

	Directorate	Category	Responsible Officer	Activity	Description	Legislation	Section	Review	Additional Comments
January	Governance	Statutory Compliance	Governance Officer	Public Notice - OCM Calendar	Advertise Ordinary Council Meetings and Committee Meetings for the next 12 Months	Local Government (Administration) Regulations	Reg 12 (1)	Annual	
January	Infrastructure & Development	Statutory Compliance	EMID Executive Officer	Authorised Officers	Review the appointment of authorised officers for the purposes of the Dog Act 1976 & Cat Act 2011	Dog Act 1976 Cat Act 2011	s29(1) s48(1)		
January	Governance	Statutory Compliance	Governance Officer	Financial Interests Register	Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
January	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
January	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
January	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
January	Governance	Statutory Compliance	Complaints Officer (CEO)	Complaints Register	Complaints officer to maintain a register of complaints regarding breaches of the Act.	Local Government Act 1995	s5.121(1)	Annual	Update the document when a complaint is received.
January	Governance	Statutory Compliance	Governance Officer	Delegated Authority	Review and confirm employees with delegated authority	Local Government Act 1995	s5.44	Annual	
January	Finance & Administration	Statutory Compliance	Senior Finance Officer	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report . Submit by 21st of each month. Remit funds to FESA	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
January	Governance	Statutory Compliance	Governance Officer	Primary Returns	Must be completed within 3 months of the start date of the elected members and relevant employees - Penalty \$10,000 or 2 years imprisonment.	Local Government Act 1995	s5.75	As required	ongoing monthly liaison with HR required to maintain the register
January	Governance	Statutory Compliance	Governance Officer	Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	ongoing dependant on staff terminations and elected member terms	
January	Governance	Statutory Compliance	CEO	Disclosing members not to participate in meetings	A member who makes disclosure under s5.65 must not participate or be present during any discussion of the decision making procedure relating to the matter unless under s5.68. Penalty \$10,000 or 2 years imprisonment.	Local Government Act 1995	s5.67	As required	
January	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Compliance Audit Return	Commence Process Due to Financial Management, Audit, Risk & Compliance Committee Late Feb / Early March Due to OCM March Due to DLGC by 31 March	Local Government Act 1995	s7.13(1)(i)	Annual	
January	Finance & Administration	Statutory Compliance	Manager Finance	Authorised Officers	Authorised Officers - Purchasing & Requisitions - review listing and processes - remove details of officers who are no longer relevant	Local Government (Financial Management) Regulations 1996	Reg.5	Annual	
January	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Financial Management Procedures	CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures	Local Government (Financial Management) Regulations 1996	Reg.5(2)(c)	4-yearly	
January	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
January	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
February	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
February	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
February	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)

February	Governance	Statutory Compliance	Human Resources Coordinator	Authorised Officer	Authorised Officer Listing - review the listings and add any required officers - issue authorised officer certificates as per the Act.	Local Government Act 1995	s9.10 s9.29	Annual	
February	Governance	Statutory Compliance	Human Resources Coordinator	Performance Review	Audit completion of CEO & Staff Development Review.	Local Government Act 1995	s5.38	Annual	
February	Governance	Statutory Compliance	Human Resources Coordinator	Review OSH	Review of occupational safety and health legislation in relation to risk register.	Occupational Safety and Health Act 1984	s 19	Annual	
February	Governance	Statutory Compliance	Human Resources Coordinator	Workforce Profile	Review and provide annual report/survey on the COM workforce profile	Equal Employment Opportunity Act 1984	Part IX	Annual	
February	Finance & Administration	Statutory Compliance	Manager of Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
February	Finance & Administration	Statutory Compliance	Rates Officer	Rate Instalment Notices	Issue rate instalment notices	Local Government Act 1995	s6.45(1)(a)	Bi-monthly	
February	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Compliance Audit Return	Compliance Audit Return - OCM Report and Certification Due to DLGC - 31 March	Local Government Act 1995	s7.13(1)(i)	Annual	
February	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Delegation Register	Delegation Register - Review - OCM Report Due - 30 June	Local Government Act 1995	s5.18 s5.46	Annual	OCM Report due 30 June
February	Finance & Administration	Statutory Compliance	Manager of Finance	Auditor's Term of Office	Auditor's Term of Office - 5 years.	Local Government Act 1995	s7.6(1)	5 yearly	
February	Finance & Administration	Statutory Compliance	Senior Records Officer	Record Keeping Plan	Review and submit to State Records Commission - required every 5-years OR when significant change to organisations functions	State Records Act 2000	s28	5-years	
February	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Fees & Charges	Review of Annual Fees & Charges - required for consideration at April OCM	Local Government Act 1995	s6.16 s6.17(3)	Annual	
February	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Budget Review	Mid year Budget Review - Email to annualbudget.dlgc.wa.gov.au	Local Government (Financial Management) Regulations 1996	33A	Annual	
February	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
February	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
March	Governance	Statutory Compliance	Governance Officer	Financial Interests Register	Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
March	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
March	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
March	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
March	Projects & Community Building	Statutory Compliance		Audit Hazardous Substance	Commence Audit of hazardous substance/chemical review for each building to be completed by the safety and health representative. Complete in May.	Occupational Safety and Health Act	s5.13	Annual	
March	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
March	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Compliance Audit Return	Due to DLGC by 31 March	Local Government Act 1995	s7.13(1)(i)	Annual	
March	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Fees & Charges	Fees & Charges Review - Prepare Draft for report to Financial Management, Audit, Risk & Compliance Committee	Local Government Act 1995	6.16	Annual	
March	Finance & Administration	Statutory Compliance	Manager Finance	Budget Review	Budget Review Completed Due by 31 March - email to annualbudget@dlgc.wa.gov.au	Local Government (Financial Management) Regulations 1996	33A	Annual	
March	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
March	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month

April	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
April	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
April	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
April	Finance & Administration	Statutory Compliance	Senior Finance Officer	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
April	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Public Notice - Fees & charges	Fees & Charges - adopted - Local Public Notice required before fees & charges come into effect	Local Government Act 1995	s6.19	Annual	
April	Governance	Procedure	Chief Executive Officer	Policy Manual	Policy Review			Ongoing	
April	Governance	Statutory Compliance	Chief Executive Officer	Election	Confirm agreement for Electoral Commissioner to conduct the election	Local Government Act 1995	s4.20	Biennial (2019)	
April	Finance & Administration	Statutory Compliance	Quar	Corporate Business Plan	Quarterly Review of the Corporate Plan last adopted by Council April 2018	Local Government Act 1995	5.56	Quarterly	
April	Finance & Administration	Procedure	Manager Finance	Accounts Review	List and analyse supplier's details in alphabetical order to detect duplicates			Quarterly - April, July, October, January	
April	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
April	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
May	Governance	Statutory Compliance	Governance Officer	Financial Interests Register	Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
May	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
May	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
May	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
May	Governance	Statutory Compliance	Governance Officer	Delegated Authority	Review and confirm employees with delegated authority	Local Government Act 1995	s5.44	Annual	Ongoing liaison with HR required in relation to recruitment
May	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
May	Finance & Administration	Statutory Compliance	Manager Finance	Pensioner Rate Rebate	Submit pensioner rebate claim to the Office of State Revenue for rates and ESL rebate claims	Rates and Charges (Rebates and Deferments) Act 1992	s16(1)	Annual	
May	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Fees & Charges	Fees & Charges Review - Prepare Draft for report to Financial Management, Audit, Risk & Compliance Committee	Local Government Act 1995	6.16	Annual	
May	Finance & Administration	Statutory Compliance	Manager Finance	Annual Budget	Budget draft to Financial Management, Audit, Risk & Compliance Committee	Local Government Act 1995	6.2		
May	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
May	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
May	Finance & Administration	Statutory Compliance	Manager Finance	Fringe Benefit Tax Return	The FBT return is lodged electronically to the ATO each year			Annual	
May	Governance	Reminder for June	Governance Officer	Delegation Register	Delegation Register / Authorised Officer Listing - Review	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	

May	Governance	Reminder for June	Governance Officer	Delegation Register	Procurement - Verification Signatures for New Delegated Authority Limits. Delegation must be in writing and may be general or as otherwise provided in the instrument of delegation.	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	
May	Governance	Statutory Compliance	Governance Officer	Delegated Authority	Delegation Review to June OCM	Local Government Act 1995	s.5.46	Annual	
June	Projects & Community Building	Statutory Compliance	Executive Projects & Community Building	Annual Report	Reminder that report is due in July	Health Act 1911	s38	Annual	s38 of the Health Act stipulates that the Annual Report is due in February however checks with Department of Health by Shire Environmental Health Officers confirmed that the report is due at the end of each financial year.
June	Governance	Statutory Compliance	Governance Officer	Financial Interests Register	Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
June	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
June	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
June	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
June	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
June	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Budget Adoption	Budget to OMC for Adoption	Local Government Act 1995	6.2	Annual	
June	Finance & Administration	Statutory Compliance	Manager Finance	Fee & charges	Fees & Charges Review - Council to adopt with Budget	Local Government Act 1995	6.16	Annual	
June	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
June	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
June	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
June	Governance	Statutory Compliance	Governance Officer	Annual Returns	Prepare Councillor & Staff Memos for distribution in July	Local Government Act 1995	s5.76	Annual	
June	Governance	Statutory Compliance	Governance Officer	Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	ongoing dependant on staff terminations and elected member terms	After receipt of the return from the elected member or relevant staff member
June	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	CCC Annual Report	Prepare Annual Report to CCC on any reports made within the past Financial Year	Corruption and Crime Commission Guidelines		Annual	
June	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Compliance Audit Report	Compliance Audit Return - Report to SMG on update of progress with implementation of remedial Action	Local Government Act 1995	s7.13(1)(i)	Annual	
June	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Delegation Register	Delegation Register / Authorised Officer Listing - Review	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	
June	Finance & Administration	Statutory Compliance	Manager Finance	Delegation Register	Procurement - Verification Signatures for New Delegated Authority Limits. Delegation must be in writing and may be general or as otherwise provided in the instrument of delegation.	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	
June	Governance	Statutory Compliance	Governance Officer	Sub - Delegation Register	Memorandum by the Executive of the division requesting for authority to direct report must send to Executive of Corporate and Finance Services advising of time period, person name, in what role they will be acting in and authority limit, signed by the Executive Requesting, person provided with authority and approved signature by Executive of Corporate and Finance Services	Local Government Act 1995	s5.44(2)	Annual	
July	Projects & Community Building	Statutory Compliance	Executive Projects & Community Building	Annual Report	To be prepared for submission	Health Act 1911	s38	Annual	
July	Governance	Reminder for August due date	Governance Officer	Annual Returns	Annual (Financial) Returns - distributed to Councillors and designated staff for return Due - 31 August	Local Government Act 1995	s5.76	Annual	



July	Infrastructure & Development	Statutory Compliance	Executive Officer	Authorised Officers	Review the appointment of authorised officers for the purposes of the Dog Act 1976 & Cat Act 2011	Dog Act 1976 Cat Act 2011	s29(1) s48(1)		
July	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
July	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
July	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
July	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
July	Finance & Administration	Statutory Compliance	Manager Finance	Deferred Interest Claim	Submit deferred interest claim to the Office of State Revenue for rates and ESL deferred claims	Rates and Charges (Rebates and Deferments) Act 1992	s16(1)	Annual	
July	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Rates Notices	Issue rate notices	Local Government Act 1995 Financial Management Regulations 1996	s6.41(1)	Annual	
July	Finance & Administration	Statutory Compliance	Manager Finance	ESL Declaration of Annual Service Levy Billing	Complete Form A - Schedule 4 - ESL Declaration of Annual Service Levy Billing	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Annual	
July	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Year Reconciliation Report & Aged ESL Rate Debtors Report	Complete & Submit Form C - Schedule 6 - ESL End of Year Reconciliation Report & Complete & Submit Form E - Schedule 12 - Aged ESL Rate Debtors Report DUE BY 31 July	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	s.3	Annual	
July	Governance	Statutory Compliance	Governance Officer	Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	ongoing dependant on staff terminations and elected member terms	After receipt of the return from the elected member or relevant staff member
July	Finance & Administration	Statutory Compliance	Senior Records Officer	FOI Annual Statement	FOI Annual Statistical Data - forward to the Commissioner Due July	Freedom of Information Act 1992	s111(3)	Annual	
July	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Annual Report	Provide Annual Report to Commissioner for Public Interests Disclosures	Public Interest Disclosure Act 2003	s23(f)	Annual	
July	Governance	Statutory Compliance	Governance ?	Local Law	Local Law Review. Prepare Report to Council with proposed amendments for August	Local Government Act 1995	s3.16(1)	8-yearly	
July	Finance & Administration	Statutory Compliance	Rates Officer	Levy Financial Years Rates on Computer	Ensure that the new financial year's rates are levied on the computer system after budget has been adopted. (Generation only)	Local Government Act 1995 Financial Management Regulations 1996	Part 6 & FM Regs 5	Annual	
July	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
July	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
July	Infrastructure	Statutory Compliance	Executive Officer	Swimming Pool Levy	Gazette swimming pool inspection levy	Local Government (Miscellaneous Provisions) Act 1960	s245A (8)&(10)	Annual	
July	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Annual Budget	Annual Budget Preparation - OCM Report to be adopted by 31 August	Local Government Act 1995	s6.2	Annual	
August	Projects & Community Building	Statutory Compliance	Library Manager	Annual Stats Report	Online submission of annual statistics related to each of the libraries and administration	State Library Board of WA Act 1951		Annual	
August	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
August	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
August	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)

August	Finance & Administration	Statutory Compliance	Senior Finance Manager	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
August	Governance	Statutory Compliance	Governance Officer	Annual Returns	Annual (Financial) Returns - Due 31 August	Local Government Act 1995	s5.76	Annual	
August	Governance	Statutory Compliance	Governance Officer	Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	ongoing dependant on staff terminations and elected member terms	
August	Governance	Statutory Compliance	Governance Officer	Annual Report	Commence preparation of Annual Report Due - November OCM	Local Government Act 1995	s5.53	Annual	
August	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Plan for the Future	A Local Government is to plan for the future of the district. In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with s5.56 of the Act	Local Government Act 1995	s5.56 s6.2(2)	Annual	
August	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Annual Budget	Budget Document to be finalised and adopted by Council	Local Government Act 1995	6.2 (1)	Annual	
August	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Annual Budget	Copy of Budget to be provided to the Executive Executive of Dept of LG within 30 days of adoption by Council. Email to annualbudget@dlgc.wa.gov.au	Local Government (Fin Mgt) Regs 1996	Reg 33	Annual	
August	Infrastructure & Development	Statutory Compliance	Executive Officer	Swimming Pool Levy	Gazette swimming pool inspection levy	Local Government (Miscellaneous Provisions) Act 1960	s245A (8)&(10)	Annual	
August	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
August	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
August	Projects & Community Building	Statutory Compliance	Library Manager	Financial Data Report	Online submission of financial data	State Library of WA		Annual	
August	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
September	Infrastructure	Procedure	Executive Officer	Dog Registration Reminders	Responsible Dog Owner information to be included with registration mail out			Annual	
September	Governance	Statutory Compliance	Governance Officer	Financial Interest Register	Financial Interest Register - Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
September	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	Monthly	
September	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
September	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	
September	Finance & Administration	Statutory Compliance	Senior Finance Officer	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
September	Finance & Administration	Statutory Compliance	Senior Records Officer	Record Keeping Plan	Include details of Record Keeping Plan in the Annual Report			Annual	
September	Finance & Administration	Statutory Compliance	Senior Records Officer	Record Keeping Plan	Include details of FOI requests dealt with during the financial year in the Annual Report			Annual	
September	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Financial Report	Annual Financial Report to be Submitted to Auditor by 30 September	Local Government Act 1995	6.4 (3)	Annual	
September	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
September	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
October	Infrastructure	Statutory Compliance	Executive Officer	Authorised Officers	Review the appointment of authorised officers for the purposes of the Dog Act 1976 & Cat Act 2011	Dog Act 1976	s29(1)	Quarterly - April, July, October, January	
October	Infrastructure	Statutory Compliance	CESM	Prohibited Burning Times	Advertise prohibited burning times	Bush Fires Act 1954	s17(8)	Annual	
October	Infrastructure	Statutory Compliance	CESM	Fire Break Notices	Fire Break Notices - Advertise - Local Public Notice	Bush Fires Act 1954	s33	Annual	

October	Governance	Statutory Compliance	Governance Officer	Financial Interest Register	Financial Interest Register - Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
October	Governance	Statutory Compliance	Governance Officer	Annual Electors Meeting	Annual Electors Meeting - arrange Local Public Notice - at least 14-days	Local Government Act 1995	s5.29	Annual	
October	Governance	Statutory Compliance	Governance Officer	Annual Report	Advertise Local Public Notice of Adoption of Annual Report	Local Government Act 1995	s5.55	Annual	
October	Governance	Statutory Compliance	Governance Officer	Annual Report	Annual Report and Auditors Report to be accepted by Council	Local Government Act 1995	5.54	Annual	
October	Governance	Statutory Compliance	Coordinator Human Resources	Performance Review	Audit completion of CEO & Staff Development Reviews	Local Government Act 1995	s5.38	Annual	
October	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
October	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
October	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
October	Finance & Administration	Statutory Compliance	Senior Finance Officer	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
October	Finance & Administration	Statutory Compliance	Rates Officer	Rates Notices	Issue rate instalment notices	Local Government Act 1995	s6.45(1)(a)	Bi-monthly	
October	Finance & Administration	Statutory Compliance	Manager Finance	Deferred Interest Claim	Submit deferred interest claim to the Office of State Revenue for rates and ESL deferred claims	Rates and Charges (Rebates and Deferments) Act 1992	s16(1)	Annual	
October	Finance & Administration	Procedure	Manager Finance	Accounts Review	List and analyse supplier's details in alphabetical order to detect duplicates			Quarterly - April, July, October, January	
October	Finance & Administration	Procedure	Manager Finance	Accounts Review	List and identify supplier's accounts with no activity for 18 months. Cull inactive accounts			Quarterly - April, July, October, January	
October	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning.	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
October	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
October	Governance	Statutory Compliance	Governance Officer	OCM Annual Schedule	Annual Meeting Schedule - Report to OCM to confirm (convene) meeting dates	Local Government Act 1995	s5.29	Annual	
October	Governance	Statutory Compliance	Governance Officer	OCM Annual Schedule	Meeting Schedule Advertisement for forthcoming year	Local Government (Administration) Regulations 1996	Reg.12	Annual	
October	Governance	Statutory Compliance	Governance Officer	Annual Electors Meeting Notice	Annual Electors Meeting Notice - Local Public Notice - at least 14-days prior	Local Government Act 1995	s5.29	Annual	
October	Governance	Statutory Compliance	CEO	Annual Report	Annual Report - Due 28 October	Food Act 2008	S121	Annual	
November	Governance	Statutory Compliance	Governance Officer	Annual Electors Meeting Notice	Annual Electors Meeting Notice - Local Public Notice - at least 14-days prior	Local Government Act 1995	s5.29	Annual	
November	Governance	Statutory Compliance	Governance Officer	Annual Report Notice	Adoption of Annual Report - Advertise Local Public Notice	Local Government Act 1995	s5.55	Annual	
November	Governance	Statutory Compliance	Governance Officer	OCM Schedule Notice	Meeting Schedule Advertisement for forthcoming year	Local Government (Administration) Regulations 1996	Reg.12	Annual	
November	Governance	Statutory Compliance	Governance Officer	Annual Electors Meeting	Compile responses for Public Question Time at Annual Electors Meeting	Local Government Act 1995	s5.33	Annual	
November	Governance	Statutory Compliance	Coordinator Human Resources	Performance Review	Commence Staff Development Reviews - Currency of PDs, Quals, Action Plan, etc Completion by end of Nov	Local Government Act 1995	s5.38	Annual	
November	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	Monthly	
November	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	as required	
November	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14		Also required under the Local Government Act 1995 s5.25(1)(j)

November	Finance & Administration	Statutory Compliance	Senior Finance Officer	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
November	Finance & Administration	Statutory Compliance	Rates Officer	Rates Notices	Issue rate instalment notices	Local Government Act 1995	s6.45(1)(a)	Bi-monthly	
November	Finance & Administration	Statutory Compliance	Manager Finance	Deferred Interest Claims	Submit deferred interest claim to the Office of State Revenue for rates and ESL deferred claims	Rates and Charges (Rebates and Deferments) Act 1992	s16(1)	Annual	
November	Finance & Administration	Procedure	Exec Mgr Finance & Admin	Budget	Budget Timetable			Annual	
November	Governance	Statutory Compliance	Governance Officer	Annual/Primary Returns	All returns lodged under s5.75 or s5.76 and removed from register, to be kept for 5 years after officer ceased to be Council member or designated employee. Remove returns over 5 years	Local Government Act 1995	s5.88(4)	As required	
November	Governance	Statutory Compliance	Governance Officer	Annual Report	Annual Report - OCM Report	Local Government Act 1995	s5.53	Annual	
November	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Annual Audit Report	Annual Audit Report - OCM Report	Local Government Act 1995	s7.12A(3)	Annual	
November	Finance & Administration	Statutory Compliance	Manager Finance	Audit Actions Report	(4) A local government is to — (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.	Local Government Act 1995	s7.12A(4)	Annual	
November	Governance	Statutory Compliance	Governance Officer	Annual Report	Send copies of Annual Report to Department of Local Government			Annual	
November	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Statutory Declaration Update	Check Statutory Declaration Form that is being used across organisation	Oaths, Affidavits and Statutory Declarations Act 2005		Annual	
November	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Audit Actions Report	(4) A local government is to — (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.	Local Government Act 1995	s7.12A(4)	Annual	
November	Finance & Administration	Statutory Compliance	Manager Finance	Accounts Review	List and identify supplier's accounts with no activity for 18 months. Cull inactive accounts			Quarterly - April, July, October, January	
November	Finance & Administration	Statutory Compliance	Manager Finance	Annual Financial Report	After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.	Local Government (Financial Management) Regulations 1996	C51 (1)	Annual	
November	Finance & Administration	Statutory Compliance	Manager Finance	Annual Financial Report	A copy of the annual financial report of a local government is to be submitted to the Executive Executive within 30 days of the receipt by the CEO of the auditor's report on that financial report. Email to annualreport@dlgc.wa.gov.au	Local Government (Financial Management) Regulations 1996	C51 (2)	Annual	
November	Finance & Administration	Statutory Compliance	Manager Finance	Annual Financial Report	A copy of the annual financial report is to be placed on the Shire's website			Annual	
November	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
November	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month
November	Finance & Administration	Statutory Compliance	Manager Finance	Local Government Grants Commission Return	Completed by 30 November each year. The 'Annual Data Collection spreadsheet' is provided on the DLGC website. The Local Government Grants Commission Return is lodged electronically to the Department of Local Government in December each year. This gives information about the Shire's use of the Financial Assistance Grants and is used to determine the future allocation.			Annual	Due 30 November
December	Governance	Statutory Compliance	Governance Officer	Gift Register	Update gift registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.62(2) Reg.34B	As required	
December	Governance	Statutory Compliance	Governance Officer	Financial Interests Register	Financial Interest Register - Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	As required	
December	Governance	Statutory Compliance	Governance Officer	Annual Electors Meeting	Annual Electors Meeting - Minutes to Dec OCM. Report on outcomes, if required to - February (next OCM)	Local Government Act 1995	s5.33	Annual	



December	Governance	Statutory Compliance	Governance Officer	Public Notice of any changes to dates of OCMs	Ensure any changes to the dates of the OCMs are notified via Public Notice	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 12(2)	As required	
December	Governance	Statutory Compliance	Governance Officer	Public Inspections of Agendas & Minutes	Ensure the public have access to the documents as they become available	Local Government Act 1995 and Local Government (Administration) Regulations 1996	Reg 14	As required	Also required under the Local Government Act 1995 s5.25(1)(j)
December	Finance & Administration	Statutory Compliance	Manager Finance	ESL End of Month Reconciliation Report	Complete Form B - Schedule 5 - ESL End of month Reconciliation Report. Submit by 21st of each month.	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Monthly	
December	Governance	Statutory Compliance	Coordinator Human Resources / Governance Officer	Office Closure Notice	Advertise Christmas Office Closure on Website and in Local Paper	Local Government (Administration) Regulations 1996	s.5.25(1)6 Reg.12	Annual	
December	Governance	Statutory Compliance	Governance Officer	Compliance Audit Return	Compliance Audit Return - Commence Process Due to Financial Management, Audit & Risk Portfolio Meeting Late Feb / Early March Due to OCM March Due to DLGRD by 31 March	Local Government Act 1995	s7.13(1)(i)	Annual	
December	Finance & Administration	Statutory Compliance	Exec Mgr Finance & Admin	Mid-Year Budget	Mid year Budget Review between 1 Jan - 31 March. To be submitted 30 days after Council determination. Email to <a href="mailto:budgetreview@dlg.wa.gov.au">budgetreview@dlg.wa.gov.au</a>	Local Government (Financial Management) Regulations 1996	33A	Annual	
December	Finance & Administration	Statutory Compliance	Senior Finance Officer	Business Activity Statement for Shire of Katanning	Submit statement to ATO	Australian Tax Office		Monthly	By the 21st of each month
December	Finance & Administration	Statutory Compliance	Senior Finance Officer	Financial Activity Statement Report for OCM	If the Local Government has delegated to the CEO the exercise of its power to make payments, list of accounts to be prepared for each account	Local Government (Financial Management) Regulations 1996	Reg 13(3)(a)	Monthly	Prior to OCM for that month

REG 17 ACTION LIST - UPDATE						
CATEGORY	MATTER NOTED	RECOMMENDATION	RESPONSIBLE PERSON/S	ACTION	Update May 2018	September 2018
<b>Risk Management Policy</b>	Risk Management Policy adopted in October 2014 has not been implemented as prescribed in Policy.	Review the Risk Management Governance Framework drafted in August 2014 and update the document with current risk methodology and practices.	<b>EMFA</b>	<i>Review to commence Q1 2018 - Interim review does not see major changes - Policy will need to return to Council. A program will be developed to roll out Risk Management to all levels of the organisation and roll out will take place Q2 2018.</i>	This is included in the major Policy Review process currently being progressed with Council.	Risk Management Policy reviewed at Policy Review #2 Workshop, Appetite & definitions included in September ACM
		Develop an entity wide risk register to monitor and assess top risks. The risk register should be integrated with the Shire's strategic and operational plans and formally reviewed at least annually (or more frequently if required).	<b>EMFA</b>	<i>The Entity wide risk register will form part of the Risk Management document set and will accompany the Risk Management and Governance Framework. Estimate Q1 2018</i>	Expect Q3 2018	Draft Entity Risk Register included in September ACM.
	Risk Appetite statement not formally articulated and established.	Formulate a risk appetite statement and corresponding definitions for risk tolerance to enable more effective risk management process.	<b>EMFA</b>	<i>Will need to accompany the Risk Management and Governance Framework. Estimate Q1 2018</i>	Expect Q3 2018	See Above.
<b>Business Continuity &amp; Disaster Recovery</b>	The Shire's strategy for business continuity and disaster recovery is in the process of being upgraded to a Cloud based technological solution. Until this is complete, the Shire currently does not have a reliable back-up plan in the event of a prolonged disruption to telecommunication services impacting on email service and local servers etc.	To ensure continuity of services to the community in the event of a prolonged disruption to telecommunications, the Shire should formally track the progress of the 'Cloud Project' in a similar manner as the other key Shire infrastructure projects.	<b>All Senior Staff. Executive Manager of Finance and Administration to contact LGIS - Emma Horsefield re a new or review of Business Continuity Plan</b>	<i>The matter as noted is no longer correct. The use of a "cloud" based solution for business continuity is now off the table and the Shire will use "on premise" technology to ensure best practice business continuity. Draft Business Continuity Plans will be prepared for Council Q3 2018</i>	Remove not relevant.	Draft Business Continuity Plan will be prepared first quarter 2019.
<b>Corporate Governance</b>	Strategic Community Plan – 2027 and Corporate Business Plan	For Noting - The Shire has prioritised completion of the Strategic Community Plan and is aware of the impact it has on the Corporate Business Plan and other informing plans.	<b>Executive Manager Projects and Community Building</b>	<i>It is aimed to have both the strategic Community Plan and Corporate Plan presented to Council by December 2017.</i>	Corporate Business Plan adopted by Council at OCM April 2018	Complete. Currently drafting 1/4 report on progress.
<b>Code of Conduct</b>	The Code of Conduct was reviewed and approved by Council in response to the Probity Audit. The Code of Conduct consists of twenty-two pages	Incorporate a simple table with the key guiding principles within the Code of Conduct to reduce confusion.	<b>All Senior Staff + HR. Executive Manager of Finance and Administration to coordinate</b>	<i>Disagree that a simple table will reduce confusion. Most LG Code of Conducts are 12 to 15 pages due to the complexity of what needs to be covered. The SoK adopted version is a comprehensive document and the information contained is critical to both elected members and staff. EMFA will consider conducting 1:1 inductions with new staff and group refreshers with existing staff. Q2 2018</i>	No change.	Case Studies presented to Council at September ACM.

	To consider a Code of Business Ethics for third parties	A Code of Business Ethics should be developed for Suppliers /contractors and communicated at the start of their engagement with the Shire.	<b>All Senior Staff + Procurement. Executive Manager of Finance and Administration to coordinate</b>	Review commenced Q4 2017 and draft Code will be presented to Council Q1 2018.	Presented to Audit Committee Meeting May 2018	Statement of Business Ethics, recommended by ACM May 18 will be presented to September OCM.
<b>Code of Conduct</b>	Roll-out of Code of Conduct training did not include prepared material nor sample case studies	To ensure consistency of training, case studies for discussion should be prepared in advance and covered in all sessions. Whilst it is acknowledged that questions may vary between the sessions, prepared material ensures at a minimum specific topics are covered.	<b>All Senior Staff + HR. Executive Manager of Finance and Administration to coordinate</b>	As noted above, EMFA will consider how to improve roll out process for the Code of Conduct, including case studies for discussion in training sessions. Q2 2018.	No change.	Apart from initial induction for new staff, the Intranet will be used to refresh staff on an annual basis. EMFA will also use regular scheduled meetings - ie. Weekly staff meetings and Monthly Safety Meetings to keep CoC alive.
<b>Policies &amp; Procedures</b>	We understand a full review of existing Council Policies is being undertaken	Going forward, to facilitate timely review of Council Policies, a master listing of policies, their review due dates, policy owners (person responsible for review) and date of council approval should be captured in a simple document.	<b>CEO and Executive Manager of Finance and Administration</b>	First draft of Policy Manual Review completed November 2017. A number of issues require addressing including consideration of new policies, deletions of policies that are redundant or covered in other areas such as Local Laws. A Policy Review Workshop will be conducted with Councillors in Q2 2018.	3 Policy Review Workshops have been conducted and Council are approximately 50% through the full process.	Finally Policy review workshops TBA by Council. Batches of reviewed and adopted policies are being uploaded to a new, easy to navigate page on the Shire website.
	A review of the Table of Contents for the Policy Manual indicated that there are some key policies which are not included in the Policy Manual i.e. Code of Conduct, Asset Management, Internal Control Policy, Legislative Compliance Policy	As part of the review of existing policies for currency, it is recommended to include a process for ensuring that key policies have been drafted, ratified by Council and included as official policies in the Shire's records management system.	<b>CEO and Executive Manager of Finance and Administration</b>	The first draft Policy Manual Review completed November 2017 has already identified matters noted and is addressing the issues. EMFA will take ownership of the Policy Manual and ensure, through liaison with the Executive Team, that all policies required are drafted, reviewed by the stakeholders and presented to Council.	As noted above, Council Policy Review is progressing.	As noted above, these policies will be reviewed by Council via the Policy Workshop process.
<b>Policies &amp; Procedures</b>	Communication of Councils Policies/Records Retention During the review, it was observed and confirmed with some staff that they are not aware of the intranet location of Council Policies. It appears that over time, there have been multiple locations where Council Policies have been found including some which are no longer current.	Maintain all Council Policies in one central location on the intranet to ensure that staff are referring to the correct version. Redundant and previous versions of Policies should be removed to avoid confusion. When the full review of Policies has been completed, staff can be advised of the intranet location.	<b>CEO and Executive Manager of Finance and Administration</b>	The Shire's IT infrastructure and system requires review and it will be necessary to conduct that review prior to addition of an intranet. IT Infrastructure and systems will be reviewed 2017/18. While an intranet is required as a priority and subject to budget considerations will be developed in 2018/19.	Intranet has been ordered (20 May 2018) and will be functional by 30 June 2018.	Intranet has been delayed by supplier. Expected to be functional 2nd half of 2018.

<b>Segregation of Duties</b>	<u>Review of System Access Privileges</u> Random live tests of user access revealed that there is further work to be done to ensure that security profiles are set up correctly to allow access only to authorised menus/transactions. It was detected that the Manager, Finance had access to change salary details and is responsible for reviewing the pay run.	Perform a detailed review of every users' access privileges to Synergy to ensure that users do not have access to incompatible functions.	<b>Executive Manager of Finance and Administration</b>	A review has commenced and will be completed by end Q1 2018.	By 30 June 2018.	Review completed and access privileges changed in June 2018. SRO received formal training on management August 2018.
<b>Segregation of Duties</b>	<u>Independent review of bank reconciliation/journals.</u> This was reported in the FMR in April and during the site inspection in May; the procedure had not been changed to require independent review due to staff capacity issues.	Independent review of bank reconciliations and journals should be implemented as a matter of priority.	<b>Manager of Finance</b>	Q1 2018	All Bank Recs were brought up to date and a review process instigated. CEO is now required to sign off on monthly bank reconciliations.	Complete.
<b>Operationalise compliance requirements</b>	Compliance requirements are not always embedded into operational procedures.	It is recommended that key regulatory obligations be embedded into operational procedures and monitored for adherence by supervisory staff. Examples: <ul style="list-style-type: none"> <li>• Review total spend with suppliers to detect non-compliance to Purchasing Policy [Reg 11A]</li> <li>• Annual health-check of credit card statements randomly selected for compliance to Credit Card Policy [Reg 11(1)(a)]</li> <li>• Consider simple register of mandatory compliance obligations and deadline cycles (i.e. 28th of month, quarterly etc) to mitigate against non-compliance or untimely execution.</li> </ul>	<b>CEO and all Senior Staff - Executive Manager of Finance and Administration to co-ordinate</b>	An electronic compliance calendar will be implemented Q1 2018. All regulatory obligations will be included, and the electronic calendar will include random spot checks for Purchasing compliance and Credit Card usage compliance on a quarterly basis.	Electronic Compliance Calendar is currently being reviewed by relevant officers and will include reminders for random checks of purchasing compliance on a quarterly basis.	Compliance calendar provided (for information purposes) to ACM September 2018.



## Guidelines for the Model Code of Conduct for Local Councils in NSW

October 2008

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Local Government and Shires Associations of NSW

Maddocks Lawyers

NSW Ombudsman

Penrith City Council

Shoalhaven City Council

Sutherland Shire Council

Wollondilly Shire Council



## 1 Purpose of these guidelines

The information contained in these guidelines is designed to achieve two objectives:

- a. To assist in the interpretation of the standards in the Model Code in each topic area
- b. To provide councils with suggestions for enhancing their codes of conduct.

The Model Code of Conduct for Local Councils in NSW June 2008 replaces the previous Model Code, dated December 2004. All councils must adopt a code of conduct that incorporates the provisions of the Model Code of Conduct for Local Councils in NSW, June 2008, (Model Code) pursuant to section 440 of the *Local Government Act 1993*.

Councils may include additional provisions in their own codes of conduct that supplement the Model Code. This includes strengthening of the minimum provisions. Any additional provisions in councils' codes of conduct must be consistent with the Model Code provisions or else they will be invalid.

When councils develop and review their codes of conduct they should consider how the document will be integrated into their organisation's culture. Codes of conduct should be developed by each council and its staff to meet their specific needs, and should promote an ethical culture within the council. Codes of conduct should integrate and cross-reference with other council policies; for example, the councillor expenses and facilities policy.

These guidelines contain interpretive information and, in some cases, suggestions for additional information that councils could include in their codes. Where appropriate, case studies, examples and further reference material on the topic are provided.

These guidelines also provide information on the reporting of alleged breaches and dealing with complaints.

## **2 Purpose of a code of conduct**

A code of conduct is a key mechanism to assist council officials to act honestly, ethically, responsibly and with accountability.

A code of conduct assists councils to fulfil their responsibility to serve the community and to effectively meet the requirements of their charter under section 8 of the Act.

Councillors are elected to represent the interests of the residents and ratepayers. As a member of the governing body of the council, councillors play a key role in creating and reviewing the council's policies and objectives.

Staff have the responsibility to serve the council and to implement the decisions of council as their employer. Staff must also know and understand the law relevant to the performance of their official duties.

The community rightly expects councillors and staff to be honest, reasonable and equitable in their dealings with them and to have the public interest at heart.

### **2.1 Who does the code of conduct apply to?**

The code of conduct applies to all local councils in NSW, including county councils.

The code of conduct applies to all council officials. In this guideline the term council official is used to describe councillors, members of staff of council, administrators appointed under section 256 of the Act, members of council committees, conduct reviewers and other delegates of council. It requires them to act honestly, ethically and responsibly in the performance of their duties.

Delegates of council include any person or body, and the individual members of that body, to whom a function of council is delegated e.g. council's contractors, consultants, volunteers, members of advisory and section 355 committees, Independent Hearing Assessment Panels and community representatives.

Not all parts of the code of conduct will apply to all council officials. For example, there are clauses such as secondary employment that only apply to council staff.

However, other persons working with councils, such as contractors, community representatives and volunteers, will be required to observe the provisions of a council's code of conduct that apply to them. In regard to contractors, councils should make provision in contracts to reflect this condition. Councils may wish to develop summaries of their code of conduct that provide only the provisions that are relevant to these persons.

### **2.2 Are council officials obliged to comply with the code of conduct?**

Council officials must observe the applicable provisions within their council's code of conduct. Part 2 of the Model Code sets out a standard of conduct that meets accepted principles and statutory provisions applicable to local government activities. It is the

personal responsibility of all council officials to observe the standards in the code of conduct and regularly review their personal circumstances with this in mind.

### **3 Development, implementation and review**

A council must, within 12 months after each ordinary election, review its adopted code of conduct and make such changes as it considers appropriate and as are consistent with section 440 of the Act. Councils may wish to review their codes of conduct more frequently. Periodic reviews are a good way to ensure their codes remain relevant and are well understood by council officials.

#### **3.1 Using these guidelines**

All councils must include in their codes of conduct the minimum requirements outlined in the Model Code. Councils may consider supplementing their codes with additional topics that reflect the specific needs of council. These additional provisions must be consistent with the Model Code provisions or else they will be invalid.

The topic sections of these guidelines provide additional information on how the principles listed in the Model Code of Conduct should be interpreted and applied in practice. Councils should also consider adopting a number of policies to support their codes of conduct. Some suggestions are given in these guidelines under the relevant topic areas. Where possible, policies that relate to the council's code of conduct should be referenced in the code. This enables council officials to gain further information and guidance in relation to particular topics. Supplementary policies should be consistent with the council's code of conduct.

These guidelines include a number of examples and case studies to illustrate the ethical problems that council officials might encounter and strategies for dealing with them. These examples can be used to assist councils to develop their own examples that are relevant to their circumstances.

#### **3.2 Developing and implementing council's code of conduct**

When councils develop and review their codes of conduct they should consider how the document will be integrated into their organisation's culture. Codes of conduct should be developed by each council and its staff to meet their specific needs, and should promote an ethical culture within the council. Codes of conduct should integrate and cross-reference with other council policies; for example, the councillor expenses and facilities policy.

Engaging council officials in the development and review of council's codes of conduct ensures understanding and ownership.

Selecting the appropriate language and terms in a code of conduct assists council officials to understand the requirements outlined in the code. In the Model Code, the term "you" is used to emphasise the individual obligations of council officials.

Councils may wish to consider developing a summary of their code of conduct that supplements the more detailed code, which can be readily distributed throughout the organisation.

Councils are encouraged to use the ICAC publication, 'Codes of Conduct: The next stage' to assist in developing their code of conduct. This publication includes a checklist as a guide in developing, implementing and reviewing the code.

There is also an Australian Standard (AS 8002-2003) on Organisational Codes of Conduct which may provide additional guidance.

Simply having a code of conduct is not enough. The process used to develop, implement and regularly and systematically review the council's code of conduct is critical in ensuring its effectiveness. Developing a code of conduct is not just a project. It is a process that requires a range of strategies to reinforce the standards of behaviour that are expected from council officials.

**General managers should require all council officials to sign a statement that they have received, read, understood and will abide by their obligations under the code of conduct.**

A code of conduct needs to be an active policy document that is promoted throughout council. Some strategies to promote the code of conduct include:

- providing regular on-going training, awareness-raising and information sessions. This training should be provided and made available to all council officials;
- training tailored to meet the needs of the particular council officials, such as in-depth sessions on matters that relate to the duties of particular staff members and specific training on pecuniary interest for councillors;
- ensuring that the induction process emphasises the importance and relevance of the code of conduct and provides new officials with a thorough understanding of its content and consequences of non-compliance;
- nominating an officer to be responsible for ensuring that training is conducted and the code of conduct is actively promoted throughout the organisation;
- including the code of conduct in information packages sent to job applicants, attached to letters of offer to prospective staff members and referred to during job interviews;
- including regular segments about aspects of the code of conduct in staff circulars and newsletters;
- explicitly considering the code of conduct in the context of policy and procedural reviews;
- ensuring that the code of conduct is readily accessible to all council officials; and
- providing a copy of the code of conduct to prospective councillors on nomination to assist them to understand their obligations

Councils should also promote their codes of conduct to the community by placing them on their websites and making them easily accessible. Councils should ensure that the code of conduct is easy to locate. In this way community awareness is raised about the standards that are expected from council officials.



### 3.3 How the Model Code works

The Model Code is comprised of three parts:

Part 1: **Context.** This part of the Model Code is explanatory and does not contain enforceable standards. It establishes the Code's *purpose* and the *principles* used to interpret it. It also contains some information that can be used as a guide to making ethical decisions.

Part 2: **Standards of Conduct.** This part of the Model Code sets out the conduct obligations required of council officials. These are the *enforceable standards of conduct*.

Part 2 of the Model Code contains six key topic areas:

- General conduct obligations
- Conflict of interests (pecuniary and non-pecuniary)
- Personal benefit
- Relationship between council officials
- Access to information and resources
- Reporting breaches

Part 3: **Procedures.** This part of the Model Code contains:

- the complaint handling procedures,
- complaint assessment criteria, and
- the operating guidelines for the conduct review committee/reviewer.

Part 3 should be used to guide the management of complaints about breaches of the Model Code.

## 4 Topics to be addressed

These guidelines relate to Parts 2 and 3 of the Model Code.

Part 2 of the Model Code contains six key topic areas:

- General conduct obligations
- Conflict of interests (pecuniary and non-pecuniary)
- Personal benefit
- Relationship between council officials
- Access to information and resources
- Reporting breaches

These guidelines contain information on each of these topics, as well as complaint handling procedures (Part 3 Model Code sections 12-14)

### Understanding these guidelines

The information contained in these guidelines is designed to achieve two objectives:

1. To assist in the interpretation of the standards in the Model Code in each topic area
2. To provide councils with suggestions for enhancing their codes of conduct.

The following information is arranged under the same topic headings that are contained in the Model Code. Information under each topic heading in these guidelines is arranged in the following way:

- A. an introduction to the topic, including relevant interpretive information
- B. examples and case studies relevant to the topic (where applicable)

*Councils' codes of conduct should provide examples and/or case studies to illustrate the ethical problems that council officials might encounter and strategies for dealing with them. These guidelines include some general examples to guide councils in developing their own examples relevant to their council's circumstances.*

- C. examples of good practice suggestions (where applicable)

*Councils' codes of conduct should function as active guides to decision making. Codes of conduct will be more effective if they include information that assists council officials to understand and manage more difficult situations that may arise. Good practice suggestions consist of extra information and resources that help councils with these more difficult situations or that they may include if they wish to enhance or strengthen their codes of conduct.*

D. suggested policy requirements (where applicable)

*Councils' codes of conduct should be consistent with other policies that councils develop. Councils should consider developing policies that provide specific guidance on matters contained in their code of conduct.*

E. the key legislation

F. resources (where applicable).

*The guidelines contain a range of resources under each section heading. The resources are included so that councils may seek additional information specific to the topic at hand, in addition to the information contained in the guidelines.*

## 4.1 General conduct obligations (Part 2 Model Code, section 6)

### 4.1A - Introduction and interpretive information

Council officials must act honestly and responsibly when carrying out their functions. They have a responsibility to adhere to the requirements of the Act, behave professionally at all times and to develop and maintain constructive working relationships.

#### *Lobbying*

Councillors and staff should be aware that they are at some time likely to be lobbied by a wide range of people including individuals, organisations, companies and developers. The Model Code and the Act both recognise that appropriate lobbying of councillors is a normal part of the democratic system, and that councillors have a representative role in considering the views of their constituents and communicating with them (see Section 232(2) of the *Local Government Act 1993*).

‘Generally, inappropriate and unlawful conduct on the part of someone lobbying a councillor usually involves an attempt to obtain preferential consideration or treatment based on factors other than the merits of a matter.’ (ICAC, 2006, *Lobbying local government councillors*)

Lobbying is a two way process between councillors and lobbyists. It is essential that they understand the difference between appropriate and inappropriate lobbying, that they demonstrate transparency in all decision-making processes, and that they do not undermine the public’s confidence by engaging in any way in lobbying which could be considered inappropriate or unlawful.

‘Councillors should exercise judgement when deciding whether to be involved in private meetings with people seeking to influence a council decision. Suspicions of inappropriate lobbying can occur when lobbying is not open to public scrutiny.’ (ICAC, 2006, *Lobbying local government councillors*)

Councillors can ensure transparency when being lobbied by:

- keeping records of meetings
- holding meetings in locations such as council offices
- ensuring other people are present
- making sure that any information obtained when being lobbied is available to council staff and other councillors.

To avoid placing themselves in an inappropriate or unlawful situation and if they have any doubts about the appropriateness of any request being made of them, councillors should require that the request be written to the general manager who can then ensure that it is evaluated by council staff and can then report to council the consequences of granting the request.

Examples of inappropriate and/or unlawful councillor conduct that could occur during lobbying include:

- Disclosing confidential information, including legal advice, while being lobbied
- Accepting a political donation in return for a favourable exercise of discretion during decision making
- Giving undertakings to an interested party prior to consideration of all the information relevant to a decision

ICAC has produced a brochure that contains specific information about all aspects of lobbying local government councillors. (see *Lobbying local government councillors*, ICAC, August 2006)

Councils may wish to consider including information about lobbying in their codes of conduct. A suggestion is included in the good practice section following.

#### 4.1B - Case studies/examples

##### Example 1 - Lobbying on development decisions

A council comprising seven councillors is dealing with a rezoning proposal from a developer. The rezoning, if supported, will result in the value of the land in question increasing by several million dollars. The developer approaches four councillors in the week before the proposal comes before council and provides them with some written material and verbal argument in support of the rezoning. The material addresses issues that have not been canvassed by council staff in their report to council. The developer tells the councillors that if they vote for the rezoning he will provide some funds to support the councillors' favourite local charities.

However, the material in question is not made available to the other three councillors nor is it submitted to council staff as material supporting the rezoning proposal. The proposal is opposed by groups in the community who have responded by way of written submission to council's public advertising of the proposal. These groups are also actively lobbying in support of their written submissions.

At the council meeting some councillors verbally refer to the information they have received from the applicant. However, this material is never tabled, is not put out for public comment, and is not subjected to analysis by council's professional staff. The submissions received from community groups are tabled, are analysed by council staff, and form part of the public record, which is available for scrutiny by any person. The councillors do not disclose that they were offered funds in support of a local charity if they supported the rezoning.

*The four councillors who responded to the developer's lobbying without ensuring the material provided is formally submitted to council have potentially invited suspicions of partial decision making. They should have encouraged the developer to formally submit the material to council and then require council to put it out for public comment. At the end of this process council professional staff would be able to provide, as part of open accountable processing of the proposal, an analysis of the developer's material and the public responses to it.*

*Although some delay would result in the processing of the proposal this delay is the direct result of the developer introducing new material into the issue. Lobbying in this matter has, in practical terms, introduced an element of preferential treatment and potentially denied other stakeholders their right to also make a submission on relevant material. The fact that only four councillors were provided with the material suggests a manipulative approach in the lobbying process, which should have been seen as such by the four councillors as falling short of best practice. In addition, the developer has offered an inducement for the councillors to vote in a particular way. Regardless of the fact that the offer was in support of local charities, the offer should have been firmly refused and the matter reported to the general manager.*

*The object lesson is that absolute compliance with the principles of ethical decision making is not optional...it is mandatory if council is to meet its charter of open, accountable decision making.*



#### **4.1C - Good practice suggestions**

- **Lobbying**

Councillors and council staff may be lobbied by a wide range of people, including individuals, organisations, companies and developers. As a general rule it is an essential element of the democratic system that any individual should be able to lobby the council or a councillor. However, particular considerations apply when councillors and council staff are dealing with statutory powers such as planning.

Councillors and council staff must consider evidence and arguments put by a wide range of organisations and individuals in order to perform their duties effectively. However, councillors should encourage lobbyists and applicants to put their views in writing to the general manager for evaluation by council staff and reporting to council of all the consequences of granting the request.

- **Appointments to other organisations**

Councillors and council staff may be appointed or nominated by the council as a member of another body or organisation (for example, appointment to a regional organisation of councils.) If so, they will be bound by the rules of conduct of both organisations.

- **Alcohol and other drugs**

Council officials must not be intoxicated or drug affected when performing their official duties.

Intoxication by alcohol or being drug affected is an unsafe personal condition and is proven to be a hindrance to the performance of official duties. A person, so affected, cannot provide the high standard of service required and is impaired in their ability to make decisions. It may also bring into question the validity of decisions made while under the influence of alcohol or other drugs. Such a person could also expose others to an unacceptable level of risk.

- **Health, wellbeing and safety**

Councillors and council staff should ensure that council's premises are adequate to ensure the health, safety and well being of other council officials and members of the public in accordance with their obligations under the *Occupational Health and Safety Act 2000*.

- **Public comment by council officials**

Council staff should understand and comply with council's media/public comment policy and know whether they are permitted to make public comment on behalf of the council. If in doubt, authorisation should be obtained from the general manager.

"Public comment" includes public speaking engagements (including comments on radio and television), expressing views in letters to the press or in books or notices or where it is reasonably foreseeable that publication or circulation will enter the public domain.

For example, as a member of the community, council staff have a right to enter into public debate in their private capacity. However, council staff must take care not to give the impression that their comments are made on behalf of council. Council staff will need to clearly state that such public comment reflects personal opinion. Public comment or statements on council matters should only be made in accordance with council's policy.

Council officials (including councillors) should ensure that they clarify whether or not they are acting on behalf of council and/or in their public capacity when speaking publicly or attending functions to avoid situations where this might be directly implied or indirectly inferred.

- **Child protection code of conduct**

Under the *Ombudsman Act 1974* the head of a designated agency or public authority is responsible for ensuring systems are in place for recording and responding to all allegations of a child protection nature against an employee.

The head of an agency is required to determine which allegations and convictions are to be notified to the Ombudsman as a reportable allegation or conviction and which matters are exempt from notification. These exemptions require a code of conduct which includes details of what behaviour by employees is reasonable for the purpose of the discipline, management or care of children. The code of conduct should also clarify what is acceptable and what is not acceptable behaviour by employees towards children, as well as what will happen if an employee breaches the council's code of conduct.

Councils are encouraged to consider including supplementary information in their code of conduct that relates to child protection matters. Information to assist this process is contained in the NSW Ombudsman's Child Protection in the Workplace Guidelines.

**4.1D - Suggested policy requirements**

1. A policy and procedures to be followed for reporting and managing situations related to the effects of drug and alcohol use.
2. A policy and procedures to prevent and deal with harassment and discrimination.
3. A Code of Meeting Practice to meet council's individual circumstances. The Code should incorporate the provisions of the Local Government (General) Regulation 2005 and may supplement that Regulation with provisions that are not inconsistent with it. The Code of Meeting Practice could include examples of situations councillors may face during council meetings and strategies to deal with them.
4. A policy on public comment on council matters.

**4.1E - Key legislation**

- *Local Government Act 1993*, including sections 8, 352, 439, 440 – (these sections refer to the council's charter, the independence of staff and the requirement for council officials to act honestly and with care.)
- Local Government (General) Regulation 2005
- *NSW Anti-Discrimination Act 1977*
- Federal Anti-Discrimination legislation
- *Ombudsman Act 1974*

**4.1F - Resources**

DLG, 2005, *Meetings practice note*, Practice note no 16.

ICAC, 2006, *Lobbying Local Government Councillors*

NSW Ombudsman, 2004, *Child protection in the workplace*.

## 4.2 Conflict of Interests (Part 2 Model Code, section 7)

### 4.2A - Introduction and interpretive information

The possibility of conflict between public duty and private interest is an ever-present risk for council officials. Sometimes, by virtue of their official status, position, functions or duties, council officials have the power to make decisions or act in ways that can further their own private interests. This may cause a real or perceived conflict between council official's private interests and their public duty.

As a general principle, no person should obtain a private benefit or advantage by virtue of their position as a council official. Additionally, no public official should misuse the power of authority of their position to unfairly influence or decide a matter where they have a real or perceived private interest.

The political views of a councillor do not constitute a private interest. When councillors run for office, they outline their position and views in relation to issues facing the community. These views are essentially public in nature and do not represent private interests. For example, just because a councillor generally supports the concept of environmental protection does not mean that they have a conflict of interests every time a development application comes before council.

A conflict of interests may be of two types:

- A pecuniary conflict of interests
- A non-pecuniary conflict of interests

A pecuniary interest is an interest a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.

A non-pecuniary conflict of interests can be an actual or a perceived conflict where a reasonable and informed person would perceive a conflict exists. Any conflict of interests negatively impact on public confidence in the integrity of local government. It is always advisable when facing any potential conflict of interests to consider how another person who is reasonable and informed would consider the situation. In this context a reasonable and informed person would mean a person who is generally regarded as reasonable in respect to their judgements and who is in possession of all the relevant facts.

#### *Managing pecuniary conflict of interests*

Where a conflict of interests is pecuniary in nature, you must comply with the requirements of the *Local Government Act 1993*.

### *Managing non-pecuniary conflict of interests*

Most council officials are at some stage likely to experience a situation where they may have a non-pecuniary conflict of interests. This is most likely to arise out of family or personal relationships or perhaps through an association they, or someone close to them, may have through an involvement in a sporting, social or other kind of group or association. The greater their involvement with the club or organisation, the greater likelihood of a real or perceived conflict of interests. It may also involve an interest of a financial nature that does not amount to a pecuniary interest as defined by the Act.

The Model Code now recognises two forms of non-pecuniary conflict of interests:

- significant
- less than significant

As a general rule, clause 7.16 of the Model Code details what is considered to be a significant non-pecuniary conflict of interests. Council officials should make an assessment of the circumstances to help them determine if a conflict is significant. The nature of a friendship or business relationship, the frequency of contact and the duration of the friendship or relationship, the strength of an affiliation with an organisation are all matters that should be considered when assessing whether or not a conflict of interests is significant.

Council officials need to deal with a conflict of interests by disclosing their interest in writing as required by clauses 7.13 and 7.14. If the conflict is less than significant, they need to provide an explanation of why no further action is required in the circumstances (clause 7.18).

However, if a conflict of interests is **significant**, as described in clause 7.16 of the Model Code, in addition to their written disclosure, council officials will need to take further action. This additional action will be to either remove the source of the conflict, or have no involvement in the matter, including not taking any part in a debate or a vote on the matter.

It should be noted that clause 7.20 enables councillors to participate in a decision to delegate council's decision-making role in relation to a matter to another person or body as provided under the Act even though they have a significant non-pecuniary conflict of interests in that matter.

### *Managing political donations*

Clause 7.22 of the Model Code requires councillors to reasonably know the source of any political donations. This means that councillors who are members of a political party or group who have directly benefited from funds from any group or party organisations will need to ascertain the source of the political contributions made to the group or party organisation.

If councillors or their official agents have received, in the previous four years, a political donation exceeding \$1,000 that has directly benefited their campaign, from a donor who has a matter before council, they must disclose this fact and have no involvement in the matter as set out in clause 17.17(b) of the Model Code (see clause 7.23). This applies to all councillors, regardless of whether they are independent councillors or a member of a political group or party.

Where councillors or their official agents have received donations under \$1,000 then this may give rise to a non-pecuniary conflict of interests. This also applies to all councillors, regardless of whether they are independent councillors or a member of a political group or party. Councillors should apply the test for a conflict of interests at clause 7.1 and the test for a political donation at clause 5.3 of the Model Code. Clause 5.3 requires councillors to consider the perception of influence created by any political donations and take reasonable steps to identify circumstances where this may arise.

This means that once a councillor has taken reasonable steps to ascertain the source of political donations that have directly benefited their election campaign, as per clause 7.22, and the donation is less than \$1,000, then consideration will need to be given to perceptions of influence that might be created by the donations.

If they determine that a non-pecuniary conflict of interests may exist, then they need to consider whether or not the conflict of interests is significant, as provided for in clause 7.16. Where a close relationship exists with the donor (as described in clause 7.16), then the conflict of interests is likely to be significant, even if the donation is less than \$1,000. If no close relationship exists, (and the donation is under \$1,000) then the conflict of interests is likely to be less than significant. However, it remains open for councillors to take additional steps to manage any perception of a conflict of interests.

#### **4.2B - Case studies/examples**

##### **Example 1: Secondary employment**

A local government building trades overseer prepares a report for his manager on allocating council plumbing work. He has a plumbing company that put in a bid, but was not selected.

*There is a conflict of interests because the overseer responsible for recommending the awarding of contracts is also competing to secure the work. In addition, he has not disclosed that personal interest. Secondary employment, with or without permission, can lead to a conflict of interests.*

*Under the Local Government Act 1993, all council staff must obtain the consent of the general manager for any secondary employment that relates to the business of council or might conflict with their council duties. The general manager in this case would be entitled to refuse consent. To put strict measures in place to prevent the overseer from having any role in contract work may not be enough to prevent the mismanagement of conflicts.*



### Example 2: Pecuniary interests

Note: Where a conflict of interests is pecuniary in nature, you must comply with the disclosure requirements of the Act.

A council has a practice of moving into the committee of the whole to enable councillors to freely discuss issues before them. During one of these times, councillors discuss a matter relating to the purchase of a property. One of the councillors is a property agent whose company is acting for the council in the transaction. The councillor participates in the discussion during the period while council is meeting as a committee.

When the council meeting is resumed, this councillor declares a pecuniary interest and leaves the room. The councillor does not believe that there is a pecuniary interest in the matter until there is a formal debate and vote on the matter.

*If the councillor has a pecuniary interest in the matter, within the meaning of section 442 of the Local Government Act 1993 and no exemption can be relied upon, then a pecuniary interest exists during the entire period the matter is being considered, including during the discussion when council meets as a committee.*

*This applies also to other parts of council meetings e.g. the public forum session held during the meeting.*

*This equally applies to councillor participation on advisory committees. Section 446 of the Act requires that members of a council committee, other than a committee that is wholly advisory, must disclose pecuniary interests in accordance with section 451. However, in PIT No 2/1998, Bennett, Staltare and Zappacosta, Griffith City Council, pages 26-28, the Tribunal found that section 446 of the Act only applies to lay members of wholly advisory committees and as such does not provide councillors with an exemption from disclosing pecuniary interests when participating on wholly advisory committees.*

*Section 451 requires that a councillor not only declare the nature of an interest in a matter before council for consideration, but must also not be present at, or in sight of, the meeting at any time during which the matter is being considered or discussed or voted on by the council or committee. The practice of allowing an affected councillor to make a statement before leaving a room is a breach of the provisions of section 451 of the Act.*

*This applies to committee meetings, advisory committee meetings, closed council and committee meetings.*

### Example 3: Development applications

*From time to time council staff lodge development applications with council. This may create problems, especially if the staff member works in the development assessment or planning areas of council.*

*In these circumstances there are a number of options that may be available to council to manage this situation:*

- *Council could outsource the assessment of the application*
- *A more senior member of staff could assess the application*
- *Council should restrict the staff member's access to information on the matter other than what they are entitled to as an ordinary applicant.*

### Example 4: Political support

A local ratepayer has made a campaign donation to a group of local councillors through their official agent in the last 2 years. The ratepayer lodges a development application with council to build a block of units on the land she owns. The development is controversial and receives a lot of media attention.

*A potential conflict of interests could arise for a councillor, or group of councillors, when a campaign donor, who contributes financially to their election campaign, has a matter before the council for determination. The conflict of interests arises even when a donation is made through the official agent.*

*Where the donation exceeds \$1,000 and has been donated within the last 4 years, the councillors must declare a non-pecuniary conflict of interests, disclose the nature of the interest and have no further involvement in the matter by absenting themselves and not taking part in any debate or voting on the matter in accordance with section 451(2) of the Act.*

*In the circumstances where a donation is less than \$1,000 or the donation is made over 4 years ago, then the councillors would still need to consider whether or not a reasonable and informed person could perceive that a conflict of interests exists and take the appropriate action.*

*The councillors would also need to consider whether such a political donation gives rise to a reasonable perception of influence in relation to their vote.*

*If there is a conflict of interests then the councillors would need to determine whether or not it is significant. If the councillors had a close relationship with the donor, then it may be a significant non-pecuniary conflict of interests.*

*If the councillors consider that there is a non-pecuniary conflict of interests, but it is minimal, then the councillors would need to disclose the interest and its nature and provide an explanation of why further action is not required.*

### Example 5: Selection processes

*Examples of appropriate action to resolve or avoid conflicts arising in job selection processes include:*

- *If an applicant is a personal friend, or past or present close work colleague of a member of an interview panel, that member should disclose the relationship in writing to the other members of the panel (and in particular the independent member), at the time applications are reviewed.*
- *If a person is in a relationship with a party to a dispute or statutory application process over which they have to arbitrate, then that person should disclose the relationship in writing to their supervisor or manager. Those duties should then be reallocated to another person who does not have a conflict.*
- *If a relative, personal friend or business partner has an interest in or may benefit from a tender, contract or application that a person is involved in the assessment or approval of, that person should disclose the relationship in writing to their supervisor or manager. The person should then be removed from involvement in the process by reallocating those duties to another person who does not have a conflict.*

### Example 6A: Club membership

A councillor is a member of a club in a small community. The councillor is very active in the running of the club. While not an office holder, he is well known to all club members.

The club has recently submitted a development application to the council for a major extension of its facilities.

*In this instance, there may be a public perception that the councillor's activities with the club would make it difficult for the councillor to view the matter before the council as a representative of residents and ratepayers generally. This may meet the definition of a significant non-pecuniary conflict of interests. If so, the councillor should disclose his conflict of interests in the matter when it comes up for consideration. The councillor must then refrain from participating in council's discussion and voting on the matter. The councillor must leave the room when the vote is being taken to ensure that the vote is not recorded in the negative.*

### Example 6B: Club membership

A councillor is a member of a local registered club. However, she is not active in the club or involved with the management of the club. In this situation, the councillor merely enjoys the facilities of the club as a privilege of membership.

*In this example, should a matter relating to the club arise at council, it is appropriate that the councillor informs the council of her membership (i.e. declares a non-pecuniary conflict of interests that is less than significant). However, it is unlikely that her interest as a club member would influence her role as a councillor representing the view of residents and ratepayers generally. Therefore, she could participate in the decision-making process.*

*In both situations, the councillors have two different interests in the matters. The first is their interest as a councillor representing residents and ratepayers generally; the second is as club members who are keen to see the club prosper and provide better facilities for its members. There is nothing wrong with a councillor having community as well as civic interests, though there are times when these interests may be perceived as a significant conflict of interests.*

*The distinguishing features of examples 6A and 6B are that:*

- *The councillor's interests as a club member in example 6A are likely to influence his role as a representative of residents and ratepayers generally. This would make it difficult for him to be impartial; and*
- *The public perception of a lack of impartiality would be stronger in the first example particularly given the size of the community and the visibility of the councillor in the club's activities.*

*If a councillor is an office holder in a club or other organisation, the interest may constitute a pecuniary interest.*

Further case studies relating to conflict of interests can be found at:

- Case studies and examples, Under Careful Consideration: Key Issues for Local Government, 1997

#### **4.2C - Good practice suggestions**

- **Sponsorships**

Council officials must never ask for or receive any personal benefits from a sponsorship arrangement.

Sponsorships should not limit council's ability to carry out its range of functions fully and impartially or influence a council decision.

- **Caucus votes**

Binding caucus votes on matters is inconsistent with the obligation of each councillor to consider the merits of the matter before them. Political group meetings must not be used to decide how councillors should vote on matters like development applications where there are specific statutory considerations for each decision-maker to consider.

- **Former council officials**

Councillors and council staff must be careful in your dealings with former council officials and make sure that they do not give them, or appear to give them, favourable treatment or access to privileged information. Former council officials must not use, or take advantage of confidential information obtained in the course of their official duties that may lead to gain or profit. At the end of their involvement with council, they must:

- return all council property, documents or items (keys, mobile phones etc)
- not make public or otherwise use any confidential information gained as a consequence of your involvement with council.

- **Staff political participation**

Council staff must ensure that any participation in political activities does not conflict with their primary duty as an employee to serve the council of the day in a politically neutral manner.

- **Senior adviser on conflicts of interests**

Councils should consider nominating a senior officer, establishing a panel or engaging a suitably qualified person, such as a solicitor or auditor, to provide objective advice to council officials on conflict of interests matters. For example, councils could work through their regional organisations to establish advisory services on a regional basis.

Advice would constitute guidance on the criteria to help make a decision and the range of options available to an individual. This advice should not be considered a legal opinion and council officials may need to obtain their own legal advice on the matter. The onus is on individuals to recognise circumstances where a conflict of interests may arise.

(Refer to the NSW Ombudsman Annual Report 2002-2003, page 38, for information on the establishment of a panel to provide advice on conflict of interests.)

- **Community representatives on council committees**

Councils often invite interested members of the community to join council committees. Usually the reason for their involvement is due to specific knowledge, experience and expertise in the business of the committee. Questions can arise as to whether this knowledge, experience and expertise gives rise to a pecuniary or non-pecuniary conflict of interests. This personal interest in the broad issues is generally well understood and would not need to be disclosed.

If the committee is not “wholly advisory”, that is, it exercises some functions of council, then delegates’ pecuniary interests would need to be dealt with in accordance with section 451 of the Act. If the committee is a “wholly advisory” committee, then in the case of pecuniary interests, delegates are exempt from the pecuniary interest provisions of the Act. (section 446)

If a non-pecuniary conflict of interests arises because a community member has a private interest in a specific item of committee business, community representatives will be expected to comply with the conflict of interest provisions of council’s code of conduct. This requires that, as a minimum, community representatives disclose the nature of any conflict. For example, this may be an item that specifically relates only to the street where they live or a business they are involved in and not to a broader issue.

#### **4.2D - Suggested policy requirements**

1. A policy on secondary employment.
2. A policy on managing private sector sponsorship.

#### **4.2E - Key legislation**

- *Local Government Act 1993*, Chapters 11 and 14 – (these sections refer to how councils are staffed and the honesty and disclosure of interests.)
- *Local Government (General) Regulation 2005*, Part 8

#### **4.2F - Resources**

DLG, June 2006, *Pecuniary Interest Guidelines*.

ICAC, 2007 *Corruption risks in NSW development approval processes*

ICAC, *Practical Guide to Corruption Prevention*.

NSW Ombudsman, 2003, *Fact sheet no 3, Conflict of Interests*.

NSW Ombudsman, 2003, *Good Conduct and Administrative Practice: Guidelines for state and local government*.

NSW Ombudsman, 2004, *Pre-requisites to avoid or manage conflict of interests*.

### 4.3 Personal Benefit (Part 2 Model Code, section 8)

#### 4.3A - Introduction and interpretive information

As a general principle, council officials should not accept any gifts or benefits that give rise to a real or perceived influence in relation to their decision-making role.

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 an attempt to influence. Feelings of obligation can arise if council officials accept a gift or benefit. Once such a gift is accepted, a council official can be compromised. Individuals attempting to corrupt council officials often start with small inducements that appear to have no improper motive behind them.

Political donations or contributions that are subject to the provisions of the relevant election funding legislation are not considered to be gifts or benefits for the purposes of section 8 of the Model Code.

Within the context of the Model Code gifts and benefits are defined as either *'token'*, or *'gifts and benefits of value'*. Those gifts and benefits that can generally be regarded as *'token'* are set out in section 8.1 of the Model Code.

It is important to recognise that gifts and benefits that have more than a token value include tickets to major sporting events (such as state or international cricket matches or matches in other national sporting codes (including the NRL, AFL, FFA, NBL)), corporate hospitality at a corporate facility at major sporting events, discounted products for personal use, the frequent use of facilities such as gyms, use of holiday homes, free or discounted travel. In addition, council officials should be mindful that tickets to major cultural events may be considered of value, such as, tickets to major musical productions.

Gifts and benefits can create obligations and expectations. Accepting "freebies" comes with a risk that they will corrupt the receiver. In the case of tickets to major events, if the event is worthwhile from a civic leadership perspective, then councils could consider paying for councillors and/or staff to attend. In the case of councillors, this may be a matter that is dealt with in council's expenses and facilities policy made in accordance with section 252 of the Act.

Councils must establish a gifts register for the recording of the receipt of gifts and benefits by councillors and council staff. Ideally, this register should also record the receipt of token gifts and any gifts that are refused.

Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, you should promptly disclose this to your supervisor, the Mayor, or the general manager who must record the gift or benefit in council's gift register. The gift or benefit must be surrendered to council, unless the nature of the gift or benefit makes this impractical.

Corruptly receiving a gift or benefit is an offence under both the common law and NSW legislation. The offence extends to the offering or seeking of a gift or benefit. (see section 8 Model Code)

### 4.3B - Case studies/examples

#### Example 1: Acceptance of a gift of value

The President of a football club based in the council's area offers two tickets to a councillor and his wife to join him in the President's box to watch the grand final between the club's first grade team and their opponents. The football club is a member of the NRL. The councillor is a keen football fan and it has been years since the team was in the grand final. He accepts the tickets, attends the match and has a pleasant afternoon. Even though no council business is discussed during the night the councillor and his wife were invited because of his public role and the tickets were addressed to him using his title of councillor.

Several weeks later the football club lodges a controversial DA with the Council. The club wants to extend its premises and increase the number of poker machines.

*Tickets to major sporting events, such as an NRL grand final, are considered to be gifts of value (clause 8.2 of the Model Code) and should be refused. Although the councillor was not lobbied at the football game he realises that by accepting the tickets and the President's hospitality he has placed himself in a position where there is the appearance that the football club has attempted to influence him.*

#### Example 2: Gifts, benefits and hospitality

A regular supplier offers the council's purchasing officer a free weekend for two at a beach resort.

*The officer's impartiality when dealing with the supplier would be compromised if he or she accepts the offer. Even if this officer personally feels that s/he would not be influenced by the gift, s/he would be in breach of the code of conduct if the offer were accepted.*

Planning and building staff are regularly offered alcohol, food, tickets to major sporting events and free lunches by developers, builders, project managers and suppliers. Staff sometimes accept these gifts without declaring them and argue that they are in return for providing good service and are an accepted way of "doing business".

*Again, this will be perceived to have compromised the impartiality of the staff concerned and breaches the code of conduct.*

*In this situation staff should, in the first instance, refuse any gift offered. If staff cannot reasonably refuse or return the gift, then they should identify whether or not the gift has more than a token value as defined within Section 8 of the code. If so, it must be disclosed promptly to the supervisor or the general manager. The recipient, supervisor, or general manager must then ensure that any gifts or benefits of more than token value that are received are recorded in a Gifts Register. Council may then determine how these gifts are dealt with and could, for example, donate specific items to charity.*

*Some councils have procedures in place that require the recording of the receipt of all gifts in the Gifts Register, even if they are considered token. Information on what happens with these gifts is also recorded in the Gifts Register. This provides a high degree of transparency and can be used to monitor these activities.*



### Example 3: Acceptance of gifts and bribery

A local council employee is involved in a series of inspections on a building site. During the inspections, the developer offers the employee numerous gifts including alcohol and a present for the employee's new born child. The employee accepts the gifts as he feels they are offered as unconditional and genuine tokens of appreciation for his work, especially as the inspection involved a number of lengthy tasks.

The employee believes he is not compromised by the gifts and eventually makes a recommendation that is not in the developer's interests. After the recommendation is made, the developer complains to the council about the employee accepting the gifts.

*Although the employee accepts the gifts in good faith, he nevertheless places himself in a vulnerable position. While each of the gifts is of modest value they could be readily be interpreted as having more than a token value. The developer is able to manipulate the situation to allege the employee has accepted bribes.*

*The employee's acceptance of the gifts without disclosing them to the supervisor, or the general manager could also be used as circumstantial evidence of bribery. The employee could not rely on the fact that he made a decision he would have made, regardless of the gifts, as a defence to bribery.*

### Example 4: Acceptance of gifts and influence

A council's information technology manager attends two meetings with potential suppliers. During the first meeting the suppliers serve tea, coffee and biscuits. The second meeting is held at a restaurant and the suppliers pay for the manager's three course meal.

*Both of the meetings arguably provide the manager's council with a benefit, namely the opportunity to discuss the supplier's products. Despite this, a contrast can be drawn between the meetings.*

*In the first, the refreshments are only modest in nature and consequently do not create the impression that an attempt is being made to gain the manager's favour. In the second, the nature of the lunch creates the impression that an attempt is being made to compromise the manager's impartiality. The damage of this perception far outweighs any benefit associated with the manager's attendance.*

Some additional case studies relating to gifts and benefits can be found at:

- ICAC, 2006, *Managing Gifts and Benefits in the Public Sector – Toolkit*

#### **4.3D - Suggested policy requirements**

1. Councils should develop a policy and procedures to guide and assist council officials in dealing with gifts or benefits. This policy may provide an explanation of what constitutes token value and information on gift registers and the procedure for registering a gift or benefit. An explanation of how to develop a policy is contained in:

ICAC, 2006, *Managing Gifts and Benefits in the Public Sector – Toolkit*



2. Councils should conduct regular reviews of declarations of gifts and benefits in the Gifts Register to identify trends and any other issues. This should form part of the procedures developed by council.

3. A hypothetical case study on the acceptance of gifts is provided in Chapter 4 of the ICAC Practical Guide to Corruption Prevention Manual and is a useful exercise to consider using in conjunction with training programs.

#### **4.3E - Key legislation**

- *Crimes Act 1900* (NSW), sections 249B and 249J
- Local Government (General) Regulation 2005, clause 184

#### **4.3F - Resources**

ICAC, 2006, *Managing Gifts and Benefits in the Public Sector – Toolkit*

ICAC, *Practical Guide to Corruption Prevention*.

#### 4.4 Relationship between council officials (Part 2 Model Code, section 9)

##### **4.4A - Introduction and interpretive information**

All councillors should be aware of the importance of effectively managing the interaction between councillors and staff in accordance with the requirements of the Local Government Act.

Councillors have a dual role:

- one as a member of council's governing body
- one as an elected representative.

The councillors' role is a strategic one. They are responsible for making policy decisions that relate to the exercise of the Council's regulatory functions, strategic direction, optimum allocation of resources and monitoring the compliance and performance of council.

The role of the general manager and staff is operational. They are responsible for the implementation of the policies and programs set by the governing body that relate to the exercise of council's regulatory functions, strategic direction or allocation of resources. The general manager (or staff with delegated authority) is also responsible for determining and implementing policies that relate to the day to day management of council (eg disciplinary policies and leave policies).

There needs to be personal interaction between councillors and relevant staff, particularly regarding access to and provision of information, to effectively integrate policy-making and service delivery. However, in general, communication between councillors and staff should be restricted to matters of policy and not day to day management which is the responsibility of the general manager. Normally, such communication should be through the general manager or staff approved by the general manager.

The Model Code recognises that it is appropriate for councillors and staff to discuss policy issues that relate to the exercise of a council's regulatory functions, strategic direction or allocation of resources. Industrial policy is one example of a policy area that might be discussed. In this context, it may also be appropriate for councillors to discuss policies with staff organisations.

The Model Code does not prevent councillors and staff communicating. It is a normal part of community life that council staff and councillors would be, from time to time, present at the same social or community events. The Model Code does not prevent this. The Model Code governs the interactions relating to council business while councillors and staff are undertaking their public duties.

At clause 9.7, the Model Code lists interactions between councillors and council staff that are considered inappropriate.

In order to effectively manage these interactions, it is suggested that councils develop a policy to provide guidance on the interactions between council officials.

Council may appoint a councillor liaison officer, or put in place a formal system, to facilitate and co-ordinate councillor requests for information or action.

#### **4.4B - Case studies/examples**

##### **Example 1: Attempting to improperly direct/influence staff**

A councillor is a friend of a local surveyor who has a number of clients with development applications that are dealt with by council through its Development Approval Committee. Councillors rarely make decisions on development application matters. The councillor and surveyor often discuss the development applications currently being managed by the surveyor's agency. On many occasions the councillor rings the council staff member dealing with his friend's application to express a view on how it should be assessed. The councillor is often quite insistent that matters be dealt with more quickly. The staff members feel intimidated and pressured to support the applications.

The councillor believes that this action is appropriate as the councillor does not direct staff as to the outcome of the application assessment process. Council staff are obliged to assess development applications in accordance with the applicable legislation. For example, section 79C of the *Environmental Planning and Assessment Act 1979* provides a list of matters for consideration in determining a development application.

*The actions of the councillor are inappropriate. Section 352 of the Local Government Act provides that councillors must not direct or influence or attempt to direct or influence staff in the performance of their duties. The fact that the councillor rings the staff member who is dealing with his friend's applications to discuss the progress on these applications is also inappropriate. Contact with staff on day to day matters must be in accordance with the policy and procedures that are established by council to govern these interactions.*

*The staff member should advise the general manager. The general manager should intervene to stop the councillor from contacting staff members directly where this is inappropriate. The general manager should encourage staff to report such approaches.*

#### **4.4C - Good practice suggestions**

There are some questions council officials can ask to help decide whether or not contact between councillors and council staff is appropriate. A list of these questions can be found at:

Councillors' access to information and their interaction with staff, page 23 Under Careful Consideration: Key Issues for Local Government, March 1997, ICAC/Department of Local Government.

**4.4D - Suggested policy requirements**

1. Councils could maintain a register of contacts. This information can be used to monitor councillor staff contacts. Maintaining a contacts register can be helpful for staff and councillors, it can also assist in determining whether further controls are needed.
2. Councils should develop more detailed policy and procedures to govern the interaction of staff and councillors.

**4.4E - Key legislation**

- *Local Government Act 1993*, Chapter 9 Part 2, Chapter 11, particularly section 352, and Chapter 12 Part 2 (these sections of the Act relate to how councils are established, how councils are staffed and how councils operate.)
- Local Government (General) Regulation 2005

## 4.5 Access to information and council resources (Part 2 Model Code, section 10)

### 4.5A - Introduction and interpretive information

As a general principle, council officials should only use information for the purposes of undertaking their public duties. Any misuse of official information for personal gain or benefit is a serious matter. This type of misuse of information may constitute corruption.

The general manager and public officer are responsible for ensuring that members of the public, councillors and administrators can gain access to the documents available under section 12 of the *Local Government Act 1993*.

Councils should encourage public access to information about their activities. A model policy on access to information has been produced by Local Government Managers Australia (NSW) in association with the NSW Ombudsman and Privacy NSW. Access to information could be provided in accordance with these guidelines.

Any information and services that are publicly available should also be available to councillors. In addition, the council should provide councillors with access to sufficient information to enable them to perform their role effectively.

Council officials, including councillors, must be scrupulously honest in the use of all council resources including, but not limited to, human resources, motor vehicles, information, telecommunications equipment, internet, computer facilities, website, stationery and printing facilities. Council resources must not be used for election or re-election purposes.

Councillors need to familiarise themselves with the policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office, that is made in accordance with section 252 of the Act.

It is important that the community has confidence that information acquired by the council will only be used for council purposes. Confidential information must only be used for council purposes. The *Privacy and Personal Information Protection Act 1998* ensures that where a public agency such as a council collects information about a person it does so in a manner that is transparent.

### 4.5B - Case studies/examples

#### Example 1: Use of council information for personal or business interests

*Many councillors have business and professional interests in the local government area they represent. Conflicts can arise if their public positions allow them access to information and opportunities that could be used to advance their personal and business interests.*

*For example, a councillor may be tempted to influence an application to set up a new business in the town if his own business could lose custom as a result. The councillor should be careful to manage his personal interest appropriately. In this case, the councillor should ensure that he has no involvement in the matter.*

### Example 2: Use of council equipment

A local resident approaches a councillor with information about his neighbour, who is a council employee. He reports that the previous weekend he saw council equipment being used to dig up his neighbour's driveway.

The councillor reports the matter to the general manager. He discusses the matter with one of the council's internal auditors. The auditor decides to interview the employee, who has worked for council for 20 years and has an excellent work record. At the interview the employee admits that he used the equipment the previous weekend. He says he didn't realise it was wrong to do this as he was only 'borrowing' the equipment to do work on his own property. He did the work in his own time and not as a second job for which he got paid.

The auditor reports back to the general manager and, as this was a one-off offence, recommends that no formal disciplinary action be taken.

*In this case it would be appropriate if the general manager counsels the employee on the use of council resources and gives him a copy of council's code of conduct and policy. The council could also run a series of awareness-raising sessions for staff.*

### Example 3A: Forms of misuse - staff

*Forms of misuse which appear to be relatively common include:*

- *staff using mobile phones excessively for private purposes without re-imbursment of costs*
- *internet services being used extensively for non-work purposes*
- *unauthorised use of minor plant or equipment*
- *"left-over" materials and low value assets being claimed by staff without payment or other proper arrangement for the disposal, re-use or recycling of the materials being in place.*

### Example 3B: Forms of misuse - councillors

*Forms of misuse of council resources by councillors include the use of:*

- *council letterhead for re-election material*
- *council staff to prepare information for re-election*
- *council mobile phones for private calls not related to public duties*
- *internet services provided by council at home or council laptops to access inappropriate websites*
- *council resources to attend political fundraising events.*

### Example 4: Information security

A staff member goes to lunch leaving sensitive papers about a proposed industrial development on her desk. Another staff member sees the papers as he is returning some folders to her desk. He discusses what he has seen with other staff. One of the other staff members has previously notified that he has a conflict of interest in the development as he may be an objector to the development. His supervisor has been particularly careful to ensure that he did not have access to any information in relation to the development.

*It is important to take appropriate steps to secure confidential or sensitive information. The staff member who was assessing the information should have known that the matter she is dealing with is sensitive and should have taken the necessary steps to secure the information before leaving her desk.*

*The staff member who saw the information should have maintained the confidentiality of the information and not discussed this with other staff members.*

#### 4.5C - Good practice suggestions

- **Contractors**

Contracts with contractors, consultants, agents or advisers should specify that such persons are under an obligation not to use confidential information in ways which are an abuse of their role, function or position, or which put them in a position which is inconsistent with their legal and professional obligations to the council.

- **Business investments**

Council staff should avoid investments or business activities in relation to which their potential access to confidential information might reasonably be perceived as giving them an unfair or improper advantage over other people.

Councillors also need to be aware of this issue and manage their access to confidential or commercially sensitive information appropriately.

#### 4.5D - Suggested policy requirements

1. Councils should consider developing more detailed guidelines and policies on:

- the procedures councillors should use to access council information
- the use of council resources by council officials, including the recovery of costs
- the use of plant by council staff
- the disposal of surplus minor assets
- the use of communication devices (see clause 4 below).

2. The *Privacy and Personal Information Protection Act 1998* provides obligations on councils, including the development of a privacy management plan. In addition, a Privacy Code of Practice for Local Government took effect from 1 July 2000 and councils must comply with this. A copy of this is available on the Department's website at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au)

3. Councils should consider developing a policy to provide guidance on the adequate and timely provision of information to councillors in relation to matters with which they are dealing. This policy could also provide procedures to keep councillors adequately informed of matters that may be the subject of negotiations and actions of committees of council under delegated authority.

The policy should also consider the issue of councillor access to and use of:

- confidential information
- commercial in confidence information
- information on business competitors.

This policy could be based on the information contained in the publications:

- Good Conduct and Administrative Practice: Guidelines for state and local government
- Under Careful Consideration: Key Issues for Local Government.

4. Councils should require council officials to sign an agreement for the use of email and the internet. The ICAC publication '*No Excuse for Misuse*' provides a model policy for the use of communication and information devices in councils. Alternatively, councils can use the NSW Department of Premier and Cabinet 'Policy and Guidelines for use by Staff of Employer Communication Devices' as a guide. This document can be accessed on the Department of Premier and Cabinet website at [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au).

5. Under section 252 of the *Local Government Act 1993*, council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office. Guidelines to assist councils to prepare such a policy are available on the Department's website. Council's code of conduct and the section 252 policy should be consistent and referenced to each other.

#### **4.5E - Key legislation**

- *Local Government Act 1993*, sections 11, 12, 13, 252, 664, 665 and 666 (these sections of the Act refer to access to information, what expenses and facilities may be paid or provided to councillors and the disclosure and misuse of information.)
- *Freedom of Information Act 1989*
- *Privacy and Personal Information Protection Act 1998*
- *Health Records and Information Privacy Act 2002*
- *State Records Act 1998*



**4.5F - Resources**

Daly, M, July 2004, *Liverpool City Council Public Inquiry: Volume 3*.

DLG, 2007, *Guidelines for the payment of expenses and provision of facilities for Mayors and Councillors for Local Councils in NSW*.

DLG, 2000, *Model Privacy Management Plan for Local Government*.

DLG, 2000, *Privacy Code of Practice for Local Government*.

ICAC, 2002, *No Excuse for Misuse: preventing the misuse of council resources*.

ICAC/Department of Local Government, March 1997, *Under Careful Consideration: Key Issues for Local Government*.

LGMA, 2008, *Access to Information policy and guidelines*.

NSW Ombudsman, 2003, *Good Conduct and Administrative Practice: Guidelines for state and local government*.

## 4.6 Reporting breaches (Part 2 Model Code, section 11)

### 4.6A - Introduction and interpretive information

Any person, whether or not a council official, may make a complaint alleging a breach of the code of conduct. As council officials are individually accountable for their acts and omissions in relation to their council duties, it is therefore important that council officials clearly understand all of the requirements of their council's code of conduct in undertaking their work or civic responsibilities.

For a code of conduct to be effective and meaningful it must be supported by appropriate reporting of breaches and appropriate sanctions for breaches. Council officials and the public need to have confidence that the code will be complied with and breaches will be dealt with appropriately.

Breaches of a code of conduct by council officials may result in disciplinary action, legal action or in other sanctions being imposed, depending on the nature and severity of the breach.

The Model Code makes it clear that suspected breaches of the code of conduct should be reported in the following ways:

Officer	Report to
Councillors, members of staff of council (excluding the general manager) or delegates	general manager in writing
general manager	Mayor in writing
Administrator	Minister for Local Government in writing

Councillors are expected to refrain from making allegations at council meetings.

### 4.6D - Suggested policy requirement

1. Councils should develop reporting procedures for dealing with allegations of breaches of the code. This information could be either included in the code of conduct or provided in a separate policy.

The procedures should be consistent with internal reporting procedures under the *Protected Disclosures Act 1994*. The purpose of that Act is to ensure that staff who wish to make disclosures under the legislation receive protection from reprisals, and that the matters raised in the disclosures are properly investigated.

2. Councils should adopt a separate internal reporting policy for the making of protected disclosures. The *Protected Disclosures Act 1994* relates to the reporting of corrupt conduct, maladministration and serious and substantial waste in the public sector. Any such policy should be consistent with the reporting procedures under the council's code of conduct. A model internal reporting policy for councils can be found at:

- NSW Ombudsman, 5<sup>th</sup> Edition, 2004, *Protected Disclosures Guidelines*, Annexure 2.

3. Where council staff agreements do not provide for sanctions for breaches of the code of conduct, then council may consider including the following list of possible sanctions in its code of conduct:

- counselling the staff member
- documentation on the personnel file for a period of time depending on the nature of the breach of the code
- disciplinary action such as demotion, foregoing the capacity to seek promotion, or to act in a higher duty capacity
- dismissal from employment
- prosecution for any breach of law which could lead to dismissal and recovery of costs/damages suffered by council and/or imprisonment.

#### **4.6E - Key legislation**

- *Local Government Act 1993*
- *Protected Disclosures Act 1994*
- *Independent Commission Against Corruption Act 1988*
- *Ombudsman Act 1974*

#### **4.6F - Resources**

ICAC, 2003, Fact-Finder, *A 20-step guide to conducting an inquiry in your organisation*.

NSW Ombudsman, 2nd edn. 2004, *The Complaint Handler's Toolkit*.

NSW Ombudsman, 2003, *Good Conduct and Administrative Practice: Guidelines for state and local government*.

NSW Ombudsman, 2004, *Investigating complaints: A manual for investigators*.

NSW Ombudsman, 5th edn. 2004, *Protected Disclosures Guidelines*.

## 5 Complaint handling procedures (Part 3 Model Code, sections 12- 14)

### 5.1 Handling complaints

The general manager is the person responsible for receiving complaints alleging a breach of the code of conduct by councillors, council staff, council delegates and council committee members.

The Mayor is the person responsible for receiving complaints alleging a breach of the code of conduct by the general manager.

The Model Code prescribes 3 different complaint handling procedures depending on whether the person the subject of the complaint is a:

- staff member, delegate or member of a council committee
- general manager
- councillor.

All 3 procedures provide for an initial assessment of the complaint. This should be undertaken as soon as practicable. In addition, conduct review committees or sole conduct reviewers are expected to undertake an initial assessment of complaints that are referred to them.

The purpose of the initial assessment is to determine the most appropriate course of action for handling a complaint. The assessment criteria provided at clause 13.1 of the Model Code sets out the grounds that must be taken into account in determining the complaint handling course to be taken.

The complaint handling procedures in section 12 of the Model Code requires that complainants are informed in writing of the outcome of their complaint. Complainants must be advised when:

- enquiries are not to be made into the complaint and why
- the complaint is to be resolved by use of alternative strategies
- the complaint is to be referred to another body or person
- the conduct review committee/sole conduct reviewer has made its findings, the nature and reasons of those findings.

If complaints are to be declined, complainants should be given clear reasons for this.

The Minister for Local Government is the person responsible for receiving complaints alleging a breach of the code of conduct by Administrators. Complaints are then assessed in accordance with the Department's complaint handling procedures, preliminary enquiries undertaken where appropriate and advice provided to the Minister in relation to any further action that may be required. Any sanctions for a breach of the code of conduct will be decided by the Minister, following enquiries made by the Department.

## 5.2 Appointment of conduct reviewers

The council must appoint at least 3 people who are independent, qualified persons of high standing in the community to act as conduct reviewers. More than 3 people can be appointed if council feels that it is likely that there will be circumstances where one or more conduct reviewers are not available to participate in a matter.

When making decisions to appoint conduct reviewers, councils should consider whether or not these persons are familiar with the requirements of natural justice. Councils should also consider providing conduct reviewers with appropriate training to support their position.

The term of appointment of conduct reviewers should be determined by council. It is up to council to decide whether members of the committee have their out of pocket expenses paid only or they are paid a fee for service.

## 5.3 Referral of complaints to a conduct review committee/sole reviewer

The Mayor or the general manager makes the determination as to whether a complaint should be reviewed by the Committee or a sole reviewer.

The number of persons who will undertake the review of an allegation of a breach of the code of conduct will depend on the nature, complexity and seriousness of the allegations. For example when a complaint is referred to the general manager, if it is a complex matter, he/she may opt to involve all members of the review committee. If the general manager assesses the alleged breach is a reasonably straightforward matter, the general manager may determine to refer the complaint to a sole conduct reviewer. The general manager then chooses, from the persons appointed by council, a reviewer with expertise in relation to the nature of the conduct complained about.

If a conduct reviewer cannot participate in a matter because of a conflict of interests, or issues of a reasonable apprehension of bias, then the general manager or Mayor selects another person to be a member of the conduct review committee or to act as a sole conduct reviewer from those appointed by council.

Where the general manager is the complainant, the general manager must refer the matter to a conduct review committee, consisting of at least 3 members, as per clause 12.9(c) and (d) of the Model Code.

Where the Mayor is making a complaint about the general manager, the Mayor must refer the matter to a conduct review committee, consisting of at least 3 members, as per clause 12.11(c) and (d) of the Model Code.

It is implicit that, for the general manager or Mayor to make such a complaint, the matter will be significant and/or serious. The conduct review committee is expected to assess the complaint in accordance with the criteria as provided in clauses 13.1 and 13.3 of the Model Code.

#### **5.4 Operations of the conduct review committee/sole reviewer**

The primary role of the conduct review committee/reviewers is to establish the facts of the allegation.

The function of the conduct review committee/reviewer, its composition, operating guidelines, and the criteria it must take into account in determining whether or not to enquire into an allegation, are set out in sections 13 and 14 of the Model Code of Conduct. The relevant parts of the operating guidelines also apply to sole conduct reviewers.

The conduct review committee/sole conduct reviewer must undertake its activities in accordance with the operating guidelines provided in the Model Code (section 14) and complaint handling provisions in section 12.

The general manager or the Mayor (in the case of a complaint against the general manager) attends meetings of the conduct review committee when invited but acts in an advisory capacity only. They do not take part in discussions determining the decisions of the committee.

The operating procedures for conduct review committees/sole reviewers require proper records of deliberations to be kept. This includes, but is not limited to, records of meetings, correspondence and evidence. This information becomes the official records of council. Review committees/reviewers should keep sufficient records to support the process that has been undertaken in handling a complaint should a review of the process be required.

Where the conduct review committee/sole conduct reviewer makes enquiries or causes enquiries to be made into a matter, it must report its findings in writing to the council on completion of these deliberations.

The subject(s) of the complaint must be provided with a reasonable opportunity to respond to the allegations before any findings are made.

The guidelines for the conduct review committee/reviewer identify that allegations of a pecuniary interest should be reported to the Director General of the Department of Local Government and will not be dealt with by conduct reviewers.

#### **5.5 Reports from conduct review committees/sole conduct reviewers**

The conduct review committee/sole conduct reviewer should be mindful that there may be a need to protect the identity of the person making the complaint when preparing the report to council.

The report should be a summary of the enquiries undertaken while providing sufficient information for the council to make a determination as to whether the councillor or the general manager has breached the code of conduct. As a minimum the report should contain:

- The nature of the complaint and the standard of conduct that is alleged to have been breached.
- The process undertaken by the conduct review committee/conduct reviewer in assessing and enquiring into the complaint.
- The facts of the matter.
- The findings and the reasons for those findings.
- Any recommendations to council (this now includes any recommendations for a revision of council's policies, procedures and/or the code of conduct).

The recommendations to council may include that it take action to apply a sanction. The only sanctions that council can apply are:

- censure a councillor for misbehaviour
- require a councillor or general manager to apologise to any person adversely affected by the breach
- counsel the councillor or general manager
- make public findings of inappropriate conduct
- prosecute for any breach of the law.

The report will generally be dealt with in open session of council. Council can only close a meeting to the public if the matter is one that meets the requirements of section 10A(2) of the Act. In most cases, a report from the conduct review committee/sole conduct reviewer will not meet those requirements.

The primary role of the conduct review committee/reviewer is to establish the facts of the allegation. The conduct review committee/reviewer will make findings of fact and may make recommendations that council takes action.

The council is the appropriate body to determine whether or not a breach of the code has occurred and has the discretion as to whether or not a sanction is applied. Councillors need to ensure that there is no re-hearing of the evidence when debating the report from the conduct review committee/reviewer. The debate should focus on the outcome of the reviewers' enquiries and the appropriateness of any sanctions to be applied where there is a finding of a breach of the code of conduct.

## **5.6 Annual reporting of complaints**

The general manager is required to report annually to council on code of conduct complaints.

Clause 12.33 of the Model Code provides the minimum information that should be included in that report.

General managers should be mindful that there may be a need to protect identity of persons making complaints when preparing these reports

## **5.7 Councillor Misbehaviour**

The Act and the Model Code of Conduct outline the actions or omissions that will amount to misbehaviour by a councillor. This includes the failure to comply with

applicable requirements of council's code of conduct, as well as acts of disorder that are committed during council or committee meetings.

The Model Code of Conduct provides for a council to impose sanctions for a breach of the code of conduct, including formal censure of a councillor for misbehaviour. However, this power should not be seen as a way of stifling proper process and debate at council meetings, nor of preventing minority representatives from putting forward their views on matters before council.

The Act requires that a motion for censure must follow the usual notice requirements and to state the grounds on which the council is satisfied that the councillor should be censured. This should follow enquiries into the matter by council's conduct review committee/reviewer and the consideration of the conduct review committee/reviewer's findings and recommendations for action by council.

Councils should ensure that they have complied with the procedures identified in section 440I(2) of the *Local Government Act 1993* before they refer a matter to the Director General.

A council can refer a matter to the Director General only if it has already formally censured the councillor, on one or more occasions depending on the seriousness of the behaviour, or expelled the councillor from a meeting because of the relevant incident of misbehaviour. In its referral to the Director General council must provide the Department with evidence that these requirements have been met together with a copy of any report of council's enquiries into the matter and all other relevant evidence.

If a council is requesting suspension of a councillor for misbehaviour, as provided in section 440H, then it must formally resolve that it believes that grounds may exist that warrant the councillor's suspension and provide a copy of that resolution with its referral.

The Director General of the Department of Local Government may suspend a councillor for a period of up to one month where he finds that a councillor's misbehaviour is of a sufficiently serious nature to warrant suspension. In certain circumstances the Director General may refer the matter to the Local Government Pecuniary Interest and Disciplinary Tribunal which may suspend a councillor for longer periods.

The ICAC, Ombudsman and Director General retain the power to act on misbehaviour allegations including a breach of the council's code of conduct regardless of any council enquiries or finding.



## 6 Statutory Requirements

Section 440 of the *Local Government Act 1993* requires that every council must adopt a code of conduct to be observed by councillors, members of staff of council and delegates of the council. A council must, within 12 months after each ordinary election, review its adopted code of conduct and make such changes as it considers appropriate and are consistent with section 440.

Section 440 states:

1. *The regulations may prescribe a Model Code of Conduct (the **Model Code**) applicable to councillors, members of staff of councils and delegates of councils.*
2. *Without limiting what may be included in the Model Code, the Model Code may:*
  - (a) *relate to any conduct (whether by way of act or omission) of a councillor, member of staff or delegate in carrying out his or her functions that is likely to bring the council or holders of civic office into disrepute, and*
  - (b) *in particular, contain provisions for or with respect to conduct specified in Schedule 6A.*
3. *A council must adopt a code of conduct (the **adopted code**) that incorporates the provisions of the Model Code. The adopted code may include provisions that supplement the Model Code.*
4. *A council's adopted code has no effect to the extent that it is inconsistent with the Model Code as in force for the time being.*
5. *Councillors, members of staff and delegates of a council must comply with the applicable provisions of:*
  - (a) *the council's adopted code, except to the extent of any inconsistency with the Model Code as in force for the time being, and*
  - (b) *the Model Code as in force for the time being, to the extent that:*
    - (i) *the council has not adopted a code of conduct, or*
    - (ii) *the adopted code is inconsistent with the Model Code, or*
    - (iii) *the Model Code contains provisions or requirements not included in the adopted code.*

*6. A provision of a council's adopted code is not inconsistent with the Model Code merely because the provision makes a requirement of the Model Code more onerous for persons required to observe the requirement.*

*7. A council must, within 12 months after each ordinary election, review its adopted code and make such adjustments as it considers appropriate and as are consistent with this section.*

*8. Nothing in this section or such a code gives rise to, or can be taken into account in, any civil cause of action, but nothing in this section affects rights or liabilities arising apart from this section.*

## 7 Definitions

The following definitions are used in these guidelines:

the Act	the <i>Local Government Act 1993</i>
act of disorder	has the same meaning as in clause 256 of the Local Government (General) Regulation 2005
code of conduct	means the relevant council's adopted code of conduct
conduct review committee	a committee of three or more persons independent of council who are selected from those appointed by council to review allegations of breaches of the code of conduct by councillors or the general manager in accordance with the procedures set out in Sections 12, 13 and 14.
conduct reviewer	a person independent of council who is solely selected from those appointed by council to review allegations of breaches of the code of conduct by councillors or the general manager in accordance with the procedures set out in Sections 12, 13 and 14.
conflict of interests	a conflict of interests exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your public duty.
council official	includes councillors, members of staff of council, administrators appointed under section 256 of the Act, members of council committees, conduct reviewers and delegates of council.
delegate of council	a person or body, and the individual members of that body, to whom a function of council is delegated.
designated person	has the same meaning as in section 441 of the Act
misbehaviour	has the same meaning as in section 440F of the Act
Model Code	means the Model Code of Conduct for Local Councils in NSW, June 2008
pecuniary interest	means an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. ( <i>section 442</i> )

non-pecuniary interest	means private or personal interests the council official has that do not amount to a pecuniary interest as defined in the Act. These commonly arise out of family, or personal relationships, or involvement in sporting, social or other cultural groups and associations and may include an interest of a financial nature.
personal information	information or an opinion about a person whose identity is apparent, or can be determined from the information or opinion.
person independent of council	a person who is not an employee of the council, has no current or ongoing contractual relationship with council in the nature of a contract for services, retainer or contract for the provision of goods of any kind, or is not an employee of any entity with such a contractual relationship.
significant non-pecuniary conflict of interests	means where a matter does not raise a pecuniary interests but involves: <ul style="list-style-type: none"> <li>a. a relationship between a council official and another person that is particularly close, for example, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the person or of the person's spouse, current or former spouse or partner, de facto or other person living in the same household</li> <li>b. other relationships that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship</li> <li>c. an affiliation between the council official and an organisation, sporting body, club, corporation or association that is particularly strong.</li> </ul>

References to legislation sections in the Model Code of Conduct and these Guidelines are references to sections in the *Local Government Act 1993*.

## 8 References

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*Conflict of Interests: Public Sector Agencies fact sheet No 3*, July 2003.

*Good Conduct and Administrative Practice: Guidelines for state and local government*, August 2003.

*Protected Disclosures Guidelines*, 5th Edition, 2004.

*Pre-requisites to avoid or manage conflict of interests*, 2004

*The Complaint Handler's Toolkit*, 2nd Edition, 2004.

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### **Independent Commission Against Corruption resources:**

*Codes of Conduct: The next stage*, March 2002.

*Corruption risks in NSW development approval processes- Position Paper*, September 2007.

*Fact-Finder, A 20-step guide to conducting an inquiry in your organisation*, 2003.

*Lobbying Local Government Councillors*, 2006.

*Managing Gifts and Benefits in the Public Sector - Toolkit*, June 2006.

*No Excuse for Misuse: preventing the misuse of council resources*, 2002.

*Practical Guide to Corruption Prevention*.

*Taking the Devil Out of Development: recommendations for statutory reform, position paper*, December 2002.

Website: [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au)

### **Independent Commission Against Corruption & Department of Local**

### **Government publication:**

*Under Careful Consideration: Key Issues for Local Government*, March 1997.

**DLG Resources:**

*Guidelines for the payment of expenses and provision of facilities for Mayors and Councillors for Local Councils in NSW, 2007.*

*Meetings practice note, Practice note no 16, 2005.*

*Model Privacy Management Plan for Local Government June 2000.*

*Pecuniary Interest Guidelines, June 2006.*

*Privacy Code of Practice for Local Government, June 2000.*

[www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au)

**Other Resources:**

Daly, M, 2004, *Liverpool City Council Public Inquiry: Volume 3.*

LGMA, 2008, *Access to Information policy and guidelines.*

Premier's Department NSW, 1997, *Code of Conduct for NSW public agencies: policy and guidelines*, Sydney.

Premier's Department NSW, 1999, *Policy and Guidelines for the use by Staff of Employer Communication Devices*, Sydney.

NSW Department of Health, 1998, *Principles and Minimum Standards for Development of Health Service Codes of Conduct.*

Standards Australia, 2003, *Australian Standard Organizational codes of conduct AS 8002-2003*, Standards Australia, Sydney.



## AUDIT COMMITTEE

### CHARTER AND TERMS OF REFERENCE

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#### Establishment

In accordance with section 7.1A of the *Local Government Act 1995* (the Act) the Council has established an Audit Committee (the Committee).

The Audit Committee will operate in accordance with all relevant provisions of the Act and the *Local Government (Audit) Regulations 1996* and the *Local Government (Administration) Regulations 1996*.

#### Objectives of the Audit Committee

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire of Katanning (the Shire) in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of its finances and resources. The Committee will ensure openness in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- the enhancement of the credibility and objectivity of internal and external;
- financial reporting;
- effective management of financial and other risks;
- compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
- the coordination of the internal audit function with the external audit, and
- the provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

## Duties and Responsibilities

The duties and responsibilities of the Committee will be:

- a) Provide guidance and assistance to Council as to the carrying out the functions of the Shire in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the Shire's auditor;
- c) Develop and recommend to Council:
  - a list of those matters to be audited, and
  - the scope of the audit to be undertaken
- d) Recommend to Council the person or persons to be appointed as auditor;
- e) Develop and recommend to Council a written agreement for the appointment of the auditor. The agreement is to include:
  - the objectives of the audit
  - the scope of the audit
  - a plan of the audit
  - details of the remuneration and expenses to be paid to the auditor, and
  - the method to be used by the Shire to communicate with, and supply information to, the auditor
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- g) Liaise with the CEO to ensure that the Shire does everything in its power to:
  - assist the auditor to conduct the audit and carry out his or her other duties under the Act, and
  - ensure that audits are conducted successfully and expeditiously
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and:
  - determine if any matters raised require action to be taken by the Shire, and
  - ensure that appropriate action is taken in respect of those matters
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditors is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO;
- l) Review the level of resources allocated to internal audit and the scope of its authority;
- m) Review reports of internal audits and by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management reacts to matters raised;
- n) Monitor the risk exposure of the Shire by determining if management has appropriate risk management processes and adequate management information systems;
- o) Review the CEO's report on the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control



- and legislative compliance, and report the results or their consideration of that review to Council;
- p) Monitor the progress of any major lawsuits facing the Council/Shire;
  - q) Monitor ethical standards and related party transactions by determining whether the systems of control are adequate and appropriate;
  - r) Review issues relating to national competition policy, financial reporting by Shire business units and comparative performance indicators;
  - s) Review the Shire's draft annual financial report, focusing on:
    - accounting policies and practices
    - changes to accounting policies and practices
    - the process used in making significant accounting estimates
    - significant adjustments to the financial report (if any) arising from the audit process
    - compliance with accounting standards and other reporting requirements, and
    - significant variances from prior years
  - t) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise after any such recommendation but before the annual financial report is signed;
  - u) Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
  - v) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council;
  - w) Review the Statutory Compliance Return and make a recommendation on its adoption to Council;
  - x) Consider and recommend adoption of the Budget Review to Council.

### **Membership**

Members and deputy members of the Committee are to be appointed in accordance with sections 5.10 and 5.11A of the Act. The Committee will consist of five members, four Councillors and one external independent person. All members will have full voting rights. In addition, two Councillors will be elected as deputies to meet any absence of a member, to ensure a sufficient quorum is met to convene a meeting.

The members of the Committee are to elect a presiding member from amongst themselves in accordance with section 5.12 of the Act.

External persons will have senior business or financial management/reporting knowledge and experience and be conversant with the financial and other reporting requirements. The evaluation and selection of potential members will be reviewed and endorsed by the CEO and the Committee presiding member. This will take into consideration the candidate's work experience and their likely ability to apply appropriate analytical, strategic financial and management skills, and a recommendation for appointment put to Council.

The nature of independence about an external independent person is a person with no operating responsibilities with the Shire. Associations refer to commitment and paid services to the Shire, directly or indirectly, for example sporting clubs, regional committees and participation on other Council committees.

The exclusion does not include ratepayers. The objective of the concept is to have the committee approach its tasks objectively, to maintain its independence and to be seen to be independent.

Appointments of external persons shall be for a maximum term of two years endorsed by Council following a public advertisement and the allocation of sufficient funds to provide meeting expenses. Members will be eligible for reappointment.

The terms of the appointment should be arranged to align with the beginning of the Council year to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.

The Shire will reimburse the independent member for expenses which are to be determined by Council prior to advertising the vacancy.

In accordance with 5.11 tenure of membership of the committee continues until:

- (a) the person no longer holds the office by virtue of which the person became a member, or is no longer the CEO, or the CEO's representative, as the case may be, or
- (b) the person resigns from membership of the committee, or
- (c) the committee is disbanded, or
- (d) the next ordinary elections day.

The CEO or their nominee is to attend all meetings to provide advice and guidance to the Committee. Other officers will also attend where necessary. The CEO and officers are not members of the Committee.

### **Quorum**

As prescribed in section 5.19 of the Act, the quorum shall be at least 50% of the number of offices of the Committee, which equates to three (3) members being present to constitute a quorum.

### **Powers of the Audit Committee**

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated authority. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

### **Meeting Frequency**

A schedule of meetings will be developed and agreed to by the members. As a guide, meetings will be arranged to coincide with Council reporting deadlines, for example, in February/March to discuss the Annual Budget Review and Statutory Compliance Return and in October to receive and authorise the draft annual report including the financial statements prior to its submission to the Minister. Additional meetings will be scheduled on an as needed basis.

### **Agendas and Minutes**

The agenda for the Committee will be distributed to all members and deputy members of the Committee prior to the meeting.

Minutes of the meeting will be made available to all Councillors and the independent member within five working days.

### **Reporting**

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of local government that have not been delegated to the CEO.

Reports and recommendations of each Committee meeting requiring a resolution of Council shall be presented to the next ordinary meeting of the Council or the first ordinary meeting of council practicable.

## Guideline

### Appointment of an Independent Audit Committee Member

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#### 1. Background

The Audit Committee consists of five members, four Councillors and one Independent Member. Information relating to the appointment of the Independent Member is outlined in this document.

#### 2. Position Information

##### 2.1 *Knowledge and Skills*

The following criteria will be used when assessing applications:

- a) Relevant professional qualifications (such as accounting, legal, finance, auditing, business and planning;
- b) Relevant professional knowledge and expertise;
- c) Understanding of/experience in local government;
- d) Understanding of the role of corporate governance in organisations; and
- e) Current/prior experience on similar committees.

##### 2.2 *Independence*

The nature of independence with regard to the Independent Member is a person with no operating responsibilities with the Shire of Katanning. Associations refer to commitment and paid services to the Shire, directly or indirectly, for example sporting clubs, regional committees and participation on other Council committees. The exclusion does not include ratepayers.

##### 2.3 *Term*

Appointments of external persons shall be for a maximum term of two years. No maximum number of terms an Independent Member may serve is set.

The term of the appointment will be as such that it aligns with the Committee membership appointment process conducted in each ordinary local government elections year.

##### 2.4 *Remuneration*

The Shire is only permitted to reimburse the Independent Member for expenses. The Independent Member, upon submission of relevant paperwork, will be reimbursed for the following:

- a) Mileage to and from Audit Committee meetings at the rate set out in the Salaries & Allowances Tribunal determination for Elected Members; and
- b) Up to \$1,600 per annum reimbursement of expenses which may include professional development costs, professional registration and qualification fees and costs of travel and registration to attend appropriate courses to keep up to date with legislation, accounting and other relevant issues. The amount reimbursed may be amended by Council from time to time.

### 3. Recruitment Process

Where a vacancy arises, the following process will be undertaken:

- 3.1 The interview panel will comprise the Chair of the Audit Committee, the Chief Executive Officer and one additional Councillor member of the Audit Committee, as selected by the audit committee.
- 3.2 *Advertising of vacancy*  
The vacancy shall be publicly advertised. Methods of advertising may include notices in the local community newspapers, Seek and the Shire's social media platform.
- 3.3 *Shortlisting of preferred applicants*  
Applications shall be reviewed, and an initial assessment undertaken by an internal panel of officers. The internal panel will include the Chief Executive Officer and Executive Manager Finance & Administration. The assessment will be based on the listed criteria.  
The Selection Panel will review the assessment undertaken and make a recommendation of shortlisted candidates for interview by the Selection Panel.
- 3.4 *Recommendation*  
The Selection Panel will prepare a report on the selection process and make recommendation for the appointment of the Independent Member. The report shall be submitted directly to Council.
- 3.5 *Appointment*  
Council are required to appoint the Independent Member by absolute majority. Following the appointment by Council, the CEO will send out a letter of appointment.
- 3.6 *Induction*  
The CEO will conduct an induction with the appointed Independent Member.

## Risk Assessment and Acceptance Criteria

Shire of Katanning Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
<b>Insignificant (1)</b>	First aid injuries	Less than \$10,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential damage.	Contained, reversible impact managed by on site response
<b>Minor (2)</b>	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
<b>Moderate (3)</b>	Lost time injury <30 Days	\$50,001 - \$250,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
<b>Major (4)</b>	Lost time injury >30 Days	\$250,001 - \$1,000,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
<b>Catastrophic (5)</b>	Fatality, permanent disability	More than \$1,000,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Shire of Katanning Measures of Likelihood		
Level	Rating	Description
5	Almost Certain	The event is expected to occur in most circumstances
4	Likely	The event will probably occur in most circumstances
3	Possible	The event should occur at some time
2	Unlikely	The event could occur at some time
1	Rare	The event may only occur in exceptional circumstances

**Frequency**

More than once per year  
 At least once per year  
 At least once in 3 years  
 At least once in 10 years  
 Less than once in 15 years

Shire of Katanning Risk Matrix						
Likelihood	Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)



Shire of Katanning Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager / Supervisor
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager / Supervisor
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
EXTREME (20-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Shire of Katanning Existing Controls Ratings		
Rating	Foreseeable	Description
<b>Effective</b>	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
<b>Adequate</b>	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
<b>Inadequate</b>	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.





Shire of  
**Katanning**  
Heart of the Great Southern

## STRATEGIC RISK REGISTER

DRAFT

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[use some words from Framework here]

## Misconduct

### Risk:

Intentional activities more than authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties.

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or inaccurate Advice.

### Mitigation:

- Each employee is issued a Letter of Offer and Position Description on commencement that contain detailed information on roles, responsibilities and authority levels;
- Established induction process for new starters is comprehensive and documented;
- Accessibility to Shire systems is secure and monitored;
- Failure to use endorsed policies and procedures will result in disciplinary action.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 2 = 5 - MODERATE – Monitor - Risk is acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor.

## External Theft & Fraud (Inc. Cyber Crime)

### Risk:

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit.
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems.
- Theft – stealing of data, assets or information (no deceit).

Examples include:

- Scam Invoices.
- Cash or other valuables from 'Outstations'.

### Mitigation:

- Best practice banking – i.e. two authorisations required;
- Daily reconciliation of banking;
- Segregation of duties – batching checked by alternative senior staff;
- Shire IT systems are secured, and security is enabled always; screened daily for signs unusual activity such as viruses, phishing etc;
- Regular back up of all data, stored in secure/fire proof safe;
- Cash is kept secured at all times.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 2 = 5 – MODERATE - Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor.

## Business Disruption

### Risk:

A local physical event causing the inability to continue business activities and provide services to the community; this may or may not result in Business Continuity Plans being invoked. This does not include disruptions due to:

- IT Systems or infrastructure related failures should be captured under "Failure of IT Systems and Infrastructure".
- Contractor / Supplier issues should be captured under "Inadequate Supplier / Contract Management".
- People issues should be captured under "Inappropriate People Management".

### Mitigation:

- Appropriate staff are able to manage ad hoc failures;
- Systems are in place to notify customers of short term inability to provide certain services;
- Development of Business Continuity Plan.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 3 = 6 = MODERATE - Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsible Officer:

Operational Manager/Supervisor

## Damage to Physical Assets

Damage to buildings, property, plant & equipment (all assets) that does not result in a disruption to business objectives (refer Business Disruption); this could be a result of a natural disaster or other events, or an act carried out by an external party (Inc. graffiti and / or vandalism).

### Mitigation:

- Shire has comprehensive insurance coverage for all properties;
- Shire has a program of CCTV security monitoring in respect to graffiti and vandalism;

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 1 = 4 – LOW - Acceptable - Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Errors, omissions, delays

### Risk:

Errors, omissions or delays in operational activities because of unintentional errors or failure to follow due process or legislative or policy impositions or constraints. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers.
- Inaccurate data provided to customers.

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

### Mitigation:

- Detailed task and job processes have been developed where possible;
- Processes in place to check for errors;
- Monitoring of new/inexperienced staff by knowledgeable staff;

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 3 = 6 – MODERATE - Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Failure of IT &/or Communications Systems and Infrastructure

### Risk:

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software.
- IT Network.
- Failures of IT Vendors.

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management.
- Performance Monitoring.
- IT Incident, Problem Management & Disaster Recovery Processes.

This does not include new system implementations - refer "Inadequate Change Management".

### Mitigation:

- Implementation of a data recovery system is required;
- Back up regime in place but would still take 48 to be up and running again – we would need to restore data as it is not currently duplicated and ready to go immediately.
- Cloud based systems would not be affected – available immediately.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score =*

**3 +1 = 4 LOW – Acceptable – Risk acceptable with adequate controls, managed by routines procedures and subject to annual monitoring.**

### Responsibility:

Operational Manager/Supervisor



## Failure to meet Statutory, Regulatory or Compliance requirements

### Risk:

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include;

- Issues in relation to OH&S – refer "Inadequate employee and visitor safety and security"
- Procurement, disposal or tender process failures – refer "Inadequate Procurement, Disposal or Tender Practices"
- HR based legislation – refer "ineffective People Management"

### Mitigation:

- Compliance calendar implemented, relevant staff to understand responsibilities;
- Processes in place to ensure changes to legislation are received by relevant staff and any changes required made to process;
- Regular audits to ensure compliance;
- Insurance in place to cover such circumstances.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 3 = 6 – MODERATE - Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Providing Inaccurate Advice / Information

### Risk:

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

### Mitigation:

- Staff encouraged to keep current with professional training;
- Expert staff contracted where required.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 1 = 4 – LOW - Acceptable – Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Inadequate Change Management

**Risk:**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems.
- Failures of IT Project Vendors/Contractors.

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Plant and Equipment design, delivery and maintenance"

**Mitigation:****Risk Rating:**

*Level + Likelihood = Score*

*Control for Score =*

**Responsibility:**

## Inadequate Organisation or Community Emergency Management

### Risk:

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;

- Lack of (or inadequate) emergency response plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc.

(References: AS 3745; AS 1851; AIIMS 4 Management Principles)

### Mitigation:

- Robust and current Emergency Services Plans in place;
- Expert staff in place;
- Regular practice/drills take place.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 3 = 6 – MODERATE – Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manger/Supervisor

## Inadequate Document Management Processes

**Risk:**

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

**Mitigation:**

- Records Management Plan in place;
- Records Management Induction includes 1:1 training and acknowledgement of imperative;
- Regular training of staff in relation to contract management;
- Historical mismanagement has been addressed, if possible.

**Risk Rating:**

*Level + Likelihood = Score*

*Control for Score = x*

1 + 1 = 2 – LOW – Acceptable – Risk acceptable with adequate controls, management by routine procedures and subject to semi-annual monitoring.

**Responsibility:**

Operational Manager/Supervisor

## Inadequate Employee or Visitor Safety & Security

### Risk:

Non-compliance with Occupation Health & Safety (OH&S) Regulations and physical security requirements. This risk includes issues relating to:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants in the provision of a working or business environment.
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.

### Mitigation:

- Shire has comprehensive insurance policies in relation to Public Liability and Workers Compensation;'
- Developing OH&S Framework to cover staff, contractors and volunteers/visitors;
- Staff induction process is comprehensive and compliant;
- Visitors are monitored closely and generally with staff at all times.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score =*

**3 + 3 = 6 – MODERATE – Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Inadequate engagement of Community / Stakeholders / Elected Members

### Risk:

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Road Maintenance.

### Mitigation:

- Communication processes in place – website, print media, social media, electronic subscription list;
- Alternative options for communication used when appropriate ie. Pop up Shop;
- Regular community engagement – Community Perception Survey every 2<sup>nd</sup> year to benchmark;
- Established processes for Projects such as PAG.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**2 + 2 = 4 – LOW – Acceptable – Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring.**

### Responsibility:

Operational Manager/Supervisor.

## Inadequate Procurement, Disposal or Tender Practices

### Risk:

Failures in the procurement, acquisition, acceptance or disposal process for assets as governed by the Local Government Act 1995. This risk theme also relates to and includes;

- Lack of formalised process to identify specific requirements prior to procurement.
- Acceptance of assets without reference to a formalised process to ensure correct receipt and / or notification of receipt (transfer of ownership).
- Disposing of P & E (either through sale or decommissioning) that did not meet expectations from either a time or financial perspective.
- Failures in the Tender process from RTF preparation, advertising, due diligence and awarding.

### Mitigation:

- Strict adherence to Council Procurement Policy, which details the processes to be used.
- Use of expert service providers for high value tenders.
- Monitoring by Finance to ensure process is followed.
- Regular audit and continuous improvement.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**3 + 3 = 6 – MODERATE – Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor.



## Inadequate Asset Management

### Risk:

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet assets in addition to community use-based assets including playgrounds, boat ramps and other maintenance-based assets. Areas includes in the scope are;

- Inadequate design (not fit for purpose).
- Ineffective usage (down time).
- Outputs not meeting expectations.
- Inadequate maintenance activities.
- Inadequate or unsafe modifications.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

### Mitigation:

- Strategic Asset Management Plan to be developed;
- Individual Asset Management Plans for key facilities required;
- Understanding of Asset Management Planning to be embedded in financial planning and budgeting.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**4 + 4 + 8 = MODERATE – Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

*NB. This risk could become HIGH – Urgent Attention Required without substantial effort to address the current shortfalls in documentation and process.*

### Responsibility:

Director/CEO

## Inadequate Stock Management

### Risk:

Lack of stock to ensure continuity of operations or oversupply of stock resulting in dormant (non-performing) assets. Stock includes, consumables, stationery, spare parts and / or other items used for operational purposes. This could be a result of an ineffective stock management system / processes or the peripheral processes in the issuance and / or recording of 'transactions'.

It does not include theft or loss of stock through ineffective operations; refer;

- Theft – “Misconduct” or “External Theft or Fraud”.
- Ineffective operations – “Errors, Omissions or Delays”.

### Mitigation:

- Responsible officers manage stock closely to ensure requirements are met as and when required;

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score =*

### Responsibility:

## Inadequate Supplier / Contract Management

**Risk:**

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues.
- Vendor sustainability.

It does not include failures in the tender process; refer “Inadequate Procurement, Disposal or Tender Practices”.

**Mitigation:**

- Responsible officers are training or proficient in contract management;

**Risk Rating:**

*Level + Likelihood = Score*

*Control for Score =*

**Responsibility:**

## Ineffective People Management

### Risk

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress).
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiency.

### Mitigation:

Thorough induction process ensures all staff are aware of the expectations;

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score =*

### Responsibility:

## Ineffective Management of Facilities / Venues / Events

### Risk:

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage.
- Booking issues.
- Financial interactions with hirers / users.
- Oversight / provision of peripheral services (eg. cleaning / maintenance).

### Mitigation:

- Major external facilities such as KLC and KAC are effectively and efficiently managed by either Senior staff or nominated contractors;
- Cleaning and maintenance are generally conducted in house, providing control of service levels;
- Efficient systems and established processes are in place for facility bookings, bonds etc;
- Formal agreements in place for leased premises;
- Facility user groups are managed by Shire staff to ensure any issues that arise with shared facilities are resolved promptly.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**1 + 2 = 3 – LOW – Acceptable – Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring.**

### Responsibility:

Operational Manager/Supervisor.

## Not meeting Community expectations

### Risk:

Failure to provide expected levels of service, events and benefit to the community. This includes where precedents have set Community perceptions or where services are generally expected. This will normally result in reputational impacts, however may have financial considerations with re-work, compensations or refunds. Examples include:

- Reducing the number or quality of events.
- Withdrawing support (or not supporting) other initiatives to provide relief/benefits to the Community.
- Loss of new or ongoing funding requirements for projects, events and other initiatives.
- Technology expectations.

### Mitigation:

- Community expectations monitored informally and formally with a Community Perception Survey every 2 year;
- Community can easily raise issues via a transparent Complaints Systems;
- Complaints system is closely monitored and managed;
- Customer Charter implemented in 2018 sets out roles and responsibilities;
- Shire staff are proactive in addressing issues and concerns.

### Risk Rating:

*Level + Likelihood = Score*

*Control for Score = x*

**2 + 3 = 5 – MODERATE – Monitor – Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring.**

### Responsibility:

Operational Manager/Supervisor

## Inadequate Natural Environment Management

### **Risk:**

Inadequate prevention, identification, enforcement and management of natural environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

### **Mitigation:**

### **Risk Rating:**

*Level + Likelihood = Score*

*Control for Score =*

### **Responsibility:**

## Inadequate Financial, Accounting or Business Acumen

### **Risk:**

Inadequate identification or quantification of financial exposure or risk associated with decisions to invest in land transactions, financial derivatives or investments or poor long-term forecasting / assumptions. Examples include;

- Poor credit management (short or long term borrowing restricting capacity or flexibility).
- Ineffective market analysis (over or under estimating).
- Ineffective Business Planning (poor scope / competition analysis).
- Ineffective financial modelling, forecasting and projection techniques / processes.

### **Mitigation:**

### **Risk Rating:**

*Level + Likelihood = Score*

*Control for Score =*

### **Responsibility:**