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# Promoting Better Practice Program

## REVIEW REPORT

### WARRUMBUNGLA SHIRE COUNCIL

November 2010

Council considered this report at its ordinary meeting held on 16 December 2010 and determined to note the contents of the Report and adopt the reporting timetable set out in this report (on pages 66 to 73).



**Division of Local Government**  
**Department of Premier and Cabinet**

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## **EXECUTIVE SUMMARY**

### **OVERVIEW**

Warrumbungle Shire Council was constituted in 2004. As such it is a relatively new local government authority.

Managing the amalgamation of the former Coolah Shire and Coonabarabran Shire Councils has been a primary task of the General Manager. It is still perceived as very much a work in progress. Warrumbungle Shire Council lacks a clear vision and strategic direction. As a result, Council does not currently appear to be well placed to strategically manage its challenges and opportunities.

With the assistance of consultants, Council has embarked on a significant change process which involves a detailed organisation review and determining its approach to establishing an Integrated Planning and Reporting Framework as required by legislation.

Developing and then successfully implementing the components of the framework will present a significant challenge for Council. It will require effective leadership and commitment from the Mayor, General Manager and all councillors.

Council's workforce appears to be dedicated and motivated to embrace this change process.

Summarised below are initiatives, systems or processes that the review team identified as exceeding good practice and those requiring further development.

### **COUNCIL'S STRATEGIC POSITION**

*What is better practice?*

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

*Areas for further development*

- Council's requires a shared vision and mission to underpin strategic planning, operations and delivery of services to the communities of the Warrumbungle Shire.
- A clear and collaborative approach to establishing the new planning and reporting framework within Council is required.

**GOVERNANCE**

*What is better practice?*

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

*Noteworthy practice*

- Council engaged consultants to undertake an Organisation Review which contained 34 recommendations for improvement.

*Areas for further development*

- Council is encouraged to develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.
- A number of areas in which leadership could be improved have been identified.
- Proceedings at the Council meeting attended by the review team were generally orderly and conducive to decision making. However, some suggested improvements have been noted for Council's consideration.
- Further review of the Delegations Register and the means for clearly communicating the delegated authority to each staff member concerned is required.
- Council's internal controls require urgent attention and improvement. Of priority are the establishment of an internal audit framework, development of a risk management plan, carrying out fraud risk assessments and review/modification of the fuel management system.

- A system or process needs to be developed to ensure that Council's legislative and regulatory obligations are met.
- Council does not have policies, procedures and processes relating to purchasing, tendering and the disposal of assets. The manual purchase order system should be replaced by an electronic system which is available to Council in its existing accounting software package.
- Council does not have a Statement of Business Ethics available for those it engages business with.
- An Information Communication Technology Strategic Plan should be developed and implemented. This should include providing all staff with access to an intranet facility.
- Systems and processes need to be improved so that statutory reporting requirements are met on time.

## **PLANNING AND REGULATORY**

### *What is better practice?*

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

### *Noteworthy Practice*

- Council successfully worked with 16 nearby councils and the Central West Catchment Management Authority to produce a comprehensive Regional State of the Environment Report for the period of 2008/2009.

### *Areas for further development*

- The single Local Environmental Plan and single Development Control Plan are in progress but require finalisation.
- The Stormwater Management Plan and Waste Management Strategy should be reviewed to ensure they reflect the requirements of the entire Warrumbungle Shire.

## **ASSET AND FINANCIAL MANAGEMENT**

### *What is better practice?*

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

### *Noteworthy Practice*

- The review team did not identify any practices of particular note or significance for the council/community.

### *Areas for further development*

- To avoid duplication and potential errors, Council should appoint one officer to oversee the coordination and production of its annual budget.
- Council must develop a Resourcing Strategy which includes a long-term financial plan and asset management framework. The development of such a strategy is a statutory requirement which aims to ensure councils make adequate resources available to deliver the commitments set out in their Community Strategic Plans.
- Council has not prepared plans of management for all of its community land holdings.
- Income generated from Crown reserves under Council's care and control is not currently deposited into Council's trust fund as required by the Act.

## **COMMUNITY, COMMUNICATION AND CONSULTATION**

### *What is better practice?*

- Council demonstrated leadership and innovation in establishing the *Yuluwirri Kids* community based Preschool and Long Day Care Centre in 2009.
- Council is the management auspice of the Westpac Instore in Dunedoo. As well as providing access to banking services, the agency also collects rates and offers counter support relating to Council operations.

### *Noteworthy Practice*

- Council's successful management of 11 community infrastructure projects.
- A total of \$270,000 in grants for various community projects. Of note was a \$5,000 grant to establish the Coolah Men's Shed.

### *Areas for further development*

- While the *Warrumbungle Shire Council Community Social/Cultural Plan 2008* is well developed and well structured, stronger links to the Management Plan would facilitate improved implementation.
- Council needs to develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.

## **WORKPLACE RELATIONS**

### *What is better practice?*

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

### *Noteworthy Practice*

- A staff climate survey was carried out in December 2009 by consultants as part of a broader organisation review of Council.

### *Areas for further development*

- Council is required to develop a workforce management strategy to address the human resource requirements arising from its Community Strategic Plan.
- The recent organisation review identifies a range of Human Resources issues which require attention.
- Council is encouraged to introduce an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.

- Consideration should be given to purchasing a dedicated Human resources software program to more efficiently manage Council's functions and requirements in this area.
- Council does not have an Occupational Health and Safety Management Plan/System.
- Development of a succession plan is encouraged.
- Council should consider conducting exit interviews with all staff that are leaving its employ.



## **PART I. BACKGROUND**

### **1 ABOUT THE REVIEW**

#### **1.1 REVIEW OBJECTIVES**

Promoting Better Practice Reviews are primarily designed to promote good governance and ethical conduct within councils and foster a culture of continuous improvement within the local government sector.

For the council, a review acts as a "health check", giving confidence about what is being done and helping to focus attention on key priorities. For the local government sector, reviews have a developmental impact by identifying and sharing better practice and responding to issues through policy/legislative change or other means.

#### **1.2 REVIEW PROCESS**

The process is conducted by a review team from the Division of Local Government, Department of Premier and Cabinet.

The team evaluates the effectiveness and efficiency of the council's operations. This essentially involves five steps - preparing, assessing, checking, analysing and reporting. The completion of a comprehensive self assessment checklist by the council is a key element in all reviews.

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

All reviews involve checking compliance with a range of statutory requirements, examining appropriate practices and ensuring that the council has frameworks in place to monitor its performance.

The primary legislation which sets out minimum requirements and standards for councils in NSW is the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2005* (the Regulation). Unless otherwise stated, this report refers to that legislation.

### 1.3 REVIEW REPORT

The review culminates in a report which is provided to the elected council, the Minister for Local Government and the Chief Executive - Local Government, a Division of the Department of Premier and Cabinet. Consistent with review objectives, the report documents priority focus areas identified as follows.

PRIORITY FOCUS AREA	DESCRIPTION
<b>Better practice</b>	<ul style="list-style-type: none"> <li>• Beyond or above minimum compliance requirements and good practice indicators.</li> <li>• Innovative and/or very effective.</li> <li>• Contributes to continuous improvement within the sector.</li> </ul>
<b>In need of improvement or further development</b>	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum compliance and good practice indicators and may impact negatively on council operations.</li> <li>• Significant improvement initiatives that are in progress and which need to be continued.</li> </ul>
<b>Otherwise noteworthy</b>	<ul style="list-style-type: none"> <li>• May include successful initiatives which respond effectively to local circumstances or practice that is in other ways significant for the council/community.</li> <li>• Practice which in general exceeds good practice but may have some aspects that require fine tuning.</li> </ul>

The council is invited to comment on the draft report before it is finalised.

### 1.4 WARRUMBUNGLE SHIRE COUNCIL REVIEW

The review team comprised Ms Caroline Egberts, Senior Investigations Officer and Mr Ross Bailey, Senior Finance Officer. Warrumbungle Shire Council completed the checklist about key Council practices and two councillors completed a survey designed to seek their views. The review team examined these responses and a range of other source documents in order to gain a preliminary understanding of Council operations prior to their visit to Council.

The on-site component of the review took place in April 2010. It involved initial interviews with the Mayor and the General Manager, interviews with a cross section of staff, observation of a Council committee meeting, individual meetings with two councillors, a review of Council policies and other documents and visits to Council's facilities/worksites and some localities in the area.

## 2. ABOUT THE WARRUMBUNGLE SHIRE

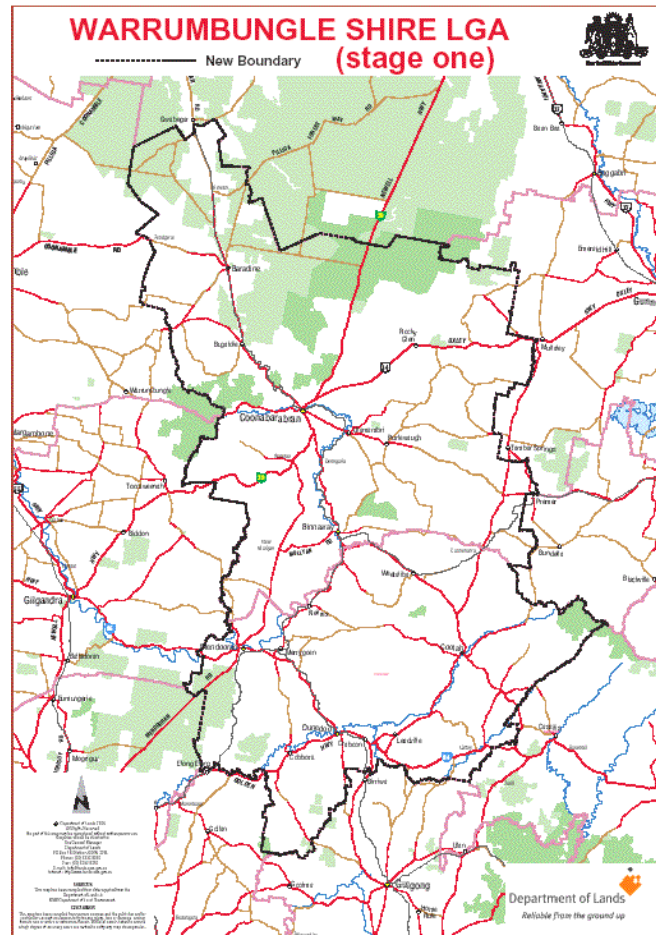
### Location and demographics

The Warrumbungle Shire covers an area of 12,380 square kilometres and is located in the central west of NSW. The Shire draws its name from the Warrumbungle Range, which is a major feature of the area. It is strategically positioned on the Newell Highway mid-way between Brisbane and Melbourne. It is within 2 hours drive of the provincial centres of Tamworth (180 kms) and Dubbo (160 kms) which complement services provided at the local level.

The population of the area in 2006 was 9,808 (2006 Census) and reside in the towns and villages of the Shire. The townships of Coonabarabran, Baradine, Binnaway, Coolah, Dunedoo and Mendooran are the major centres of the area. The villages include Bugaldie, Kenebri, Merrygoen, Neilrex, Leadville, Cobbora and Uarbry

It is acknowledged that the Gamilaraay people are the traditional owners and custodians of the northern part of the Shire while the southern part of the Shire is home to the Wiradjuri people. Also the nations of the Weilwan and Kawambarai (Werriri) intersect the Shire on the western border. Council recognizes the history, traditions and culture of these people as an important part of the Shire's history.

In 2006 there were 746 Indigenous people recorded by the Australian Bureau of Statistics as living in the Shire. This represents 7.6% of the total Warrumbungle population. In summary, the Shire has an ageing population earning on average 40% less than the rest of Australia. However, this is counter-balanced against rent and mortgage levels which are almost half that of the Australian average.



### Current Council

Warrumbungle Shire Council was constituted in August 2004 as a result of the voluntary amalgamation of the former Coonabarabran Shire and Coolah Shire Councils. While Coonabarabran is the administrative centre for the Shire, a Council office has also been maintained in Coolah. Works depots are located in Baradine, Binnaway, Coolah, Coonabarabran, Dunedoo and Mendooran.

Council consists of nine councillors who were elected in September 2008. Councillors are elected by the Shire as a whole. Ordinary meetings of Council are usually held on the 3<sup>rd</sup> Thursday of each month. As a result of fire damage to Council's main administrative centre in Coonabarabran, Council does not have a formal Council Chambers. Meetings are currently held at the Rural Fire Service Centre in Coonabarabran.

### Council staffing

Approximately 210 Council full and part time employees (or 184 full time equivalent) deliver a range of services within a budget between \$34M and \$40M. Council's workforce is ageing with approximately 49 (26.6%) aged 55 years and over. Council's Management Executive Team currently consists of the General Manager and four Directors.

### Local issues

The Shire is predominantly rural with areas of heavy timber through to open pasture with its main economic activity based around agriculture. Tourism is increasing and is based primarily on servicing the traffic passing through the Shire and visitors to the Warrumbungle and Coolah Tops National Parks and the Siding Springs Observatory. Coonabarabran lays claim to being the "Astronomy Capital of Australia".

Rail lines are used for extensive freight operations. Passenger services consist of a Countrylink coach service to Lithgow with a connecting rail service from there to Sydney. Coonabarabran has an airport but this no longer offers passenger services to Sydney. Opportunities have also emerged in relation to potentially large scale natural resource and energy developments such as a significant mining project proposed in the south-west of the Shire.

## PART II. PLANNING A SUSTAINABLE FUTURE

This part of the review focussed on Council's strategic intent and how it has involved its communities and other stakeholders in developing long term strategic plans. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to Council's performance in this area.

### 1. STRATEGIC PLANNING AND REPORTING

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

Diagram 1 Integrated planning and reporting framework



The *Local Government (General) Amendment (Planning and Reporting) Act 2009* and the *Local Government (General) Amendment (Planning and Reporting) Regulation 2010* set out councils' obligations in this area.

## **2. WARRUMBUNGL SHIRE COUNCIL STRATEGIC POSITION**

### **2.1 OVERVIEW**

Overall, Warrumbungle Shire Council is faced with a range of challenges. Many of these are common to other rural councils such as the ongoing impact of the drought on the local economy, an ageing population and workforce, attracting and retaining suitably qualified and experienced employees, managing its assets and providing and maintaining infrastructure throughout the entire local government area.

On the other hand, a significant mining project proposed in the south-west of the Shire will provide a range of opportunities and benefits for Council and the Shire (if it goes ahead).

However, Council does not currently appear to be well placed to strategically manage its challenges and opportunities.

Since 2004 the organisation has been focussed on merging Coonabarabran and Coolah Councils. While some progress has been made toward achieving a unified Warrumbungle Shire Council, it was reported that tensions or divisions exist between small pockets of staff at Coolah and Coonabarabran offices. This was described as an ongoing legacy and challenge of the amalgamation process which hinders a more strategic approach.

Overall, there appears to be an understanding that Council must finalise the amalgamation process and take a more strategic approach in order to move the organisation forward. It is acknowledged that this will require councillors and the General Manager to practice a different leadership style which is less operationally focussed and more visionary and consultative.

### **2.2 BETTER PRACTICE**

No practices beyond or above minimum compliance requirements and good practice indicators were identified in this module.

## **2.3 AREAS REQUIRING FURTHER DEVELOPMENT**

### **2.3.1 Council's vision**

Council does not articulate a vision and mission in its management plan, annual report or website. A shared vision developed by Council, staff and the community should form the foundation of Council's strategic approach and guide long term policy and decision making to sustain the community.

During 2009 Council engaged Local Government Management Solutions (Management Solutions) to conduct an organisation review and determine a brief for such review in consultation with councillors. An overview of this review is provided later in this report.

One of the terms of reference of that review was to *“ascertain the requirements and expectations various stakeholders have of Warrumbungle Shire Council and what a vision for the whole local government area could be.”* The report of the findings and recommendations of the review was provided to Council in February 2010. The report is currently classified as confidential.

#### **Recommendation 1**

*Council should, as a matter of priority, determine a shared vision and mission to underpin its strategic directions, operations and delivery of services to the communities of the Warrumbungle Shire.*

#### **Council's Response**

Council has engaged an independent consultant to assist it in developing a vision and mission statement. The first workshop was held on the 6th September consisting solely of Councillors with a final workshop being held on 27th September with Councillors and the Senior Management Team. A draft will now be prepared and returned to Council for agreement. That draft will then be workshopped with operational staff and honed to reflect their ideals for the organisation. A finalised vision and mission, across the organisation, will then be endorsed by Council.

### **2.3.2 Community *Strategic plan***

Council does not have a strategic plan. Rather, it operates year to year through the management plan. Under the new Integrated Planning and Reporting Framework, the development of a Community Strategic Plan covering a minimum period of 10 years has become a statutory requirement.

For the reasons outlined above, the establishment of the Framework must begin by developing a shared vision and mission for the Warrumbungle Shire.

Council has nominated itself to group 3 which mean the provisions of the *Local Government (General) Amendment (Planning and Reporting) Regulation 2010* apply from 1 July 2012. Council is required to comply with the requirements in the *Planning and Reporting Guidelines for local government in NSW* (see DLG circular to councils 10-01). A supporting Manual is also available to assist councils to implement the new requirements. The Guidelines and Manual are available at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au).

Developing and then successfully implementing the other components of the framework (such as a Delivery Program, Operational Plan and supporting Resourcing Strategy) will present a significant challenge for Council. It will require effective leadership and commitment from the Mayor, General Manager and all councillors. The specific roles of each of these officials are highlighted in the *Integrated Planning and Reporting Manual*.

In particular, the General Manager has a pivotal role to play in mapping out Council's approach to the planning process and ensuring Council staff and the community receives the information it needs to participate in a meaningful way. He is also responsible for guiding the implementation of the Community Strategic Plan and Council's response to it via the Delivery Program.

It is encouraging to note that Council recently engaged consultants who provided councillors and key staff with an overview of the framework. Councillors and the General Manager need to agree on and lead a planning process which promotes the development of all components of the Integrated Planning and Reporting Framework. The process must also be adequately resourced.



Overall, support and enthusiasm was expressed in terms of establishing the framework. It was viewed as an opportunity to change “outdated management practices” within Council and finalise the amalgamation process so as to operate as one unified organisation.

**Recommendation 2**

*The General Manager, in consultation with the Management Executive Team and the elected body, should adopt a clear and collaborative approach to establishing the new planning and reporting framework within Council. This approach should be communicated to all Council employees and the community.*

**Council’s response**

In November 2009 Council moved towards developing an approach to IP&R. Council has been accepted into the third group of councils to meet the delivery date of July 2012.

In March 2010 a series of workshops over two days was guided by an outside facilitator. These workshops were held on 4<sup>th</sup> and 5<sup>th</sup> March 2010. The workshop format was:

4<sup>th</sup> March – meeting with General Manager and Directors individually in the morning and in the afternoon a workshop was held with Councillors.

5<sup>th</sup> March - meeting with General Manager, Directors, Managers and Team Leaders in the morning with a debriefing to the General Manager in the afternoon.

Project teams consisting of across the organisation members have been established (June 2010) and led by a member of Manex to progress the four operational aspects of IP&R. A community engagement strategy is being developed.

## **PART III. DELIVERING AND ACHIEVING**

Successful implementation of council's vision, strategic directions and the stated outcomes of its management plan relies on a healthy organisation that has efficient and effective structures, systems and processes.

This part of the review focussed on considering the means by which Council:

1. Governs its day to day operations
2. Undertakes its planning and regulatory obligations
3. Manages its assets and finances
4. Provides for and involves the community, and
5. Recruits and retains its workforce.

While the review team looked at a range of practices, policies and systems, this report primarily documents significant observations and priority focus areas. Consistent with the Review Program's objectives these will reflect areas which represent better practice, are noteworthy or in need of improvement or further development. A definition of each of these categories is provided earlier at Part I, section 1.3 *The report*.

### **1. GOVERNANCE**

#### **1.1 OVERVIEW**

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

### 1.1.1 Scope of review

- *Ethics and values*
- *Management planning*
- *Procurement, disposal & tendering*
- *Privacy management*
- *Code of conduct*
- *Communication devices*
- *Disclosure of pecuniary interests*
- *Risk management, legislative compliance & internal control*
- *Council's decision-making processes, including delegations and conduct of meetings*
- *Support for councillors*
- *Records management*
- *Access to information*
- *Complaints handling*
- *Information technology*

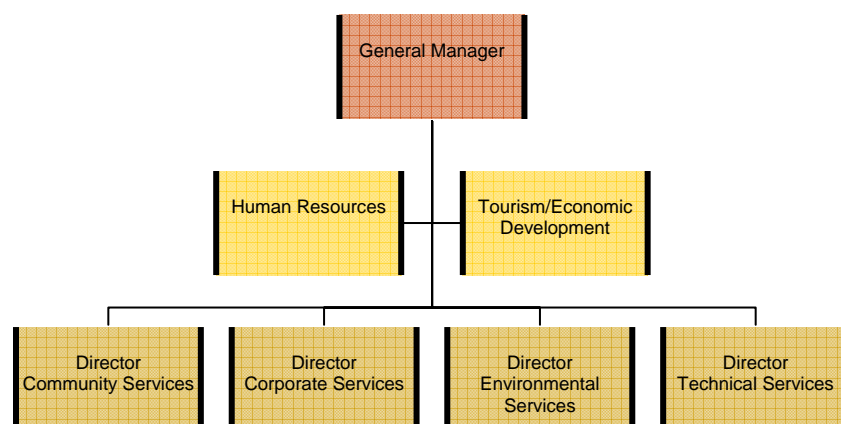
### 1.1.2 Warrumbungle Shire Council's governance framework

Overall, Council does not have a well developed corporate governance framework. While there are a number of policies and procedures in place which meet minimum compliance requirements and some which are of a good standard, the review identified crucial gaps which leave Council susceptible to risk.

### 1.1.3 Organisational structure

Council's Management Executive Team consists of the General Manager and four (4) Directors. The General Manager has direct responsibility for the Human Resources and Tourism/Economic Development functions.

Diagram 2 Warrumbungle Shire Council Management Executive Team



The organisational structure was last reviewed by Council in August 2009. Further review of this structure may occur as a result of the broader organisational review conducted recently (see below for more details).

Council's main headquarters is located in Coonabarabran, with a smaller administrative centre in Coolah. Managing the two centres has not been without its challenges such as achieving effective communication across the whole organisation and integrating systems, policies and personnel.

## **1.2 BETTER PRACTICE**

The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

## **1.3 NOTEWORTHY PRACTICE**

### **1.3.1 Warrumbungle Shire Council Organisation Review**

In July 2009 Council authorised its Mayor and General Manager to engage Local Government Management Solutions (Management Solutions) to conduct an organisation review and determine a brief for such review in consultation with councillors.

The agreed upon terms of reference for the review covered the following key aspects of Council's operations:

1. A possible vision for the whole local government area
2. Council's organisation structure
3. The location of Council administrative centre, offices, depots and stores.
4. Delegations and chains-of-command
5. Strategic and integrated planning processes
6. A range of administrative processes related to councillor requests and correspondence, expenditure reporting, purchasing and stock control.
7. Staff morale/climate and management practices.
8. Use of technology

The organisation review was comprehensive and Management Solution's final report dated February 2010 made 34 recommendations for improvement. At the time of our site visit the report was a confidential document. The full unabridged report was made available to the General Manager and all councillors only. Some senior managers were given extracts of the report relating to their operational areas. While the review team was provided with a copy of the report, confidentiality prevents us from referring to or drawing upon Management Solution's findings in this report.

This Promoting Better Practice review (as indicated at the beginning of Part III) has a somewhat broader scope than the terms of reference of the organisation review. However, the methodology used by Management Solutions was much more comprehensive to enable a more detailed examination of their terms of reference. The methodology involved telephone interviews with external providers, focus groups with community members in the major towns and villages of the Warrumbungle Shire, a community survey, a staff climate survey and broader staff consultation.

Consultation with staff as part of the organisation review occurred during September and November 2009. Some frustration was voiced at the delay and/or perceived lack of communication from the General Manager about its status and outcomes.

However, a summary of the results from the staff climate survey was presented on the front page of the *Council Times* (staff newsletter) which was distributed during our site visit in April 2010. That edition also included a one page status report from the General Manager about the overall organisation review.

### ***Recommendation 3***

*Council should give due consideration to adopting the findings and recommendations contained in the Warrumbungle Shire Council Organisation Review Report, Local Government Management Solutions, February 2010.*

### **Council's Response**

Council at its July 2010 Meeting accepted the Local Government Management Solutions Report. A briefing report of the recommendations is being presented to the Ordinary October 2010 Council Meeting. From that an action plan will be developed to consider each recommendation in detail and then create a phase in action plan for those recommendations.

## **1.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **1.4.1 Leadership**

Under the Act, *“the general manager is generally responsible for the efficient and effective operation of the council’s organisation and for ensuring the implementation, without undue delay, of decisions of the council”* (s335(1) of the Act).

The General Manager reported that he has an ongoing focus on amalgamating the two Councils to create the Warrumbungle Shire Council. This has required attention to the operational details of creating a unified organisation.

The current challenges and opportunities facing Council require councillors and the General Manager to practice a different leadership style. A transition from an approach which is less operationally focussed to one which is more visionary and consultative appears more appropriate.

The General Manager holds Management Executive Team (ManEx) and Quality Control Group meetings to manage and monitor specific projects. It was reported that the proceedings of these meetings could be improved by being more strategic and focussed on priority projects.

Lack of project coordination was also raised as an issue. The example of the senior staff each producing their own different spreadsheets related to the budget was raised repeatedly. This is believed to have contributed to instances of inaccurate data being presented to the elected body.

Leadership was also canvassed in the findings and recommendations of the organisation review report (see 1.3.1). It is also listed as a priority area for improvement in the General Manager’s Performance Agreement.

Managers do not currently have a forum to discuss and facilitate effective project management.

Councillors and the General Manager are encouraged to note the findings and consider adopting the recommendations relating to leadership in the Warrumbungle Shire Council Organisation Review (see recommendation 3).

**Recommendation 4**

*The General Manager should:*

- a. Review the agenda and operation of ManEx and Project Control Group meetings to facilitate more strategic decision making and the monitoring of priority projects.*
- b. Consider introducing a regular meeting forum for middle managers to foster improvement communication and facilitate effective project management. Mechanisms to link this forum with the ManEx Group should also be implemented.*

**Council's Response**

- a By necessity MANEX has, to date, been dealing with operational issues. Changes have been made to the agenda processes of MANEX but there is still some way to go.
- b The establishment of regular middle management meetings is to be considered by Manex. This will look at what improvements can be made in communications and the management of programmes.

**1.4.2 Values**

Council does not have an explicit set of values. Corporate values define the acceptable standards which govern the behaviour of individual employees within the organisation.

As previously stated, not all Council's employees are co-located. Some comments were made to the review team of a "Coolah versus Coonabarabran" attitude between

some staff. In a few instances this appeared to have descended to a personal level. Such behaviour is counter productive to achieving corporate outcomes.

An articulated statement of values could help to draw the organisation together and provide a framework for the collective leadership of an organisation. Council's values should align with its vision and mission, and the vision that it is trying to achieve. The scope of the Management Solutions organisation review extended to providing Council with feedback and guidance in this area.

**Recommendation 5**

*Council should develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.*

**Council's Response**

Council has engaged a facilitator to assist in developing a vision and mission statement and as part of that consideration has been a statement of values. A draft vision and mission statement is to hand and will now seek general staff input into these ideals. A part of the discussion in developing the foregoing will be the underlying corporate values associated with a vision and mission. Further work needs to be done to draw together an agreed set of corporate values and this will be part of staff workshops.

**1.4.3 Decision making**

Council meetings are the primary means by which Council makes its decisions. The review team attended Council's ordinary meeting of 15 April 2010.

The review team made the following observations:

- Council's Code of Meeting practice, which guides the conduct of the meetings, was endorsed in May 2005 and was amended in May 2009. This Code complies with the procedures set out in the Act and Regulation.
- As a result of a fire in the main administrative centre, Council does not have formal Council Chambers. Currently it meets at the Coonabarabran Fire Control Centre which is the base of the Rural Fire Service (RFS). While functional, this arrangement is not ideal. For instance, the meeting room is



relatively small with poor acoustics. Also some RFS personnel remained in the room carrying out their business while Council met. The coming and going of these personnel and gallery members was noticeable at times.

- Overall, proceedings were generally orderly and conducive to decision making.
- Participation by councillors appeared to be quite good, with most councillors participating in respectful discussion and debate on issues before Council.
- Some councillors and staff did not direct their comments correctly through the Mayor.
- At times there appeared to be free discussion between councillors and questions prior to the Mayor calling for motions. Some of this discussion focussed on operational details. This practice may not be consistent with statutory requirements.

Council may wish to give consideration to resolving itself into the “committee of the whole” under section 373 of the Act. In doing so the council meeting becomes a committee meeting (consisting of all councillors). Clause 259 of the Regulation allows councillors to overcome the limits, set by clause 250 on the number and duration of speeches. The meeting remains open to the public unless Council closes it under section 10A(2) of the Act.

However, the “committee of the whole” may not pass a Council resolution. It makes recommendations to Council in the same way as any other committee of Council. Once the “committee of the whole” has completed its business and the Council meeting has resumed, Council considers any recommendations made during its deliberations.

**Recommendation 6**

*Council should consider, when appropriate, resolving itself into the “committee of the whole” under section 373 of the Act to allow discussion outside of the limits set by clause 250 on the number and duration of speeches.*

### **Council's Response**

Councils Code of Meeting Practice will be reviewed to establish a process of when to resolve into a “committee of the whole”.

#### **1.4.4 Delegations**

A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than those expressly excluded by sections 377, 379 and 381 of the Act. The general manager can then in turn delegate any of the functions of the general manager, other than this power of delegation (s378 of the Act).

Council has recently (for the first time) prepared a formal register to document which functions it has delegated. It covers delegations to the General Manager, Mayor, Deputy Mayor, Community Committees, Directors, Manager and Senior Finance Officer. This document should be publicly available under section 12(1) of the Act.

The review team was advised that the organisation review by Management Solutions identified this deficiency and had precipitated the production of the register. Prior to 2010, it was reported that some staff (including the Management Executive Team) were restricted in carrying out their duties due to lack of delegation.

A review of the register still appears to indicate limited delegation of functions to Directors and Managers. For instance, these officers are allowed to respond to and sign routine correspondence only. The list of exclusions which restrict these officers from preparing letters appears to be excessive and does not align necessarily with their budget and management responsibilities. It was stated that further efficiencies could be achieved if other officers could also be allowed to prepare and sign basic correspondence consistent with their job responsibilities.

### **Recommendation 7**

*The General Manager should further review the Delegations Register and determine a means for clearly communicating the delegated authority to each staff member concerned. This could include incorporating these delegated authorities into their position description.*

#### **Council's Response**

The delegations to staff were reviewed and formalised in February 2010. Delegations cover the operational span of all directors, all managers and some specialist staff. These delegations include the signing of basic correspondence consistent with job responsibilities as well as purchase orders. Manex has reviewed the delegations to ensure that they meet the operational needs of each Director.

### **1.4.5 Internal Controls**

Internal control processes, such as internal audit, fraud control, risk management and legislative compliance, provide for systematic assessment of the adequacy and weakness of Council processes and systems. These processes should be integrated into Council's philosophy, practices and business plans rather than be seen or practised as a separate program. When it is integrated, risk management becomes the business of everyone in the organisation.

This is an area of Council business which requires urgent attention and improvement.

#### Internal audit

The internal audit role is primarily one of providing independent assurance over the internal controls and risk management framework of the Council. Management has primary day-to-day responsibility for the design, implementation, and operation of internal controls.

While internal audit has no direct involvement in day-to-day operations, it does have a direct functional relationship between the General Manager and the Council. An effective internal audit function should evaluate and monitor the adequacy and effectiveness of the internal control framework as a minimum.

Council does not have an internal audit plan, committee or framework.

Development Assessment Internal Audit Tool

Recent investigations by the Independent Commission Against Corruption (ICAC) have identified development assessment processes as a significant corruption risk for councils. The ICAC has designed a *Development Assessment Internal Audit Tool* to assist in the audit of a council's development assessment and determination processes. While the tool is not intended to provide a comprehensive analysis of organisational risks in this operational area it canvasses some of the risks identified in recent ICAC investigations. The tool focuses on compliance with key legislative provisions and on some procedural controls in this area.

**Recommendation 8**

*Council should form an audit committee and establish an internal audit framework as per the Division of Local Government's Internal Audit guidelines.*

**Council's Response**

While Council has been reviewing options concerning Internal Audit Services this has not progressed far. Council will now look to establish an Audit Committee and to develop a framework based around the LG Internal Audit Guidelines.

**Recommendation 9**

*In carrying out risk assessments of its development assessment and determination processes, Council is encouraged to consider using Development Assessment Internal Audit Tool designed by the Independent Commission Against Corruption.*

**Council's Response**

Council will introduce a process using the Development Assessment Internal Audit Tool developed by the ICAC to manage its future assessment process.

### Risk Management

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. Council reports that, due to the challenges surrounding the amalgamation, it has not been able to formalise a risk management plan that addresses all key business risks facing Council.

#### **Recommendation 10**

*Council should ensure that a risk management plan is finalised and implemented as soon as practicable.*

#### **Council's Response**

A risk management plan will be developed.

### Fraud Control

Fraud is defined as “*dishonestly obtaining a benefit by deception or other means and includes both tangible and intangible benefits*” (Commonwealth Fraud Control Guidelines)

Core areas which present risks to Council include:

- information technology and information security;
- electronic commerce, electronic service delivery and the Internet;
- outsourced functions;
- grants and other payments or benefits programs;
- tendering processes, purchasing and contract management;
- services provided to the community;
- revenue collection;
- use of credit cards;
- travel allowance and other common allowances;
- salaries; and
- property and other physical assets including physical security.

Council adopted a *Fraud and Corruption Policy* in March 2009 to limit its “*exposure to fraudulent or corrupt activities of any kind, including for the benefit of Warrumbungle Shire Council*”.

**Recommendation 11**

*In accordance with Council’s Fraud and Corruption Policy, the Management Executive Team should ensure fraud risk assessments of the core areas of organisational risk and manage these in a manner which limits exposure to fraudulent and corrupt activities.*

**Council’s Response**

A Fraud and Corruption item will be included in the agenda of future Manex meetings. There will be an expectation that areas of fraud risk will be progressively monitored.

Fuel Control

The Auditor’s Management Letter presented to Council for the 2008/09 financial year reported that there was a lack of fuel controls at depots. A meeting was held with the auditors in January 2010 to discuss how Council should implement improvements. It appears that little has happened to date.

**Recommendation 12**

*Council should review its fuel management system and modify it accordingly to safeguard Council assets.*

**Council’s Response**

There have been concerns about the accuracy of the fuel management system. In addition to the twice yearly stock take of the stores system a monthly fuel store review is carried out. The results of the review have been reported to each monthly meeting of Council since July 2010. The systems of purchasing, accounting for and distribution of fuels is being reviewed in concert with this closer scrutiny.

#### **1.4.6 Legislative compliance**

Circulars and other documents are monitored for changes to legislation and other regulatory obligations. These changes are documented and circulated to Managers and Directors. However, Council does not have a formal system to ensure that all updates or changes are captured and then complied with.

#### ***Recommendation 13***

*Council should develop a system or process to ensure that its legislative and regulatory obligations are met.*

#### **Council's Response**

A system to monitor the distribution of advice on legislative changes will be looked at to formally track the current distribution of advice notices.

#### **1.4.7 Procurement, tendering and disposal practices**

##### Policies and procedures

This is an area which is deficient and requires urgent attention. Council does not have documented policies, procedures and processes relating to the areas listed below.

- Engaging in and monitoring its purchasing and tendering.
- Monitoring contractor performance and acting upon unsatisfactory performance.
- Monitoring the disposal of its assets.
- Complaints by third parties about the procurement and disposal of assets.
- Regular risk assessment of practices in this area (no risk assessment has been undertaken in the last two (2) years).

**Recommendation 14**

*Council should develop policies, procedures and processes relating to purchasing, tendering and the disposal of asset. Where relevant, these should be consistent with the Tendering Guidelines issued by the Division of Local Government.*

**Council's Response**

A Procurement Policy is being developed – consultation within the organisation is completed. A draft should be available shortly for staff comment.

Purchase Orders

Council uses a manual purchase ordering system (purchase order books). It was perceived that in some instances purchasing procedures were not followed. For example, on a few occasions invoices were received before the purchase order was raised.

The review team noted that Council currently has an electronic purchase order capability available within its overarching accounting system software (Practical). Using this capability may streamline procedures in this area and allow for better integration with Council's accounting framework. A further benefit for Council in using a computer based system would be the easy capture of accruals and commitments.

**Recommendation 15**

*Council should consider integrating its manual purchase order system with its current accounting software package.*

**Council's Response**

The intention is to move eventually to an electronic system however the concerns about management of stock items, particularly fuels, needs to be satisfied. There have been numerous reports to Council recently on the failures in accountability in managing fuel stocks. A strategy is in place to address this matter, after that we can look at electronic ordering systems.



### Statement of Business Ethics

A Statement of Business Ethics guides dealings between a council and its suppliers, contractors and consultants so that purchasing goods and services, joint ventures and the contracting out of activities are undertaken in an ethical manner. Simply stated it provides guidelines on what to expect from council and explains the mutual obligations, roles and constraints on all parties. These ethical standards are integral to good business practice.

Council does not have a statement of this nature.

### **Recommendation 16**

*Council should prepare a statement of business ethics which is integrated with its procurement and tendering policies, procedures and documentation. The statement should also be displayed on its website and distributed those it intends to do business with.*

### **Council's Response**

A report is to be submitted to the October Meeting of Council on articulating a set of Business Ethics. These will then be incorporated into Council's Procurement Policy.

### **1.4.8 Information Communication Technology (ICT) Strategic Plan**

An Information Communication Technology (ICT) Strategic Plan provides a context for the use of information communication technology to support and enhance Council's vision, mission, and objectives as set out in its Community Strategic Plan. Such technology is essential to carrying out most Council functions.

Warrumbungle Shire Council does not have an ICT strategic plan to sustain its current operations, cater for growth and achieve the future vision. Council's current IT systems were described by a number of staff as out of date and in need of replacement. Also, Council does not have a common platform which can facilitate better integration across the organisation.

Communication between outlying council offices also poses challenges which could be better resolved by technology.

All employees were provided with internet access during 2008-2009. At the time of our site visit an intranet facility was not available. Through an intranet facility staff could access Council policies to assist them in providing accurate and effective customer service. It is an effective internal communication tool between staff and an efficient means of providing staff with access to human resource policies.

Council's IT equipment is in need of replacement and the phone system is likely to require upgrading in the short term. Some software is not used to its optimal capability and other software will need to be upgraded to keep up with industry standards.

**Recommendation 17**

*Council should develop and implement an Information Communication Technology Strategic Plan which aligns with its Community Strategic Plan and all relevant operational plans. The plan should be reviewed and updated regularly to reflect the changing needs and emerging developments of technology, and Council's directions and business requirements.*

**Council's Response**

Council has completed a "request for a technology partner" – these are now being assessed with a recommendation to the October Council Meeting. Part of that engagement will be to develop an Information Technology Strategic Plan.

**Recommendations 18**

*Council should provide all staff with an intranet site as soon as practicable.*

**Council's Response**

Council is upgrading its web presence and as part of that development an intranet facility will be introduced. It is expected that this will come online during October 2010.

### **1.4.9 Reporting to the Division**

Councils are required to submit their annual reports to the Minister of Local Government by 30 November each year. The annual report must include a State of the Environment (SoE) report or this can be submitted as a separate document.

In addition the annual report must include a statement on the Council's performance in relation to access and equity activities to meet residents' needs. Access and equity activities are any activities that aim to promote social justice and enhance community well-being.

Councils are required to submit a current social/community plan to the Division every five years to assist in the development of strategies and initiatives appropriate to the current and future needs of their local communities.

A copy of the Council's audited financial reports and the auditor's report must be sent to the Chief Executive (Local Government) and to the Australian Bureau of Statistics as soon as practicable after receiving the auditor's report (no later than 7 November). Councils must also include a complete copy of the audited financial report in their annual report.

The Division's publication *"Comparative Information on Local Government Councils"* provides comparative information on the performance of all local councils in NSW across a broad range of activities. This includes data on whether each council's reports were received by the Division in compliance with statutory deadlines.

A review of the annual data since the constitution of Warrumbungle Shire Council in 2004 reflects very poor performance in this area. Council has been consistently late in submitting its annual reports, State of the Environment Report and financial reports and therefore has not met its statutory obligations.

**Recommendation 19**

*Council should improve its systems and processes to ensure that it can meet its statutory reporting requirements on time.*

**Council's response**

A review is to be undertaken of how Council currently manages its statutory reporting requirements and a system introduced to monitor the adequacy of the process then formulated.

## **2. LAND USE PLANNING & OTHER REGULATORY FUNCTIONS**

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

### **2.1 OVERVIEW**

Warrumbungle Shire Council has a strong planning and regulatory framework together with a commitment by Council and staff to meet community expectations and work towards best practice principles.

#### **2.1.1 Scope of the review**

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

- *Council's planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Compliance and enforcement practices*
- *Swimming pools*

#### **2.1.2 Overview of land use planning and regulatory practices**

Council is currently focussing on setting the direction for strategic land use development consistent with the requirements of the *Environmental Planning and Assessment Act 1979*. During 2008/2009 146 development applications were approved and 72 complying development certificates were issued. A range of achievements in the environmental health and regulatory services are reported on in Council's Annual Report 2008/2009.

## **2.2 BETTER PRACTICE**

The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

## **2.3 NOTEWORTHY PRACTICE**

### **2.3.1 Regional State of the Environment Report**

Council has entered into a successful regional reporting framework in partnership with 16 nearby councils and the Central West Catchment Management Authority. A comprehensive Regional State of the Environment Report was produced for the period of 2008/2009.

The Greater Central West Region of NSW covers an area of approximately 154,000 km<sup>2</sup> which is home to an estimated 215,000 people. The local government areas include Bathurst, Blayney, Bourke, Brewarrina, Cabonne, Coonamble, Dubbo, Gilgandra, Lachlan, Mid-Western, Narromine, Oberon, Orange, Warren, Warrumbungle, Weddin and Wellington.

The report is well prepared, written and presented. It includes regional themes and indicators to assess air, biodiversity, land, waste, water and human settlement. The report also presents case studies of community action towards improving the local environment.

However, there is very limited information or comment on the impact of council activities on the environment. While the reporting provides information to the community, it is difficult to assess or determine strategic links between the management plan and the reporting.

## **2.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **2.4.1 Leadership**

The position of Director of Environmental Services is currently vacant. The position is temporarily being filled by a contractor on a 2-3 day per week basis. The management of land use planning and other regulatory services is a critical function.

**Recommendation 20**

*In reviewing its organisational structure, Council should ensure that the management of land use planning and other regulatory services is adequately resourced.*

**Council's Response**

From the Local Government Management Solutions Report there is recognition that an additional building certifier is required at Coonabarabran. This person would then be responsible for the regulatory services.

**Review Team Comment**

*The benefits of employing an extra building certifier are acknowledged. However, the review team wishes to stress the importance of maintaining stable full time leadership in the planning and regulatory services area.*

**2.4.2 Strategic land use planning**

During 2008/2009 Council completed its first Land Use Strategy. This sets the strategic development direction for the Shire for the next 15-20 years. This forms the basis for Council's single Local Environmental Plan (LEP) which is currently awaiting the Department of Planning's approval for the exhibition of its Growth Management Strategy.

Council is also amalgamating all of its Development Control Plans into one document to cover the whole Shire. Council reports that this work has progressed slowly due to uncertainty created by the introduction of the Department of Planning Code State Environmental Planning Policies (SEPPs).

**Recommendation 21**

*Council should finalise its single Local Environmental Plan and single Development Control Plan as soon as practicable.*

**Council's Response**

Council has recently appointed a new Consultant to conclude the preparation of its new LEP. The various DCP's will be included in this process.

**2.4.3 Development assessment**

Council records all development applications (DA's) on the Lotus Notes/Bluepoint records management system. The Bluepoint system notes items of correspondence that are overdue, including DA's. Council currently does not provide for electronic lodgements of DA's.

While Council currently notifies adjoining owners as part of its routine assessment, it does not have a documented and publicly available notification policy. Council plans to include such a policy in the DCP consolidation process described above.

***Recommendation 22***

*Council should include a notification policy in its single Development Control Plan.*

**Council's Response**

As part of the completion of the new LEP and DCP's there will be a clarification of the notifications requirements in that documentation.

**2.4.4 Stormwater Management Plan**

Council's Stormwater Management Plan was last updated in 2001 for the former Coonabarabran Council. The plan has not been updated since both Coonabarabran and Coolah Councils merged.

***Recommendation 23***

*Council should update its Stormwater Management Plan to reflect the requirements of the entire Warrumbungle Shire.*



**Council's Response**

A review of the Stormwater Management Plan will be undertaken. Initially a scoping assessment will be done to determine the resources needed and that will be presented to Council for financial support.

**2.4.5 Waste Management Strategy**

Council's Waste Management Strategy is also based on the former Coonabarabran Shire Council's strategy.

***Recommendation 24***

*Council should update its Waste Management Strategy to reflect the requirements of the entire Warrumbungle Shire.*

**Council's Response**

A detailed report on Council's waste management outcomes was submitted to the Council's July 2010 meeting. From this an ongoing assessment of the various delivery options and the provision of a consistent service will be undertaken and monitored. The report was widely reported on local radio and TV, an information leaflet was included with the 2010/11 rate notices and a special feature article included in all the newspapers serving the town of the shire.

***Review Team Comment***

*Council's progress in this area is to be commended. Ongoing consultation in terms of the various delivery items would ensure that the requirements of the Shire are considered.*

### **2.4.5 Companion Animals**

Council employs two (2) Rangers who are responsible for enforcement activities across a range of areas including companion animals.

#### Euthanasia rates

It was noted that Euthanasia rates appear to be well above the NSW average (approximately 37% in 2007/2008). While euthanasia rates vary dramatically from region to region, Warrumbungle Shire Council's results are at the higher end of that range.

2008/09 – 143 (81%)  
2007/08 – 143 (71%)  
2006/07 – 111 (81%)

Council advised that this discrepancy is largely due to the Shire having a high number of “pig dogs”. As the name would suggest a “pig dog” is used to assist hunters in the capture of wild boars or pigs. They come in all shapes and sizes and a variety of breeds.

Council advised that “pig dogs” are much less likely to be reclaimed from Council's pound. These dogs are usually not registered or micro chipped. It is perceived that the cost involved in reclaiming such a dog from the pound is more expensive than simply purchasing another dog suitable for the task.

As these dogs have been bred and/or trained for hunting or attack they are not considered suitable for re-housing and therefore are euthanised.

#### Dog attacks

The Division's Companion Animals Unit has provided information which indicates that it is unclear whether Council is reporting all incidents of dog attacks on the NSW Companion Animal Register as required under clause 33A of the *Companion Animals Regulation 2008*.

Clause 33A deals specifically with “*Dog attack information on the register*”. Information a council must enter on the Register in respect of a dog attack is set out at clause 33A (2)(a) - (e).

The entering of the dog attack incident as defined in clause 33A (4) must occur irrespective of whether the incident constitutes an offence under section 16 of the *Companion Animal Act 1998*.

It is acknowledged that dog attacks may occur within this Shire which may not ever be brought to the attention of Council. These incidents may include attacks on other animals or stock.

#### Companion Animals Fund

Councils are required to forward registration fees and all other fees collected under the *Companion Animals Act 1998* to the Division for payment into the Companion Animals Fund. There is provision for a portion of this amount to be returned to Council to meet expenditure incurred in the administration or execution of this Act. Council has not always been timely in making its payments into this fund.

#### **Recommendation 25**

*Council should ensure that its Rangers are accurately reporting dog attacks on the Register as required under clause 33A of the Companion Animals Regulation 2008*

#### **Council's response**

A register has been kept and a review will be undertaken of its completeness and accuracy.

#### **Recommendation 26**

*Council should forward all outstanding registration and other fees to the Division for inclusion in the Companion Animals Fund as a matter of priority. Future payments should be made in a timely manner.*

#### **Council's response**

All registration fees are paid as raised – a review will be undertaken of the accounting system backing the collection payment of dues to the DLG.

### **3. ASSET AND FINANCIAL MANAGEMENT**

#### **3.1 OVERVIEW**

Under its charter, a 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.

##### **3.1.1 Scope of the review**

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

- *Financial management*
- *Asset management, including land assets, plant replacement and capital works*

##### **3.1.2 Overview of financial position**

The Division of Local Government reviews the financial statements of all councils and county councils in New South Wales on an annual basis. The review of Warrumbungle Shire Council's financial statements as at 30 June 2009 highlighted some areas of concern. They include:

- Council has recorded operating losses before Capital Grants for the last three financial years.
- Council's unrestricted current ratio has declined over the last three financial years. The ratio of 1.36 for the 2008/09 financial year is below the industry benchmark of 2.0. The unrestricted current ratio measures the adequacy of working capital after excluding all restricted asset and liabilities.
- Council's outstanding rates and charges ratio remains relatively high.

#### **3.2 BETTER PRACTICE**

The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

### **3.3 NOTEWORTHY PRACTICE**

The review team did not identify any practices of particular note or significance for the council/community.

### **3.4 AREAS REQUIRING FURTHER DEVELOPMENT**

#### **3.4.1 Quarterly financial reporting**

Under clause 203 of the *Local Government (General) Regulation 2005*, the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the management plan that the council has adopted for the relevant year, a revised estimate of the income and expenditure for that year.

Council's quarterly financial reviews are provided on time. The reports are usually between 45-60 pages and drill down into function/activity/responsibility categories of Council. The reports are very detailed and voluminous. There is no overall summary of the individual reports provided. As the information is not easy to read and comprehend this may prevent councillors from obtaining a clear appraisal of Council's financial position to guide their decision making.

As stated above, a consolidated report showing Council's income and expenditure is not provided. There are no projections as to Council's financial position for the year.

The Division has recently issued draft *Budget Review Statement Guidelines for NSW Local Government* to all councils for comment. These guidelines aim to provide assistance to councils for the presentation of financial information in a manner which is easier to understand by councillors thereby allowing more informed decision making in relation to council's finances and resources. While these guidelines are still a draft document, Council could use them as a guide to providing relevant financial information for councillors.

**Recommendation 27**

*The General Manager should ensure that financial information is presented to councillors in a format which is easily understood to enable informed decision making in relation to Council's financial position and resources. The new quarterly reporting guidelines which will become compulsory in 2011/12 should be adopted early by Council.*

**Council's response**

A review of the new quarterly reporting guidelines will be undertaken to include a complying set of reports to Council. This format will be submitted to the November Council Meeting to determine whether it meets the informational needs of Councillors.

**3.4.2 Budget Preparation**

Under the Act and the Regulation, the "Responsible Accounting Officer" is responsible for keeping Council's accounting records, including coordinating the preparation of Council's budget. However, this does not appear to be the case for Warrumbungle Shire Council. It was noted that the General Manager, Director of Corporate Services and the Finance Manager all had spreadsheets that were supposed to form the basis of the budget. It was reported that these spreadsheets did not always reconcile with each other. This had on occasion resulted in the provision of inaccurate information. Some staff also observed that there was no workshop to allow them to participate in the effective coordination and production of budgets.

**Recommendation 28**

*Council should appoint one officer to oversee the coordination and production of its annual budget. Under Council's current structure this would probably be the domain of the Director of Corporate Services.*

**Council's response**

The Director of Corporate Services will be the officer responsible for the development and coordination of the annual budget.

**3.4.3 Long-Term Financial Planning**

Council does not currently have a long-term financial plan, nor does it appear that it has the capability of producing one. The development of a long-term financial plan is a key input into the resourcing strategy that will form part of a Council's Integrated Planning and Reporting Framework. The development of a long-term financial plan is now a statutory requirement. Under integrated planning and reporting requirements, long-term financial plans must be for a minimum of 10 years. As a Group 3 Council, Warrumbungle Shire will need to implement its Integrated Planning and Reporting process in the 2012/13 financial year.

In the case of Warrumbungle Shire Council, the development of a Long-Term Financial Plan is not merely necessitated by the need to comply with new statutory requirements. Given Council's financial position, it is also imperative to its ongoing stability. The development of a long-term financial plan may assist the Council to identify and manage risks to its medium and long-term financial position. It can also be used to identify potential costs savings and develop alternative revenue streams.

**Recommendation 29**

*In order to achieve Council's implementation of the Integrated Planning and Reporting Framework due in 2012/2013, Council should commence work on developing a ten year long-term financial plan as a matter of priority.*

**Council's response**

Project teams consisting of across the organisation members have been established (June 2010), led by a member of Manex, to progress the three components of IP&R framework's Resource Strategy. The Long-Term Financial Planning component is led by the Director of Corporate Services. Progress is provided to Manex on a monthly basis.

### **3.4.4 Asset Management**

#### Asset management planning

Asset management plans and strategies are also key inputs into the resourcing strategy that will form part of a Council's Integrated Planning and Reporting Framework. The development of an asset management plan and strategy is a statutory requirement. Asset management plans and strategies must be for a minimum timeframe of 10 years.

The asset management strategy must:

- Include an overarching Council endorsed policy.
- Identify assets that are critical to the Council's operations and outline risk management strategies for these assets.
- Include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.

Asset management plans must:

- Encompass all the assets under the Council's control.
- Identify asset service standards.
- Contain long-term projections of asset maintenance, rehabilitation and replacement costs.

Although Council has a complete list of its assets and has met all the requirements for "fair valuing of assets", it does not have an asset management plan. Council's asset register is kept on a spreadsheet, and not in its current accounting software. This results in limited information about each of Council's asset, its location and condition.

The preparation of an Asset Management Plan would assist Council in the implementation of its Integrated Planning and Reporting process.



**Recommendations 30**

*Council should develop an asset management framework to ensure that it complies with statutory requirements.*

**Council's response**

Council does have an assets management framework but relies on a short term view of future needs. A review of the framework will be undertaken as part of the Integrated Planning and Report Strategy.

**Recommendations 31**

*Council should consider transferring its current asset register (spreadsheet) to the dedicated software program available in its accounting software.*

**Council's response**

All Council's assets have over the last three years been identified and valued. The spreadsheet data will be transferred to the current accounting software package.

Asset maintenance

There has been a persistent gap between the estimated cost to maintain Council's assets and actual expenditure over recent years. When queried about the gap, Council's responsible officer was unsure where the estimated cost to maintain Council's assets (in Special Schedule 7) came from.

Council has no overall maintenance policy for its assets. Expenditure is based on priorities, customer requests and scheduled maintenance and service on plant, vehicles and buildings.

As part of the development of its asset management framework and resourcing strategy, Council needs to ensure that adequate provision is made for expenditure on asset maintenance.

**Recommendation 32**

*Council should develop and overall asset maintenance plan based on an accurate assessment of asset maintenance required.*

**Council's response**

Provision of ongoing assets maintenance is included in the annual budget each year. However there is no long-term review of the adequacy of those provisions. Once the basic operational issues surrounding Council's budgeting process are addressed the issue of the level of funds linked to asset maintenance needs will be addressed.

**Review Team Comment**

*It is noted that all council assets have been identified and valued over the last three years. This would allow maintenance requirements to be determined toward the development of a longer term asset maintenance plan. Such a plan could more strategically inform Council's budget process.*

**3.4.5 Land Assets**

The Act imposes obligations on councils in regard to the management of council land that is classified as community land. This includes the requirement that councils have a plan of management for community land (s36 of the Act). The former Department of Local government issued a practice note, *Practice Note 1 – Public Land Management* to assist councils in the management of public land.

Council has substantial land holdings that are classified as community land. However, it does not have any plans of management for that land, as required under the Act.

Council does not deposit income generated from Crown reserves under Council's care and control into its trust fund, as required under section 411 of the Act and clause 204 of the Regulation.

It was also noted that three (3) Directors are responsible for different areas of community land. None have been supplied with an asset listing of the assets under

their control. Council should consider consolidating responsibility for the control of Council land assets to one Division/section of Council to ensure that all statutory requirements are met.

**Recommendation 33**

*Council should develop plans of management for its land holdings that are classified as community land.*

**Council's response**

Plans of Management are needed for the classified community land and will be developed by each division for that land under their control.

**Recommendation 34**

*Council should ensure that income generated from Crown reserves under Council's care and control is deposited into its trust fund.*

**Council's response**

A review will be undertaken on Council Crown reserve holdings and any income will be put into a trust fund for the ongoing care and management of the various reserves.

**Recommendations 35**

*Council should consider giving one officer or Division responsibility for coordinating the management of community land under its care and control.*

**Council's response**

The Environmental Services Division will be appointed as the manager of community land.

**3.4.6 Rates and Annual Charges Outstanding**

Council's are encouraged to keep their outstanding rates and annual charges less than a 10% benchmark. In 2006/07 Council's outstanding rates ratio was 15.18% and in 2007/08 it was 14.16%. While there has been an improvement in this area,

the ratio still remains high (9.03% in 2009/2010). Council will need to continue its diligence in chasing up rate debts.

### **3.4.7 Accounting Policy/Manual**

Council does not have an accounting policy/manual to aid staff in day to day processing and running of the business.

This may represent a continuity risk. For instance, if employees in this area leave Council there will be a loss of corporate knowledge and a lack of guidelines to assist new employees to adequately perform their duties.

#### ***Recommendation 36***

*Council develop an accounting policy/manual as soon as practicable and make it readily available to all accounting staff.*

#### **Council's response**

An accounting policy manual is being developed and will be concluded by December 2010. That document will then form part of the corporate information data base and be available through the intranet.

## **4. COMMUNITY AND CONSULTATION**

### **4.1 OVERVIEW**

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.

#### **4.1.1 Scope of the review**

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

- *The methods Council uses to involve and determine the views of its community*
- *Ageing Population*
- *Social and community functions of Council*
- *Annual reporting*
- *Customer service standards*

#### **4.1.2 Overview of community and consultation practices**

Council's performance in this area appears reasonably sound. Council successfully manages a range of local services to cater for the needs of all ages.

### **4.2 BETTER PRACTICE**

#### **4.2.1 Children's service provision**

Providing and advocating for a range of children's services appears to be one of Council's strengths. A key example is the leadership and innovation Council demonstrated in establishing *Yuluwirri Kids* – a new community based Preschool

and Long Day Care Centre in 2009. When the ABC Early Learning Centre closed their operation at very short notice in late 2007, Coonabarabran was without a vital childcare service. Council very quickly coordinated a temporary community response. This response creatively drew upon existing resources such as utilising staff from other children's services and a local venue.

Council then negotiated funding in partnership with the Federal and State Governments for Council to acquire the ABC Learning Centre premises and create a new model for delivering community based care for children. A smooth transition to a fully operational centre occurred in January 2009.

This initiative was hailed as "*a country community at its best under crisis*" in Council's Annual Report 2008/2009. The efforts of the Council staff and community members have led to a very successful outcome.

#### **4.2.2 Community banking/customer service**

Council is the management auspice of the Westpac Instore in Dunedoo. As well as providing access to banking services, the agency also collects rates and provides other counter support relating to Council operations.

Council entered into a five (5) year contract with Westpac Bank which expires in July 2011. The agency operates according to the Westpac management schedule and it reportedly meets 100% of its operational targets. It has also received high scores for Mystery Shoppers and customer service surveys.

### **4.3 NOTEWORTHY PRACTICE**

#### **4.3.1 Community Infrastructure Projects**

Council received \$568,000 for community infrastructure projects. Following community input into the allocation of these funds 11 projects were determined. These improvements included the refurbishment of Coonabarabran Town Hall, mainstreet beautification in Dunedoo, swimming pools improvements, and enhancements to parks and reserves.

While Council staff provided the project management and financial control of these projects, many involved local organising committees contributing volunteer labour and input into the employment of sub contractors.

#### **4.3.2 Other innovative community projects**

During 2008-2009 Council's Development Coordinators were successfully in obtaining a total of \$270,000 in grants for various community projects. Of note was a \$5,000 grant to establish the Coolah Men's Shed. This is an innovative way of encouraging social interaction and health benefits among older men in the community. Council facilitates and supports a number of these sheds throughout the Shire.

### **4.4 AREAS REQUIRING FURTHER DEVELOPMENT**

#### **4.4.1 Social and Community Planning**

The *Warrumbungle Shire Council Community Social/Cultural Plan 2008* demonstrates a good understanding of the purpose of social planning and a focus on implementing social justice principles for the community. The plan is well developed and well structured. It is comprehensive and includes a solid demographic profile. The needs assessment comprise the mandatory target groups, as well as issues-based planning and locality-based planning.

However, the review of the plan has identified that the Social Plan linkages with the Management Plan and Annual Report could be stronger. Progress toward the strategies contained the social/cultural plan is not currently monitored and reported on. Stronger links to the Management Plan would facilitate improved implementation, monitoring and reporting on the outcomes of the social/cultural plan.

**Recommendation 37**

*Council should better align its Community Social/Cultural Plan with its Management Plan and Annual Report.*

**Council's response**

Council is undertaking a review of budget format and will align that review with the Management Plan and Annual Report. The new Community Service Plan will be included in the future developments for both the Management Plan and Annual Report.

**4.4.2 Customer Service**

Council does not have a set of specific customer service standards in place against which to measure its performance. Council should develop a guarantee of service to set customer service standards so that the community can assess Council's performance. These should be linked to Council's complaints handling policies and processes.

**Recommendation 38**

*Council should develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.*

**Council's response**

Council does have standards established for the management of correspondence replies within the delegation issued to staff. But there is no single document drawing together customer service standards for the organisation. A Guarantee of Service Statement will be developed covering the expectations of interactions with both internal and external customers.



## 5. WORKFORCE RELATIONS

### 5.1 OVERVIEW

Council is required to conduct itself as a responsible employer in accordance with a number of legislative responsibilities.

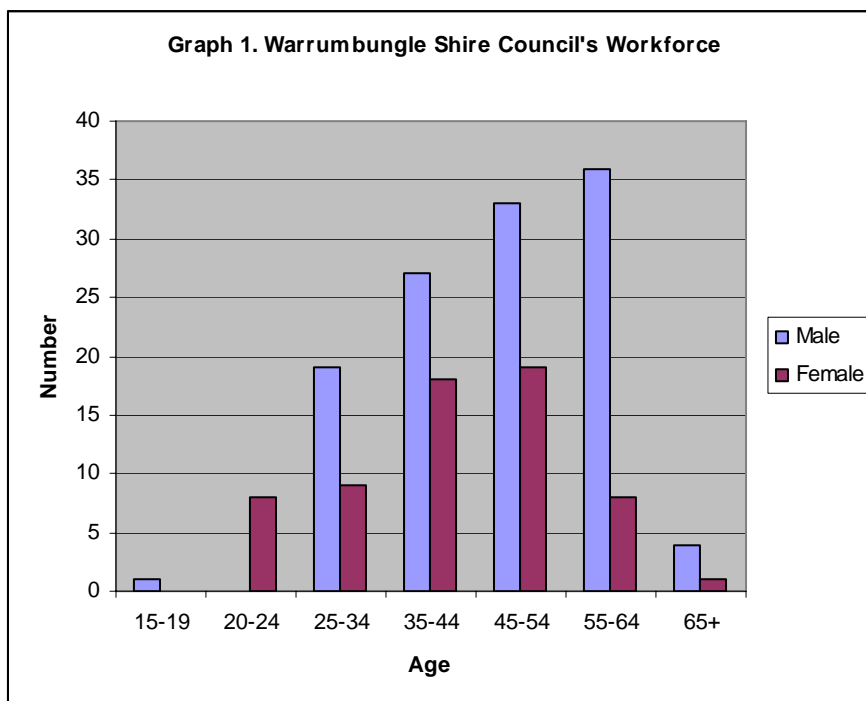
#### 5.1.1 Scope of review

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

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Equal employment opportunity*
- *Occupational health and safety*

#### 5.1.2 Warrumbungle Shire Council’s workforce

Council currently employs 184 full-time equivalent staff. The age and gender profile of these staff is displayed in graph 1.



Council's workforce is somewhat diverse as follows:

- 9% of its employees identify as being of Aboriginal and Torres Strait Islander origin
- 1% are of culturally and linguistically diverse origins
- 1% of its employees have physical impairments
- 34% are female
- 27% of its workforce is aged 55 years and over. Five (5) staff are aged 65 years and over.

Section 218CA of the Act applies to Warrumbungle Shire Council. This section creates an obligation for a transferee council whose local government area is created or increased as a result of an amalgamation of a rural area of a former council (Coolah Shire), to ensure the maintenance of regular staff numbers in that rural area.

In particular, section 218CA (2) states:

*The transferee council must ensure that the number of regular staff of the council employed at the rural centre was, as far as is reasonably practicable, maintained at not less than the same level of regular staff as were employed by the previous council at the centre immediately before the amalgamation or alteration of boundaries took effect.*

These employment protection provisions apply to include permanent casual staff as well as full-time permanent staff.

Council is split into 4 divisions: Technical Services; Environmental Services; Corporate Services and Community Services. Each is overseen by a Director. Council also has a Tourism/Economic Development Team, which reports directly to the General Manager.

The General Manager is the only employee of Council designated as senior staff under the Act.

The management of its workforce represents one of the key challenges confronting the Council. The key issues faced by Council in this regard include:

- The need to comply with section 218CA.
- Some longstanding unfilled vacancies.
- Limited capacity to compete for suitably skilled and experienced staff in the local employment market.
- Resentment by some sections of employees who are resisting the merger of the former Coonabarabran and Coolah Shires.
- A perceived lack of communication/direction from some members of the Management Executive Team.
- A perceived lack of direction for the Shire.

Overall, the review team observed staff to be enthusiastic, dedicated and skilled in their areas of expertise.

## **5.2 BETTER PRACTICE**

The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

## **5.3 NOTEWORTHY PRACTICE**

### **5.3.1 Staff Climate Survey**

Council does not undertake periodic employee attitude surveys. However, a staff climate survey was administered in December 2009 by Management Solutions as part of the organisation review.

Council's staff newsletter distributed in April 2010 reported that 69% of staff members responded to the survey. The newsletter states that *"the results are taken to represent reasonably accurate picture of the organisation's overall climate."*

Positive findings included:

- Overall staff satisfaction
- Relationships with immediate supervisors
- Awareness of performance targets
- Customer service
- Views on occupational health and safety practices at Council
- Most staff believe their jobs to be challenging and able to make use of their skills

- General satisfaction with their workspace and tools

Some of the challenges/concerns included:

- Perceptions regarding the performance of some Management Executive Team members, particularly related to communication practices
- Perceptions around the recruitment and promotion of staff.

Management Solutions have included the detailed findings and recommendations in their review report. They suggest a further climate survey in 12-24 months to measure the impact of the changes. This would also assist in the development of Council's workforce management strategy.

## **5.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **5.4.1 Workforce Management Strategy**

As part of the Integrated Planning and Reporting Framework, councils are required to develop a Workforce Management Strategy to address the human resource requirements of the council's delivery program. The Workforce Management Strategy must be for a minimum timeframe of four (4) years.

While Council does not currently have such a strategy, it has commenced drafting a Human Resources Strategic Plan to detail the key practices and resources needed to achieve the organisation's vision and strategic goals. In order to ensure that this plan is consistent with the requirements of the Integrated Planning and Reporting Framework, Council is encouraged to consult the Guidelines and Manual developed to support the Framework.

Also, the Division is developing a web-based resource on workforce planning to assist councils, which will be included on the Integrated Planning and Reporting website at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au). Councils may also wish to consider the NSW Government's publication: *Workforce Planning: A Guide*, which can be found on the NSW Department of Premier and Cabinet's website at [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au).

### ***Recommendation 39***

*Council should develop its workforce management strategy in conjunction with developing its Integrated Planning and Reporting Framework.*

**Council's response**

Project teams consisting of across the organisation members have been established (June 2010), led by a member of Manex, to progress the three components of IP&R Framework's Resource Strategy. The Workforce Management Strategy component is being led by the Director of Community Services. Progress is provided to Manex on a monthly basis.

**5.4.2 Organisation review.**

The recent organisation review canvasses a range of human resources issues and makes recommendations.

***Recommendation 40***

*Council should consider adopting and implementing the recommendations responding to Human Resources issues contained in the Warrumbungle Shire Council Organisation Review February 2010 and if necessary, implement additional strategies to address the concerns raised in the climate survey.*

**Council's response**

Council at its July 2010 Meeting accepted the Local Government Management Solutions Report. A briefing report of the recommendations is being presented to the October 2010 Council Meeting. From that an action plan will be developed to consider each recommendation in detail and then create a phase in action plan for those recommendations.

**5.4.3 Employee access to relevant policies and procedures**

Council has a well presented Welcome to Warrumbungle Shire Council kit which is given to all new staff. The Kit includes a comprehensive range of information including an occupational health and safety handbook, an employee handbook and a staff policy manual.

As mentioned earlier, Council does not have an Intranet site. Such a facility would provide all employees with easy access to Council's workforce policies and procedures. It would also allow for more efficient updating of the information as changes in policies and procedures occur.

**Recommendation 41**

*Council should consider the introduction of an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.*

**Council's response**

A report was submitted to the 11<sup>th</sup> March 2010 Council meeting to engage a specialist Contractor to undertake an audit of Council's IT network and systems and prepare tender documents and at least commence work on a 5 to 10 year Information Technology Strategic Plan. An intranet facility will be launched at the Council's October 2010 Meeting.

**5.4.4 Human resources software**

Council's Human Resources data (annual leave, sick leave, long services leave etc) are recorded on a spreadsheet not on a dedicated software program. Greater efficiencies and less room for human error could be achieved by purchasing a program more specifically tailored to this area.

**Recommendation 42**

*Council should consider purchasing a dedicated Human resources software program to more efficiently manage its human resources functions and requirements.*

**Council's response**

From the Workforce Management Strategy development to date it has been recognised that a dedicated Human Resources Software Program is needed. The resources for this need have to be referred to Council for additional resource funding.

#### **5.4.5 Occupational Health and Safety**

The *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*, require both employers and employees to work to stringent safety requirements. Council is required to develop written safe work procedures.

The review did not involve a comprehensive audit of Council's occupational health and safety (OH&S) practices. However, the following observations were made:

- As mentioned all new staff are given an Occupational Health and Safety Handbook as part of a Welcome Kit.
- Council has not adopted an overarching management plan or system to guide and regulate this area.
- Staff raised issues in relation to occupational health and safety practices as part of the recent climate survey and organisation review.

#### **Recommendation 43**

*Council should develop and adopt an Occupational Health and Safety Management Plan/System to guide this area and ensure that it meets its legislative requirements.*

#### **Council's response**

Development of an OH&S Management Plan will be partnered with StateCover and will be completed by March 2011. The Plan will then be presented to Council's April 2011 Ordinary Meeting for endorsement.

#### **5.4.6 Succession Plan**

Council's workforce is ageing with 27% of its employees aged 55 years and over. Five (5) employees are aged 65 years and over. Council does not have a formally documented succession plan.

#### **Recommendation 44**

*Council should develop and document a succession plan as part of its Workforce Management Strategy.*

**Council's response**

The issue of succession planning within Council's workforce is acknowledged. From the Workforce Management Strategy succession planning is a critical component outcome of developing the strategy.

**5.4.7 Exit Interviews**

Employee exit interviews are an important part of human resource management and the monitoring of employee retention and satisfaction. Avoidable losses can result from employee job dissatisfaction, poor management practices, the lack of advancement opportunity, and sometimes, personal harassment by or conflict with a co-worker or manager. The unnecessary loss of talented staff is a significant cost to Council.

Information gained from exit interviews, if consistent over time, may provide valuable pointers for developing and reviewing Council's human resource management policy. It may also help to clarify possible concerns with the culture of the organisation. The data can be gathered in a structured way by using either a questionnaire or interview, or perhaps both.

Currently, Warrumbungle Shire Council does not conduct exit interviews with employees who leave the organisation.

***Recommendation 45***

*Council should consider conducting exit interviews with all staff who are leaving its employ.*

**Council's response**

Exit interviews have been held but these have been ad hoc and not universal. Exit interviews are now being held by the Team Leader Human Resources. A more structured process is to be developed using both interview and questionnaire techniques. All exit interviews will be forwarded to the General Manager who will determine an organisation strategic issue that can then be actioned by the Division as required.



## PART IV. RISK RATING OF RECOMMENDATIONS

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

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

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

## PART V. ACTION PLAN

The Action Plan was completed and adopted by Council to guide the implementation and monitoring of the recommendations in this report.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
1. <i>Council should, as a matter of priority, determine a shared vision and mission to underpin its strategic directions, operations and delivery of services to the communities of the Warrumbungle Shire.</i>	High	Council has engaged an independent consultant to assist it in developing a vision and mission statement. Workshops were held on the 6 <sup>th</sup> and 27 <sup>th</sup> September. A draft will be prepared and returned to Council for agreement. That a draft will be work shopped with operational staff and will be honed to reflect their ideals for the organisation. A finalised vision and mission will then be endorsed by Council.	November 2010 Draft adopted by Council  End February 2011 finalised version adopted by Council	General Manager	1 <sup>st</sup> March 2011 final vision adopted by Council
2. <i>The General Manager, in consultation with the Management Executive Team and Council, should adopt a clear and collaborative approach to establishing the new planning and reporting framework within Council. This approach should be communicated to all council employees and the community.</i>	High	Council has been accepted into Group 3 of Councils to meet the delivery date of July 2012. Workshops held in March for Councillors and Senior Staff as well as Managers. Project teams established to progress the operational aspects of IP&R.	October 2010 report to MANEX Monthly Communications strategy in place	Manex Members  General Manager	End of each quarter to Council on progress
3. <i>Council should give due consideration to adopting the findings and recommendations contained in the Warrumbungle Shire Council Organisation Review Report, Local Government Management Solutions, February 2010.</i>	High	Local Government Management Solutions Report accepted by Council in July. A briefing report will go to the October Council meeting.	Briefing Report to Council  Strategy Adopted	General Manager  Council	Report presented to Council  Vision adopted by Council

Promoting Better Practice Report – Warrumbungle Shire Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>4. <i>The General Manager should:</i></p> <p>a. <i>Review the agenda and operation of ManEx and Project Control Group meetings to facilitate more strategic decision making and the monitoring of priority projects.</i></p> <p>b. <i>Consider introducing a regular meeting forum for middle managers to foster improvement communication and facilitate effective project management. Mechanisms to link this forum with the ManEx Group should also be implemented.</i></p>	High	<p>a. Manex dealing with operational issues. Agenda process has had minor changes however, further changes will be developed.</p> <p>b. Middle Management meetings to be considered by Manex. Improvements in communications and management of programmes will be looked at.</p>	<p>Immediately</p> <p>Commence 1<sup>st</sup> December 2010</p>	<p>General Manager</p> <p>General Manager</p>	<p>Agenda Changed</p> <p>To be presented to 3<sup>rd</sup> November MANEX Meeting</p>
<p>5. <i>Council should develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.</i></p>	High	<p>Facilitator engaged to assist in the development of a vision and mission for Council and as part of that a statement of values. Input from general staff will be sought and this will encompass the corporate values.</p>	<p>By October 2010 Council Meeting</p>	<p>General Manager</p>	<p>Draft completed and returned to Councillors to be adopted at November 2010 meeting</p>
<p>6. <i>Council should consider, when appropriate, resolving itself into the "committee of the whole" under section 373 of the Act to overcome the limits, set by clause 250 on the number and duration of speeches.</i></p>	Medium	<p>Councils Code of Meeting Practice to be reviewed to establish a process of when to resolve into a "committee of the whole".</p>	<p>By November 2010 Council Meeting</p>	<p>General Manager</p>	<p>Decision by council at November meeting</p>
<p>7. <i>The General Manager should further review the Delegations Register and determine a means for clearly communicating the delegated authority to each staff member concerned. This could include incorporating these delegated authorities into their position description.</i></p>	Medium	<p>Staff delegations reviewed and formalised in February 2010. Manex reviewed the Delegations to ensure the operational needs of the Directors are met.</p>	<p>By 1<sup>st</sup> September 2010</p>	<p>General Manager</p>	<p>Review done and completed</p>

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RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
8. Council should form an audit committee and establish an internal audit framework as per the Division of Local Government's Internal Audit guidelines.	High	Council will establish an Audit committee and develop a framework based around the LG Internal Audit Guidelines.	Discussion with OROC under way	General Manager	End of each quarter to Council on progress
9. In carrying out risk assessments of its development assessment and determination processes, Council is encouraged to consider using Development Assessment Internal Audit Tool designed by the Independent Commission Against Corruption.	High	Council will introduce a process using the Development Assessment Internal Audit tool developed by ICAC to manage its future assessment process.	February 2010 Council Meeting	Director of Environmental Services	Report to be prepared for Council
10. Council should ensure that a risk management plan is finalised and implemented as soon as practicable.	High	A risk management plan will be developed.	Draft prepared by January 2010	General Manager	End of each quarter to Council
11. In accordance with Council's Fraud and Corruption Policy, the Management Executive Team should ensure fraud risk assessments of the core areas of organisational risk and manage these in a manner which limits exposure to fraudulent and corrupt activities.	Medium	Fraud and Corruption item to be included in the agenda of Manex Meetings. Areas of fraud risk will be progressively monitored.	3 <sup>rd</sup> November 2010	General Manager	Draft Policy being developed however may need to await Vision, Mission and Values to be determined. Regular item on MANEX Agenda
12. Council should review its fuel management system and modify it accordingly to safeguard Council assets.	High	A monthly fuel store review will be carried out. Reports will go the monthly Council meetings. The systems of purchasing, accounting for and distribution of fuels is being reviewed in concert with this closer scrutiny.	Monthly reports done and to Council	Director of Corporate Services	Reports done since August 2010
13. Council should develop a system or process to ensure that its legislative and regulatory obligations are met.	High	A monitoring system will be looked at to formally track the distribution of advice notices.	Immediately and ongoing	Director of Corporate Services	Formal review end of each quarter

Promoting Better Practice Report – Warrumbungle Shire Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
14. Council should develop policies, procedures and processes relating to purchasing, tendering and the disposal of asset. Where relevant, these should be consistent with the Tendering Guidelines issued by the Division of Local Government.	High	A Procurement Policy is being developed – consultation within the organisation is completed. A draft is to be available for staff comment.	To November Council Meeting	General Manager	Adopted by council at November Meeting
15. Council should consider integrating its manual purchase order system with its current accounting software package.	Medium	An electronic ordering system to be integrated with its accounting software after a strategy has been developed for the management of stock items.	Review done by February 2011	Director of Corporate Services	By March 2011
16. Council should prepare a statement of business ethics which is integrated with its procurement and tendering policies, procedures and documentation. The statement should also be displayed on its website and distributed those it intends to do business with.	Medium	Statement of Business Ethics Policy to be submitted to the Council meeting in October. To be then incorporated into the Procurement Policy.	To October Council Meeting	General Manager	Adopted
17. Council should develop and implement an Information Communication Technology Strategic Plan which aligns with its Community Strategic Plan and all relevant operational plans. The plan should be reviewed and updated regularly to reflect the changing needs and emerging developments of technology, and Council's directions and business requirements.	High	Recommendation to October meeting for a technology partner. Information Technology Strategic Plan will be developed from that engagement.	To October Council Meeting	Director of Corporate Services	Adopted
18. Council should provide all staff with an intranet site as soon as practicable	High	Intranet facility to be introduced. Expected to be online by October.	By 1 <sup>st</sup> November 2010	Director of Corporate Services	Report to Council on how it is working - January 2011
19. Council should improve its systems and processes to ensure that it can meet its statutory reporting requirements on time.	High	Review of processes to be undertaken and system introduced to monitor the adequacy of the process then formulated.	By December 2010	Director of Corporate Services	Statements completed, annual Report to be lodged by middle of November

Promoting Better Practice Report – Warrumbungle Shire Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
20. <i>In reviewing its organisational structure, Council should ensure that the management of land use planning and other regulatory services is adequately resourced.</i>	High	An additional building certifier to be recruited for Coonabarabran.	November 2010 Meeting	Council	Special Meeting to be held in November
21. <i>Council should finalise its single Local Environmental Plan and single Development Control Plan as soon as practicable.</i>	Medium	Plans to be concluded by new Consultant, including DCP's.	October 2010 Council Meeting	Director of Environmental Services	Monthly reports of progress to Council
22. <i>Council should include a notification policy in its single Development Control Plan.</i>	Medium	Notification requirements to be included in the LEP and DCP's.	October 2010 Council Meeting	Director of Environmental Services	Monthly reports of progress to Council
23. <i>Council should update its Stormwater Management Plan to reflect the requirements of the entire Warrumbungle Shire.</i>	Medium	Review of Storm Water Management Plan to be undertaken. Scoping assessment will be done to determine the resources needed then presented to Council for financial support.	March 2011	Director of Technical Services	End of each quarter to Council
24. <i>Council should update its Waste Management Strategy to reflect the requirements of the entire Warrumbungle Shire.</i>	Medium	Ongoing assessment of the Waste Management System is being undertaken and monitored. Wide advertising has taken place.	In time for Budget 2011	General Manager	Reports already done; monitoring in place.
25. <i>Council should ensure that its Rangers are accurately reporting dog attacks on the Register as required under clause 33A of the Companion Animals Regulation 2008</i>	Low	A review of current registers will be undertaken.	1 <sup>st</sup> October 2010	Director of Environmental Services	Completed
26. <i>Council should forward all outstanding registration and other fees to the Division for inclusion in the Companion Animals Fund as a matter of priority. Future payments should be made in a timely manner.</i>	High	A review of the accounting system backing the collection of payments will be undertaken.	1 <sup>st</sup> October 2010	Director of Corporate Services	Fees as raised and required to be paid have been paid

Promoting Better Practice Report – Warrumbungle Shire Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
27. <i>The General Manager should ensure that financial information is presented to councillors in a format which is easily understood to enable informed decision making in relation to Council's financial position and resources.</i>	High	A review of the new quarterly reporting guidelines will be undertaken and will include a complying set of reports to Council. New Format to be submitted to the ordinary November Council meeting.	To be done by November Council Meeting	General Manager	Amended format to November Council Meeting
28. <i>Council should appoint one officer to oversee the coordination and production of its annual budget. Under Council's current structure this would probably be the domain of the Director of Corporate Services.</i>	High	The Director of Corporate Services to be the responsible for the development and coordination of the annual budget.	1 <sup>st</sup> October 2010	General Manager	Action completed
29. <i>Council should develop a long-term financial plan.</i>	High	Project Teams established to progress the components of the IP&R Framework. Long-Term Financial Plan component to be lead by the DCS. Progress is provided to Manex on a monthly basis.	1 <sup>st</sup> October 2010	Director of Corporate Services	Regular item on MANEX Agenda
30. <i>Council should develop an asset management framework to ensure that it complies with statutory requirements.</i>	High	A review of the framework to be undertaken as part of the IP&R.	1 <sup>st</sup> October 2010	Director of Environmental services	Regular item on MANEX Agenda
31. <i>Council should consider transferring its current asset register (spreadsheet) to the dedicated software program available in its accounting software.</i>	Medium	Spreadsheet data will be transferred to the current accounting software package.	March 2011	Director of Corporate Services	Reported to Council April 2011
32. <i>Council needs to ensure that adequate provision is made for expenditure on asset maintenance.</i>	High	Provision of ongoing assets maintenance is included in the annual budget. Operational issues to be addressed and funds linked to asset maintenance.	October 2010	General Manager to oversee	At the end of each quarter to Council
33. <i>Council should develop plans of management for its land holdings that are classified as community land.</i>	High	Management Plan to be developed by each Division for land under its control.	By December 2010	Director of Environmental Services	At the end of each quarter to Council

Promoting Better Practice Report – Warrumbungle Shire Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
34. Council should ensure that income generated from Crown reserves under Council's care and control is deposited into its trust fund.	High	A review will be undertaken on Council Crown reserve holdings and any income will be put into a trust.	By February 2011	Director of Corporate Services	At the end of each quarter to Council
35. Council should consider giving one officer or Division responsibility for coordinating the management of community land under its care and control.	High	The Environmental Services Division will be appointed as the manager of community land.	1 <sup>st</sup> October 2010	General Manager	Appointment completed
36. Council develop an accounting policy/manual as soon as practicable and make it readily available to all staff.	Med/High	An accounting policy/manual is being developed and will be concluded by December 2010. This will form part of the corporate information data base and be available for staff through the intranet.	January 2011	Director of Corporate Services	Draft partly completed
37. Council should better align its Community Social/Cultural Plan with its Management Plan and Annual Report.	Medium	A review of the budget format will be undertaken and that will align with the Management Plan and Annual Report. A new Community Service Plan will be included in the future developments for both the Management Plan and Annual Report.	By March 2011	Director of Corporate Services  Director of Community Services	At the end of each quarter to Council
38. Council should develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.	Medium	A Guarantee of Service Statement will be developed covering the expectations of interactions with both internal and external customers.	November 2011 council Meeting	General Manager	Draft developed but must await development of Vision, Mission and Values as these are a necessary adjunct to a guarantee of service
39. Council should finalise and adopt a workforce management strategy to address the human resource requirements arising from its Community Strategic Plan.	High	Project Teams have been established to progress the three components of the IP&R Framework's Resource Strategy.	Commenced by October 2010	General Manager	At the end of each quarter to Council



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RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
40. Council should consider adopting and implementing the recommendations responding to Human Resources issues contained in the Warrumbungle Shire Council Organisation Review February 2010 and if necessary, implement additional strategies to address the concerns raised in the climate survey.	High	An action plan is being developed to consider each of the recommendations in the Local Government Management Solutions Report.	By December 2010	General Manager	At the end of each quarter to Council
41. Council should consider the introduction of an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.	High	An intranet facility is being launched in October at the ordinary Council meeting.	By 1 <sup>st</sup> November 2010	Director of Corporate Services	Report to Council on how it is working January 2011
42. Council should consider purchasing a dedicated Human resources software program to more efficiently manage its human resources functions and requirements.	Medium	A Human Resources Software Package is needed and the resources have been referred to Council for additional funding.	January 2011	MANEX	At the end of each quarter to Council
43. Council should develop and adopt an Occupational Health and Safety Management Plan/System to guide this area and ensure that it meets its legislative requirements	High	An OH&S Management Plan will be completed by March 2011. The plan will then be presented to the April council meeting for endorsement.	By April 2011	Team Leader Human Resources	At the end of each quarter to Council
44. Council should develop and document a succession plan.	Med/High	The issue of succession planning within Council's workforce is acknowledged. From the Workforce Management Strategy succession planning is a critical component outcome of developing the strategy.	January 2011	MANEX	At the end of each quarter to Council
45. Council should consider conducting exit interviews with all staff members leaving its employ.	Medium	Exit Interviews to be held by the HR Team Leader. A more structured process is to be developed using both the interview and questionnaire techniques.	October 2010	Team Leader Human Resources	January 2010 follow up report on implementation