City of Subiaco

Governance Framework

February 2014

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Section 1 Introduction

Elected Members and employees of the City of Subiaco (the City) are committed to the democratic process and the principles of good governance.

This Governance Framework has been prepared to demonstrate that Elected Members, employees and the community at large have an understanding of governance and how all people associated with Council can participate in good governance.

1.1 Purpose

This Governance Framework is not a policy or statement of intent. The document exists to provide context to Council's governance policies and practices. It provides readers with an overview of the measures that have been put in place in order to assist Elected Members, the Chief Executive Officer (CEO) and employees to meet their governance responsibilities.

1.2 What is governance?

Governance is the act of governing. It relates to decisions that define expectations, grant power, or verify performance. Governance is about how the City of Subiaco provides leadership to ensure and enhance the good government principles embodied throughout the organisation in order to maintain the trust of the community.

Good governance for the City is about its performance in the provision of goods, services and programs and how the organisation meets its legislative, non legislative requirements (e.g. internal standards) and community expectations. This is achieved by having decision making processes and structures in place that are transparent, accountable and having integrity when interacting with the community, businesses and with government.

1.3 Why is good governance important?

By following good governance principles, the Council, the CEO, employees and the community can be confident that the organisation is being run efficiently, is viable and is carrying out the objectives, policies and plans of Council.

Good governance is important because it:

- Establishes and maintains confidence and trust that people have in Council
- Improves the quality of services etc that are provided
- Assists the City in meeting its legislative responsibilities
- Is a strong reminder of accountability to the community

Section 2 Governance framework

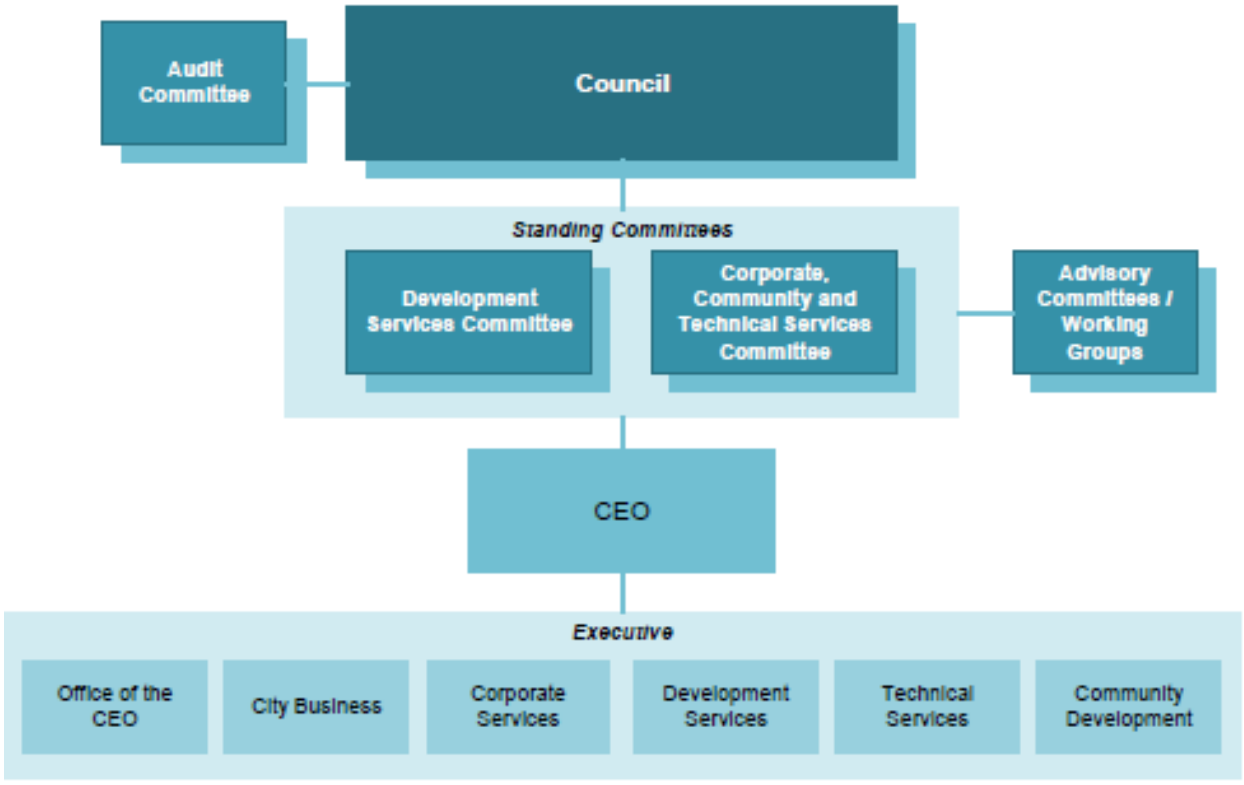
2.1 Framework overview

The Governance Framework provides information about the Council, Elected Members and administration, the relationships that exist and how they work together to provide good corporate governance.

Our governance structure

The figure below provides a diagrammatic representation of our governance structure.

Figure 1 Governance Structure



2.1.1 Composition of Council

The Council comprises 13 Elected Members including the Mayor.

The Mayor is elected by the community across the whole of the City.

The community elects a total of 12 ward councillors, being three members from each of the four wards of the City (see Appendix 1 for ward map).

Elections for half of the Council are held every four years on a fixed date set by legislation (normally the 3rd Saturday in October).

There are no qualifications and few limitations on who should be an elected member. Section 2.19 of the Local Government Act indicates that to be eligible to be a candidate for election, a person must be:

An elector of the district who is of or over the age of 18 years and must not be:

- An employee of the Council
- A member of the Legislative Assembly or a member of the Legislative Council
- An undischarged bankrupt (insolvent under administration)
- A person in prison serving a sentence for a crime
- A person who has been convicted in the preceding 5 years of a serious local government offence.
- A member of another council
- A person who is subject to a court order (S 8.42) relating to the misappropriation of local government funds.

If a person employed by a local government is elected to that local governments' council that person's employment with the local government ends when the person begins their term of office as a member.

Whilst a person can be on the roll and eligible to vote as a nominee of a body corporate or is on the roll under the provisions of Schedule 9.3 clause 12 (owner or occupier but not on State Electoral Roll), they are not qualified to be elected.

A person who is qualified to be a candidate for election to a local governments council can be elected as a councillor for a ward whether or not they are an elector of that ward.

A legislated periodic review of the ward boundaries and the number of councillors for each ward of the Council must be held at least every eight years.

Further information about the Elected Members can be found on Council's website:

www.subiaco.wa.gov.au

2.1.2 The roles, functions and objectives of Council

The roles, functions and objectives of Councils are set out in the Local Government Act as follows.

The role of the council (Section2.7):

(1) The council —
(a) governs the local government's affairs; and
(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —
(a) oversee the allocation of the local government's finances and resources; and
(b) determine the local government's policies.

The role of local government is addressed under the heading of General Function (Section 3.1) of the Local Government Act

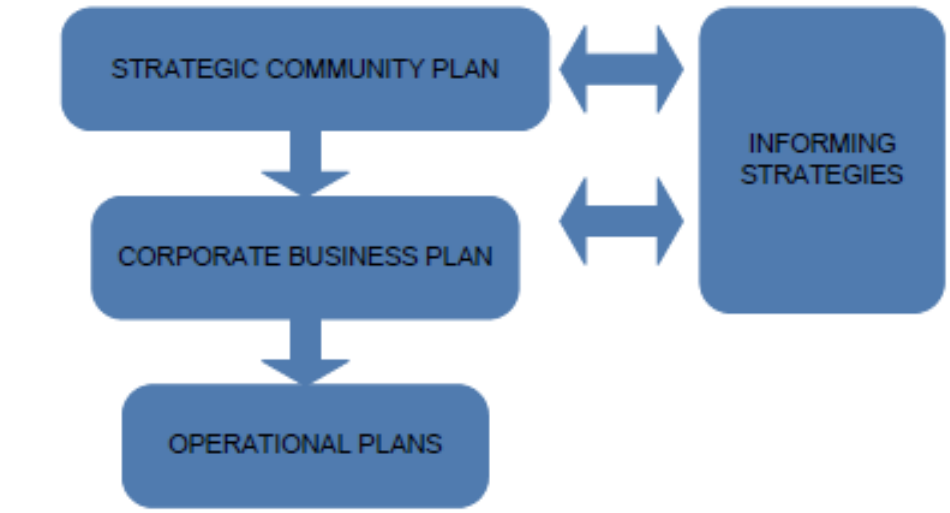
- the general function of a local government is to provide for the good government of persons in its district.
- the scope of the general function of a local government is to be construed in the context of its other functions under the Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.
- a liberal approach is to be taken to the construction of the scope of the general function of a local government.

Broadly speaking it is the role of Council to achieve the vision and goals as set out in the City's Strategic Community Plan, which can be found on Council's website: www.subiaco.wa.gov.au

2.1.3 Integrated Planning Framework

New regulations under Section 5.56 (1) of the Local Government Act 1995 required all local governments in Western Australia to produce a plan for the future by 30 June 2013 under the Integrated Planning and Reporting Framework.

Integrated Planning and Reporting Framework, relationship between plans



The minimum requirement to meet the requirements of the plan was the development of two key documents:

- a strategic community plan that clearly links the community's aspirations with the council's vision and long term strategy
- a corporate business plan that integrates resourcing plans and specific council plans with the Strategic Community Plan.

After extensive engagement with the community through the Think2030 visioning process, the City of Subiaco's Strategic Community Plan was endorsed by council in April 2012 and is available on Council's website: www.subiaco.wa.gov.au

The **Strategic Community Plan** sets the direction and priorities for the city until 2030 and the **Corporate Business Plan** is the first step toward achieving the community plan and sets out the key actions for the next four years.

The **Strategic Community Plan** identified 6 key focus areas:

Focus Area One: **Our sense of community**
Focus Area Two: **Parks, open spaces and places**
Focus Area Three: **A unique destination**
Focus Area Four: **The built environment**
Focus Area Five: **An effective and integrated transport system**
Focus Area Six: **Council Leadership**

The **Corporate Business Plan** identifies objectives under each of those headings:

Our sense of community

1.1 A sense of identity achieved through an awareness of the city's history
1.2 A diverse, inclusive community where all members enjoy a sense of belonging and feel safe

Parks, open spaces and places

2.1 A sustainable environment that is green and leafy
2.2 A wide range of well used parks, open spaces and public places

A unique destination

3.1 A wide variety of accessible entertainment and hospitality options
3.2 A diverse range of businesses that meets the needs of a changing and growing population
3.3 A city that is frequented by local residents, workers and visitors

The built environment

4.1 A built form with heritage value that is recognised and protected
4.2 A sustainable city that accommodates the increasing population, whilst maintaining the valued character

An effective and integrated transport system

5.1 A road management system that meets the needs of all users
5.2 A range of sustainable and accessible transport options
5.3 An effective parking system that is accessible to all users

Council leadership

6.1 A leading council that is supported by an excellent organisation

Strategies and outcomes for each of the above objectives including the existing activities that support the focus areas are detailed in the City of Subiaco Corporate Business Plan which can be found on Council's website: www.subiaco.wa.gov.au

2.1.3 (a) Services

Mostly Council decides which services they will provide and to what extent to provide for the needs and wants of its communities, however there are non discretionary (legislative) services that Council are required to provide. These include:

- Formulation of planning policy for the area (note that planning policy must be approved by the Minister for Planning)
- Assessment of development proposals up to the dollar limits as specified when such proposals are considered by the State Government appointed Development Assessment Panel (DAP)
- Some environmental health services
- Dog and cat management
- Some emergency management
- Building approvals
- Waste collection and disposal

Discretionary services that Councils choose to provide are numerous, ranging from community development programs, community centres, economic development, festivals and events, heritage and museums, recreational facilities (passive and active), parking services (provision and monitoring), youth support, environmental management, street lighting, roads and pavements and many more. All such services are designed to meet the needs and wants of the community.

Details of all the services provided by the City of Subiaco can be found on Council's website: www.subiaco.wa.gov.au

The City of Subiaco places a high emphasis on communicating and consulting with its community.

2.1.4 Specific roles and responsibilities

The Council and the CEO have specific responsibilities that, if addressed with due care and diligence, ensure they exercise effective control over the management and operation of the City. These are termed governance responsibilities.

The Act provides formal distinctions between the roles of the Council (Elected Members) as set out in sections 2.8 through to 2.10, and the CEO at section 5.41. Specifically, the Act provides for a separation of roles as indicated below.

The role of the Mayor (Section 2.8)

- presides at meetings in accordance with the Act
- provides leadership and guidance to the community in the district
- carries out civic and ceremonial duties on behalf of the local government
- speaks on behalf of the local government
- performs such functions as are given to the mayor by the Act or any other written law
- liaises with the CEO on the local governments affairs and the performance of its functions

The role of the Deputy Mayor (Section 2.9)

- performs the functions of the mayor when authorised to do so

The role of councillors (Section 2.10)

- represents the interests of electors, ratepayers and residents of the district
- provides leadership and guidance to the community in the district
- facilitates communication between the community and the council
- participates in the local government's decision-making processes at council and committee meetings

- performs such other functions as are given to a councillor by the Act or any other written law

The City of Subiaco employs a CEO in accordance with the provisions of Section 5.36 of the Act. There are no designated senior employees as specified in Section 5.37 of the Act. Elected members have no direct authority over an employee of the Council with respect to the way in which the employee performs his or her duties.

The role of the CEO (Section 5.41)

- Advise the council in relation to the functions of a local government under this Act and other written laws
- Ensure that advice and information is available to the council so that informed decisions can be made
- Cause council decisions to be implemented
- Manage the day to day operations of the local government
- Liaise with the mayor on the local government's affairs and the performance of the local government's functions
- Speak on behalf of the local government if the mayor agrees
- Be responsible for the employment, management supervision, direction and dismissal of other employees
- Ensure that records and documents of the local government are properly kept for the purposes of the Act and any other written law.
- Perform any other function specified or delegated by the local government or imposed under the Act or any other written law as a function to be performed by the CEO

The City of Subiaco recognizes that for good governance the Elected Members, CEO and employees should recognise and respect each other's roles and responsibilities, and maintain a good relationship with each other. It is important that Council does not become involved in management and operational functions and for management not to set strategies and policies that have not been authorised by the Council.

Apart from the formal processes of Council, open communication is facilitated by:

- Weekly meetings between the CEO and Mayor
- Weekly meetings between the CEO and Directors
- Individual Elected Members having access to Executive Management
- Regular forums, informal briefing meetings / workshops for Elected Members and Executive Management

2.1.5 Elected Member, Employee protection from personal liability

Section 9.56 of the Act gives certain persons limited protection from liability for wrong doing.

A person who is a member of the council or of a committee of the council, an employee of a local government or a person appointed or engaged by a local government to perform functions of a prescribed office or functions of a prescribed class, is a protected person in that:

- An action in tort does not lie against a protected person for anything that the person has, in good faith, done in the performance or purported performance of a function under the Act or any other written law.
- This does not relieve the local government of any liability that it might have for the doing of anything by a protected person.

Note: This does not provide any protection for Elected Members charged with any criminal acts and is only of benefit to members for civil matters where they have acted honestly.

2.1.6 Support for Elected Members

The CEO, through an effective support process, assists Elected Members in the understanding of their roles and responsibilities so that they are able to add value and bring independent, informed and objective judgement to the governance decision making process of Council.

The CEO provides Elected Members with an induction program upon appointment and makes available to Elected Members (subject to budget provisions) resources for their continuing education and development programs as necessary and in accordance with Council policy. Individual support and advice is available through the CEO and relevant executive management.

Part 5, Division 8 of the Act details fees, expenses and allowances the Elected Members are entitled to, noting that from 1st July 2013 the regulatory amounts are set by the Salaries and Allowances Tribunal, which is independent of Council.

2.1.7 Periodic review of ward boundaries

Council undertook its last review of ward boundaries in 2009. Reviews are required in accordance with regulations.

The Governor, on the recommendation of the Minister may make orders as to changing, creating or abolishing districts or wards through the Act and the Local Government (Constitution) Regulations.

A map showing the current ward boundaries of the City of Subiaco is presented as attachment 1 at the end of this document.

2.1.8 Committees - Advisory Committees

Council may establish committees under the Local Government Act and other legislation.

Committees exist to provide Council with input and information to assist it to make better decisions. Each committee has a term of reference that includes membership, meeting schedule, establishment, context and any delegations.

The City of Subiaco has two advisory committees, the Economic Development Advisory Committee and the Disability and Access Inclusion Advisory Committee. These committees have no delegated powers.

In addition and as required by the Local Government (Audit) Regulations the City has an Audit committee whose functions are in accordance with the regulations and include the provision of guidance and assistance to the City as to the carrying out of audits including consideration of the report of the auditors. See 2.2.6 **Performance Review – Audit Committee**

2.1.9 Decision making process

Council understands that its decision making and its processes must be transparent and the community needs to understand how a decision was made.

The Council meeting is the primary way in which decisions are made in local government.

The Council may choose to delegate some decision making responsibility to committees or to the CEO (see sections 5.16 and 5.42.) noting that the delegations are reviewed annually.

To assist in the decision making process, Council has established an Audit and Risk Committee and two standing committees, the Development Services and the CCATS (Community

Corporate and Technical Services) committees These committees exist to provide Council with input and information to assist them to make better decisions. The Development Services Committee only, has powers delegated to it by Council to permit it to make particular types of decisions on behalf of Council.

The Council or committee must have a quorum to make any decisions. Once Council has made a decision, it becomes the collective decision of Council. Whilst the City acknowledges that people are entitled to a different point of view, it is highly desirable that Elected Members publically support the decision made as a Council (the doctrine of Fidelity). An Elected Member's support of the democratic process does not override their right to have a different view but they cannot actively work against the decision of Council once made.

Council understands that its decision making must be transparent and that the community needs to understand the decisions that are made. Therefore as much as possible and within the constraints of the Local Government Act and the relevant local law, Councils deliberations are made in a public arena with information and access being made available to promote community consultation and input.

Decisions made by Council or a committee should be implemented promptly but no earlier than midday of the day following the meeting to allow for any possible revocation motions to be proposed.

A diagram of the decision making structure is presented as attachment 2 at the end of this document.

2.1.10 Authorised persons

Under Part 9 of the Local Government Act, Council may appoint a person as an authorised person. The CEO maintains the Register of Authorised Persons. If power is granted to an authorised person, the decision is then up to the authorised person to make on behalf of Council.

2.1.11 Delegations

A delegation can be made to employees and committees. Council has delegated a broad range of powers, duties, and functions under the Local Government Act to the CEO and some to the Development Services Committee to assist in the decision making process. Where appropriate the CEO has delegated powers to employees. Delegations are reviewed annually and are recorded in a Delegations Register.

Certain matters are unable to be delegated by the Council as indicated by section 5.43 of the Local Government Act.

2.1.12 Regional groupings

The City of Subiaco is a member of the Western Metropolitan Regional Council (WMRC) established under Part 3 Division 4 of the Local Government Act.

The primary area of activity of WMRC is to provide innovative waste management, recycling and resource recovery services which are socially, environmentally and economically sustainable. Members are the City of Subiaco, the Shire of Peppermint Grove and the Towns of Claremont, Cottesloe and Mosman Park.

2.1.13 External bodies

Elected Members and employees represent Council on a number of external bodies. Appointment to these is normally made at the first meeting of council after an election.

2.1.14 Administration of the City of Subiaco

The organisational structure diagram illustrated as attachment 4 at the end of this document shows the position titles (including departments) that assist the organisation to manage its business. Whilst the main point of contact should be the Chief Executive Officer, Elected Members can consult with relevant Directors and certain Managers when required.

The structure of the organisation is fluid to the extent that subject to budget consideration, the Chief Executive Office can structure the organisation to best manage its business.

2.2 Governance principles

Under this Governance Framework, the following principles are important to provide good governance:

- Leadership and strategy
- Ethics and probity
- Financial governance
- Communication and community engagement
- Risk management
- Performance review
- Policies
- Procedures
- Internal controls
- Records management
- Strategy
- Technology

Overall, it is essential to have:

(1) Clear roles and responsibilities for both Elected Members and employees
(2) An appropriate organisational structure to implement Strategic Plan vision and goals in accordance with Council's priorities and approved budget
(3) Clear decision making processes
(4) Appropriate authorisations and delegations
(5) Knowledge of legal and best practice responsibilities
(6) Accountability to the community
(7) Appropriate reporting systems
(8) Cooperation between Council and stakeholders (current and future).
(9) An understanding of and commitment to, agreed levels of conduct

2.2.1 Leadership

Elected Members have an important role as leaders of the community. It is important that Council establishes and maintains good relationships with State and Federal government and community groups to better represent the local community.

As part of the leadership role, Council has adopted various strategies or similar documents including:

- Strategic Financial Plan
- Asset Management Plan
- Workforce Plan
- Local Planning Strategy

- ICT Plan
- Environmental Enhancement Plan
- Community Wellbeing Plan
- Economic Development Strategy
- Community Wellbeing strategy
- Integrated Transport Strategy
- Parking Strategy
- Disability Access and Inclusion Plan

These strategies and plans help to build the relationships with the communities and businesses within the City and can be found on Council's website: www.subiaco.wa.gov.au

2.2.2 Ethics

Ethics, "the way in which an organisation translates ideals, values and ethos into everyday practice". Ethical behaviour is a key aspect of good governance and supporting principles.

The Local Government Act under Part 5 Division 9 requires Councils to adopt a Code of Conduct which is to be observed by council members, committee members and employees. The City of Subiaco adopted a code of conduct on 24th November 2009 with the latest review of the code being in March 2014.

The code covers within its rules of conduct

1) Roles
2) Conflict and disclosure of Interest
3) Personal benefit
4) Conduct of council members, committee members and employee and
5) Dealing with council property

A copy of the code of conduct can be found on Council's website: www.subiaco.wa.gov.au

In addition the Local Government (Rules of Conduct) Regulations 2007 were established under the Local Government Act. These regulations list 8 general principles to guide the behaviour of council members as detailed below.

General principles to guide the behaviour of council members include that a person in his or her capacity as a council member should —

(a) act with reasonable care and diligence; and
(b) act with honesty and integrity; and
(c) act lawfully; and
(d) avoid damage to the reputation of the local government; and
(e) be open and accountable to the public; and
(f) base decisions on relevant and factually correct information; and
(g) treat others with respect and fairness; and
(h) not be impaired by mind affecting substances.

The general principles referred are for guidance of council members but it is not a rule of conduct that the principles be observed.

The regulations then provide for **rules** of conduct of council members as referred to in Section 5.104 of the Act which cover:

(a) Use of Information
(b) Securing personal advantage or disadvantaging others
(c) Misuse of local government resources
(d) Prohibition against involvement in administration
(e) Relations with local government employees
(f) Disclosure of interest
(g) Gifts

Copies of the Local Government (Rules of conduct) regulations are available on the Department of Local Government website www.dlg.wa.gov.au

In addition the City of Subiaco is mindful of the differing roles of Councillors when acting in a Quasi- Judicial Role.

The City has adopted a Policy on Quasi Judicial role which details actions of Staff, of Councillors and of the decision making process where operating in this role. A copy of the Policy can be found on Council's website: www.subiaco.wa.gov.au

2.2.3 Financial governance

Sound financial management is as a key component of good governance.

Robust and transparent financial management should be established and maintained to provide accountability to local government stakeholders, particularly concerning the stewardship of community assets.

Aims and principles:

- Council is financially sustainable
- Infrastructure is managed effectively and efficiently
- Budgets and other financial information are reported
- An equitable and transparent rating system is in place
- Achievement of Council's strategic objectives is facilitated through the effective management of borrowings and assets
- There are appropriate financial systems and procedures in place
- Financial systems are accurate and up to date

The Strategic Financial Plan and the Corporate Business Plan are the key guiding documents to achieve these aims and principles.

Each document is the subject of review and reporting to Council. The Council receives bi annual reports on performance as to budget including amended budgets. The audited annual statements are reviewed by Council's Audit Committee before being considered by Council and are included in Council's Annual Report.

2.2.4 Communication

Effective communication is essential to responsible decision making.

There are a number of mechanisms for the community to have input into Council decisions including community engagement, together with public questions and public statements at council and committee meetings.

The City has an integrated communications plan, which is about sharing information and maintaining the positive image of the City It helps Council to ensure that the community is kept informed about Council's activities and initiatives.

Good governance requires accountability to the community, and this in turn requires communication about performance (see 2.2.6). At present, Council has the following in place to communicate with stakeholders:

- A weekly page "Subiaco Scene" and ad hoc advertising in the local newspaper
- A regular monthly newsletter to ratepayers
- Council meetings that are open to the public
- Information bulletins to Elected Members
- Council and community engagement websites

- Open channels of direct communication e.g. telephone, letters, customer service desk and website feedback
- Targeted correspondence with community members affected by Council decisions
- Annual Report
- Annual Community Perceptions Survey
- Regular surveys

Public Question and Public Statement times are available at Council and Standing Committee meetings that allow community members to speak to the meeting as part of Council's desire to be open, transparent and accessible to its community.

Deputations are permitted in Council or committee meetings as a further mechanism for a person or a group of people to raise their concerns.

2.2.4 A Community engagement

Community engagement is important at the City of Subiaco with a community engagement approach endorsed by Council in February 2010. It is an overarching principle for the Department of Local Government's Integrated Planning and Reporting Framework and is the key driver of the City of Subiaco's Strategic Community Plan and Corporate Business Plan

The community engagement approach is supported by a community engagement branch and a number of key resources including the Community Engagement Handbook and the community engagement website "Have your say Subiaco".

The City of Subiaco is committed to a community engagement approach that goes beyond minimum requirements for public consultation to strengthen and better inform council decision making

2.2.5 Risk management

The CEO regularly reviews operational processes and procedures and implements corrective action when necessary to ensure the effectiveness of the City's internal systems of control, thereby ensuring its assets are safeguarded and the decision making capabilities and the accuracy of its reporting and financial results, are maintained at a high level at all times.

The CEO engages the assistance of an external professional as the City Internal Auditor, to monitor and evaluate the City's activities and internal controls. To complement this function an Internal Audit Plan is developed yearly to schedule audit engagements for key activities, functions, processes and systems of Council.

Other strategies the City applies to achieve effective risk management and internal control includes the following:

- Position descriptions are established for all positions
- Annual review of all delegations, an improved approval process for employees as authorised persons or as recipients of delegations
- Policies and procedures are documented in our Electronic Document and Records Management System (TRIM). These are regularly reviewed and updated in line with regulatory, policy and service changes
- An Audit Committee (refer 2.1.8 Committees)
- The annual financial statements are independently audited in accordance with the Local Government Act
- Asset Management Plans have been developed for major asset categories
- An Enterprise Risk Management Framework which sets out various requirements for risk assessments is to be reviewed /developed with annual risk assessments to identify key risk areas and strategies to mitigate them

The main features of our risk management framework will be:
A Risk Management Plan that identifies the key organisational wide risks that may impact on our ability to achieve our objectives set out in our Strategic and Operational Work Plans. This plan identifies risks across the categories as establishment (during our establishment phase) covering people, business, financial, reputational and operating environment risks and describes the controls in place to mitigate these risks. This plan is to be reviewed and updated (at least) on an annual basis. The Risk Management Plan is to include strategy to manage the residual risk following the implementation of mitigations and controls. The strategies to manage each risk vary depending on the value of the residual risk.

- The City's insurances are reviewed regularly to ensure that it has adequate scope and coverage of insurance to manage risks across the organisation.
- The business continuity plans such as Emergency Response and Disaster Recovery Plan assist us in planning for the continuity of City business following an emergency and, or natural disaster. These plans are reviewed and updated annually.
- An amended Local Government Audit Regulations now require the CEO to prepare and present to the Audit Committee a report on a review of systems and procedures in place at the City addressing risk management, internal controls and legislative compliance.

- The Fraud Control Plan is prepared on a bi-annual basis and is reviewed annually by the Audit, Finance and Risk Committee.
- The Long Term Financial Plan (Strategic Financial Plan) is reviewed annually
- The setting up of a Governance department within the City corporate structure.

2.2.6 Performance review

As mentioned previously, the performance of Council is an important factor. The City has a number of mechanisms in place to ensure that performance is continually monitored and reviewed, and that corrective action is taken where required. The City reports its performance in the following ways:

Financial reporting

Financial reports and budget reviews are provided to Council bi annually.
It is proposed that Capital works reports are provided to Council to monitor progress of the annual capital works program quarterly.

The Long Term Financial Plan, Infrastructure and Asset Management Plan and the Council's Strategic Plan are key guiding documents for Council that are reviewed yearly.
It is proposed that the Executive Leadership Team receive quarterly reports on the Corporate Business Plan.

Audited Annual Statements are reviewed by Council's Audit Committee before being considered by Council.

Performance reporting

Council has performance reporting in place in order to monitor the Annual Corporate Business Plan. The methodology seeks to report on a range of performance indicators (mainly non-financial) critical to achieving the strategic objectives of the City.

Reporting will be mainly from the Department level via Branch Plans through to the Executive level. Management reviews the integrity of performance indicators as part of its ongoing review process.

The reporting framework that operates at the City of Subiaco is illustrated in Planning and Accountability Requirements as presented as attachment 3 at the end of this document.

Annual Report

Requirements for the Annual Report are detailed in sections 5.53, 5.54 and 5.55 of the Local Government Act. The Annual Report has to be accepted by Council no later than 31 December after that financial year.

Audit Committee

The Audit Committee provides an advisory role to Council.
These activities include:

- Internal Controls – appraisal of Council's internal audit report
- Fiduciary and legislative responsibilities via the receipt of the annual compliance return
- Financial performance – receiving external auditors report and the annual financial accounts
- Providing recommendations to Council and the organisation in accordance with the Audit Committee Terms of Reference

The Audit committee is also to receive a report from the CEO as to the appropriateness and effectiveness of a local governments systems and procedures in relation to:

- Risk Management
- Internal Controls and
- Legislative compliance

The role of this committee is expected to change to reflect a greater focus on "risk" throughout the organisation.

2.2.7 Policies and procedures

Policies and procedures are documented in the Electronic Records and Document Management System (TRIM) and are accessible to all employees.

Policies, defined as "a course or principle of action" are determined by Council under section 2.7 (2) (b) of the Local Government Act.
Policy resolutions are statements of Council's likely attitude in particular circumstances and form guidelines for staff, the community and Council itself when assessing similar matters for decision. Sound policies reduce then the need for frequent deliberations over routine matters and promote efficient and consistent administration. This is not to suggest that Council should be constrained in varying from or amending policy, but rather that by providing clear reason for any variation or amendment, Council's decision-making process becomes transparent.

Council policies are subject to review and are updated as and when there are legislative or organisational changes. Policies are presented to Council by staff through the committee system but are decisions of Council and are available on Council's website: www.subiaco.wa.gov.au

Procedures are a management practice, defined as "a series of actions conducted in a certain order or manner to perform a task".Procedures represent strategies and actions by which policy is to be implemented and detail the steps and processes to be observed by staff. As a management practice processes are under the direct control of the CEO not Council and are subject to review at any time according to circumstances.

Having comprehensive policies and procedures in place improves internal controls and mitigates risks.

2.2.8 Internal controls

Establishing and maintaining internal controls assists the CEO in the setting of the organisations operational tone and with meeting the obligations set under the Local Government Act and the Local Government (Financial Management) Regulations. Internal controls should be proactive and have a risk management element to identify key business risks. Once the risks are

identified, management need to identify, develop and manage policies, procedures or any other relevant tool to mitigate those risks.

Internal controls relates to:

- Structure of the organisation
- Culture of the organisation
- Knowledge, skills and experience of employees
- Processes employed by the organisation to conduct business
- Accountability and integrity in relation to any financial transactions

Strategies that Council has implemented or is developing to achieve effective risk management and internal controls include the following:

- Development and maintenance of an internal audit program whereby compliance with major regulatory, strategic and operational requirements may be periodically reviewed.
- An external audit is undertaken annually to provide assurance that Council's Annual Financial Statements are true and fair and to provide an opinion on the adequacy of the internal controls in operation
- Policies and procedures
- Limits of authority are delegated in accordance with the Local Government Act
- Organisational review when required
- Position descriptions are established for all positions
- Annual performance appraisals
- Training for Elected Members and employees

2.2.9 Records management

Corporate records are to be managed in accordance with the Council's Record Management Policy and the State Records Act.

Elected Members and employees (including contractors) are responsible for ensuring all corporate documents are retained within the City's official recordkeeping system at the point of creation regardless of the format, being in accordance with:

- State Records Act and the City of Subiaco Records Management Policy

An Information Statement on Freedom of Information is published by the City in accordance with the requirements of the Freedom of Information Act. The City is pleased to comply with the legislation and welcomes any enquiries. The Information Statement is updated annually and published on Council's website: www.subiaco.wa.gov.au

2.2.10 Technology

Technology is rapidly changing in the local government environment. It is important to ensure that technologies adopted by Council are compatible and assist to manage non- discretionary and discretionary compliance, as well as providing effective and efficient record keeping. Employees will need to be provided with continuous training to maintain suitable service and compliance levels.

The City administration maintains forward plans for its Information Communication Technology requirements, whilst technology acquisition is via the normal budget process. It is recognised that the pace of technology change is increasing which impacts upon the useful life of hardware and software. The City looks to be an efficient user of technology appreciating the advantages it offers but also looks to ensure cost benefits accrue.

2.2.11 Local laws

The City of Subiaco is responsible for adhering to state and local government regulations to ensure your safety and wellbeing.

Local laws enforced by the City of Subiaco include:

- Activities in Thoroughfares and Public Places Local Law
- *Dog Act 1976* – Local Law Relating to Dogs
- *Health Act 1911* – Health Local Laws
- Local Government Property Local Law
- Parking Facilities Local Laws
- Meeting Procedures Local Law 2013
- Signs Local Law
- Trading in Public Places Local Law

The Local Government Act gives powers to a Local Government to make local laws that are necessary or convenient to be prescribed for the Local Government to perform its functions

The Act also details the procedure for making local laws which includes the giving of state-wide notice of the intention to make a local law and the consideration of submissions made.

References:

Standards Australia (2003). Australian Standard AS8000: Corporate governance: Good Governance Principles, Standards Australia, Sydney, NSW.

ASX Corporate Governance Council (2007). Principles of good corporate governance and best practice recommendations, (2nd ed.), ASX Corporate Governance Council.

Australian Public Service Commission (2007). Building better governance. Australian Public Service, Canberra, ACT

City of Tea Tree Gully. Governance Framework. City of Tea Tree gully S. Aust

City of Joondalup (ND). Governance Framework. City of Joondalup, Joondalup, WA.

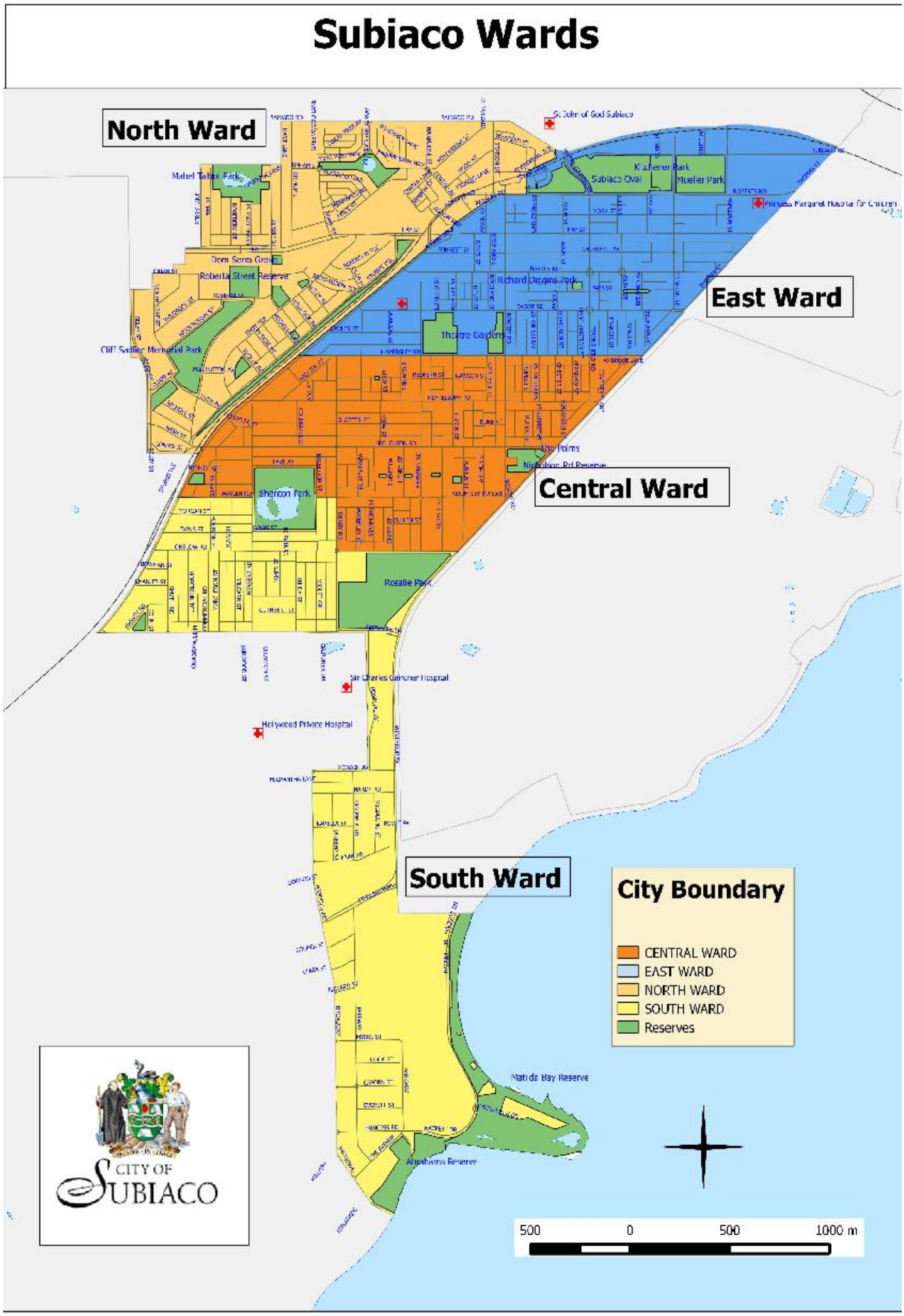
Department of Local Government W. Aust.

CPA Australia (2005). Excellence in Governance for Local Government. CPA Australia, Melbourne, VIC.

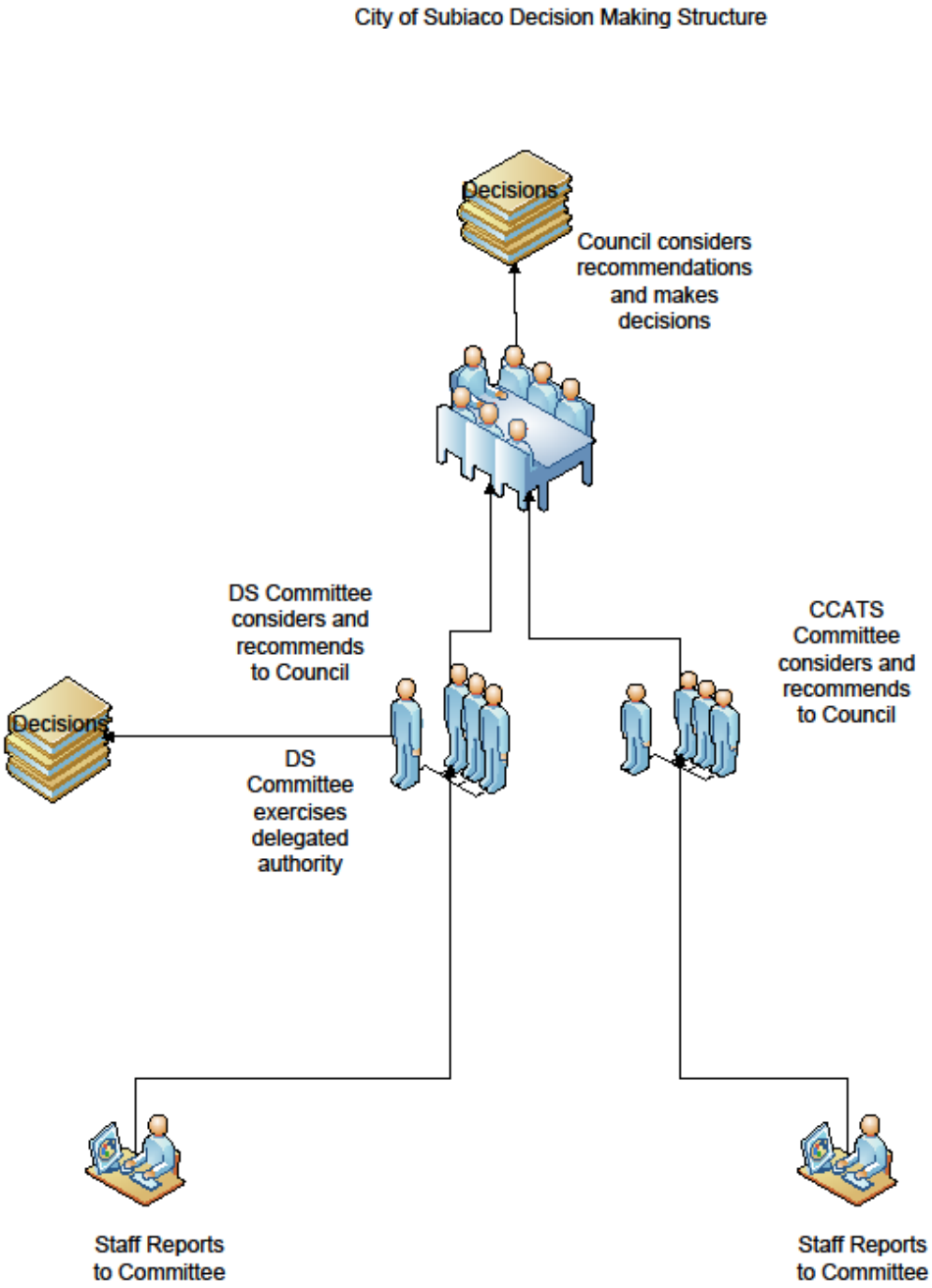
Local Government Act 1995 (WA) and associated legislation

Attachments:

Attachment 1: Subiaco wards



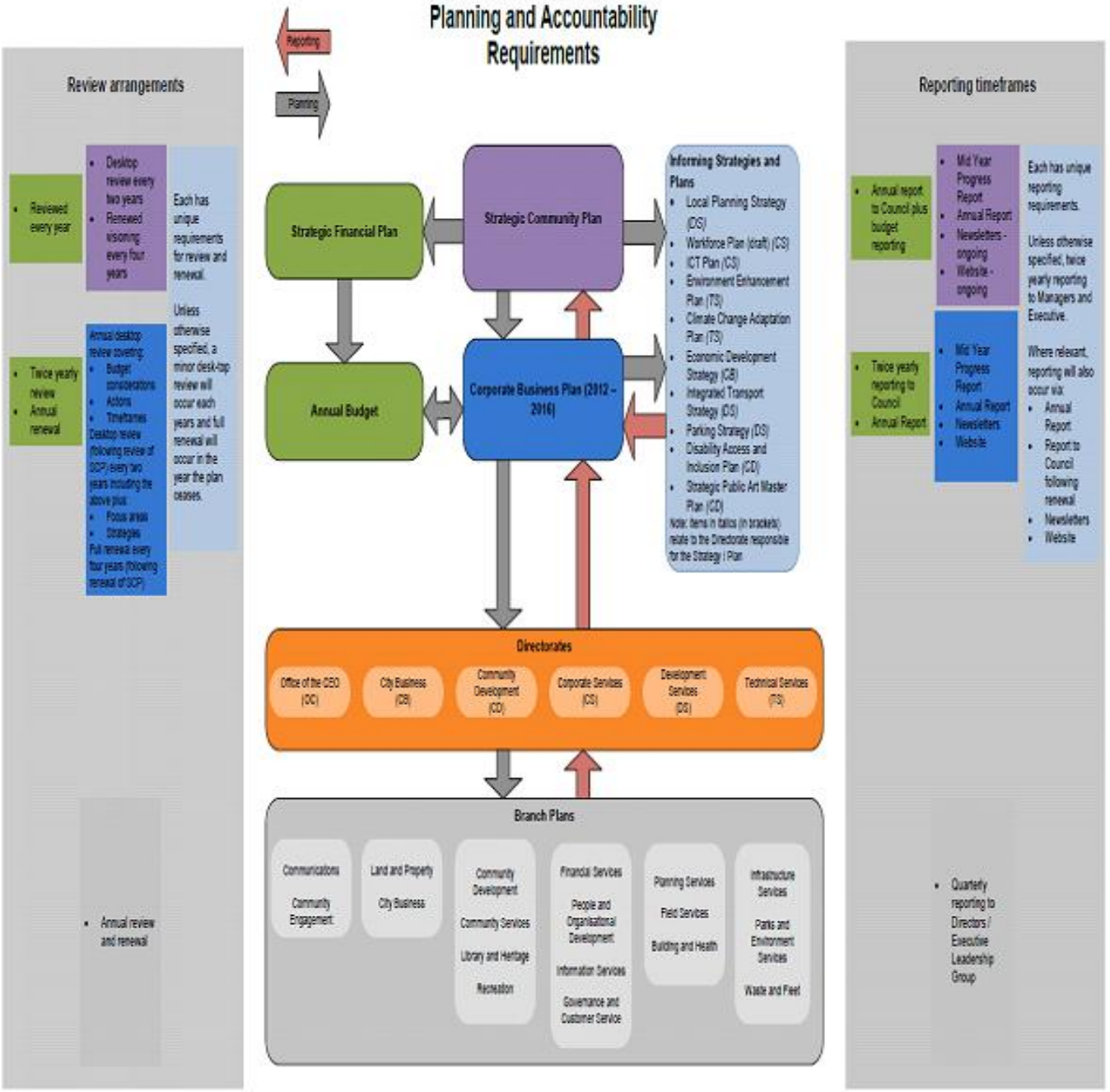
Attachment 2: Decision making structure



Attachment 3: Planning and accountability requirements

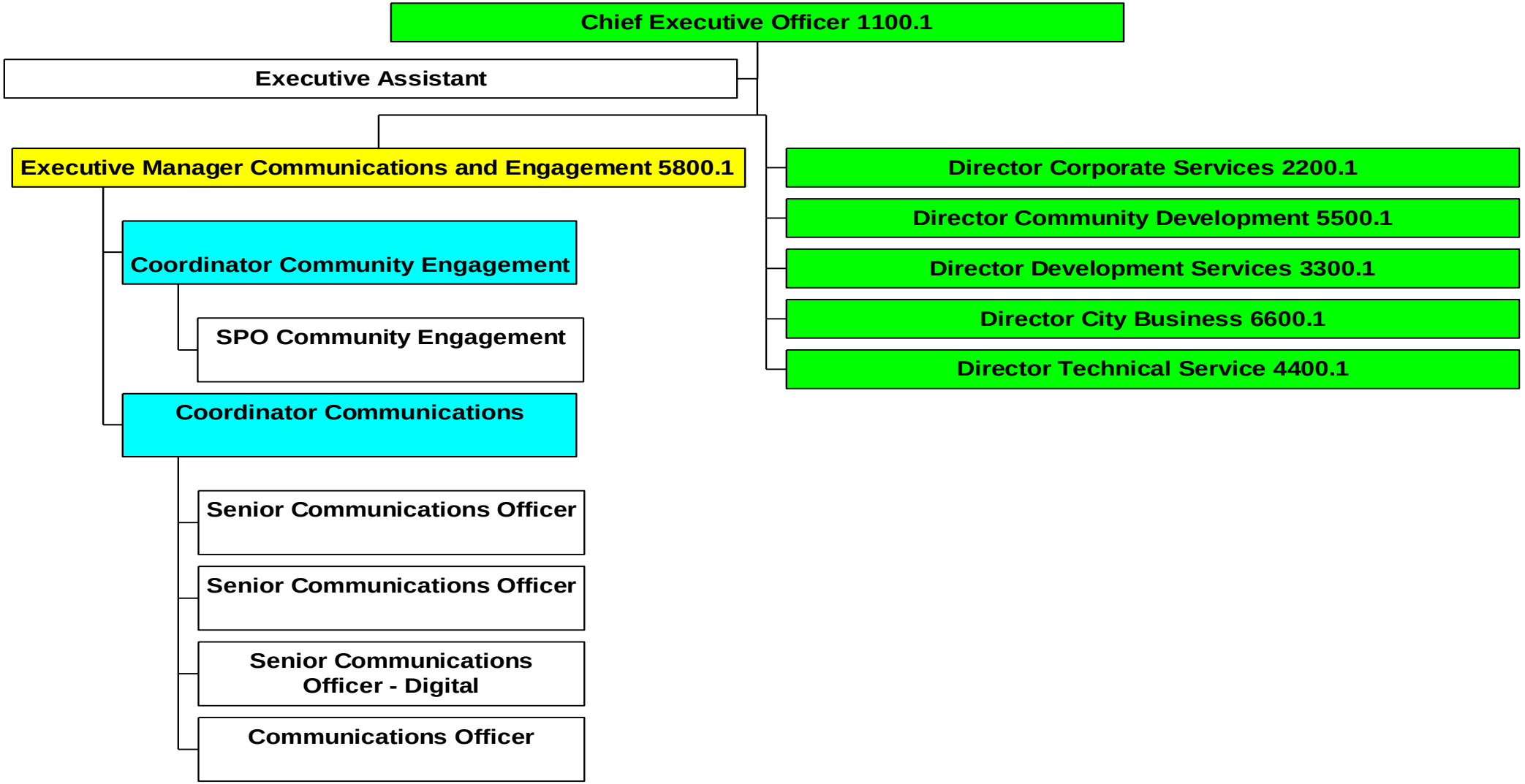
The figure below provides a diagrammatic representation of our planning and accountability requirements within the context of the City of Subiaco's governance structure as well as an overview of the review and reporting requirements associated with each planning document.

Figure 3 Summary of planning and accountability requirements and overview of review and reporting arrangements

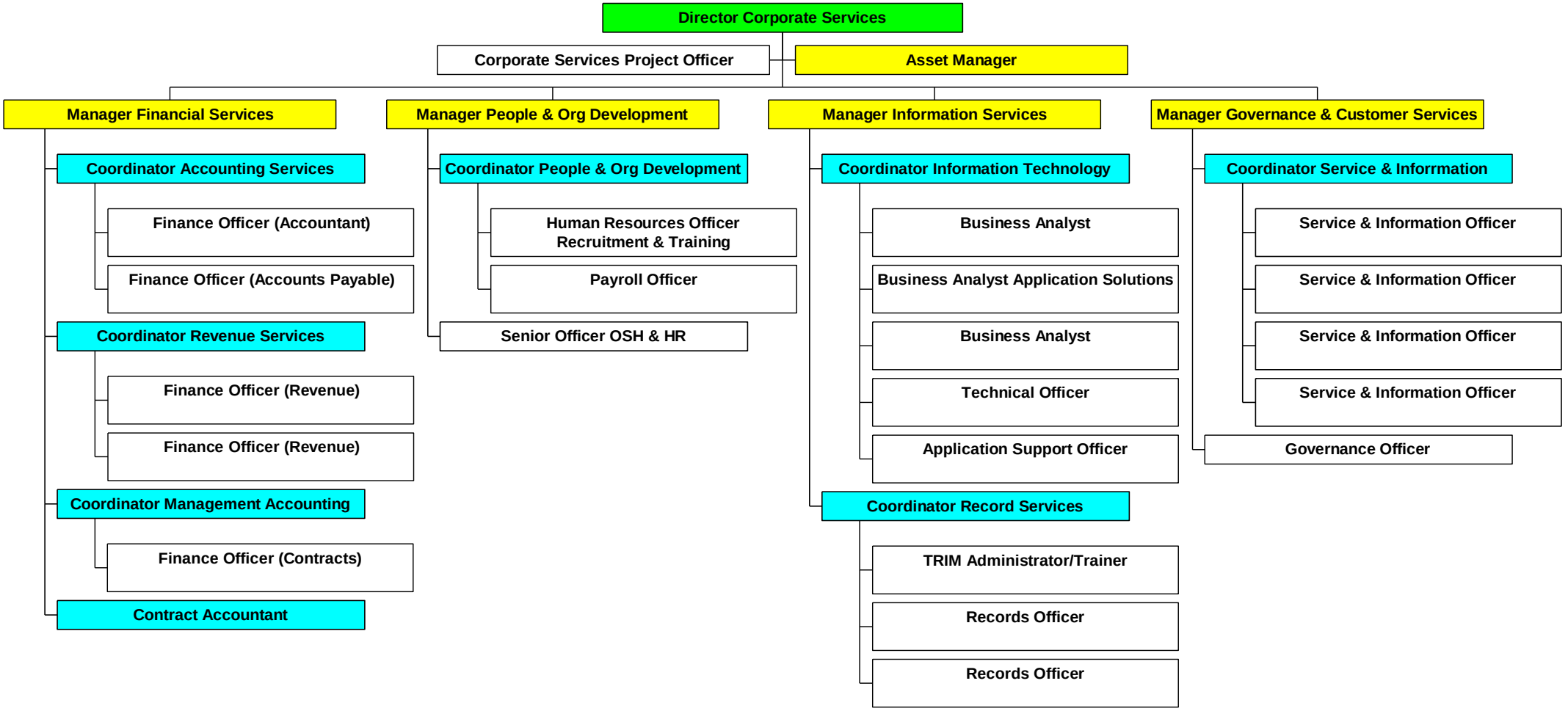


Attachment 4: Organisational chart

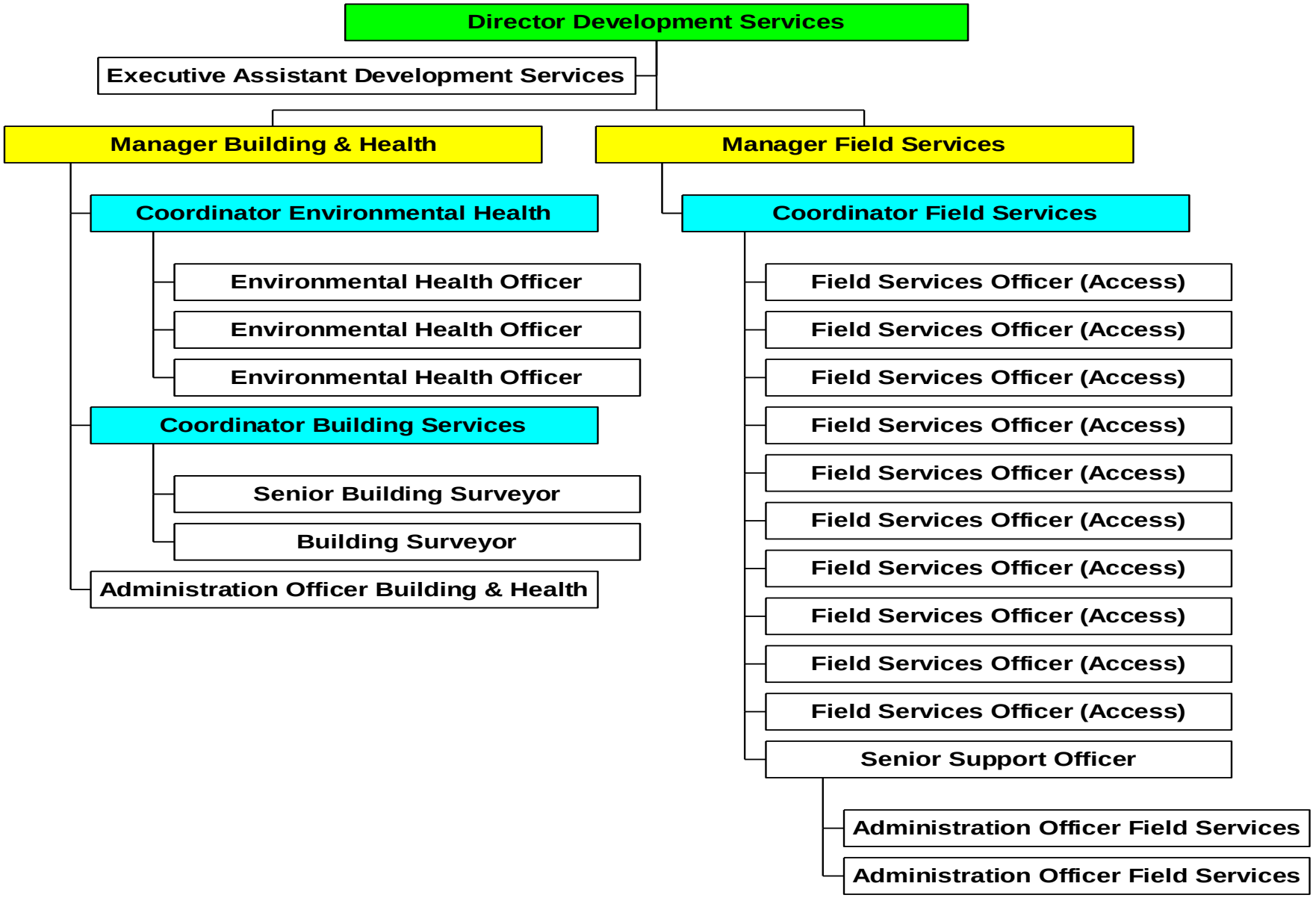
Office of the CEO



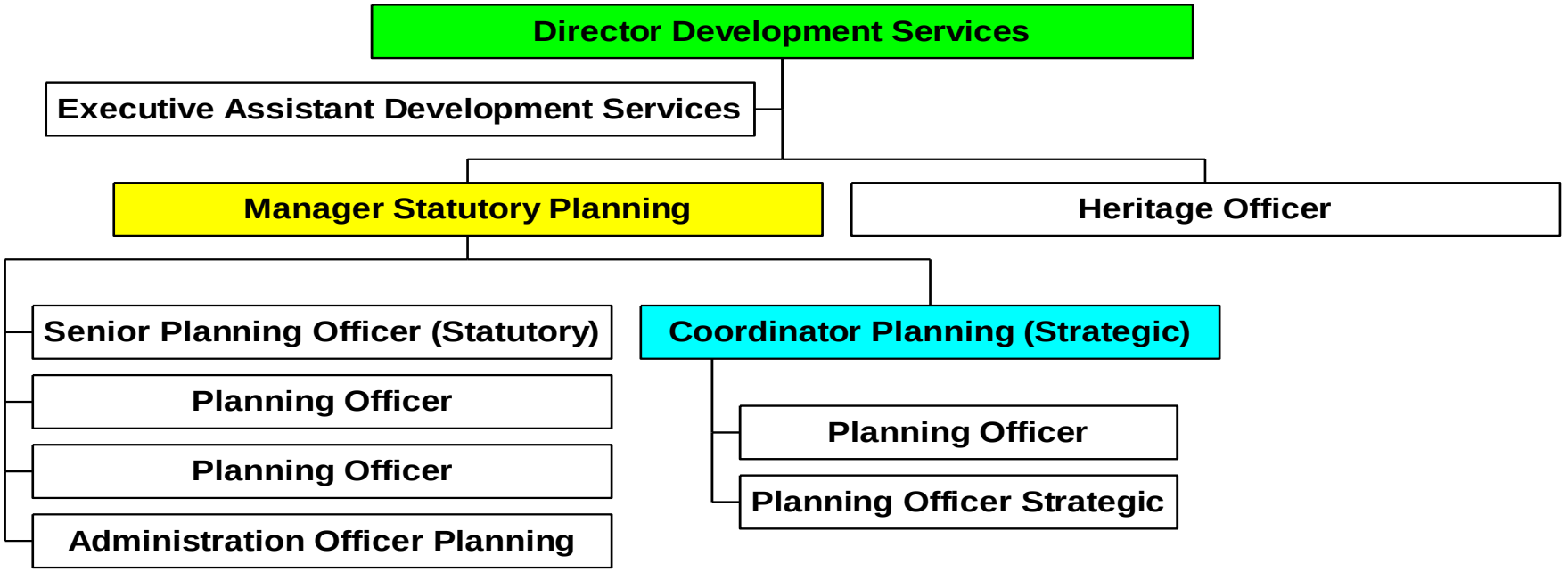
Director Corporate Services



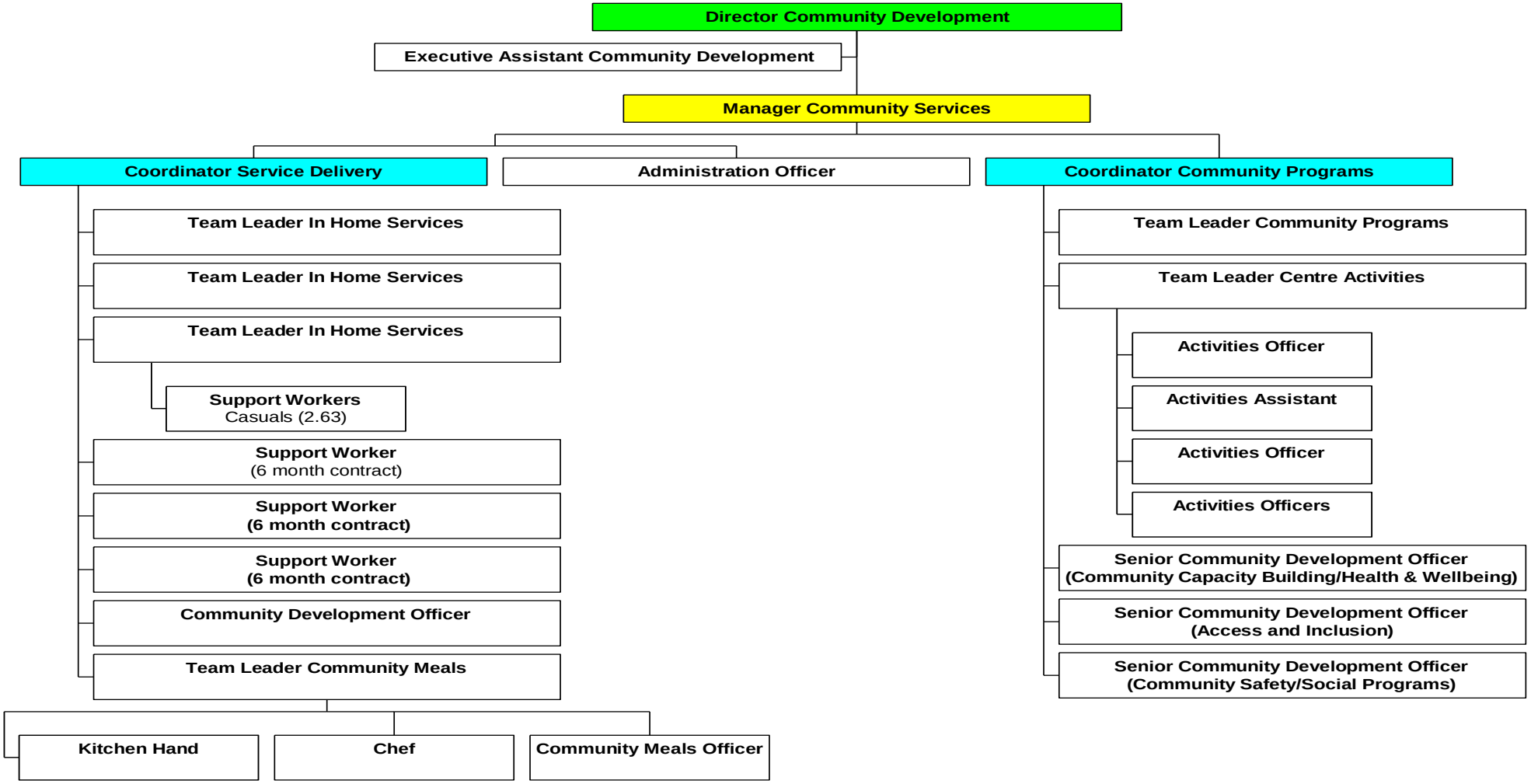
Development Services – Building and Health Services and Field Services



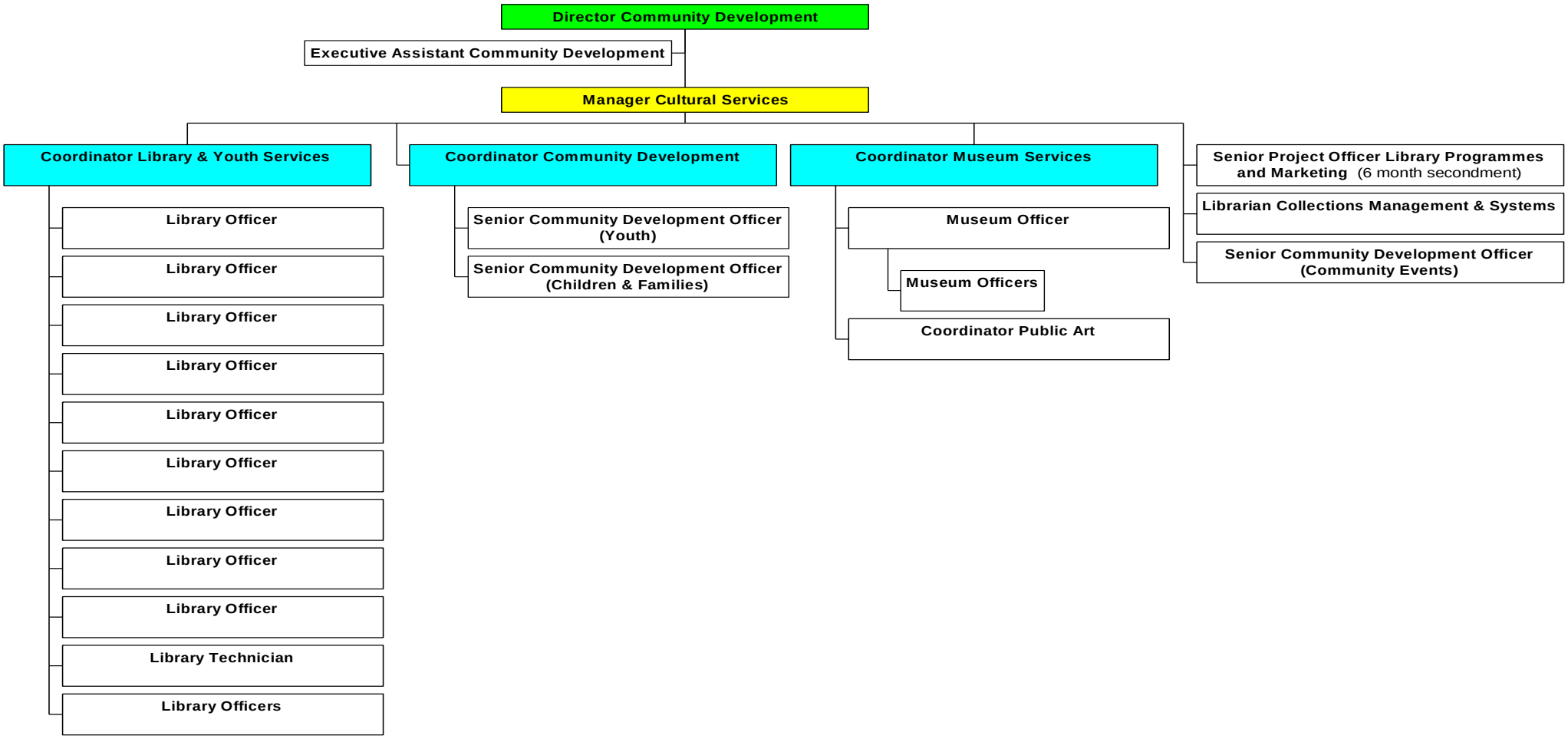
Development Services – Planning Services



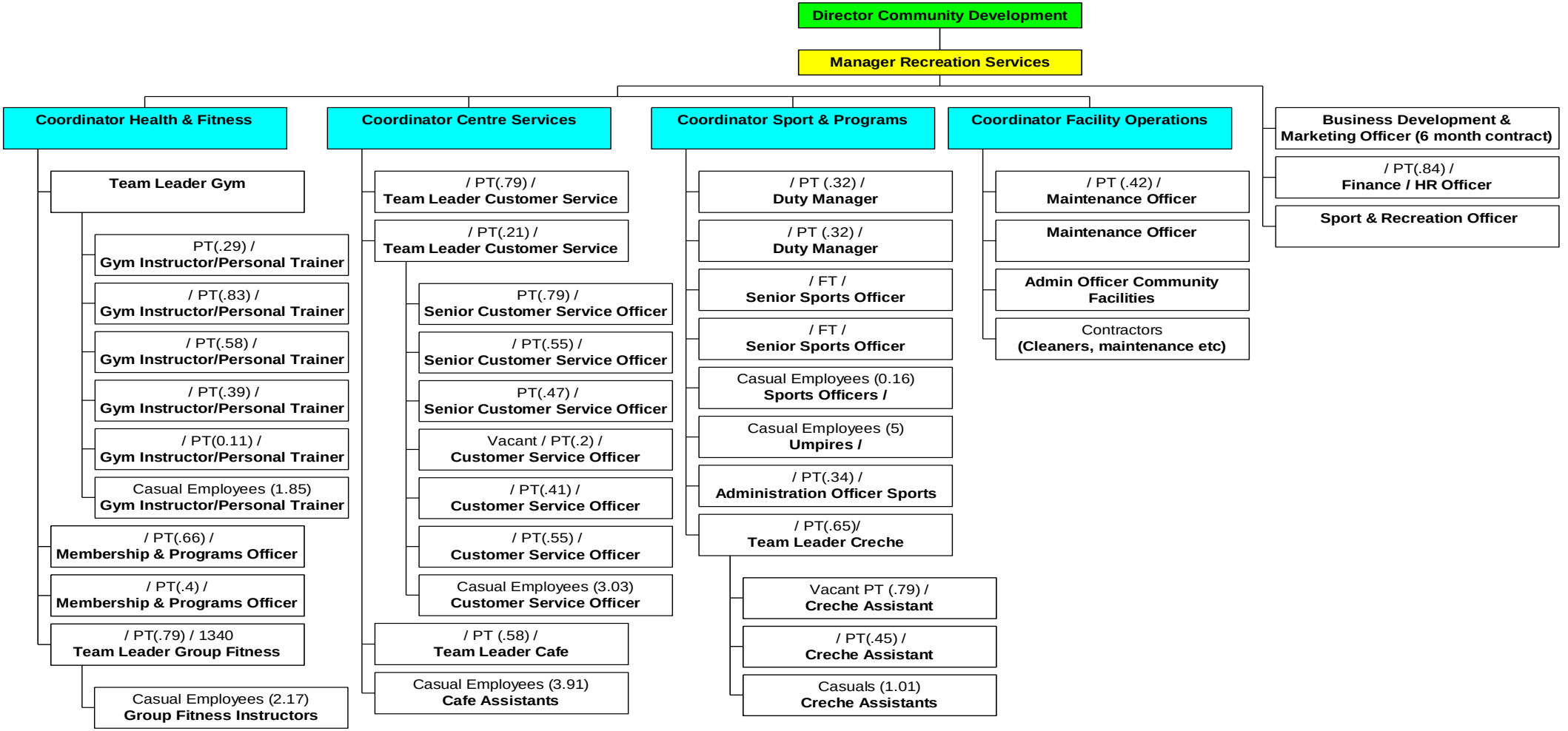
Community Services



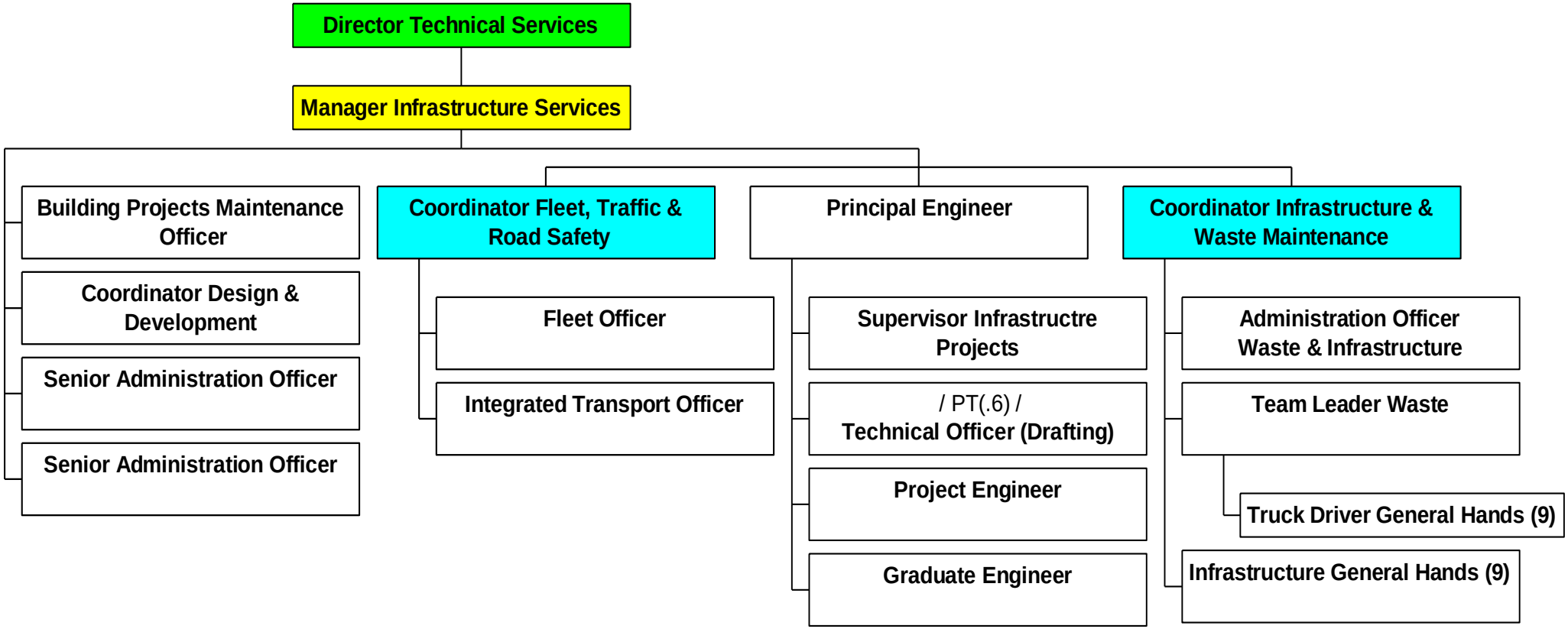
Community Development – Cultural Services



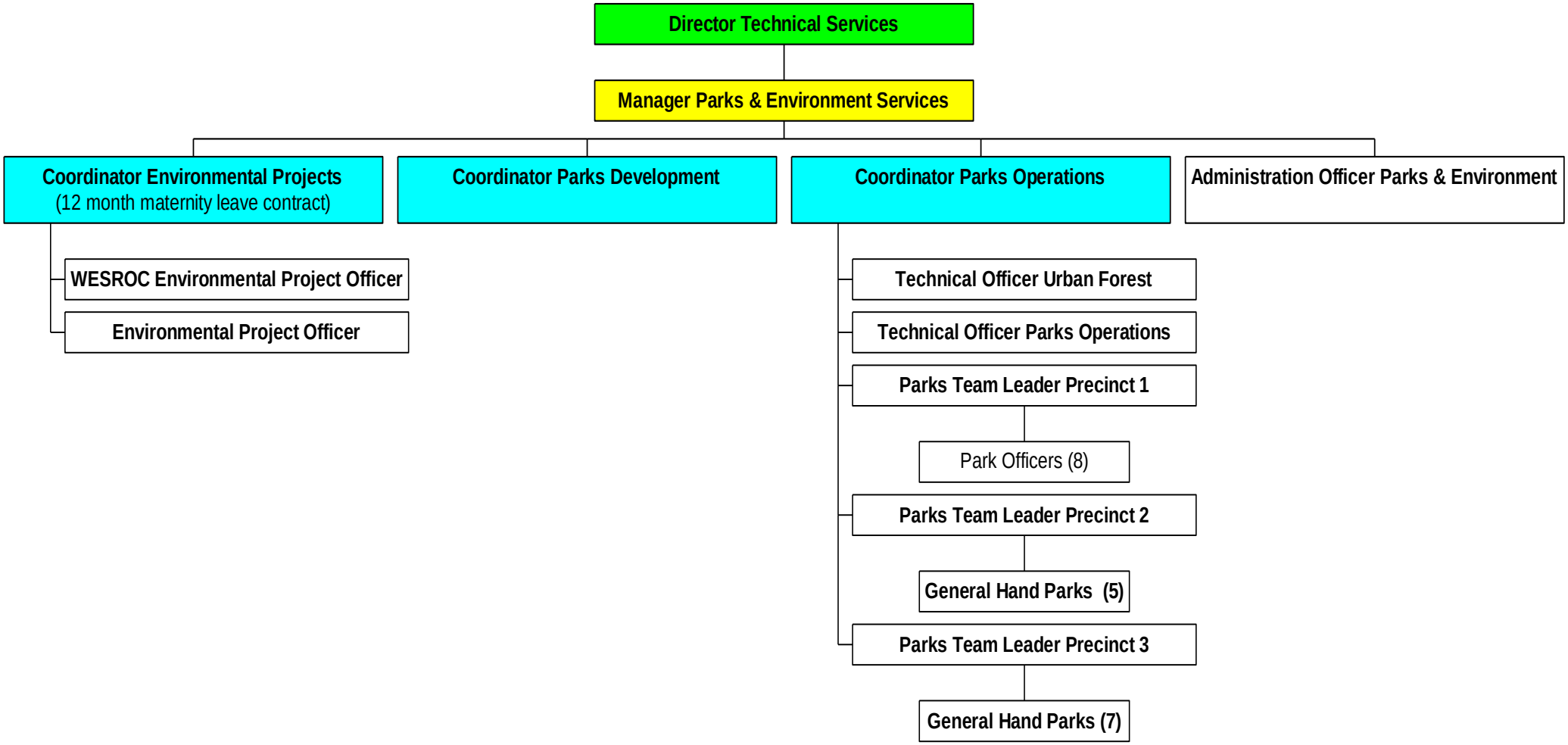
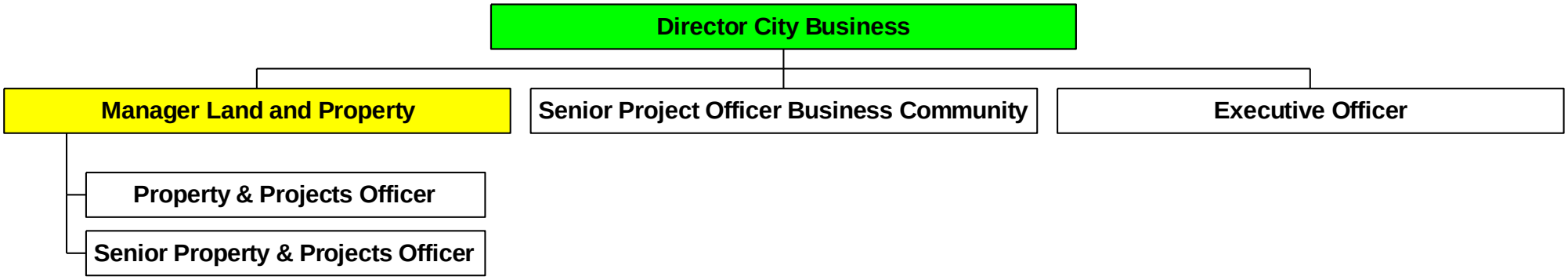
Community Development – Recreation Services



Technical Services – Infrastructure Services and Waste and Fleet Services



Technical Services – Parks and Environment Services



City Business