory Committee consists of Elders, Council Employees and other stakeholders who have since been elected to the new Tharawal Lands Council Executive Committee. Steps have been put in place to develop a new MOU with the Executive of the Tharawal Lands Council.

Recommendation 20:

As stated in this section, Council does collect data in relation to Customer Requests and various forms of written enquiries and this is reported to Council's Executive Committee. A further examination will be carried out with regards to reporting features within the system software, with the view of marrying reports to the standards as set out in Council's Client Service Charter.

5.5 WORKFORCE RELATIONS

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

5.5.1 Scope of review

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

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Consultative committees*
- *Staff development*
- *Equal employment opportunity*
- *Occupational health and safety*

5.5.2 Overview of the organisation

Council's workforce

Council currently employs 199 full-time equivalent staff. Data on the Council's staff are recorded within Council's AUTHORITY system. The Council does not have a ceiling budget on staff numbers.

The total staff compliment is confirmed as 45% female and 55% male. The Council currently employs 7 trainees. Council engages its trainees through MG (My Gateway) and the Aboriginal Employment Strategy. Council pays an administration fee that incorporates the Federal Government incentives.

Since January 2010, Council has used an Induction Questionnaire that will reflect staff cultural statistics for future purposes.

On examination of the demographics of its workforce, in the next five years Council is likely to be faced with the impact of an ageing and retiring workforce, with approximately 20% of its workforce currently being over 55 years of age.

Council's workforce is somewhat diverse, as follows:

- 1.9% of its employees are identified as being of Aboriginal and Torres Strait Islander origin
- 45% of its employees are women
- 5.3% are from a non-English speaking background.

Council's website links to ID Profile, which lists information gained from the 2006 census. It appears that Council's workforce reflects the diversity of the Council area.

5.5.3 Significant Observations

Noteworthy practices

Human resources policy and procedures

Council has a Human Resources Policy Register that covers all human resources policies and procedures including:

- Recruitment, selection and appointment
- Attendance, leave and absences
- Discipline
- Salary system and performance management
- Workplace bullying and harassment.

The HR Policy and Procedures Manual is readily available in TRIM; hard copy can be supplied if requested. These policies and procedures are included in a staff Induction Course and are strategically placed throughout the Council offices for easy access.

Employee surveys

Council conducted its last Employee Attitude Survey in 2009. The results of this survey were presented to staff in a PowerPoint© presentation "Where to from here?".

Consultative committee

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

- two management representatives
- three United Services Union Representatives

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

The Committee has met on ten occasions in the last twelve months, with meetings being held on a monthly basis except over the Christmas period. The Committee keeps records of all deliberations and councillors are informed of these deliberations through the Council's Executive.

Council's Consultative Committee Constitution, complies with Part A Clause 27 of *the Local Government (State) Award 2007*.

Staff development

Council has a structured induction program for new staff. This program is presented in the Council's 'Permanent Employee Induction' Package. A staff induction booklet is also handed out to all new staff when they commence their employment at the Council. The Induction Package is discussed in detail with new employees by the Executive Services Co-ordinator, Risk Management Officer, the Payroll Officer and the employee's Supervisor. Induction for each new employee is conducted on the first day of employment at the Council.

Council has a Performance Appraisal and Bonus System Procedure that requires managers to assess the performance of their staff against identified performance targets. This performance assessment is conducted on a yearly basis.

Council also has developed a Training Plan and budget that is in accordance with clause 23 of the Local Government (State) Award 2007. This is presented in the Council's Staff Training and Development Plan.

General Manager performance reviews

The General Manager's most recent performance review was conducted in June 2009. The performance review was conducted by the Mayor and one Councillor, with facilitation by the Executive and Services Manager. All Councillors were invited to participate in the review. This review appears to have been conducted in accordance with the requirements of the DLG standard contract with performance assessed on documented evaluation and against the achievement of performance targets that relate to Council's Management Plan and Strategic Plan.

Areas for improvement

Workforce strategy

Council's current Human Resource Strategy Plan was prepared in May 2007. This Plan is currently under review. The reviewer found that this Plan contains the following human resource activities that have been undertaken by Council:

- Recruitment and retention of staff
- Staff training needs
- Performance management
- Equity and diversity
- Succession issues.

The current Plan does not cover OH&S or workplace/industrial relations issues. The reviewer was informed that the updated Human Resources Strategy would be implemented and evaluated once developed as part of the Integrated Planning and Reporting Framework, and that as a consequence, OH&S and workplace industrial relations will be addressed.

Council currently does not have a Succession Plan for key personnel. Council does not have any staff in key positions or key areas that are likely to retire in the next 18 months. The reviewer was advised that a Succession Plan will be developed and form part of the Integrated Planning and Reporting Framework - Workforce Planning.

Recommendation 21

Council needs to include OH&S and workplace industrial relations issues as part of its Workforce Strategy.

Recommendation 22

Council needs to ensure that a Succession Plan for key personnel is developed as part of its Workforce Strategy.

Occupational Health and Safety (OH&S)

Council has adopted an Occupational Health and Safety Management Plan, which was approved by Executive in January 2010.

Council currently does not have an Injury Management and Return to Work Policy, but does have a procedure that covers this topic. This procedure was last reviewed in February 2010. The review of this procedure was conducted by sending out the procedure to all internal staff by email and as hard copy to outdoor staff. The procedure is contained in the Council's Safe Work Method Statements (SWMS) folders held by all Works Foremen. Daily workforce risk assessments are conducted by outdoor staff, with the results and actions required recorded on daily sheets.

Council holds OH&S Committee meetings monthly. The Committee reviews progress on matters previously raised and discusses any new matters brought to the attention of the Committee. Currently, the Constitution of this Committee is in draft form and was to be brought to Council's June meeting for approval.

Council has included OH&S responsibilities in its position descriptions, but has not included physical demands of these responsibilities on workers.

The risks associated with the use of hazardous substances are presented in manuals for each of the locations where hazardous substances are stored. These manuals present directives in relation to storage requirements and chemical interactivity. Council uses ChemAlert to record the location and volume of chemicals stored and used at all locations within the LGA.

The Risk Management Officer monitors workplace injury and time lost as a result of injury. Reporting and discussion on issues such as the number of injuries, types of injuries and what action has been taken is conducted through the OH&S Committee and Risk Management Committee. In the last twelve months, 59 incidents have occurred compared to 47 in the previous twelve months, with 14 and 16 claims for Workers Compensation being made in these years, respectively.

Council generally does not monitor and report on sick leave. The reviewer was informed that some departments within the Council monitor sick leave, others don't. The Human Resources Department does not monitor sick leave.

Recommendation 23

It is recommended that a system is implemented so that all managers and the HR Department monitor staff sick leave rates.

Equal Employment Opportunity (EEO)

Council last prepared its Equal Employment Opportunity Management Plan in 2006-2008. The reviewer was informed that this Plan would be updated in line with the requirements of Integrated Planning and Reporting. Council needs to ensure that, in updating its EEO Management Plan, consideration is given to the National Framework for Women in Local Government and includes a strategy for people with a disability.

Recommendation 24

It is recommended that Council, in updating its EEO Management Plan, consider the National Framework for Women in Local Government and include a strategy for people with a disability.

Council's response

Recommendation 21:

OH & S and workplace industrial relations issues have been incorporated as part of the Workforce Strategy 2010 – 2030 – Completed.

Recommendation 22:

The Workforce Strategy which includes the Succession Plan for key personnel has been completed and the strategy will be implemented across Council in the next twelve months and will be endorsed as part of the Integrated Planning and Reporting Process.

Recommendation 23:

Agreed: A system is currently being developed by Council to assist the Management Group in monitoring the occurrences of sick leave amongst their staff. This will be carried out within the next three (3) months.

Recommendation 24:

Agreed: Programme currently underway to update Council's EEO Management Plan within the next twelve (12) months.

Reviewer's comment

It is noted that incorrect figures were used under the occupational health and safety section and these have been corrected.

The actions taken by Council in relation to recommendations 21 and 22 are noted and these recommendations are considered to be completed.

ACTION PLAN

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

| RECOMMENDATION | PRIORITY | ACTION PROPOSED | TIME FRAME | RESPONSIBILITY | PROGRESS REPORT |
|--|----------|---|-----------------|----------------------------|---|
| 1. Council needs to ensure that its Audit Committee is promptly established. | High | First Audit committee meeting held 3 November 2010. Committee will meet minimum 4 times per year | 3 November 2010 | Assistant General Manager | Completed |
| 2. Council needs to ensure that an internal audit function is created and implemented in accordance with DLG Internal Audit Guidelines. | High | Resources have been provided within the current Management Plan and in Councils future delivery programmes. | June 2011 | General Manager | Budgetary provisions have been made for internal audit function. Programmed internal audits will be carried out in line with Internal Audit Plan as developed by Audit Committee. |
| 3. Council needs to ensure that a Risk Management Framework is developed. This framework should consist of the Risk Management Improvement Plan and be linked to a risk based internal audit plan. | High | The Framework and Improvement Plan are scheduled for review and as part of that review will be linked to the Internal Audit Plan once established | June 2011 | Manager Executive Services | Risk Management Plan currently being revised, then will be referred to Audit Committee to be linked to Internal Audit Plan. |
| 4. Council needs to ensure that a fraud and corruption review be undertaken as part of its Internal Audit Plan. | High | Will be prepared in line with Councils Fraud and Corruptions Policy and developed as part of the Internal Audit Plan | June 2011 | General Manager | Audit Committee meeting held 3 November |
| 5. Council should ensure that procurement and tendering processes and procedures are reviewed as part of the internal Audit process. | High | Will be prepared in line with Councils Procurement and Tendering processes and recommended outcomes to the Audit Committee | June 2011 | General Manager | Audit committee Meetings in progress. |

| RECOMMENDATION | PRIORITY | ACTION PROPOSED | TIME FRAME | RESPONSIBILITY | PROGRESS REPORT |
|---|----------|--|---|----------------------------------|--|
| 6. Council needs to review the gifts and benefits declarations on a regular basis in order to ensure that any trends or emerging issues are identified and addressed in an appropriate and prompt manner. | Medium | This matter will be programmed with Council's Governance Tasks, to be audited on a quarterly basis. | In progress and will be audited quarterly | Manager Administrative Services | Audits set quarterly |
| 7. Council should develop a policy and process that encourages conciliation or alternate dispute resolution processes to deal with any issues relating to DAs and approval decisions. | Medium | A plain English document will be produced which outline peoples rights and opportunities to avoid appeals and resolves disputes. | November 2011 | Manager Development Services | Being reviewed and document will be produced within 12 months. |
| 8. Council should develop and formalise a Parking Priority policy that considers public safety, traffic flow and equitable access to parking in the LGA. | Medium | Preparation of an overall Parking Strategy is intended to be completed as part of the adopted Management Plan 2010/2011. This will include the adoption of a Parking Policy. | June 2011 | Manager Infrastructure Planning. | Data collection on existing occupancy levels in Picton has been completed. |
| 9. Council needs to ensure that a Waste Management Strategy for the LGA is developed. | Medium | Council will review its strategy for Waste Management. Council currently has a strategy alliance with three other Councils. | June 2011 | Manager Environmental Services | Funding secured. Council will review its strategy for Waste Management . |
| 10. Council needs to ensure procedures related to entering data onto the NSW CAR are developed and support the processes currently being used by the organisation. | Medium | Procedures developed | November 2010 | Manager Development Services | Completed. |
| 11. It is recommended that Council develop a compliance program in relation to domestic swimming pools in the local area. | High | Programmed scoped and partially organised. Further progress reliant on additional resource. | March 2011 | Manager Development Services | Position advertised unsuccessfully twice. To be readvertised. |
| 12. Council needs to ensure that it has a process of asset rationalisation in place and that individual asset management plans are developed. | High | Asset Rationalisation is programmed to be included as individual Asset Management Plans are developed as identified in the adopted Asset Management Strategy. | June 2012 | Manager Infrastructure Planning. | Road and Community building Asset Management Plans currently in progress. |

| RECOMMENDATION | PRIORITY | ACTION PROPOSED | TIME FRAME | RESPONSIBILITY | PROGRESS REPORT |
|--|----------|---|----------------|---|---|
| 13. It is recommended that Council develop a Plant Replacement policy to support and complement the plant Replacement Plan. | Medium | Policy on Plant and Fleet to be included in Council's Asset Management Policy as plant is another class of asset and the detail shall remain in the current 10 year replacement plan. | March 2011 | Manager Works & Manager Infrastructure Planning | In progress. |
| 14. Council needs to develop Plans of Management for all its community land. | Medium | Plans of Management included in current Management Plan as a priority. Additional resources will be required and will be considered as part of the Integrated Planning and Reporting process. . | December 2011 | Manager Facilities and Recreation | Initial Plans of Management have commenced on key sites. |
| 15. Council should consider including a review of its pensioner rebate scheme procedures in its internal audit program. | Medium | Recommendation to the Audit Committee for pension rebate scheme procedure review to be included in year one of internal audit plan. | June 2011 | Manager Financial Services | Hardship Policy adopted at October, 2010 council meeting. Recommendation put to audit committee at 3 November, 2010 meeting to include review on year one of internal audit plan. |
| 16. Council should ensure that its policy on overdraft facilities is developed and formalised on a timely basis. | Medium | Policy adopted by Council in July 2010 | July 2010 | Manager Financial Services | Completed |
| 17. Council should implement actions to reduce its outstanding rates and annual charges percentage. | High | Staffing resources to be applied to debt recovery roll. Regular monthly reviews with Finance Manager to ensure progress is being made to meet less than 5% KPI. | June 2011 | Manager Financial Services | New Debt Recovery Policy adopted at October's , 2010 Council meeting. Revenue Section; now has full staffing compliment. Acting Debt Recovery officer tasked with reducing KPI below 5%. As at 31 October, 2010 the outstanding % was approximately 6% (30 June 2010 8.02%) |
| 18. Council needs to ensure that its Disability Action Plan/Strategy is promptly reviewed by the Disability Access Advisory Committee. | Medium | Disability Action Plan adopted by Council. | September 2011 | Manager Community Services | Currently plan is being reviewed by Disability Access Advisory Committee |

| RECOMMENDATION | PRIORITY | ACTION PROPOSED | TIME FRAME | RESPONSIBILITY | PROGRESS REPORT |
|---|----------|--|---------------|---------------------------------|--|
| 19. Council needs to ensure that an MOU with the local Aboriginal Land Council is developed. | Medium | MOU signed off between Council and Tharawal Lands Council | December 2011 | Manager Community Services | Draft MOU currently being prepared. |
| 20. Council should measure and report on its customer service in order to ensure that any issues are promptly resolved and that the community receives customer service that is of a high standard. | High | As stated, council does collect data in relation to Customer Requests and various forms of written enquiries and this is reported to the Council Executive Committee. A further examination will be carried out with regards to reporting features within the software systems with the view of marrying reports to the standards as set out in Councils Client Service Charter. | June 2011 | Manager Administrative Services | Software capability to be examined. |
| 21. Council needs to include OH&S and workplace industrial relations issues as part of its Workforce Strategy. | High | OH&S and workplace industrial relations issues have been incorporated as part of the Workforce Strategy 2010-2030 | Completed | Manager Executive Services | Completed |
| 22. Council needs to ensure that a Succession Plan for key personnel is developed as part of its Workforce Strategy. | High | Workforce Strategy completed, Succession Plan is included in the strategy and will be implemented over the next 6 months. | November 2011 | Manager Executive Services | Strategy completed, now at implemented stage. |
| 23. It is recommended that a system is implemented so that all managers and the HR Department monitor staff sick leave rates. | High | Council is developing a system to assist the Managers in monitoring their staff sick leave. | February 2011 | Manager Executive Services | In progress. |
| 24. It is recommended that Council, in updating its EEO Management Plan consider the National Framework for Women in Local Government and include a strategy for people with a disability. | Medium | Agreed: Council is in the process of meeting with the Anti-discrimination board with a view to updating the Management Plan with greater emphasis on women and people with disability working in Local Government. Meeting in November in 2010 | November 2011 | Manager Executive Services | Initial meeting set down for November, 2010 with Anti discrimination board |

APPENDIX – RISK RATING OF RECOMMENDATIONS

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

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

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