Promoting Better Practice Program

REVIEW REPORT

GLEN INNES SEVERN COUNCIL

MARCH 2013

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EXECUTIVE SUMMARY

About the Review

A Promoting Better Practice Review of Glen Innes Severn Council (the Council) was undertaken in late March 2012 on behalf of the Division of Local Government, Department of Premier and Cabinet (the Division) as part of its Promoting Better Practice Program. The Program aims to assist in strengthening the local government sector by assessing performance and promoting continuous improvement. The reviews are designed to act as a 'health check' examining a number of areas:

- Community strategic planning
- Governance
- Land-use planning and other regulatory functions
- Financial and asset management
- Community engagement and social planning
- Workforce management.

This report identifies where better practice exists, to both acknowledge the strengths of the Council and to contribute to improvement in the Local Government sector. It also discusses key areas of the Council's activity that require improvement or development to meet its legislative obligations as well as meet community expectations. There are occasions where a particular element requires further development and this has been commented upon, but the overall practice is considered to be an example of better practice.

The Glen Innes Severn local government area

Glen Innes Severn Council was formed in September 2004 through the amalgamation of the Glen Innes Municipal and Severn Shire councils. The 2006 census recorded an overall population of 8,793.

A strong tourism and service sector (32%), retail trade (14%) and health and community services (12%) contribute to the local economy. The main areas of employment include sheep, beef cattle and grain farming (18.5%), schools and education (4%), residential care services (3.5%), local government (3.1%) and

hospitals (3%). The median weekly income for people aged 15 years and over was $337, compared with the national average of $466.

About Glen Innes Severn Council

The Council is responsible for administering an area which covers approximately 5,487 square kilometres. It is classified as a medium Regional City (Group 4 Council) by the Division and in 2010/11 the Council spent $28.4M (Total expenses from continuing operations and purchase of infrastructure, property, plant and equipment).

It is led by an elected body of seven councillors (including the Mayor) and is served by 152 full-time equivalent staff.

Glen Innes Severn Council – Summary of key findings

Glen Innes Severn Council presents as a well-managed and efficient local government body with strong links to the local community. A number of councillors showed a willingness to provide strategic input into decision making, and there is a good relationship with the Executive team and staff. A number of better practices were identified within the governance, community and workforce relations areas. However, the Council's financial sustainability is of concern, and strategies to improve this are being discussed with the Division.

Community strategic planning

The Glen Innes Severn Community Strategic Plan was recently endorsed, and has been prepared very professionally, providing an excellent blueprint for future policy determination and operational outcomes over the next four years. The Council has a clear statement of values for Glen Innes and its surrounding towns and villages, with the simply stated values of *Respect, Integrity, Courage and Honesty.*

Governance

The Council has produced a *Community Committee of Council Manual* to provide policy and administrative support to committees it has established under section 355 of the *Local Government Act 1993* (the Act). These committees usually perform a particular function on behalf of the council and/or provide support and advice to the Council.

The review has identified some areas of governance that the Council needs to consider as a priority. These include risk management, an annual internal audit program, business continuity and legislative compliance.

Land-use planning and other regulatory functions

The Council has completed the new Local Environmental Plan (LEP), and is well advanced in finalising the revised Development Control Plan format.

Financial and asset management

The Council is currently in discussion with the Division concerning its financial sustainability and the treatment of depreciation of long-term assets and it has identified several options to improve the ten-year financial projection that forms part of the Integrated Planning and Reporting process.

The Asset Management Plans are an important basis for infrastructure planning, and are being populated with valuable data that will inform the Council as it plans and monitors capital works and recurrent expenditure budgets.

Community engagement and social planning

The Council is also to be commended for its successful community services programs that have received recognition throughout the industry through administering its Aged and Disability Services as an operating arm of the Council. Home and Community Care (HACC) programs within thirteen LGAs are administered from Glen Innes Severn. The Council is also extending into Children and Family Services, such as early intervention programs including indigenous clients, and have attracted Federal Government funding for relocating and constructing new premises.

Workforce management

Two examples of better practice in this area include action to reduce premiums for workers compensation through an innovative education awareness program, and publication of an entertaining Employee Safety Manual.

Glen Innes Severn – Next steps

The reviewer has made 29 recommendations to guide improvement in significant areas. These are set out within the draft action plan at the back of this report (see Part V). The action plan is to be completed by the Council. Along with the Council's

comments on the draft report, the completed action plan will be reproduced in the final report.

The final report is to be adopted by the Council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division will advise whether it intends to monitor the implementation of the recommendations of the report or leave this responsibility with the elected body and senior management of the Council.

PART I.   BACKGROUND

1   ABOUT THE REVIEW

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

Program objectives

By promoting better practices, the Division aims to:

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

    o strategic community planning

    o efficient and effective service delivery

    o quality governance and ethical conduct

    o financial sustainability.

- work cooperatively with councils to promote strong relationships within the sector.

- provide councils with feedback on areas requiring improvement or further development, and assist them in developing solutions.

- identify trends and issues arising from reviews to support policy and legislative changes for the local government sector.

- encourage and facilitate innovation by responding creatively to identified trends and issues.

Review Process

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

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

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A review essentially involves six key steps, as follows:

1. PREPARING

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2. ASSESSING

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3. CHECKING

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4. ANALYSING

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5. REPORTING

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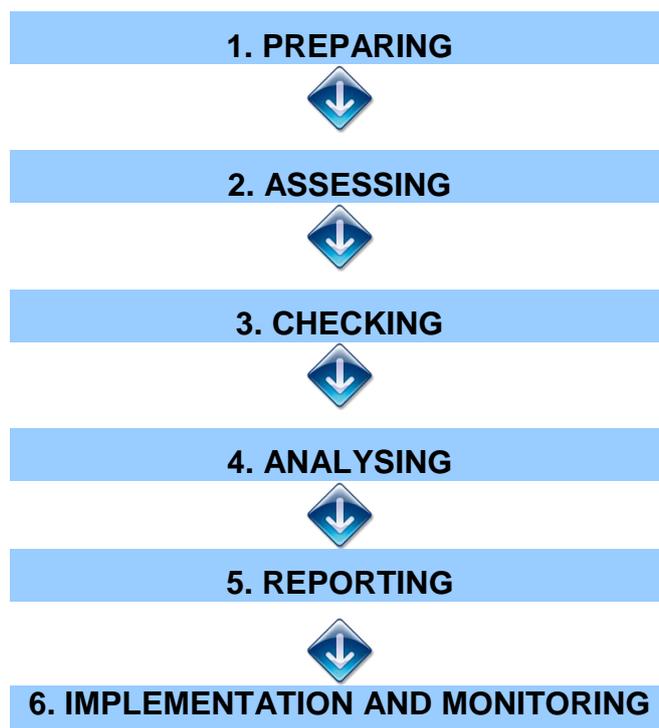
1. *Preparing*: This involves the completion of a comprehensive self-assessment checklist by the council and the examination of a range of documents by the reviewer/s.

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

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

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

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

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

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

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

Glen Innes Severn Council Review

The reviewer for Glen Innes Severn Council was Ian Melville, a consultant with IAB Services, who undertook the review on behalf of the Division. The on-site component of the review took place in March 2012. It involved initial interviews with the General Manager, interviews with the three Directors and a cross-section of staff, observation of an ordinary Council meeting on 22 March 2012, a review of the Council's policies, and an inspection of major assets.

2   ABOUT THE COUNCIL AND THE AREA

Location and Demographics

Glen Innes Severn Council was formed through the amalgamation in September 2004 of Glen Innes Municipal and Severn Shire councils. Glen Innes is located near the crest of the Great Dividing Range with an elevation of 1062m. It is situated within the federal seat of New England and the NSW state seat of the Northern Tablelands. The Council's geographical area centres around the town of Glen Innes, and covers four villages (Emmaville, Deepwater, Red Range and Glencoe) and four hamlets (Glen Elgin, Wellingrove, Wytaliba and Dundee). The total area of the Council is 5,487 square kilometres. Four councils including Tenterfield, Inverell, Guyra and Clarence Valley adjoin the Glen Innes Severn local government area.
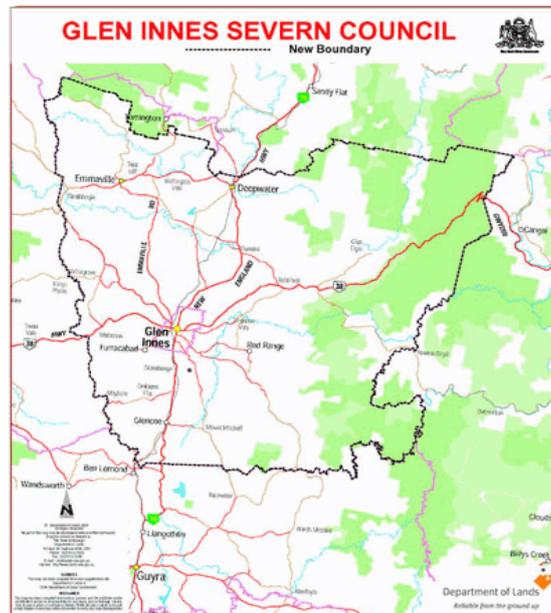
The 2006 census recorded an overall population of 8,793. The combined population for the villages/rural areas was 2,496, with 6,297 residing in the main town of Glen Innes. The original inhabitants of the Glen Innes Severn area were the Ngoorabul people who traditionally lived between Glen Innes and the coast. The local economy of the Glen Innes Severn Council is based on agriculture (42%), with a total gross value of $64.2 million per year as at 30 June 2006.

A strong tourism and service sector (32%), retail trade (14%), and health and community services (12%) also contribute to the local economy. The main areas of

employment include sheep, beef cattle and grain farming (18.5%), schools and education (4%), residential care services (3.5%), local government (3.1%) and hospitals (3%). The median weekly income for people aged 15 years and over was $337, compared with the national average of $466.

The Council is responsible for the Glen Innes Airport, the Glen Innes Learning Centre, (which comprises of a joint public and TAFE Library, University of New England Access Centre, a conference room and an art gallery), as well as the three regional library services in Emmaville, Deepwater and Glencoe. The Council has two swimming pools, at Glen Innes and Emmaville. Within the region are four landfill sites, two water treatment plants and a village water scheme. The majority of the Council roads (769 kilometres) are unsealed, with 402 kilometres of sealed road, including 67 km classified as Regional Roads.

The area is known for its unique landscape, rural character and its strong sense of community. The local government area's brand is 'Celtic Country', and this is celebrated each year with the local Celtic festival. Within the local community, ecological and culturally significant landscapes, as well as the cultural heritage of town buildings, are valued. Performing arts, galleries, the library, sporting activities, community festivals and opportunities for community involvement in clubs and associations are greatly appreciated in the local community.

Local Issues

The main challenges identified by staff, councillors and community responses which are priorities within the Community Strategic Plan include:

- financial sustainability
- water management to ensure a regular local supply of quality domestic water at an affordable unit cost
- waste (landfill) to comply with legislative and regulatory obligations, and provision of an effective economical and environmental solution to local treatment of waste
- long-term deterioration of both urban and rural roads that impacts on the infrastructure costs faced by the Council

- retention and maintenance of heritage buildings to preserve the reputation of the local towns and attract tourism

- economic development to provide business opportunities within the private sector and local employment for residents who face long-term unemployment

- sustainable population growth to increase the local skill base and generate more services in an expanding economy.

The Council

Glen Innes Severn Council has seven elected Councillors, with the Mayor elected annually by the Council. Ordinary Council meetings are normally held on the fourth Thursday of each month, excepting May and December, where the meetings occur on the third Thursday of the month. There are no ward divisions and all Councillors represent the whole local government area.

As at 30 June 2011, the Council employed approximately 152 full-time equivalent staff. Council's organisation structure is described in more detail later within the Workforce Relations chapter of the Report (chapter 8).

PART II. PLANNING A SUSTAINABLE FUTURE

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

3 STRATEGIC PLANNING AND REPORTING

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

The framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans. The Community Strategic Plan is supported by a Resourcing Strategy that includes Long-Term Financial Planning, Asset Management Planning and Workforce Management Planning. The framework is set out in the following diagram.

3.1   OVERVIEW OF STRATEGIC PLANNING AND REPORTING

Glen Innes Severn Council elected to be a Group 2 council for the purposes of implementing the Integrated Planning and Reporting (IP&R) framework. This meant that the Council completed the preparation of the IP&R suite of plans for implementation commencing from 1 July 2011.

The Division undertook a review of the documents in 2011 and provided the Council with feedback. The review found that the community engagement process, reporting and outcomes are clearly articulated in the plans and are an example of better practice. Information contained in the Community Strategic Plan about the outcomes of community engagement is particularly strong. It noted that links to the State Plan are clear and consultation appears to have taken place with relevant agencies. The review found that the suite of documents is a good example of a well-integrated approach to planning and reporting, and that the plans reflect the community priorities identified by the comprehensive engagement process. It found the plans are clearly presented, with a logical hierarchy between the Community Strategic Plan, Delivery Program and Operational Plan, with performance indicators that appear to be clear and easy to measure.

The review also identified some areas for further development in the suite of IP&R documents. It is noted that a community vision should be included in the Community Strategic Plan (in addition to or instead of the 'Council vision'). It identified that the Operational Plan should include more detail about performance measures where these have been taken from other council plans (or include a cross-reference to the relevant plans electronically, or include further details about how these plans can be obtained). The Delivery Program should include four-year financial estimates.

The key strategic areas of the self-assessment checklist completed by the Council were examined by the review team and are included in Table 4. Better practice examples and areas requiring further development are highlighted. These are discussed in more detail later.

Table 1: Strategic Planning and Reporting Assessment

Assessment area	
Community engagement	⭐ 🔺
Community Strategic Plan	⭐ 🔺
Delivery Program	✓
Operational Plan	✓
Resourcing Strategy	✓
Workforce Management Planning	✓
Long-Term Financial Plan	✓
Asset Management Planning	✓

Table key: ⭐ = Better practice   🔺 = Requires further development   ✓ = Examined

3.2 SIGNIFICANT OBSERVATIONS

Better practice

Community Engagement

The community engagement process that informed the development of the Community Strategic Plan is clearly articulated. Information contained in the Community Strategic Plan about the outcomes of community engagement is particularly strong. The IP&R suite of plans reflect the community priorities identified by the comprehensive engagement process.

The Community Engagement Strategy meets all requirements and addresses social justice principles with the inclusion of specific strategies for individual social justice groups. The Community Engagement Strategy provides a good overview of the engagement process, and the inclusion of relevant information in the Community Strategic Plan shows how the engagement process informed its development. Community priorities raised during the engagement process are clearly addressed in the Community Strategic Plan. The Community Engagement Strategy indicates that councillors were involved in the process and it is evident that relevant State agencies were also consulted.

Community Strategic Plan

The Community Strategic Plan clearly identifies the community's strategic objectives, with the four articulated strategic outcomes reflecting the quadruple bottom line, and clearly addressing social justice principles. The use of colour-coding aids navigation and there is a logical hierarchy of Objectives > Strategies > Actions. State Plan objectives are clearly cross-referenced with the objectives of the Community Strategic Plan. Community priorities are clearly identified and linked to the outcomes of the community engagement process. The Council's role in delivering objectives is clear, and other relevant partners are identified. High-level performance measures are included for each strategic area, which are expanded upon in the Delivery Program and Operational Plan.

The Community Strategic Plan incorporates the Delivery Program and Targets for 2011-12. While this creates a strong link between the Community Strategic Plan, Delivery Program and Operational Plan, it appears the whole document will need to be updated annually to reflect future 'Target' years.

Requires further development

Community Engagement

The Council should consider placing an electronic copy of the Community Engagement Strategy and other related community engagement information on its website with the other Integrated Planning and Reporting documents.

Recommendation 1

The Council should include an electronic copy of the Community Engagement Strategy with other related IPR documentation on its website.

Community Strategic Plan

A Community Vision is not specifically articulated (although a 'Council Vision' is included). The plan includes a 'What the community thinks' diagram. This may be a good basis for the development of a community vision statement.

Recommendation 2

The Council should include a community vision in the Community Strategic Plan (in addition to or instead of the 'Council vision').

The Council's response

In order to achieve a high level of integration of the Integrated Planning and Reporting framework suite of documents, it is acknowledged that all documents will have to be updated on an annual basis in order to reflect the future "target" years. Council will further attempt to achieve a higher level of integration between the annual Operational Plan and the Delivery Plan.

Re: Recommendation 1

Council will include an electronic copy of the Community Engagement Strategy with other related IPR documents on Council's website.

Re: Recommendation 2

Council will develop a community vision in the Community Strategic Plan when revising its Delivery Program in February 2013.

PART III.   DELIVERING AND ACHIEVING

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

- governs its day to day operations

- undertakes its planning and regulatory obligations

- manages its assets and finances

- involves the community

- recruits and retains its workforce.

4   GOVERNANCE

4.1 SCOPE

"Corporate governance refers to all the means by which entities are directed and controlled." (Standards Australia, HB401-2004:12) Corporate governance is important because it:

- enhances organisational performance

- manages and minimises risks

- increases the confidence of the community and the local government sector in the organisation

- ensures that an organisation is meeting its legal and ethical obligations

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

4.2 OVERVIEW OF COUNCIL'S GOVERNANCE PRACTICES

Overall, anecdotal evidence indicates that Glen Innes Severn Council has progressed markedly since the amalgamation of Glen Innes and Severn councils in 2004. It has many effective governance systems and processes in place, and has prioritised further introduction of systems and internal controls to enhance its governance performance.

The key governance areas of the self-assessment checklist completed by the Council were examined by the reviewer and are included in Table 2. Better practice examples

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and areas requiring further development are highlighted. These are discussed in more detail later.

Table 2: Governance Assessment

Area of assessment	
Ethics and values	⭐
Code of Conduct	✓
Gifts and benefits	✓
Communication devices	▲
Disclosure of pecuniary interests	✓
Business ethics	▲
Risk management	▲
Fraud control	▲
Business continuity	▲
Internal audit	▲
Legislative compliance	▲
Legal services	✓
Procurement, disposal and tendering	▲
Privacy management	✓
Records management	✓
Access to information by the public	✓
Policy register	✓
Executive management meetings/communication	✓
Delegations	✓
Council meetings	✓
Council committees (s355 and others)	⭐
Councillor induction and ongoing training	✓
Expenses and facilities policy	✓
Councillor staff interaction	✓
Access to information by councillors	✓
Campaign donations	✓
Customer service/complaints handling	✓
Protected disclosures and internal reporting	✓
Information technology	▲

Table key: ⭐ = Better practice   ▲ = Requires further development   ✓ = Examined

4.3 SIGNIFICANT OBSERVATIONS

Better practice

Ethics and values

The Council prepared a comprehensive set of values following the 2008 Council election that involved Councillors and senior staff in its preparation. The values have been strengthened by the community engagement process undertaken in the preparation of the Community Strategic Plan. The Council now has a succinct Statement of Values that is readily recognisable by staff and the community:

- Respect

- Integrity

- Courage

- Honesty

The Council's committees (s355 and others)

The Council is aware of the need to provide guidance to members of its committees established under section 355 of the *Local Government Act 1993* (the Act). With the increasing emphasis on accountability, there are occasional concerns from committee members who object to providing personal information on matters such as pecuniary interests relating to their membership of the committee.

To assist committee members to carry out their functions consistent with the Act and the Council's administrative processes, a comprehensive Manual (*Community Committee of Council Manual)* has been published. The Manual includes such items as templates for reporting minutes of meetings, responsibilities for key positions (Secretary, Treasurer), guidelines for maintenance expenditure (where applicable), Code of Conduct etc. The Council reports a favourable response from these committees, as well as improved reporting, and endorses this initiative by senior management.

Requires further development

Communication devices

The Council should update its policy governing the use of communication devices to include the supply and use of current technology, broaden the policy's application across all equipment, and to guard against inappropriate use. With the introduction of more electronic equipment, social media and a wider use of mobile technology within the community, it is important to regularly review the Council's policy and monitor usage by Councillors and staff in line with the policy.

Recommendation 3

The Council should review the policy on communication devices to cover all equipment in use and to clearly specify the authorised use of these devices, including social media.

Business ethics

A statement of business ethics can be an excellent tool for raising private sector awareness of public sector values. This is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector.

The Council does not have a Statement of Business Ethics to guide external parties (such as suppliers and contractors) on the standards that are required when dealing with the Council or acting on the Council's behalf. Such a statement clarifies in all documentation the standards which the Council expects from all external parties undertaking work for the organisation, as well as for its internal staff. The inclusion of this statement to external parties, such as during tendering and procurement, allows the Council to clearly demonstrate the standards of compliance and professional behaviour expected for all outsourced work.

Recommendation 4

The Council should develop a Statement of Business Ethics, ensure that it is easily available to guide external parties (such as suppliers and contractors), and incorporate it into its contracts.

Risk management

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

Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council. A risk management plan should provide a council with a framework to proactively identify, communicate and manage generic and specific risks.

Glen Innes Severn Council does not have a formal risk management plan that addresses the key business risks facing it across the wider organisation. Such a plan could be prioritised to provide direction to an internal audit program that can test the internal controls within the organisation. The Council appears to have concentrated on OH&S and insurance risks without identifying the broader risks across the organisation. An initial high-level review can provide an overview of the main areas of risk. This can then be developed into an ongoing Enterprise-wide Risk Management System (ERMS) that can be regularly monitored and updated in response to changing circumstances.

It is important that the Council develop and implement a risk management plan to minimise the likelihood of negative events which the Council could have otherwise foreseen, and therefore managed or avoided. Such a plan should extend beyond those risks that are insurable. The Council should refer to AS/NZS 4360:2004 for more information on risk management.

Recommendation 5
The Council should prioritise the development of a risk management plan as a dynamic framework for identifying and managing risk exposure throughout the organisation.

Recommendation 6

Based on the outcomes for individual risks identified through the risk management planning process, the Council should prepare an Enterprise-wide Risk Management System (ERMS) to guide future risk responses within its Internal Audit Plan.

<u>Fraud Control</u>

The Council has not yet developed a Fraud (and corruption prevention) Control Policy to identify internal controls to mitigate identified risks, which would then be linked to the Council's Risk Management Plan. A fraud and corruption-prevention risk assessment has not been undertaken within the past five (5) years.

However, elements of this risk assessment have been undertaken on an annual basis as part of the annual external audit process. As mentioned earlier, the Council is currently considering its options to respond to the DLG *Guidelines for Internal Audit,* including the establishment of an Internal Audit Committee. The Committee, which will oversee the development of an internal audit plan, should consider as an early priority a fraud and corruption risk assessment.

The Australian Auditing Standard 210 (AIS210) requires all external auditors to obtain a written representation from management that the organisation being audited has systems to deal with fraud risks.

Recommendation 7

The Council needs to develop a fraud and corruption prevention policy/strategy and complete a related risk assessment as part of its internal audit process.

Recommendation 8

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

<u>Business continuity</u>

Glen Innes Severn Council has not yet prepared a Business Continuity Plan to manage the potential adverse impact of disruption to its operations, and to allow for business activities to continue with minimal effect in the event of such a disruption. Some preliminary and related work has been undertaken which could be used to

developing a more rigorous response plan to ensure that the Council's services will continue with minimal interruption following any severe event.

Recommendation 9

The Council should develop a Business Continuity Plan to identify the processes for protecting the Council's information and records base, and to ensure its ongoing operations.

<u>Internal Audit</u>

Having an internal audit function is important for the following reasons:

- it supports good internal governance
- it improves the effectiveness of risk management, control and governance processes
- it helps to instil public confidence in a council's ability to operate effectively.

Glen Innes Severn Council is considering several options to address the Internal Audit Guidelines, which were issued by the former Department of Local Government in October 2008, and updated by the Division of Local Government, Department of Premier and Cabinet in September 2010. At the time of this review no decision had been made on the role and composition of the Audit Committee or the implementation of actions under the Guidelines.

The Council should consider the DLG '*Guidelines for Internal Audit'* for guidance on the membership composition and the functions of the Audit Committee. The appointment of independent external members, including the Chair, is also encouraged to ensure that the Council benefits from the input of independent professionals, as well as the appointed councillors.

Recommendation 10

The Council should establish an Audit Committee consistent with the DLG 'Guidelines for Internal Audit' and establish a strategic internal audit plan.

<u>*Legislative compliance*</u>

Councils are required to comply with a large number of pieces of legislation. In order to meet the requirements of these legislative demands, the Council should have a Compliance Register against which it can monitor its legislative obligations. Glen Innes Severn Council does not currently have a system whereby all relevant employees are made aware of their current obligations, and are promptly advised of future amendments to legislation.

The Council has made some progress in beginning to access this information, but needs to complete a Statement of Affairs to transfer this data to individual position descriptions to clearly identify the responsibilities and the authority to act under these legal instruments. The Council should give priority to the development of the Compliance Register to record and track its compliance obligations.

Recommendation 11
The Council should develop a Legislative and Regulatory Compliance Register to ensure that all legislative and regulatory obligations are captured and monitored.

<u>*Procurement, disposal and tendering*</u>

The procurement function within Local Government has been a recent governance focus, with recent reports from the Independent Commission Against Corruption (ICAC) reinforcing the need for all councils to be cognisant of the need for clear policies and internal controls. An assessment of two recent tenders in different Directorates of the Council showed a high standard of evaluation that confirms that the Council has been active in developing and implementing a procurement policy and procedures. There is, however, a current deficiency in monitoring and auditing the disposal of assets and contractor performance. In addition, bi-annual independent risk assessments of the Council's procurement and disposal practices should be undertaken.

Recommendation 12

The Council should review its procurement policy and procedures to include monitoring and auditing the disposal of assets and contractor performance.

Recommendation 13

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

<u>Information technology</u>

The Council does not have an information technology strategy that incorporates plans of action for information technology, information management and information systems. It is good business practice to adopt an information technology strategy to meet the business needs, standards and strategic directions of the Council.

Recommendation 14

The Council should prepare an Information Communications and Technology Plan.

The Council's response

Re: Recommendation 3

Council's communication policy is due for review in March 2013 and will reflect the recommendations in the reviewed document. A social media policy is currently being developed.

Re: Recommendation 4

Council will finalise the development of a Statement of Business Ethics, through its Procurement Steering Committee, for incorporation into its contracts.

Re: Recommendations 5 - 9

Council is aware of the importance of having a risk management function and has prioritised this as a focus area for the 2013/14 Financial Year. An organisational restructure will concentrate on the creation of a "Risk Manager" (or similarly titled) position. It is envisaged for an external consultant to be engaged to assist Council in identifying and prioritising its risks, with a risk management action plan being

developed as an outcome of this exercise. The "Risk Manager" position will also be responsible for the development of a fraud and corruption prevention strategy, business continuity plan and an enterprise-wide risk management system within the Internal Audit Plan, as part of the role.

Re: Recommendation 10

Council will pursue the establishment of an Internal Audit Committee once the "Risk Manager's" position has been filled and basic systems and structures have been introduced.

Re: Recommendation 11

Council will make provision in the 2013/14 Operational Plan (Budget) to subscribe to the Hunter Regional Organisation of Councils' Compliance Database and Delegations database, which will hugely assist Council in fulfilling this requirement.

Re: Recommendation 12

Council is currently participating in the "Local Government Procurement Roadmap" program. These recommendations are included as part of this road map action plan, and are in the process of being implemented by Council.

Re: Recommendation 13

This recommendation will be actioned through Council's Procurement Steering Committee, with the first independent assessment to be conducted around November 2014. Provision for the necessary funding will have to be made in the 2014/15 Budget to facilitate this action.

Re: Recommendation 14

Council has an existing "IT Strategic Plan 2010 – 2013". It is due to be reviewed and updated for the upcoming three years. An "Information Communications and Technology Plan" will be pursued as part of the review of this mentioned plan during the 2013/14 Financial Year.

5   PLANNING AND OTHER REGULATORY FUNCTIONS

5.1   SCOPE

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

5.2   OVERVIEW OF PLANNING AND OTHER REGULATORY FUNCTIONS

The Council completed the *Glen Innes Severn Land Use Strategy May 2010* as a planning framework, and has now completed the new draft standard instrument Local Environmental Plan (LEP) through funding under the LEP Acceleration Fund. This funding included an amount for a planner, GIS mapping and a heritage study using outsourced contractors appointed directly by the Department of Planning. The draft LEP which was on exhibition in February 2012 will replace the Severn LEP 2002 and the Glen Innes LEP 1991, when gazetted.

The Council is initiating a review of its *Development Control Plan (Glen Innes Severn DCP 2008)* with the intention of incorporating it into a single Development Control Plan (DCP).

Overall, the Council's planning and regulatory systems appears to function well but would be enhanced by a review of its contribution plans (section 94 of the *Environmental and Assessment Act 1979*), ensuring the continuing enforcement of development conditions, and the identification of any illegal or non compliant construction.

The key planning and other regulatory areas of the self-assessment checklist completed by the Council were examined by the reviewer, and are included in Table 3. Better practice examples and areas requiring further development are highlighted. These are discussed in more detail later.

Table 3:   Planning and Other Regulatory Functions Assessment

Area of assessment	
Strategic land use instruments	✓
Development applications process	⭐ 🔺
Contribution plans and planning agreements	✓
BASIX	✓
Reporting on the state of the environment	✓
Graffiti	✓
Enforcement	✓
Environmental management	✓
Companion animals	⭐
Water safety (swimming pools)	🔺

Table key: ⭐ = Better practice   🔺 = Requires further development   ✓ = Examined

5.3 SIGNIFICANT OBSERVATIONS

Better practice

Development applications process

The Department of Planning *2010/2011 Local government performance monitoring report* shows that for that financial year 112 development applications (DAs), with a total value of $9.2M, were approved. In addition, 55 complying development certificates (CDCs), with a value of $2.9M, were processed. CDCs represented 33% of the total number of DA and CDC applications received. During 2010/11, 100% of the DAs were determined under staff delegation, which was an increase from 92.2% during the previous financial year. The use of delegations to planning staff within specific criteria can improve the time taken for determination of applications, and utilises the skill base of planning specialists in undertaking final responsibility for these determinations.

Companion Animals

The Council has adopted some initiatives in responding to its legislative responsibilities in relation to companion animals. One such initiative was a

Community Day that included the microchipping of animals by Rangers, media releases and newspaper advertising. The Council uses the Companion Animals Register to undertake quarterly registration checks. Six-monthly searches of the Register are carried out to identify microchipped animals that require registration.

The Council recently reviewed its Companion Animals Management Plan for adoption by the Council, and has reported pound statistics for the past three financial years as required. The Council also appears to be appropriately reporting dog attacks within its area. The Council is making regular payments to the Companion Animals Fund, and as at November 2011 there were no outstanding amounts.

The percentage of animals euthanased at the Glen Innes Severn Pound (37%) was significantly below the State average (49%) in the 2010/11 reporting period. In recent years the reduction in the percentage of animals euthanased has been gradual but consistent. These results are positive and reflect the Council's willingness to seek alternatives to euthanasia. The Council advises that it is working in conjunction with the Royal Society for the Prevention of Cruelty to Animals (RSPCA) in the re-homing of animals. The RSPCA also covers the cost of animal care.

The rate of lifetime registration of cats in the Glen Innes Severn local government area is 83%. This is well above the NSW average of 43%. The rate of lifetime registration for dogs in the area is also 83%. This too is significantly above the NSW average of 61%. The Council is to be commended for its performance in relation to companion animal management.

Requires further development

Development assessment process

The Council has not reviewed its development assessment processes over the past four years. However, it has undertaken a self-audit using the ICAC Development Assessment Internal Audit Tool as a benchmark review. There is benefit in undertaking a regular independent review of the development assessment process either within the internal audit program or through an independent planning professional to rate the current policy and procedures that are in place.

The Council also has a series of checklists, flowcharts and procedures that could be consolidated into a Development Assessment Manual to provide a clear procedural

reference for staff. Although planning staffing is currently stable, the Council must record procedures and planning policy for knowledge management and to inform future administrative and planning appointments.

Recommendation 15

The Council should undertake a review of its development assessment process to ensure that it continues to comply with legislative and regulatory obligations.

Graffiti Removal

The Council advises that there have been no requests for the removal of graffiti from buildings or sites within its jurisdiction, and for that reason a graffiti removal register has not been prepared. The Council is in agreement that there is a need to monitor the situation and respond if necessary to any incidents of graffiti. For this reason Council is considered to be compliant in relation to graffiti management.

Stormwater Management Plan

The Council is well advanced in the preparation of its Stormwater Management Plan, which is due for adoption during the current year.

Recommendation 16

The Council should finalise and adopt its draft Stormwater Management Plan to ensure compliance with legislative requirements.

Water Safety

Under the *Swimming Pools Act 1992,* councils have a responsibility to take such steps as are appropriate to ensure they are notified of the existence of all swimming pools to which this Act applies that are within their area. The Swimming Pools Act also requires councils to promote awareness within their area of the requirements of the Act. Glen Innes Severn Council advises that awareness is promoted through local newspaper articles, including a requirement to notify the Council of domestic swimming pools. There is currently no procedure in place for the investigation of complaints concerning breaches of the Swimming Pools Act. In addition, the Council is yet to act under the Division's *Practice Note 15- Water Safety – updated 2012.*

Recommendation 17

The Council should develop a procedure for the investigation of complaints about breaches of the Swimming Pools Act 1992*.*

Recommendation 18

The Council should prepare strategies to ensure that it complies with the Division of Local Government's Practice Note 15 - Water Safety.

The Council's response

Re: Recommendation 15

Council staff continually check to ensure that systems in the development assessment process comply with the relevant legislation. However, it is noted that this comprehensive review is required and this will be actioned when the new planning legislation is finalised in 2013.

Re: Recommendation 16

Council agrees with this recommendation and is working towards including a Stormwater Management Plan in the 2013/14 Operational Plan.

Re: Recommendation 17

Council has a total of 31 private swimming pools in the LGA. In the past six (6) years only one (1) complaint has been received. This complaint was recorded and actioned through Council's complaints/customer service software module in the Practical system.

These complaints are entered as building enquires. However, a new category for swimming pools will be created to ensure that these complaints are clearly identified within the system.

Re: Recommendation 18

Council is progressively implementing the updated requirements of 'Practice note 15 - Water Safety'. A report will be presented to the March 2013 Council meeting with a proposed action plan and associated budget implications.

Council inspected all swimming pools in the LGA in 2011 and provided information on Council's web page (see link below). In addition media releases are made early in the swimming season to ensure owners are aware of their obligations. The recommendation is noted and Council will continue to ensure compliance with Practice Note 15.

http://www.gisc.nsw.gov.au/index.php?option=com_jentlacontent&view=article&id=11 31157:amendments-to-the-swimming-pool-act-1992&catid=3279:home-swimming-pools-gisc&Itemid=3743

6 ASSET AND FINANCIAL MANAGEMENT

6.1 SCOPE

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

6.2 OVERVIEW OF THE COUNCIL'S FINANCIAL AND ASSET MANAGEMENT

Overview of financial position

Glen Innes Severn Council's income statement for 2010/11 shows a deficit result from continuing operations, after capital grants and contributions, of $2,072,000 compared to the budget projection of $984,000, which is a significant increase from the previous 2009/10 year of $420,000. The result before capital items was a deficit of $2,540,000 compared to the projected budget of $1,150,000, and an increase from $859,000 in 2009/10.

Liquidity and cash position

In the short term, the Council's financial indicators are considered to be satisfactory, as shown in Table 4, below. However, the Council's long-term sustainability is of concern.

The Council had $10,699,000 in cash assets and investment securities as at 30 June 2011. Of this, $3,546,000 was internally restricted. Internal restrictions included, in part, $1,123,000 for Infrastructure Replacement, $727,000 for Community Services Asset Replacement, $595,000 for Employee Leave Entitlement, $514,000 for Waste Facility Management and $500,000 for Plant and Vehicle Replacement.

The Council's performance ratios are set out below and are considered to be satisfactory within the Division's guidelines. The majority of these ratios show an improvement over the previous year's operations.

Table 4: **Liquidity and Cash Position**

LIQUIDITY & CASH POSITION	2010/11	2009/10	2008/09
Unrestricted Current Ratio	2.40	2.83	1.84
Debt Service Ratio	5.7	5.9	6. 5
Rates & Annual Charges, Interest and Extra Charges Outstanding	4.7%	6.6%	5.0%
Infrastructure Renewal Ratio	56.7%	7.4%	39.5%

Table 5: **Operating Results and Trends**

OPERATING RESULTS & TRENDS ($,000)	2010/11	2009/10	2008/09
Operating results before Capital Grants	(2,540)	(859)	(921)
Operating results after Continuing Operations	(2,072)	(420)	42

Financial Management

A review of the Council's financial statements confirms that the net operating result, before capital grants and contributions, has been a deficit for the past five years. Result after capital grants and contributions also have been in deficit for three of the past four years. In addition, the Council's recently published Long-Term Financial Plan also forecasts deficit operational results before and after capital items for the next ten years. The Plan did not include any strategies to address these long-term deficits. The intent of the Long-Term Financial Plan is to provide a tool for the Council to plan for it financial sustainability into the future. In response to a request from the Division, the Council has now provided further information on its operations, as well as identifying options to address long-term financial sustainability.

Asset Management

Glen Innes Severn Council has a well-developed Asset Management Strategy, Asset Management Policy and asset management plans for all major asset categories. These documents appear to be linked to the Council's Community Strategic Plan. However, it appears that during the last five years, the Council has underspent in the asset maintenance area to the tune of $1M per annum.

Summary assessment

The key finance and asset management areas of the self-assessment checklist completed by the Council were examined by the reviewer and are included in Table 6. Better practice examples and areas requiring further development are highlighted. These are discussed in more detail later.

Table 6:   Financial and Asset Management Assessment

Area of assessment	
Financial management	▲
Asset management	★ ▲
Land assets	✓
Council businesses	✓
Council involvement in companies, partnerships, corporations, co-operatives and joint ventures	✓
Insurance	✓

Table key: ★ = Better practice   ▲ = Requires further development   ✓ = Examined

6.4 SIGNIFICANT OBSERVATIONS

Better practice

Asset Management Strategy

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential, and manage related risks and costs over the asset's whole lifecycle. It involves effective coordination of the council's financial and engineering resources, and strong linkages with corporate and strategic planning activities.

The Council has a well-developed Asset Management Strategy, Asset Management Policy and asset management plans for all major asset categories. The asset management documents appear to support the Community Strategic Plan and

Delivery Program in respect to renewals and depreciation, and explain the depreciation and renewal costs defined in the Long-Term Financial Plan.

Requires further development

Financial management

1.   Long-term financial planning

As noted earlier, the long-term financial projections forecast to 2020 over a ten-year period currently show a deficit balance for each year. The long-term financial planning requirements of the Integrated Planning and Reporting framework require that these projections are rolled forward each year in order that a ten-year horizon is maintained. The Council is currently in discussion with the Division concerning strategies that may be introduced to mitigate the projected deficit balances, as well as clarifying accounting treatments such as depreciation of infrastructure and major assets.

Recommendation 19
The Council should continue its discussions with the Division to clarify treatment of depreciation of new infrastructure and existing major assets and its effect on future operating results.

Recommendation 20
The Council should model its recently-identified financial strategies to address the projected long-term financial deficits, to move towards a balanced budget outcome.

2.   Pensioner Rates and Charges Reduction Policy

Under section 528 of the Local Government Act pensioners are entitled to a 55% reduction in their rate payments upon proof of their pension currency. The Council undertakes regular checks with the assistance of Centrelink, which provides exception reports on any changes in these eligibility criteria. However, there is no formal policy and procedure in place to guide the Council in relation to pensioner rates. The Council should consider preparing a policy and procedure for the treatment of pensioner rates and charges, and formally include this in an ongoing internal audit process.

Recommendation 21

The Council should prepare a Pensioner Rates and Charges Policy which incorporates confirmation of compliance with eligibility criteria.

<u>Asset Management</u>

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

The process of linking the planned maintenance schedules to the 2012/13 budget was not finalised due to a lack of documentation. While the risk/defect and work requests have been used in preparation for the Asset Maintenance program, the maintenance schedules have not been fully documented. This is to be addressed during the current year when these schedules are available.

The asset management plans are produced in a series of individual documents as follows:

- Part 1 General Statements
- Part 2 Transport
- Part 3 Stormwater
- Part 4 Water
- Part 5 Sewerage
- Part 6 Building and other structures
- Part 7 Regional Open Space Infrastructure
- Part 8 Plant and Fleet.

The Council has commenced the process of inserting data into each of the asset plans to gradually populate the information required to fully realise the potential of each plan.

Recommendation 22

The Council should insert the asset activity references contained within the Asset Management plans which relate to asset activity over the next four years into both the Delivery Program and relevant Operational Plans.

Recommendation 23

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

Recommendation 24

The Council should finalise the Asset Management Plans, and the Maintenance Program, incorporating the annual planned maintenance schedules.

The Council's response

Re: Recommendation 19

Council has reassessed the treatment of the depreciation costs of some of its new infrastructure and existing major assets. Therefore, this recommendation has already been actioned, reviewed and approved by Council's external auditors. The results have had a positive impact to Council's bottom line.

Service levels will continue to be monitored and reviewed into the future.

Re: Recommendation 20

Council recently had a TCorp review; of which the results were positive. Two Local Infrastructure Renewal Subsidy loans were approved as a result of this review. This is indicative of the fact that Council has made significant amendments to its initial Long-Term Financial Plan, and that the deficits shown in the initial plan have been addressed in order for Council to demonstrate better balanced outcomes into future financial years.

Re: Recommendation 21

A separate "Pensioner Rates and Charges Policy" will be prepared during the 2013/14-Financial Year.

Re: Recommendation 22

Council will insert the asset activity references contained within the Asset Management Plans, which relate to the asset activity over the next four years, into both the 2013/14 Operational Plan and the to-be-reviewed-in-February-2013 Delivery Program.

Re: Recommendation 23

The Asset Management Policy is a separate document, which was referenced as Appendix C of the Asset Management Strategy. Unfortunately, the PDF version of the Strategy did not include a copy of the Policy. This situation has already been rectified.

Re: Recommendation 24

Core Asset Management Plans are in place for all major asset classes and have been adopted by Council, including the water and sewer functions.

Council has adopted a "top-down" approach to implementing asset management and over the next five years will be progressing towards Advanced Asset Management. The Core Asset Management Plans will be reviewed on a regular cycle. The current review of the Transport, Buildings and Open Spaces Asset Management Plans will include improvements to the maintenance programs and maintenance schedules.

Annual maintenance schedules will also be developed and incorporated as part of the "Maintenance Program" section of the Asset Management Plans.

7   COMMUNITY AND SOCIAL PLANNING

7.1 SCOPE

A council's charter requires that a council:

- provides services after due consultation

- facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government

- actively promotes the principles of multiculturalism

- plans, promotes and provides for the needs of children

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

7.2 OVERVIEW OF COMMUNITY ENGAGEMENT AND SOCIAL PLANNING

The reviewer found that there is a strong culture of community consultation within the Council. Council has provided strong regional leadership for programs and key initiatives that are listed later in this report. Effective community consultation appears to have underpinned the development of the Community Strategic Plan, with specific social justice groups targeted for consultation during this process.

The Council has a Community Engagement Strategy which articulates how the Council intended to engage the community for the development of the Community Strategic Plan. This document forms a sound basis for a Community Engagement Strategy for the Council to utilise into the future for the ongoing review and further development of the Community Strategic Plan.

The areas relating to community engagement and social planning covered in the self-assessment checklist completed by the Council were examined by the reviewer and are included in Table 7. Better practice examples are highlighted. These are discussed in more detail later. Few areas requiring further development were identified.

Table 7:   Community Engagement and Social Planning Assessment

Area of assessment	
Social and community planning	✓
Ageing population	⭐
Community participation and engagement	⭐
Communication policy	✓
Annual report	✓
Cultural planning	✓
Multiculturalism	✓
Tourism	▲
Economic development	▲

Table key: ⭐ = Better practice   ▲ = Requires further development   ✓ = Examined

7.3 SIGNIFICANT OBSERVATIONS

Better practice

Ageing population

The preparation of the *2008-2018 Aged and Disability Strategic Plan,* which aligns with Community Strategic Plan, is reported to have re-focussed the Council's Community Services delivery. The Council reports a higher level of participation and the ability to provide services to a wider geographical area as key benefits of the Strategic Plan.

The Council has responsibility through its Aged and Disability Services Unit for the administration of the Home and Community Care (HACC) program which covers thirteen LGAs (including the councils of Armidale Dumaresq, Glen Innes Severn, Gunnedah, Guyra, Gwydir, Inverell, Liverpool Plains, Moree Plains, Narrabri, Tamworth Regional, Tenterfield, Uralla and Walcha). The Council's Community Services team is accredited by the International Organisation for Standardisation Organisation (referred to as 'ISO') on an annual basis, and has extended its service provision to the delivery of early intervention and indigenous programs, utilising funding sources from the Federal government.

Community participation and engagement

While the Council has developed a *Customer Service Standards Policy* which was adopted by the Council at its August 2009 meeting, there is a need to provide monitoring and regular reporting to the Council on customer service outcomes. The current Policy is extensive and covers a wide range of staff interaction with the community. Feedback on customer service is highlighted by the regular community surveys that are undertaken to gauge community opinion. This includes general surveys at the Glen Innes Show, and specific surveys on the operation of the Learning Centre and the Council's Aged and Disability services operated under the banner of Northern Community Care.

Requires further development

Social and community planning

Although the Council does not have a Disability Action Plan*,* disability planning activities are undertaken as part of the social and community planning process, overseen by the Council's Access Committee. The Council should finalise its Pedestrian Access Management Plan as a precursor to a Disability Action Plan, and implement its actions when possible through the availability of related grant funding.

Recommendation 25

The Council should prioritise the staged introduction of a Disability Action Plan.

Tourism

The Council has recently reviewed its *Tourism Plan 2008-10*. The draft revised Plan has been developed with the assistance of a consultant and will be presented to the Council for adoption. The revised Plan has linkages with the Community Strategic Plan*, Glen Innes Severn Strategic Land Use Strategy 2011-21* and the *Australian Celtic Festival Strategic Plan.* The reviewer attended the March 2012 ordinary meeting of the Council and observed a presentation by the tourism consultant on options for the future use of the Glen Innes Visitor Centre. The investment of funding and the keen interest by Councillors is evidence of the high priority that regional tourism is afforded.

Recommendation 26

The Council is to consider adopting the draft 'Glen Innes Severn Tourism Plan'.

Economic development

An *Economic Development Plan* has been drafted but is yet to be presented to the Council for adoption. The Council recognises the inter-relationship between tourism and economic development. Both the *Tourism Plan* and *Economic Development Plan* are due for adoption by the Council, and when approved will provide a key strategic direction for local businesses, investors and the general community.

Recommendation 27

The Council is to consider adopting the draft Economic Development Plan.

The Council's response

Re: Recommendation 25

Council has finalised its Pedestrian Access Management Plan (PAMP). This plan has been reviewed by Council's Access Committee which has prioritised the actions. Some of these priority actions will be identified in the 2013/14 Operational Plan. The development of a Disability Action Plan will now be pursued through Council's Access Committee, also drawing on the information that had been collated for the PAMP.

Re: Recommendation 26

Council adopted the Visitor Information Centre Refurbishment Plan at its Ordinary Meeting held on 28 June 2012 and resolved the following:

- That Pearce Johnson Pty Ltd be advised that after considering the report from Aurora Research Pty Ltd that dealt with:
- Converting the Bus Lounge to a Visitor Information Service of a standard that will not adversely impact on potential tourism visitation;
- The fit-out of the northern section of the first floor of the Visitor Information Service so as to accommodate Tourism and Events administration, including the construction of a first floor external stair as well as the removal of internal walls and fittings to the existing visitor information centre floor space.

Council does not wish to pursue the lease of floor space in the Visitor Information Centre for the purpose of a Subway Restaurant on the grounds that it is the above-mentioned consultant's professional opinion that it doesn't constitute a compatible use with a Celtic themed Visitor Information Centre.

- That Council proceeds in the 2012-13 financial year to carry out the following refurbishment work at the Visitor Information Centre:
  o Block the side entrances to the Visitor Information Centre and fill in the door areas to create new wall space;
  o Remove the front counter and create a new service desk area;
  o Repaint and replaster board wall space including the cathedral ceiling;
  o Provide a new front door; and
  o Reconfigure the Bus Shelter to the southern area of the existing building.

- That Council pursues funding, through the T-Qual Grants Program or any other applicable funding avenues, in the 2012-13 financial year to upgrade the building including signage, changing the external appearance of the building, construction of a trilithium and garden renovation and a suitable allocation of funds be made in the 2013-14 Operational Plan to match funding.

- That the Manager of Tourism and Events investigates the development and implementation of digital resources within the Visitor Information Centre and a further report be prepared for Council's consideration in October 2012.

- That the Manager of Tourism and Events provides inspirational visitor servicing components of the Accredited Visitor Information Centre personal effectiveness program for all staff and volunteers at this facility.

- That unexpended funds from the 2011-12 Capital Budget to redevelop the Visitor Information Centre be reserved for the proposed developments in 2012-13 and a further $20,000 be reserved from the unexpended funds in the 2011-12 Economic Development Operational Budget.

Council had previously adopted the Glen Innes Severn Council Tourism Development and Marketing Plan at its Ordinary meeting held 25 February 2010.

Re: Recommendation 27

Council adopted the Glen Innes Severn Economic Development Strategy 2012-2017 at its Ordinary meeting held 26 July 2012 and resolved the following:

- That Council adopts the Draft Glen Innes Severn Economic Development Strategy 2012-2017, attached as Annexure G to the Business Paper, subject to minor corrections being made as highlighted in the report.
- That Council continues to provide for a Significant Development Committee as part of its Committee Structure; recognising its importance in providing an investment pathway for new business to establish in the Local Government Area.
- That Council seeks the support of the Glen Innes and District Tourist Association in expanding its member base to take on a greater business focus to incorporate a "Chamber of Commerce role" within the organisation.
- That Council seeks the Glen Innes and District Tourist Association's support in assisting Council in carrying out the development of a Glen Innes town retail and services marketing plan.

Council is therefore already actively pursuing the implementation of both recommendations 26 and 27.

8   WORKFORCE MANAGEMENT

8.1 SCOPE

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

8.2 OVERVIEW OF THE ORGANISATION

Glen Innes Severn Council has three main operational areas:

- Corporate and Community Services

- Development, Regulatory & Sustainability Services

- Infrastructure Services.

The Council currently employs 152 full-time equivalent employees. The age and gender profile of the Council's workforce is displayed in Figure 1 below.
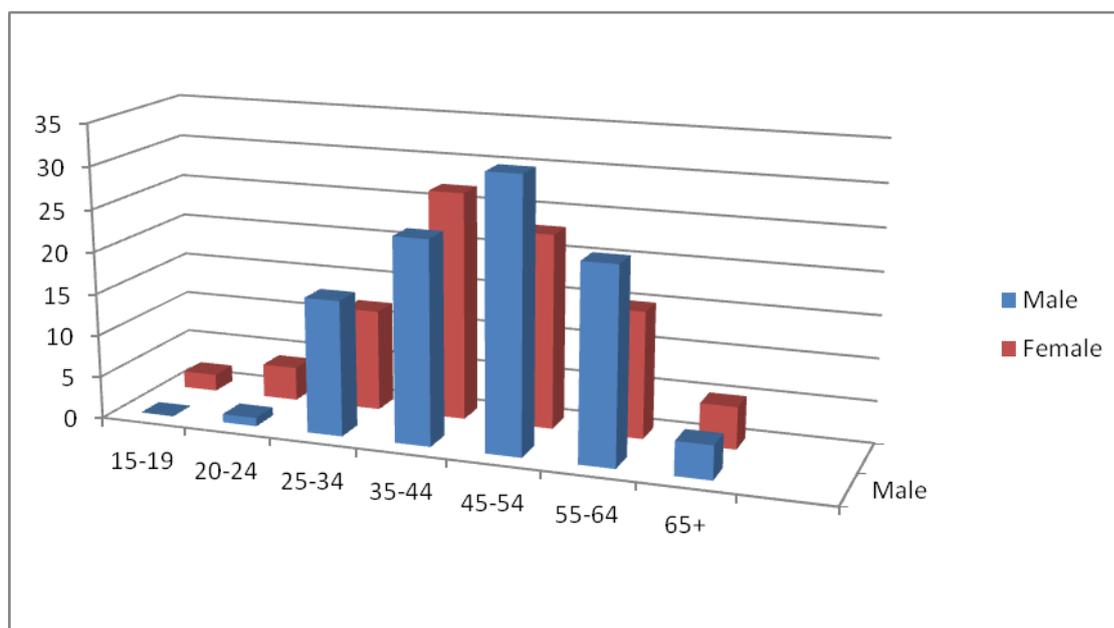

Figure 1 Composition of Workforce age and gender

The workforce management areas of the self-assessment checklist completed by the Council were examined by the review team and are included in Table 8. Better practice examples and areas requiring further development are highlighted. These are discussed in more detail later.

Table 8:   **Workforce Management Assessment**

Area of assessment	
Workforce Management Strategy and planning	▲
Employee surveys	✓
Employment contracts	✓
Consultative Committee	✓
Recruitment and selection	✓
Job descriptions and evaluation	✓
Employee remuneration	✓
Enterprise bargaining	✓
Equal Employment Opportunity	▲
Staff induction	✓
Grievance management	✓
Work Health and Safety	★
Secondary employment	✓
Exit of staff	✓

Table key: ★ = Better practice   ▲ = Requires further development   ✓ = Examined

8.3   SIGNIFICANT OBSERVATIONS

Better practice

Work Health and Safety

The Council needed to respond to a three-year trend in workplace injuries. As well as the impact on the individual injured workers and their colleagues, there was an average $600,000 per year (or a total $1.8M) burden in insurance premiums for the Council's workforce. As a result, the Council implemented a focussed education program for its workers. A key element of the program was an Employee Safety Handbook developed in September 2009. This was the basis for communicating the impact of workplace injury, and identifying to the organisation the impact on the Councils operational costs.

The Employee Safety Handbook covers safety information, risk assessment, office safety, employee assistance program, OH&S, noise, plant and equipment safety, and other related issues. Appendices contain information regarding reporting workplace incidents. The small handbook was written in an informal but professional manner with numerous and entertaining cartoons utilising workplace humour to give a serious message. The Council should be congratulated on this initiative and the excellent outcome in reducing the workplace injury trend, and the related high-risk management outcomes that impacted on the cost of workplace insurance.

Requires further development

Workforce Management Strategy and Planning

The Council has prepared a Workforce Plan as part of its implementation of the Integrated Planning and Reporting framework. The Workforce Plan is linked to the Delivery Program at a strategic level. However, it does not specifically address the workforce requirements arising from Delivery Program strategies. It identifies a number of workforce issues for the Council generally, and provides an action plan to address these over a four-year timeframe.

Recommendation 28

The Council should review the Workforce Plan to ensure it specifically addresses the workforce requirements of the Delivery Program.

Equal Employment Opportunity

The EEO Management Plan was last reviewed in May 2009 The outcomes arising from the implementation of the Action Plan have been reported in the Annual Report and continue to be properly monitored. However, the EEO Management Plan does not contain a reference to the *National Framework for Women in Local Government,* which should be addressed in the next review of the EEO Management Plan.

Recommendation 29

The Council should consider the 'National Framework for Women in Local Government' in the next review of the EEO Management Plan.

The Council's response

Re: Recommendation 28

After the Delivery Program has been reviewed with the Councillors on 8 and 9 February 2013, a review of the Workforce Plan will be undertaken to ensure it specifically addresses the requirements and objectives of Council's Delivery Program.

Re: Recommendation 29

Council will consider the "National Framework for Women in Local Government" in the next scheduled EEO Management Plan review in December 2013 and will then incorporate this recommendation into its Plan.

PART IV.   RISK RATING OF RECOMMENDATIONS

The recommendations made in this report are listed in the Action Plan in the following chapter. The reviewer has given each recommendation a notional ranking using the risk matrix below. The Council is encouraged to use the matrix to confirm or change the risk ranking provided in the Action Plan.

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

Risk categories to be considered could include:

- Reputation

- Compliance with statutory requirements

- Fraud/corruption

- Financial

- Legal liability

- OH&S.

PART V.   ACTION PLAN

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

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
1 *The Council should include an electronic copy of the Community Engagement Strategy with other related IPR documentation on its website.*	*LOW*	To be actioned when Council updates its CSP, DP and OP on its website after the Delivery Plan Revision Workshop, scheduled for 8-9 February 2013.	March 13	DCCS (in conjunction with CMO)	
2 *The Council should include a community vision in the Community Strategic Plan (in addition to or instead of the 'Council vision').*	*LOW*	To be actioned at the Delivery Plan Revision Workshop, scheduled for 8-9 February 2013.	March 13	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
3 *The Council should review the policy on communication devices to cover all equipment in use and to clearly specify the authorised use of these devices, including social media.*	MEDIUM	Council's communication policy is due for review in March 2013 and will reflect the recommendations in the reviewed document. A Social Media Policy is currently being developed.	April 13 April 13	GM (CMO) DCCS (MAHR)	
4 *The Council should develop a Statement of Business Ethics, ensure that it is easily available to guide external parties (such as suppliers and contractors), and incorporate it into its contracts.*	MEDIUM	Council will finalise the development of a Statement of Business Ethics, through its Procurement Steering Committee, for incorporation into its contracts.	May 13	DIS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
5 *The Council should prioritise the development of a risk management plan as a dynamic framework for identifying and managing risk exposure throughout the organisation.*	*MEDIUM*	Organisational restructure which will have a particular focus on a "Risk Manager" position. External consultants will be engaged to develop an initial risk management plan. Provision will be made in the 2013/14 Operational Plan to start implementing the developed action plan (provisional amount).	Jun 13	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
6 *Based on the outcomes for individual risks identified through the risk management planning process, the Council should prepare an Enterprise-wide Risk Management System (ERMS) to guide future risk responses within its Internal Audit Plan.*	*MEDIUM*	An organisational restructure will have a particular focus on the creation of a position to pursue the preparation of an Enterprisewide Risk Management System to guide future risk responses within an Internal Audit Plan.	Feb 14	DCCS	
7 *The Council needs to develop a fraud and corruption prevention policy/strategy and complete a related risk assessment as part of its internal audit process.*	*MEDIUM*	A Fraud and Corruption Prevention Control Policy/Strategy will be developed by the above-mentioned newly created position.	Oct 13	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
8 *The Council should prioritise a systematic fraud assessment to satisfy compliance requirements in this area.*	*MEDIUM*	An organisational restructure will have a particular focus on the creation of a position to pursue the prioritisation of a systematic fraud assessment to satisfy compliance requirements in this area.	Nov 13	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
9 *The Council should develop a Business Continuity Plan to identify the processes for protecting the Council's information and records base, and to ensure its ongoing operations.*	*MEDIUM*	An organisational restructure will have a particular focus on the creation of a position to pursue the development of a Business Continuity Plan to identify the processes for protecting Council's information and records base, and to ensure its ongoing operations.	Feb 14	DCCS	
10 *The Council should establish an Audit Review Committee consistent with the Division of Local Government's 'Guidelines for Internal Audit' to review and adopt the strategic Internal Audit Plan.*	*MEDIUM*	The establishment of an Audit Committee will be pursued once a dedicated position has been created and basic systems and structures have been introduced.	Jun 14	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
11 *The Council should develop a Legislative and Regulatory Compliance Register to ensure that all legislative and regulatory obligations are captured and monitored.*	*MEDIUM*	Provision will be made in the 2013/14 Operational Plan to subscribe to the Hunter Regional Organisation of Councils' "Compliance Database" and "Delegations Database', which will hugely assist Council is fulfilling this requirement.	May 13	DCCS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
12 *The Council should review its Procurement policy and procedure to include monitoring and auditing the disposal of assets and contractor performance.*	*LOW*	Council is currently participating in the "Local Government Procurement Roadmap" program. This recommendation is included as part of this road map action plan, and are in the process of being implemented by Council.	Dec 13	DIS	
13 *The Council should undertake a bi-annual independent risk assessment of its procurement and disposal practices.*	*LOW*	The recommendation will be actioned through Council's Procurement Steering Committee. Provision will have to be made in future budgets for this purpose.	First independent assessment to be conducted around November 2014.	DIS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
14 *The Council should prepare an Information Communications and Technology Plan.*	*MEDIUM*	Council's existing "IT Strategic Plan 2010 – 2013" is due to be reviewed and updated for the upcoming three years. An "Information Communications and Technology Plan" will be pursued as part of this review.	Oct 13	DCCS (MAHR)	
15 *The Council should undertake a review of the Development Assessment process to ensure that it continues to comply with legislative and regulatory obligations.*	*LOW*	A comprehensive review will be undertaken when the new planning legislation is finalised.	Jun 14 (provisional date)	DDRSS	
16 *The Council consider adopting its draft Stormwater Management Plan to ensure compliance with legislative requirements.*	*LOW*	The development of a Stormwater Management Plan is being pursued for adoption into the 2013/14 Operational Plan.	Jun 13	DDRSS (MIWSS)	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
17 *The Council should develop a procedure for the investigation of complaints about breaches of the* Swimming Pools Act 1992*.*	*LOW*	A separate customer service classification has been included in Council's "Practical Plus" software system (Customer Requests Module) for swimming pool complaints – in order for theses complaints to be monitored effectively.	Completed	DDRSS	Completed
18 *The Council should prepare strategies to ensure that it complies with the Division of Local Government's* Practice Note 15 - Water Safety.	*LOW*	A report will be prepared for the Council meeting which will be held in March 2013, incorporating an action plan – for Council's consideration and adoption.	Apr 13	DDRSS	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
19 *The Council should continue discussions with the Division to clarify treatment of depreciation of new infrastructure and existing major assets and its effect on future operating results.*	*MEDIUM*	This has already been actioned, reviewed and approved by Council's external auditors. The results had a positive impact on Council's bottom line. Service levels will continue to be monitored and reviewed into the future.	Completed Ongoing	DCCS DCCS & DIS	Completed Ongoing

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
20 *The Council should model its recently-identified financial strategies to address the projected long-term financial deficits, to move towards a balanced budget outcome.*	*MEDIUM*	Completed and ongoing. Council recently had a TCorp assessment with regards to its long term financial sustainability (based on Council's revised Long Term Financial Plan); the outcome of which was positive. Council will maintain a focus on achieving balanced outcomes in future years.	Completed and ongoing.	DCCS	Ongoing
21 *The Council should prepare a Pensioner Rates and Charges Policy which incorporates confirmation of compliance with eligibility criteria.*	*LOW*	A separate Pensioner Rates and Charges Policy will be prepared.	Apr 13	DCCS (RO)	

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
22 *The Council should insert the asset activity references contained within the Asset Management plans which relate to asset activity over the next four years into the Delivery Program and relevant Operational Plans.*	*LOW*	Council will insert the asset activity references contained within the Asset Management Plans, which relate to the asset activity over the next four years, into both the 2013/14 Operational Plan and the to-be-reviewed in February 2013 Delivery Program.	May 13	DIS	
23 *The Council should include the Asset Management Policy within the Asset Management Strategy.*	*LOW*	This recommendation has been actioned.	Completed	DIS	Completed

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
24 *The Council should finalise the Asset Management Plans, and the Maintenance Program, incorporating the annual planned maintenance schedules.*	*LOW*	Annual maintenance schedules will be developed and incorporated as part of the "Maintenance Program" section of the Asset Management Plans.	Feb 14	DIS	
25 *The Council should prioritise the staged introduction of a Disability Action Plan.*	*LOW*	Council has finalised its Pedestrian Access Management Plan (PAMP). The development of a Disability Action Plan will now be pursued through Council's Access Committee, also drawing on the information that had been collated for the PAMP.	Completed Mar 14	DCCS (MCS) DCCS (MCS)	Completed

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
26 *The Council should consider adopting the draft Glen Innes Tourism Plan.*	*LOW*	Council adopted the "Visitor Information Centre Refurbishment Plan" at its June 2012 Ordinary Meeting.	Completed	DDRSS	Completed
27 *The Council to review and adopt the draft Economic Development Plan.*	*LOW*	Council adopted the "Glen Innes Severn Economic Development Strategy 2012-2017" at its Ordinary Meeting held in July 2012.	Completed	DDRSS	Completed

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
28 *The Council should review the Workforce Plan to ensure it specifically addresses the workforce requirements of the Delivery Program.*		After the Delivery Program has been reviewed with Councillors, a review of the Workforce Plan will be undertaken to ensure it addresses the requirements and objectives of the Delivery Program.	May 13	DCCS (MAHR)	
29 *The Council should consider the 'National Framework for Women in Local Government' in the next review of the EEO Management Plan.*		In the next scheduled EEO Management Plan review, Council will incorporate the "National Framework for Women in Local Government" into its Plan.	Dec 13	DCCS (MAHR)	