Clarence Valley Council

Governance Framework

May 2023

clarence
VALLEY COUNCIL

We acknowledge the Bundjalung, Gumbaynggirr and Yaegl people as the Traditional Owners of the land on which we live and work. We honour the First Nations peoples culture and connection to land, sea and community. We pay our respects to their Elders past, present and emerging.

CONTENTS

PURPOSE

This document provides an overview of Clarence Valley Council's good governance practices. It informs our compliance with governance responsibilities as required under legislation, principally the Local Government Act 1993. Council encourages participation in good governance.

Our Governance Framework is guided by The Audit Office NSW's Governance Lighthouse.

Local Government is often referred to as 'the third tier of government' or the 'closest level of government to community'. However, the Australian Constitution does not recognise local councils as a level of government.

The Constitution of NSW includes Local Government and NSW has legislated the Local Government Act (the Act) to establish councils and to provide rules for their operation. Many other legislative instruments require local governments to undertake specific functions. Local councils are responsible for providing key infrastructure and services to local communities.

Clarence Valley Council was proclaimed in 2004 and is 10,441 square kilometres. It operates with delegated authority of NSW State Government, managing over $2.63 billion in community assets.

What is Governance?

Governance encompasses the processes for making and implementing decisions that define the community's expectations, grant power to officers and verify performance.

Governance is not an isolated concept; rather, it is enduring and is a combination of the processes and procedures described in this Governance Framework, alongside embracing good governance culture and endeavouring to achieve good governance.

What is Good Governance and why is it Important?

The Audit Office NSW's Governance Lighthouse defines good governance as 'those high-level processes and behaviours that ensure an organisation achieves its intended purpose and conforms by complying with all relevant laws, codes and directions while meeting community expectations of integrity, accountability and transparency.

'Good governance promotes public confidence in government and its agencies. The better agencies are governed, the better they will perform and the more satisfied the public will be. Sound governance is paramount to service delivery and the economic and efficient use of public money'1.

Clarence Valley Council Governance Framework
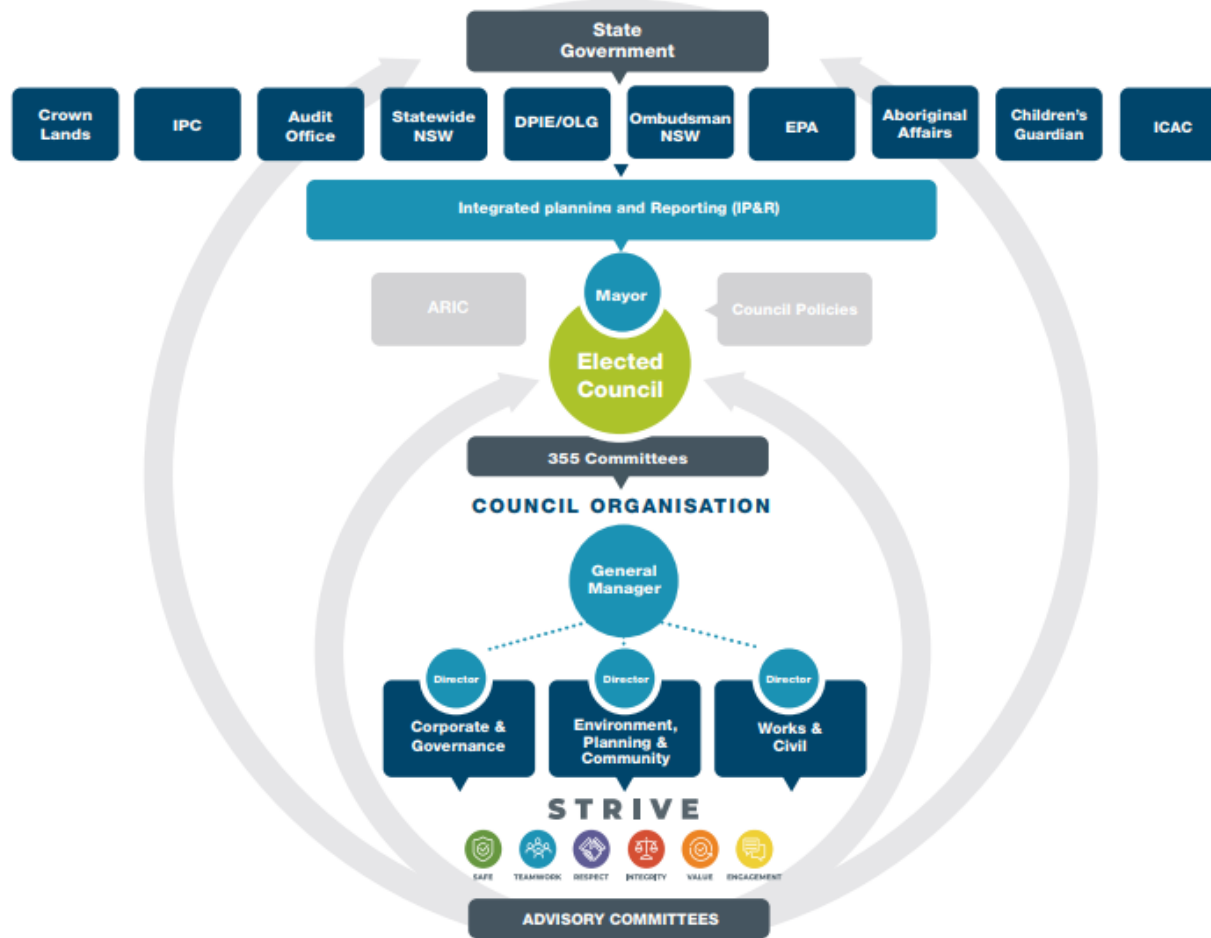
CVC Vision, Mission and Values

Clarence Valley Council's vision: **To make the Clarence Valley a community full of opportunity.**

Our mission: **To plan and deliver services valued by the community.**

Our Community Strategic Plan, The Clarence 2032, the highest level of strategic planning for Council and community and highlights five themes:

Society   Infrastructure   Economy   Environment   Leadership

The following values and behaviours are core requirements when we deal with each other and our community.

STRIVE

SAFE
We have a safety focused workplace culture to ensure the wellbeing of our staff and the community

TEAMWORK
We work together as one council towards shared goals and for the greater good of the community

RESPECT
We are inclusive, treat people with courtesy and fairness, and ensure each individual is valued and heard

INTEGRITY
We behave in a way that is honest, open, and transparent. We will take responsibility for our actions and strive for excellence

VALUE
We deliver services efficiently, effectively, and in an environmentally and financially sustainable manner.

ENGAGEMENT
We engage with our staff and community to inform our decision making, and create awareness of our activities

GOVERNANCE FRAMEWORK

The Governance framework provides information about Council, Councillors and our administration, the existing relationships and how they work together to achieve good governance. The Audit Office NSW's Governance Lighthouse provides a guide to implementing successful governance.

Council uses this guide as a framework to promote public confidence. The framework is set across 8 principles and 17 components.

2015 Governance lighthouse | Audit Office of New South Wales

PRINCIPLE 1: MANAGEMENT AND OVERSIGHT

Leadership and Strategic Business Plan

Integrated Planning & Reporting Framework (IP&R)

The Integrated Planning and Reporting (IP&R) framework guides the way local government plans, documents and reports its future strategies. The IP&R Framework begins with the community's aspirations for a period of at least 10 years, which is considered by each newly elected council and underpinned by a suite of integrated plans that set out a vision and objectives and hones down to specific actions to achieve those aspirations. It involves a reporting structure to communicate progress to the Council and community and a structured review timeline to ensure that the goals and actions are still relevant

Community Engagement Strategy – outlines how the community are engaged to prepare the Community Strategy Plan

Community Strategic Plan – overarching document for all plans and policies of the Council

Delivery Program – Directional document from the elected council with aspirations to fulfil

Resourcing Strategy – plans our resources, money, people and assets to ensure delivery of the operational plan

Operational Plan – Annual plan that outlines how the commitment of the delivery program will be achieved. This is a document of organisational accountability. Other plans and strategies are outlined in this plan.

All documents relating to IP&R must be publicly exhibited for 28 days and endorsed by Council after all submissions have been considered.

CVC Integrated Planning and Reporting Framework

The Elected Body and the Local Government Act 1993

Clarence Valley Council is governed by 9 elected Councillors (including the Mayor and Deputy Mayor). The Mayor is elected by the members of the Council following an ordinary election and/or after the conclusion of a two-year term or where a vacancy occurs. General elections for the whole of Council are usually held every four years on the second Saturday of September as set by the Local Government Act 1993.

The functions, including roles and responsibilities, of the Council, Mayor, Deputy Mayor, and Councillors are also prescribed by the Act.

The Act outlines principles for local government (Chapter 3) to *'"..provide guidance to enable councils to carry out their functions in a way that facilities local communities that are strong, healthy and prosperous."*

Under these principles Council should (Section 8A):

a) provide strong and effective representation, leadership, planning and decision-making
b) carry out functions in a way that provides the best possible value for residents and ratepayers
c) plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulations to meet the diverse needs of the local community
d) apply the integrated planning and reporting framework in carrying out their functions to achieve desired outcomes and continuous improvements
e) work co-operatively with other councils and the State Government to achieve desired outcomes for the local community
f) manage lands and other assets so that current and future local community needs can be met in an affordable way
g) work with others to secure appropriate services for local community needs
h) act fairly, ethically, and without bias in the interests of the local community, and:
i) be responsible employers and provide a consultative and supportive working environment for staff.

When making decisions, Council should:

a) recognise diverse local community needs and interests
b) consider social justice principles
c) consider the long-term and cumulative effects of actions on future generations
d) consider the principles of ecologically sustainable development
e) ensure that decisions are transparent, and that decision-makers are accountable for decisions and omissions.

Council should actively engage with its local communities, using the integrated planning and reporting framework (IP&R) and other measures.

The General Manager undertakes day-to-day management responsibilities, advises the Mayor and Council on strategic plans and programs, and ensures policies and lawful decisions endorsed by Council are carried out and any other functions conferred or imposed by the Local Government Act or any other legislation.

Regular reporting against plans

Council has several mechanisms to ensure performance is continually monitored, reviewed and reported, and corrective action is taken when required. Council reports its performance in the following ways:

1**. Financial reporting**

Quarterly financial reports and budget reviews are provided to Council.

Capital works reports are provided to Council to monitor the progress of the annual capital works program.

The Leadership Team receives regular reports on the budget.

Audited annual statements are reviewed by Council's Audit, Risk and Improvement Committee before being considered by Council.

2**. Performance reporting**

Council has performance reporting to monitor the progress of the CSP against the Delivery Program and Operational Plan. The organisation reports every 6 months on the outcomes of the Delivery Program.

3. **Annual Report**

Requirements for the Annual Report are detailed in the Local Government Act 1993 and Local Government Regulations 2021. The Annual Report is to be published within 5 months of the end of the financial year.

Clear accountability and delegation

Council's Community Engagement Strategy, decision making, planning and reporting processes promote a culture of accountability to the local community.

Regular reporting builds public trust and ensures Council is administered accordingly, resources are allocated to meet the objectives of the CSP, community interests are met, and the integrity of Council's overall conduct remains intact.

Under the Local Government Act, Council is required to either make decisions or delegate the decision-making power to a Council committee, a local government subsidiarity or the General Manager.

Delegations are a fundamental part of good governance and allow Council to carry out its functions and be accountable for decisions and actions taken under specific legislative provisions. Those tasked with carrying out a function need to have the corresponding authority.

The General Manager has delegated authority and these are available for viewing on the council's website. The General Manager employs and delegates operational duties to Council staff, who are responsible for implementing Council policies and other decisions. Operationally, Council is made up of three directorates: Corporate & Community, Environment & Planning and Works & Civil. The General Manager remains the primary link between the Councillors and Council staff.

Council's Delegations Framework is a framework established for delegating authority to facilitate efficiency and ensure accountability of staff performing their duties.

A delegation can be made to employees, authorised persons, committees and subcommittees, or a subsidiary. Council has delegated a broad range of powers, duties and functions under the Local Government Act and numerous other legislative instruments, except for matters that cannot be delegated and prescribed under the Act.

Delegations are reviewed within 12 months of a local government election.

Equal employment opportunity

Council's recruitment, onboarding, probation and training processes uphold the principles of Equal Employment Opportunity (EEO) and are conducted without discrimination or unfavourable treatment. Council's EEO Policy outlines the standards and expectations of the organisation. It develops and enhances workplace behaviours that treat everyone fairly and respectfully to foster a culture of zero tolerance.
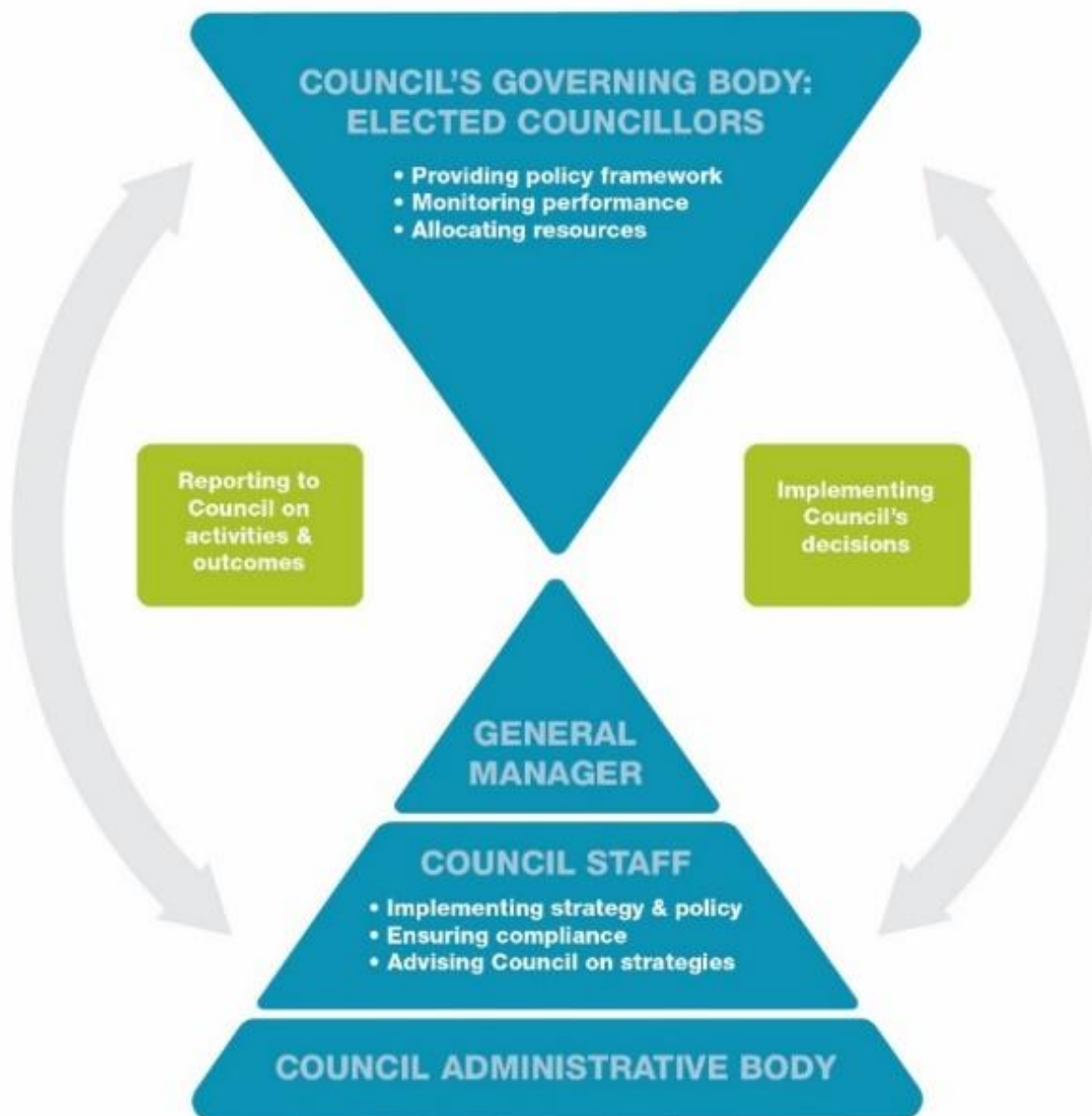
PRINCIPLE 2: STRUCTURE AND KEY GOVERNANCE COMMITTEES

Key governance committees

Council meetings

Council meetings are important because they are the forum where Councillors evaluate plans, strategies and other matters and make well-informed decisions that benefit the Council and the community. A resolution of Council can only be made at a properly convened meeting. Council meetings are conducted in accordance with the Local Government Act and are run under Council's adopted Code of Meeting Practice.

There are 2 main types of Council meetings:

Ordinary Council meetings, and:

Extraordinary Council meetings.

All Council meetings (except confidential sessions of the meetings) are recorded and placed on Council's website. The meetings are open to the public unless otherwise decided by the Council in line with limited circumstances listed in the Local Government Act. When this happens, the meeting is closed to the public to preserve confidentiality.

Ordinary Council meetings are formal public meetings where the core business is conducted. Councillors attend Ordinary Council meetings each month, and Extraordinary meetings are called when needed.

Council committees

Council may establish committees, working parties, and panels both to support the decision-making process further; also to undertake activities on behalf of the Council.

Advisory Committees - membership can include community and stakeholder representatives and is approved by the council. These committees are established for the term of the Council and are chaired by a delegate Councillor. Though the Code of Meeting Practice does not apply to these committees, good meeting protocols are expected to be maintained and governance standards met.

Advisory Committees are governed by the Code of Conduct, Terms of Reference and an Advisory Committee Handbook. Advisory Committees provide advice to the council within their Terms of Reference. Information about Advisory Committees is available to the public on Council's website.

Committees with delegated authority – often termed s355 Committees, membership includes members of the community with a particular interest, experience and knowledge about the function delegated. Typically, these committees are formed to manage community assets such as community halls on behalf of council. They are delegated authority under The Act and are held accountable for functioning in accordance with the delegation, which is detailed in their individual Terms of Reference.

PRINCIPLE 3: ETHICS

Ethical behaviour is a crucial aspect of good governance and its supporting principles. The local community expects the highest standards of conduct from Councillors and staff. Unethical behaviour may lead to a lack of community confidence in Council.

Ethical Framework

Ethical behaviour is a crucial aspect of good governance and its supporting principles. The local community expects the highest standards of conduct from Councillors and staff. Unethical behaviour may lead to a lack of community confidence in Council.

The organisation has six core values making up the STRIVE vales– Safe, Teamwork, Respect, Integrity, Value and Engagement – as outlined on page five.

Fraud and Corruption Control Framework

Council's Fraud Control Policy ensures Council has a healthy and sustainable ethical culture. Its integrity framework and preventative methods are designed to eliminate and prevent fraud and corruption against Council. In line with Council's Model Code of Conduct, Council is committed to maintaining high standards of legal, ethical, and moral behaviour and has zero tolerance to fraud and corruption within Council's work environment.

Compliance Framework

Laws for local government

Council must comply with a raft of legislation implemented by both State and Federal Government. Principal of these are the *Local Government Act (1993)* (the Act) and the *Local Government Regulation (2021)* (the Regulation). Part 3 of the Act specifies how local governments implement local policy.

Council policies and procedures

Ethical conduct is upheld through various Council endorsed policies and procedures. These are documented in the Council's Policy Register.

Policies and procedures are reviewed and updated regularly in line with Council's Policy Framework and as required by legislative and service changes.

Directors, Managers and Governance provide administrative support to develop, monitor and review the contents of policy documents. Relevant Council officers are designated the role of 'Policy Owner' during the development review process. The Leadership Team will consider and endorse a policy before sending it to Council or the General Manager for adoption. In some cases, policies are put out for public exhibition.

Policies and procedures are developed through relevant approval authorities, as outlined in Council's Policy Framework.

Policies and procedures are communicated to Council employees through the induction process, and further education on specific policies is provided when needed.

Council officials should 'comply with standards of conduct expected of them, fulfil their statutory duty, and act in a way that enhances public confidence in local government'. Any fraud or corrupt behaviour will be dealt with accordingly by the Council, and disciplinary action may be taken.

Council's Director, Corporate and Governance, is responsible for implementing and overseeing Council's fraud and corruption control program. The Director is supported by the Governance Officer and ARIC.

Records management

Corporate records are managed in accordance with Council's Record Management Policy to maintain transparency and accountability.

All Councillors, employees and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions. They must also ensure all corporate documents, regardless of the form, are retained within Council's official record-keeping system at the point of creation in accordance with the following:

State Records Act 1998
Evidence Act 1995
Government Information (Public Access) Act 2009
Local Government Act 199

PRINCIPLE 4: CORPORATE REPORTING

Audit and risk committees

Audit, Risk and Improvement Committee (ARIC)

The ARIC is an independent committee of council that provides assurance to the council

The ARIC membership comprises three independent members by application and approval of the council as well as a delegated Councillor. Meetings are also attended by the NSW Audit Office and both internal and external Auditors. It has authority under The Act to provide oversight in the following key areas:

- compliance
- risk management
- fraud control
- internal control
- financial management
- implementation of Council's Strategic Plan, Delivery Programs, and strategies
- service reviews
- collection of performance management data
- other matters prescribed by regulations and execution of Council functions

External and Internal Audit

External financial auditing is required as part of the IP&R Framework and is undertaken as part of Council's Annual Report. Additionally, Council has developed indicators to measure progress toward community outcomes. Performance measures are in place to track Council's progress towards achieving these goals, and the reports outline the progress Council has made against the Operational Plan and Delivery Program.

Half-yearly reports track Council's delivery of the community's vision and the progress towards Council's four-year Delivery Program.

Financial statements, half-yearly, quarterly and annual reports are tabled at relevant meetings each year as per statutory requirements and are adopted by the Council.

General Manager and Responsible Accounting Officer (Manager Finance and Systems) sign off

Annual Financial Statements are published with the Annual Auditor's Reports. They set out the financial performance, financial position, and cash flows of Council for the financial year and are signed-off by The General Manager, the Mayor, a Councillor representative (Deputy Mayor) and the Responsible Accounting Officer (CFO).

PRINCIPLE 5: REPORTING

Annual Reports

In addition to financial reporting, the Annual Report requires Council to disclose it activities against a range of indicators, including:

- expenditure on Councillors and Councillor training
- outlays for legal representation
- work carried out on private land
- external bodies that exercised delegated authority of Council
- staff profile
- regulation of companion animals
- public interest disclosures
- formal requests for information under the GIPA instruments.

Continuous disclosure

Under the Code of Conduct, Council has policies and procedures to manage the personal interests of staff, Councillors and designated persons via disclosures of interest returns. Disclosures are required annually and called for quarterly. The disclosure of conflicts of interest is a standing item on every Council meeting agenda. It requires that Councillors declare any conflicts they have concerning any item on the Council meeting agenda.

The Councillors' conflict of interest declarations are recorded in the meeting minutes.

Under the Code of Conduct Council staff are also required to declare in writing to their manager any conflict of interest that arises during their conducting their duties. This includes gifts and benefits (accepted, offered but refused, or surrendered) and secondary employment. These disclosures are captured and managed by Governance.

Where Councillors or staff declare a pecuniary or significant non-pecuniary interest, they must remove themselves from the decision-making process (for example, Councillors are required to leave the Council Chamber and not vote on a matter; staff must step aside, and another staff member will be responsible for the decision making).

Councillors and designated persons are required to complete an annual pecuniary interest return, disclosing interests relating to real property, sources of income, gifts, contribution to travel, interests and positions in corporations, whether they are a property developer or a close associate of a property developer, positions in trade unions and professional associations, debts, disposition of property and other discretionary disclosures.

The Internal Reporting and Public Interest Disclosures (PID) Policy establishes an internal reporting system for Council officials to report wrongdoing without reprisal. The policy facilitates the disclosure and reporting of corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPA Act and local government pecuniary interest contravention. Under the policy, Councillors and staff can report such conduct to the Mayor, General Manager, disclosures coordinator and disclosures officers as appropriate.

The Internal Reporting and Public Interest Disclosures (PID) Policy is reviewed every two years and as required.

PRINCIPLE 6: REMUNERATION

Remuneration is fair and responsible

Council has implemented the Local Government (State) Award 2020 to ensure staff are remunerated appropriately. Staff are paid in accordance with the provisions of the Award. Additionally, policies and procedures are in place to ensure the administration of salaries is consistent and in accordance with the Local Government (State) Award. Where appropriate, Council also employs staff through alternative arrangements, e.g., Senior Executive Service (SES) contracts and third-party providers, as guided by the relevant industrial relations regulations.

Councillor/mayoral fees are independently set by the Local Government Remuneration Tribunal each year and determined by various criteria and categories of councils and mayoral offices.

PRINCIPLE 7: RISK MANAGEMENT

Risk management program

Risk management is integral to good management practice and valuable support to good governance. It is also necessary to successfully achieve Council's vision and objectives of the CSP and ensure community confidence. The risk management process is not considered an isolated function but an integrated part of good management practice.

Council has an Enterprise Risk Management Framework (ERMF) comprising a policy and a plan to apply risk management thinking, principles, and practices to reduce risks and uncertainties.

According to the framework, Council will ensure:

- Council's risk appetite and risk tolerance are defined and communicated
- managers identify operational risks
- identified risks are recorded, assessed, and treated promptly
- operational risks are recorded in risk registers and reviewed periodically
- strategic risks are managed by Directors and Council
- highest risks are given priority and resources allocated
- risk management training is provided
- day-to-day conversations about risk implications are encouraged
- risk analysis and opportunities for improvement are seized and promoted.

Council has dedicated risk management staff to drive and monitor these activities.

Council's Business Continuity Framework is in place to respond effectively and efficiently to crisis situations and lessen the impacts on service delivery to the community.

General Manager and management sign-off on internal controls

The General Manager regularly reviews operational processes and procedures and implements corrective action when necessary to ensure the effectiveness of Council's internal controls. In this role, the GM functions as the CEO of Council.

Council engages the assistance of external advisers, when necessary, to monitor and evaluate activities and internal controls. This ensures our assets are safeguarded and that the decision-making capabilities, reporting accuracy and financial results are maintained at a high level.

PRINCIPLE 8: KEY STAKEHOLDER RIGHTS

Key stakeholder management program

Council has a range of stakeholders: Citizens as 'shareholders'; other levels of government (state; federal); employees, customers, suppliers, competitors for some of its services, and advocacy groups. Individuals often belong to more than one of these stakeholder groups—as employees and as customers, for example.

Council upholds key stakeholder rights through fair and inclusive communications and Community Engagement Strategies via transparent policies, customer experience, consultation, research, community workshops, social media platforms, online panels and surveys. These are conducted at several levels and provide opportunities for the community to influence the decision-making process.

Council's Community Engagement Strategy includes values that guide and form our approach to community consultation, Community members can access contact details for the Mayor, Deputy Mayor and Councillors on Council's website.

Formal Council meetings are open to the public. Anyone can request permission to address a meeting about an issue or matter on the agenda. The number of speakers is limited to three supporting any proposal and three against. All Ordinary Council meetings and Committee meetings where all Councillors are members (except confidential sessions of the meetings) are recorded and placed on Council's website. Council has processes that provide a consistent framework for receiving, managing, and responding to complaints in a fair and timely manner and for ensuring all parties are treated fairly and equally.

Methods of engagements

Inform: To provide the public with balanced and objective information to help them understand a problem, alternatives, opportunities and/or solutions.

Consult: To obtain public feedback on alternatives and/or decisions.

Involve: To work directly with the public throughout the process to ensure that the public concerns and aspirations are consistently understood and considered.

Collaborate: To partner with the public in each aspect of the decision, including developing alternatives and identifying the preferred solution.

Empower: To place final decision making in the hands of the public.

Community Engagement Strategy
OUR PEOPLE AND COMMUNITY