

2023



# GOOD GOVERNANCE FRAMEWORK



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## About Good Governance

Governance is the processes and culture that guide the activities of an organisation beyond its basic legal obligations. Good governance is important because it supports Councils to make decisions and to act in the best interests of the community.

## Principles of Good Governance

**Driven by a clear vision:** A clear vision defines the priorities and aspirations of the community and enables Council to ensure the best interests of the community are at the centre of the decision-making process.

**Transparent:** People should be able to follow and understand the decision-making process. This means that information, advice and consultation, that Council considers, as well as any legislative requirements Council follows, should be readily available for reference.

**Accountable:** Accountability is a fundamental requirement of good governance. Local government has an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the community it represents. Embedding ways to ensure responsibility for own actions, where decisions are delegated to the right people with the right authority promotes accountability.

**Follows the rule of law:** This means that decisions are consistent with relevant legislation or common law and are within the powers of Council. Relevant legislation includes, but is not limited to, the *Local Government Act 2020*. Council must ensure compliance with the basic legal obligations and, furthermore, that it acts with the highest ethical standards.

**Responsive:** Good governance is responsive. Council will always try to serve the needs of the entire community, while balancing competing interests in a timely, appropriate and responsive manner.

**Participatory:** Council believes it is important to consider the views of a community when making decisions about projects and resources that affect their local area or the community as a whole. Community consultation complements, but does not replace, the decision-making role of Council.

**Equitable and inclusive:** A community's well-being results from all of its members feeling their interests have been considered by Council in the decision-making process. Community members should be able to see and understand where their interests have been considered in Council's decision-making process. This means that all groups, particularly the most vulnerable, should have opportunities to participate in the process through carrying out meaningful community engagement and fostering positive relationships both internally and externally with our community.

**Effective and efficient:** Council strives to implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for the community. A culture of continuous improvement will contribute to the effective and efficient operation of Council.

The principles of good governance can then be applied and achieved through:

- Clearly defined roles, responsibilities and relationships;
- Integrated organisational planning, monitoring and performance – developing strategic and operational plans to guide the delivery of work; and
- An organisational structure to support their delivery;

- Processes that are put in place for making and implementing decisions, to ensure they are made in a fair, rational, informed and transparent way;
- Legal and ethical compliance and that rules, systems and processes are in place, appropriately documented, followed and regularly reviewed; and,
- Leadership fosters a constructive and ethical culture.

## Why is good governance important?

Good governance is important as it gives the local community confidence in Council and promotes confidence that elected members have in the organisation and its decision-making processes. Good governance also leads to better and more efficient decisions, helps local government meet its legislative responsibilities and provides an ethical basis for decision-making.

### **Good governance:**

- Serves the public's interest;
- Promotes community confidences;
- Helps meet responsibilities, including legislative, and measures outcomes to account for performance;
- Supports ethical decision making that ensures decisions are made that consider the interests of the whole community;
- Promotes public trust and gives the local community confidence in Council and how we operate;
- Seeks to achieve a level of mutual respect and trust between the mayor and Councillors, and the Chief Executive Officer (CEO) and staff;
- Provides the mayor and Councillors confidence that the advice provided by staff and that they can trust their views and decisions will be respected;
- Encourages staff to be confident to provide honest advice about issues that require consideration, knowing that their professional opinion is acknowledged and respected; and,
- Leads to better decisions that withstand public scrutiny.

Members of the community are more likely to accept a decision they do not agree with if good governance processes are followed and decisions are made based on full information and data, consideration of stakeholder views and through open and honest debate.

## Consequences of poor governance

There are many compelling reasons why good governance is critical for Council. However, it is important to understand the results of poor governance can pave the way for a range of undesirable and potentially corrupt and criminal conduct that can significantly impact on the people within Council and also the community. Damage to Council's reputation and the community's level of trust are understated consequences of poor governance.

### **Poor governance practices can result in:**

- Inefficient operations of Council, reducing services to the community;
- Policies and procedures that are not followed appropriately or completely ignored;
- More opportunities for fraudulent behaviour from a lack of controls in place;
- Poor practice or performance going undetected or not addressed;
- Misuse of public funds and assets for personal benefit, which takes away from the community;

- Toxic cultures resulting in personal costs that are difficult to accurately measure, such as, high turnover, increased sick leave, stress, anxiety and the triggering of other mental health issues and destructive behaviours;
- Loss of confidence by staff in decision-making;
- Low levels of confidence of action being taken with regard to reporting of undesirable, corrupt or fraudulent behaviour due to fear of personal consequences (such as loss of employment);
- Decisions being made based on biased and incomplete information that are difficult to hold up to public scrutiny;
- Lack of public trust and associated media coverage and reputational damage to Council; and,
- Dysfunction in relationships and other undesirable behaviours such as bullying, harassment or poor communications.

## Role of Local Government

The governance framework for Hindmarsh Shire Council is largely determined by the *Local Government Act 2020 (LGA 2020)*. Section 8(1) of the Act states that “the role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community”.

Section 9(2) requires a Council to give effect to the following overarching governance principles:

- a) Council decisions are to be made and actions taken in accordance with the relevant law.
- b) Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- c) The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
- d) The municipal community is to be engaged in strategic planning and strategic decision-making.
- e) Innovation and continuous improvement is to be pursued.
- f) Collaboration with other Councils and governments and statutory bodies is to be sought.
- g) The ongoing financial viability of Council is to be ensured.
- h) Regional, state and national plans and policies are to be taken into account in strategic planning and decision making.
- i) The transparency of Council decisions, actions and information is to be ensured.

## Management and Oversight

Hindmarsh Shire Council is governed by an elected Council, comprising six Councillors who are elected every four years for a four-year term.

The *Local Government Act 2020 (LGA 2020)* clearly distinguishes between the roles and responsibilities of Council and elected Councillors and the administrative arm (Council employees) of local government.

The primary role of Councillors is to focus on policy development and strategic delivery of services in the public interest. Council decisions are made to direct the work of the organisation and realise the planned goals that are set out in Council Plan.

The internal day-to-day work of local government is carried out by staff members under the direction of the CEO. This operational work is guided by the decisions of Council made at a formally constituted meeting of Council. In this respect, some of the key decisions Council will make involve the adoption of Council Plan, the annual budget and various plans and strategies.

## Roles, responsibilities and relationships

Many Council officers hold positions that require specialised knowledge and skills and are required to provide information, advice, and recommendations to the best of their professional ability.

Sharing this knowledge with Councillors is a key part of ensuring Council has the information it needs to make informed decisions.

It is important to note that Councillors cannot direct or improperly influence, or attempt to direct or improperly influence, the functions, duties, actions, recommendations, or advice provided by Council officers.

Improper direction and improper influence are covered under Section 8 of the Act and Council's **Councillor Interaction with Staff Policy** and corresponding operational **Working with Councillors Policy**.

To facilitate the efficient functioning of Council, and ensure timely responses, the CEO has put in place a protocol that requires Councillors to direct all their enquiries to the CEO (or in some cases the Executive Assistant), or the appropriate Director. Persistent failure to follow policies and protocols may be addressed through Councillor or staff codes of conduct.

A clear understanding and agreement of roles and responsibilities as outlined below contributes to Councillors and the Executive Leadership Team (ELT) acting as an effective leadership team. It ensures everyone is aware of the boundaries of their role and of the shared areas. At Hindmarsh Shire Council, Councillors and ELT have agreed this works best when there is mutual trust, discussions rather than assumptions, and good communication.

## What are the roles in Hindmarsh Shire Council

An important part of good governance and the successful operations of Council is clarity around roles that exist in Council, the responsibilities, accountabilities and reporting relationships. Effective communication and constructive relationships are critical for an effective and efficiently run Council.

### Roles

- Mayor
- Deputy Mayor (if applicable)
- Elected members serving as Councillors
- CEO
- Directors
- Council employees

Each role has a unique purpose and makes a unique contribution towards good governance within Council.

### Role of the Mayor (Section 18(1) of LGA 2020)

The Mayor of Council has a number of roles, that are both legislative and functional, and is a key civic leader of the community. In the pursuit of good governance, from an internal and external perspective, the Mayor is elected to represent the views and directions of Council.

The Mayor has a pivotal role in both the pursuit and demonstration of good governance. The Mayor should be seen to support good governance by modelling and promoting good behaviour and ethics in fulfilling their leadership role and embedding standards of good governance, behaviours and ethics among Councillors.

The position of Mayor is pre-eminent and when they speak, they are considered by the community to be articulating Council's views. The Mayor must put aside any individual views and clearly outline the views of a Council decision in an all-inclusive way.



The Mayor (who is also a Councillor), has the same responsibilities as a Councillor, however, the mayor also has additional responsibilities -

- Act as a leader of the community
- Lead/Chair Council meetings
- Lead engagement with the community on the development of Council Plan and report back to the community once a year on the implementation of the plan
- Assist Councillors to understand their role
- Represent Council at ceremonial or civic functions
- Act as Council spokesperson to the media or at community events
- Work with the CEO in delivering Council's strategic direction
- Lead and participate in the appointment of the CEO, monitor the CEO's performance and conduct and record the CEO's performance appraisal

The Mayor may provide advice to the Chief Executive Officer when the Chief Executive Officer is setting the agenda, however, the mayor must not give direction to any other Council employee.

Additionally the Mayor has these specific powers -

- To appoint a Councillor to be the chair of a delegated committee;
- To direct a Councillor, subject to any procedures or limitations specified in the Governance Rules, to leave a Council meeting if the behaviour of Councillor is preventing Council from conducting its business;
- To require the Chief Executive Officer to report to Council on the implementation of a Council decision.

Please also refer to **Hindmarsh Shire Council's Governance Rules** regarding the role of the Mayor and the responsibilities imbued on the Mayor in their undertaking as Chair of Council meetings.

### Role of Deputy Mayor

Council may elect to appoint a Deputy Mayor. The role of the Deputy Mayor is to perform the role of the Mayor and may exercise any of the powers of the Mayor if -

- The Mayor is unable for any reason to attend a Council meeting or part of a Council meeting;
- The Mayor is incapable of performing the duties of the office of Mayor for any reason, including illness; or,
- The office of Mayor is vacant.

### Role of Councillors

The primary responsibilities of Councillors are as follows.

- Represent the current and future interests of the entire Shire in Council decision-making;
- Ensure Council is upholding its responsibilities under the *Local Government Act 2020* and abiding by all laws that apply to local governments;
- Contribute to the strategic direction of Council through the development and review of key strategic documents of Council, including Council Plan;
- Support the role of Council and acknowledge and support the role of the Mayor;
- Consider the diversity of interests and needs of the community;
- Act lawfully and in accordance with the oath or affirmation of office;
- Act in accordance with the standards contained within the **Hindmarsh Shire Council Councillor Code of Conduct**;
- Comply with Council procedures required for good governance.

Councillors are not involved in the day-to-day functions of the organisation and are not responsible for implementing Council actions. They do not have authority to give directions to Council employees and must address any concerns through the CEO.



All communication with Council employees must be in accordance with Council policies or procedures set by the CEO and as per the provisions contained within the **Councillor Interaction with Staff Policy**. Councillors who direct, attempt to direct or influence employees in the exercise of their duties will be in breach of the *Local Government Act 2020* and penalties may apply.

Finally, the role of a Councillor does not include the performance of any responsibilities or functions of the Chief Executive Officer.

## Role of the Chief Executive Officer (CEO)

The CEO has a significant role in promoting good democratic governance with a key focus on helping Council and Councillors govern effectively. The CEO plays an important role in balancing Councillor direction with the organisational direction to ensure alignment. The primary responsibility of the CEO is to lead and oversee the day-to-day management of the organisation to ensure the following:

- The effective and efficient management of Council operations;
- Ensuring the Mayor and Councillors have the support and information needed to fulfil their roles;
- Ensuring the decisions of Council are implemented without undue delay;
- Ensuring Council receives timely and reliable advice about its obligations under the *Local Government Act 2020* or any other Act;
- Setting the agenda for Council meetings in consultation with the Mayor;
- When requested by the Mayor, reporting to Council in respect of the implementation of a Council decision;
- Establishing and maintaining an organisational structure for Council and fostering a culture of continuous improvement ensuring organisational change is managed;
- Being responsible for all staffing matters, unless otherwise delegated;
- Carrying out Council's responsibilities as a deemed employer with respect to Councillors, as deemed workers, which arise under or with respect to the *Workplace Injury Rehabilitation and Compensation Act 2013*;
- Managing interactions between members of Council staff and Councillors and ensuring that policies, practices, and protocols that support arrangements for interaction between members of Council staff and Councillors are developed and implemented;
- Being responsible for all staffing matters, including appointing, directing, managing and dismissing members of Council staff;
- Developing and maintaining a Workforce Plan according to the requirements of the Act and in compliance with the requirements of the *Gender Equality Act 2020* and comply with any processes and requirements prescribed by the regulations;
- Good governance, including ensuring that Council is legislatively compliant, makes ethical decisions and abides by the **Employee Code of Conduct**;
- Embedding risk management principles and processes throughout Council's organisation, including fraud and corruption control strategies and mitigations;
- Performing any other function or duty of the Chief Executive Officer specified in the *Local Government Act 2020* or any other Act.

## Role of Directors

- Support the CEO in leading the organisation;
- Responsible for overseeing the efficient operation of the business units within their directorate to assist Council in achieving its vision and objectives. They play a key role in supporting the CEO and providing advice and information to the Mayor and Councillors;
- Providing advice and possible recommendations to Councillors on issues raised by community and stakeholder groups on matters relating to the director's area of management;

- Providing guidance on matters that, for reasons of community interest and benefit, require immediate action and may be advanced under delegated authority of the Chief Executive Officer;
- Providing advice and information on emerging issues and opportunities relating to the directorate;
- Providing direction and advice on matters before Councillors through the review and approval of reports to Councillors.

## Responsibilities of Council Employees

All employees (including the CEO) of Council have the same responsibilities, which are as follows.

- Implement the policies and priorities of Council in a way that promotes the effective, efficient and economical management of public resources, excellence in service delivery and continuous improvement;
- Carry out their duties to ensure Council discharges its responsibilities under the *Local Government Act 2020*, complies with all applicable laws and achieves its Council Plan;
- Carry out duties impartially, ethically and with integrity and provide sound and impartial advice;
- Ensure their conduct does not reflect adversely on the reputation of Council and that they abide by the Staff Code of Conduct.

## Relationship and engagement

Good relationships that are based on understanding and agreements around roles help the different elements of a local government to work together effectively. A good understanding of the different roles in local government will contribute to good governance and help local government function well.

### Mayor and Chief Executive Officer (CEO) relationship

When the Mayor and Chief Executive Officer have a good working relationship, it helps to promote effective understanding and communication between the elected members and the organisation. This in turn promotes good governance. Good relationships help the organisation and Councillors to anticipate, identify and resolve issues, contribute to good planning and create a positive organisational culture.

Establishing and managing an effective working relationship between the Mayor and the CEO is an important component of a well-run Council. Trust is fundamental to the relationship between the Mayor and CEO. Building a relationship based on trust needs to be developed using open and honest communication, understanding of each other's roles and the open sharing of information. Conflicts and differences need to be managed in a constructive way that values the overall goal of providing the best possible outcomes to the community.

The relationship is a partnership of mutual respect, with two leaders both developing a shared vision. Both the Mayor and CEO need to understand and respect the other's role. The Mayor may spend a considerable length of time in Council offices each week so it's important for both to have a clear understanding of their different roles.

Developing a way of working effectively together early in the relationship will be beneficial to a successful CEO and Mayor relationship.

### Mayor and Councillor relationship

The relationship between the Mayor and Councillors is critical to good governance and the development of effective and respectful relationships. The Mayor plays an important role as a leader and facilitator of Councillors and Council interactions. Fostering positive relationships between Councillors and promoting unity within the group are important parts of the role and in developing trust.

The Mayor is responsible for facilitating and managing the conduct of participants at Council meetings by keeping to the agenda, ensuring debate is focused on strategic matters and facilitating and encouraging all points of view to be expressed and respected. Through this facilitation role, the Mayor can manage conflict and differing opinions in a constructive manner. Mayors play an important role in Council meetings by summarising important points and

clarifying misunderstandings. The mayor should encourage Councillors to work effectively together and help manage differences of opinion in a constructive way.

### Councillor and Councillor relationship

Good governance and the capacity for Councillors to get things done can depend on the quality of the relationships between all parties.

Establishing and maintaining good working relationships between Councillors is important to making good decisions. Relationships between Councillors are best built on mutual respect and an acknowledgment that they all have issues, projects and initiatives that they would like to pursue during their term. However, despite their differences of opinion, Councillors need to work together as members of Council and value and accept the different skillsets and opinions within the group that can positively contribute to the outcomes for the community.

### Councillor and CEO relationship

The relationship between the CEO and Councillors includes formal roles and day-to-day working interactions. Both are important to good governance. The CEO has a close working relationship with Councillors and is ultimately accountable to Council (and therefore Councillors). The CEO assists Councillors to carry out their role, through sharing information and managing issues as they arise and is a source of valuable support and assistance to Councillors.

As with the relationship between the Mayor and CEO, there needs to be trust between both the CEO and Councillors. This trust should be based on good communication and a clear understanding of each other's roles and functions.

It is important that the operational policies, procedures and processes that are put in place by the CEO are respected. The CEO plays a key role in managing the interactions between Councillors and Council staff to facilitate accountable advice being provided to Councillors to enable them to effectively carry out their role. A positive working relationship between the CEO and Councillors will be built on trust with good communication and respectfully resolving conflict.

## Community engagement

Councils make decisions about things that affect the community. The experiences of the community can make a valuable contribution to better inform decisions on strategies, policies and aspects of the budget which translates into the delivery of programs and services.

Effective community engagement that is transparent, inclusive and well-managed provides a good foundation for decision-making for Council. It also contributes to positive perceptions in the community of the credibility of a decision. It also helps to foster relationships based on mutual understanding, trust and respect, facilitating the sharing of responsibilities and creating more inclusive and sustainable communities.

The Section 56 of the Act establishes five principles for community engagement, and which determine Council's approach to engagement.

- Each process will have a clearly defined objective and scope;
- Participants will have access to objective, relevant and timely information;
- Participants will be representative of the persons and groups affected;
- Participants will receive reasonable support to enable meaningful and informed engagement;
- Participants are informed of the ways in which the community engagement process will influence Council decision-making.



Meaningful community engagement seeks to address barriers and build the capacity and confidence of people to participate in, negotiate and partner with, institutions that affect their lives, in particular those previously excluded or disenfranchised.

Community engagement can include multiple levels of participation, at different stages of the process and as different stakeholders choose to engage at different levels.

The level of community engagement will be in regard to the significance, complexity and anticipated level of impact of what is being proposed, and the stakeholders that will need to be targeted. It will also give regard to any legislative requirements.

The **Community Engagement Policy** broadly outlines approaches to community engagement and where they may be applied in the legislative, strategic and operational context. Council can use one or a combination of approaches in its community engagement.

The policy is essential in guiding a consistent approach to community engagement across Council. This includes the principles and practice of community engagement outlining the roles and responsibilities and channels of engagement such as community reference groups, face-to-face and social media.

Effective community engagement can:

- Inform the community of Council's strategic priorities within Council Plan and other strategies;
- Obtain diverse views on a range of programs and services; and,
- Build the capacity of the community to understand the implications of decisions.

The community engagement framework requires that Council is committed to being honest, fair and respectful in engaging with the community. Inadequate public participation is not fair, can exclude sections of the community and is more likely to result in poorly informed decisions.

## Community satisfaction

The annual state-wide community satisfaction survey evaluates Council performance across a number of core measures. The results inform the key indicators used to assess Council's performance against the strategic objectives and strategies in Council Plan and are reported on in the Annual Report.

## Lobbyists, developers, and submitters

Lobbyists, developers, and submitters may seek access to Councillors to discuss potential and existing development applications, changes to policy and other projects and is part of our democratic and accessible system of government. The way in which these interactions occur needs to be ethical and transparent. While Councillors are free to have any communication with lobbyists, developers, or submitters, it is important to ensure Councillor opinions do not appear to reflect Council's possible position to any potential application, with all decisions subject to Council processes. It is important that records are kept of interactions and that conflicts of interest are disclosed.

Councillors should be familiar with the **Councillor Interaction with Developers Policy** and ensure that the principles contained therein govern contact with developers and any required reporting of the contact.

## Organisational planning, monitoring, and performance

Strategic planning and monitoring assist Council in achieving its long-term goals in an efficient way and is an essential part of good governance.

## Strategic planning

Good strategic planning involves understanding the local community, their needs, and aspirations for their community. It also involves understanding the external environment and resource limitations and integrating community outcomes with financial and asset management planning. A number of strategic planning documents are important to ensure there is cohesive plans that can be used to measure and monitor. The plans should be integrated but focused on their own objectives and monitored through the Annual Report. The *Local Government Act 2020* requires Councils to prepare and adopt the following documents:

- A Council must maintain a Community Vision that is developed with its municipal community in accordance with its deliberative engagement practices with the scope being a period of at least the next 10 financial years.
- A four-year Council Plan that incorporates community engagement, outlines the strategic direction and objectives, and states the strategic performance indicators for measuring progress and provides a description of Council's initiatives and priorities for services, infrastructure, and amenity. Council Plan is also inclusive of the strategic resource plan of at least four years that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in Council plan. It must consider services and initiatives in any plan adopted by Council.
- A long-term Asset Management Plan, including strategies to ensure the sustainable management of the assets, outlining costs for renewing, upgrading and extending assets and linked with the long-term financial forecast.
- A Long-Term Financial Plan (LTFP) is a forecast covering a period of at least 10 years that details the income, expenses, and value of assets, liabilities and equity of Council, it should be reviewed annually and be considered before planning any new borrowings.
- An annual budget for each financial year that is consistent with the four-year Council Plan and must contain financial statements and other information including capital works, human resources, grants and rating information.
- A revenue and rating plan.
- A Workforce Plan: Section 46(4) of the Act requires the Chief Executive Officer to develop and maintain a workforce plan that:
  - a. Describes the organisational structure of Council;
  - b. Specifies the projected staffing requirements for a period of at least four years; and - Sets out measures to seek to ensure gender equality, diversity, and inclusiveness.

The CEO will inform Council before implementing an organisational restructure that will affect the capacity of Council to deliver Council Plan and consult members of Council staff affected by a proposed organisational restructure, before implementing the organisational restructure.

The Workforce Plan must have regard to the requirements of the *Gender Equality Act 2020* and comply with any processes and requirements prescribed by the regulations for the purposes of this section. The Mayor, Deputy Mayor, Councillors and members of Council staff must have access to the Workforce Plan.

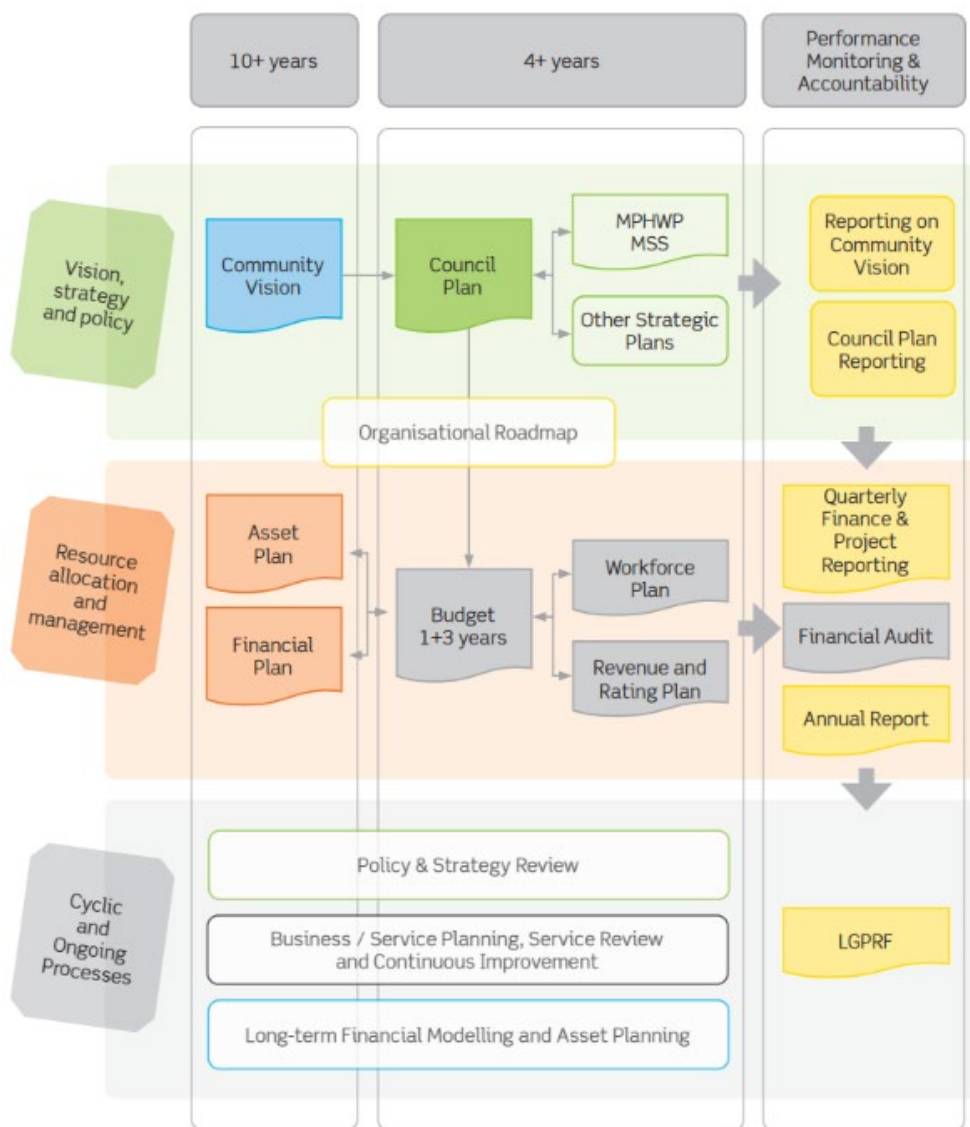
## Integrated planning and reporting framework

The Act drives an integrated approach to planning and reporting to support strategic decision-making. The framework sets out Council's approach to co-ordinated planning, budgeting, commitments and reporting in an integrated manner. Integrated planning enables alignment of objectives and capabilities and supports an understanding of medium to long-term implications of decisions on resource allocation and Council performance. All elements and parts of the framework are linked and interdependent with inputs and considerations and together, allows Council to turn its long-term aspirations, goals and plans into reality.

The *Local Government Act 2020* signals four key shifts in strategic planning and reporting arrangements that requires Council engagement and response:

- Community Vision – the Act aims to bring community and its aspirations and longer term sustainable thinking to the core of policy and strategy development, planning and fiscal management.
- Outcomes focus – a deliberate move to a principles-based Act shifts regulatory focus from prescriptive rules and defined processes towards broadly stated principles and strategic outcomes.
- Community engagement – rather than prescribing requirements for community engagement all Councils must have appropriate consultation mechanisms (including deliberative engagement) in the context of their community and incorporate these into a policy.
- Additional requirements – new medium and long-term planning elements have been incorporated in the Financial Plan, Asset Plan and Workforce Plan.

**Figure 1: Integrated planning framework**





## Service Planning

Council has a strong commitment to continuously plan, review, and improve its services. In line with the service planning principles, Council will ensure community expectations and standards are met in a cost-effective manner, and that service outcomes are aligned to Council's long-term strategic objectives and comply with relevant legislation and policy. Service plans will inform Council Plan actions, budget, and business plans.

## Monitoring and performance reporting

Measuring performance is necessary to improve the efficiency and effectiveness of Council, and it is vital to have a performance measurement and reporting framework in place. The Annual Report provides an account to the community on the achievement of Council Plan, long-term strategies and annual Budget.

Councillors have an overall accountability for Council's finances, while the organisation, under the direction of the CEO, has responsibility for financial planning and management, and providing regular reports to Councillors through Council meetings. High-level financial reports need to identify key issues in a concise way so that Councillors will understand the information contained. The content of financial reporting to Council should summarise Council's financial health and show how financial performance is tracking against the budget, highlighting any risks faced by Council and providing information on any other relevant issues.

To ensure probity and transparency, disclosure of Council performance occurs in the following ways.

## **Annual Report**

Every October Council publishes an annual report of its activities and general performance. The annual report includes a statement on progress with implementing Council Plan and a performance statement audited by the Victorian Audit General's Office (VAGO).

The Annual Report also includes:

- A statement on the allowances and expenses paid to Councillors; and,
- Councillor attendance at Council meetings.

## **Quarterly progress reports**

Each quarter Council reports on its performance against Council Plan and on its financial performance (the standard financial statements).

## **Local Government Performance Reporting Framework (LGPRF)**

The LGPRF is a Victorian-wide system that measures Council's performance across 66 areas, including a governance and management checklist of 24 items. It enables Hindmarsh Shire Council and its community to benchmark and compare Hindmarsh Shire Council with similar Councils. The LGPRF results are published annually.

## Individual disclosures

Both Councillors and staff have requirements around disclosure:

- Biannually Councillors, the CEO, and nominated officers are required to complete a personal interests return. The return discloses interests relating to land ownership, board and company positions, secondary employment, shares and other prescribed interests, and are made publicly available on Council's website.
- Councillors and staff must declare any conflicts of interest, being either a material conflict of interest or a general conflict of interest, as defined under the *Local Government Act 2020*, with disclosure to occur in accordance with the Governance Rules.
- Councillors and staff must disclose any gifts, benefits and hospitality received.
- Councillors also have requirements under the Act to complete campaign donation returns (along with all candidates) and these returns are included on Council web page. The returns must list all monetary donations, in-kind support, or services equal to, or over the value of, \$500.

## Decision-making

Decision-making is the most important activity undertaken by Council. Effective decision-making processes ensures that decisions are made in the best interest of the community. The community expects that Council will make consistent and fair decisions.

### Good and ethical decision-making

When engaging with the community, perceived fairness can be as important as actual fairness. All decisions should be made with an open and impartial mind and be willing to hear and consider all options before reaching a decision.

Council decisions can involve complex financial and legal issues and some decisions may be controversial in the community. Even simple matters can have a serious impact on the community. Council can only make decisions by resolution, that is, a motion being considered at a properly convened meeting and passed by the required majority vote.

The CEO is responsible for ensuring that Council receives quality and timely reports with all the necessary information, options and clear recommendations, including financial impacts and any associated risks in respect of any decision that Council is required to make. It is important that Councillors actively participate in making the decisions of Council. This also involves ensuring that they are informed and understand the issues involved in each decision made. It is important that Council staff provide frank, honest, well-evidenced and timely advice to decision makers.

When making decisions, Council staff should ensure they have the delegated power to make the decision and that they are in possession of all the facts and considered who is likely to be affected. They need to consider all options and the consequences of those options. They need to ensure that anyone affected has been given reasonable opportunity and time to respond. Consideration should be made as to the consistency of the decision with Council's values, policies and legislation. Most importantly Council officers need to act fairly with an unbiased and open mind.

## Delegations of responsibility

The *Local Government Act 2020* allows Council to delegate their powers by resolution to ensure the many decisions required to be made are done so in an efficient way, allowing Council meetings to remain focused on strategic matters and community leadership.

Delegations entrust certain types of decisions to the CEO, employees or committees. Delegations empower the CEO, employees and committees with the authority to make binding decisions on behalf of Council.

Delegations and sub-delegations are made to a position not an officer. It is essential that Council's delegations are performed in a manner that is in accordance with the delegation and is compliant with the relevant legislation.

An authorised officer is a person, other than a Councillor, appointed by Council to carry out a compliance function or an enforcement function under legislation related to the functions and powers of Council. Where authorisations and delegations have been made, the decision lies with the delegated officer and cannot be influenced by those initially delegated the powers.

An appropriate system is in place for the oversight of the exercise of those delegations, monitored by management of Council. Council officers who are approved to act in positions with sub-delegated powers are able to exercise the powers sub-delegated to the position but can no longer exercise the powers of the acting role once they return to their substantive position. A delegation register is maintained and regularly updated with any new or repealed delegation or sub delegation.

## Council meetings

Under the *Local Government Act 2020*, Council can make decisions on any matter of importance for the municipality. Councillors make decisions on strategic matters, however, may approve that the CEO or Council officers make decisions in line with the Act and under delegated authority. Council has Governance Rules that sets out how, from a procedural perspective, these decisions are made.

Decisions can be made by Councillors at Council meetings. Council meetings are held monthly, and most reports are available to the community.

Members of the public are able to attend Council meetings to listen to debate and deliberation and follow the decision-making process. The public can also view Council meetings via the live stream and video recordings as per Council's **Live Streaming and Publishing Recordings of Council Meetings Policy**.

Some Council meeting reports are confidential as permitted under section 66(5) of the *Local Government Act 2020*.

## Conflict of Interest

Conflict of interest is about being transparent. Understanding what this means in the context of local government is essential to good governance. One important aspect of Council's decision-making responsibilities is how conflicts of interests are identified, recorded and treated throughout the organisation. It is not only important to ensure that real or potential conflicts of interests are handled appropriately but also perceived conflicts of interests.

The community has the right to expect that Councillors and Council officers will carry out their roles in a way that ensures decisions are fair to all stakeholders. Councillors and staff are required to disclose any interest that could, or could reasonably be perceived to, adversely affect their impartiality. This includes an interest arising from personal interests, private associations or that result in personal gain or loss to themselves or their family and friends.

Many cases of serious corruption and misconduct have come about as undisclosed, concealed or unmanaged conflicts of interest. Conflicts of interest do occur in the normal course of Council officers or Councillor duties, and being aware of potential conflicts of interest is an important part of acting responsibly and ensuring transparency. Declaring conflicts and withdrawing from the decision-making process and putting in place a management plan are critical parts to appropriately managing a conflict. There could be a perception that there is a conflict of interest, so transparency is important in ensuring perceived conflicts of interest are managed.

Conflicts of interest may be actual, potential or perceived.

Actual conflict of interest	There is a real conflict between public duties and personal interests.
Potential conflict of interest	Personal interests could conflict with public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.
Perceived conflict of interest	The public or a third party could form the view that personal interests could improperly influence their decisions or actions now or in the future. Whilst it may or may not eventuate as an actual conflict it is important to declare it for transparency.



## General conflict

A relevant person has a general conflict of interest if an impartial, fair-minded person would consider that the person's private interests could result in the person acting contrary to their public duty.

"Private interests" means any direct or indirect interest of a relevant person that does not derive from their public duty and does not include an interest that is only a matter of personal opinion or belief.

"Public duty" means the responsibilities and obligations a relevant person has to members of the public in their role as a Councillor, delegated committee member or member of Council staff.

## Material Conflict

A relevant person has a material conflict of interest in respect of a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.

The benefit may arise or the loss incurred:

- Directly or indirectly; and/or,
- In a pecuniary or non-pecuniary form.

An affected person is:

- The relevant person;
- A family member of the relevant person;
- A body corporate of which the relevant person or their spouse or domestic partner is a director or a member of the governing body;
- An employer of the relevant person, unless the employer is a public body;
- A business partner of the relevant person;
- A person for whom the relevant person is a consultant, contractor or agent;
- A beneficiary under a trust or an object of a discretionary trust of which the relevant person is a trustee; and/or,
- A person from whom the relevant person has received a disclosable gift.

## Legal and ethical compliance

### Ensuring legislative compliance

Council is committed to conducting its business activities lawfully and in a manner that is consistent with its compliance obligations.

Keeping up to-date with legislative changes is important to ensuring Council stays compliant. This responsibility should be clearly designated in relevant Council officer's roles to be responsible for updates and ensuring any changes to legislation are appropriately embedded into the operations of Council.

### Policy, procedures and administrative directives

One of the most important roles of Councillors is to make policy decisions on behalf of the community, in accordance with their role of providing strategic direction. An essential element of policymaking is identifying current and future community needs, setting objectives to meet those needs, consulting relevant stakeholders and analysing the options to establish priorities between competing needs, and allocating appropriate resources. Policies and procedures are in place to establish the overarching principles and commitment to embed a positive compliance culture with appropriate control systems to produce effective compliance outcomes by Council.

Council's policy framework is designed to:

- Ensure that a clear and consistent governance and management approach is adopted in the development of all Council policy that enables improved compliance with relevant legislative and regulatory requirements;
- Enable efficient and effective decision making, which incorporates quality assurance and risk management practices, where appropriate; and,
- Establish clear accountabilities and delegated authorities for individual roles and groups.

Public-facing policies, (strategic and governance policies) are adopted by Council resolution and set out Council's strategic position, viewpoints and values, and assists decision making on matters that impact on, and are of concern to the community.

Operational policies provide direction from the CEO to the organisation to provide direction on the day-to-day operational matters of Council. Procedures are the internal processes required to either implement the strategic and governance policies and operational policies. Other supporting documentation includes strategies, guidelines, manuals and process maps designed to aid in the efficient and effective delivery of programs or services.

### Local laws

Local laws are statutory instruments made by Councils to regulate local issues. The *Local Government Act 2020* provides the power for Council to make and enforce local laws necessary or convenient for the good rule and local government of Council area. Processes are required for making and publishing local laws.

### Risk management

Risk management is an integral part of good governance, good management practice and decision-making in local government. Council is committed to and participates in the risk management program at a strategic and policy level. The CEO and Executive ensure processes are in place for identifying and managing risk, responding to and mitigating such risks.

Council is responsible for providing a wide and diverse range of services to its residents and visitors. It is acknowledged that all of these activities involve some form of risk, which must be managed to ensure that aims and objectives are achieved, services are delivered and that opportunities to deliver better and more cost-effective services are realised. Council is aware of, and has adequately assessed risks, that could result in financial loss, threats to public or employee safety or lead to substantial adverse publicity and reputational damage.

When risk is effectively managed it can reduce both the likelihood of incidents occurring, and the impact on Council and its ratepayers when they do occur. Risk management is also integral to prevention of fraud and corruption. Internal audit and the Risk and Audit Management Committee play an important role in the overall risk management of Councils.

Council has a comprehensive risk management program embedded across all service and functional areas. Rather than being a stand-alone function, the premise for risk management is that it forms a part of all organisational processes.

### ***Under the Risk Management Policy and Procedures:***

- Council's risk appetite and risk tolerance are defined and communicated;
- Managers identify operational risks;
- Identified risks are recorded, assessed, and treated in a timely manner;
- Operational risks are recorded in risk registers and reviewed periodically;
- Strategic risks are managed by the CEO, directors and key Council staff and presented to the Audit and Risk Committee;
- Highest risks are given priority and resources allocated;
- Risk management training is provided;
- Day-to-day conversations about risk implications are encouraged; and,

- Risk analysis and opportunities for improvement are identified and promoted.

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

### Health, safety and wellbeing

Council is legislated under the *Occupational Health and Safety Act 2004* to protect the health, safety and wellbeing (HSW) of employees and other people and that the health and safety of the public is not put at risk by Council work activities.

Council has remote or external sites such as depots and libraries, with these work environments being unique and situational, requiring a more responsive and targeted degree of prevention and early intervention strategies to minimise negative health and safety impacts. There cannot be a one size fits all approach and leadership at these sites is critical to model the expected standards and to address issues as they arise.

Poor governance and non-adherence to HSW obligations can result in a reduction of employee productivity, increased injury and illness, increases in cost of injury and workers compensation/insurances and tensions in the workplace with declining staff morale and relationship conflicts. A good HSW culture plays a huge role in the physical, mental, and social wellbeing of workers.

In recognition of the critical role that HSW and governance plays in the workplace, Hindmarsh Shire Council has looked to increasing the levels of resourcing, has put in place strong and robust systems and processes including committee charters, designated HSW work groups, regular meetings, service reviews, metrics, management reporting, training and education.

Council has taken a strategic approach to prevention and early intervention as not only a means of keeping staff safe and getting them back to work quicker but to have a resulting effect of keeping the related costs at an industry standard.

Managing the behaviour of people is key, along with fostering individual accountability and duty of care for others. This needs to be carried out at all levels of management, with strong support by leadership and quality tactical advice from Human Resources. The tone at the top is important, as is the tone that filters through middle management and down into the organisation, understanding the influence of peers to peer relationships and appropriate role modelling.

## The role of internal and external audits

Under the *Local Government Act 2020* Councils must establish an efficient and effective internal audit function. Internal audit contributes to good governance through providing objective assessments of Council's operations to identify and recommend improvements to internal controls, processes and the management of risks to ensure achievement of strategic goals. Internal audit assesses both the financial and non-financial performance of Council.

Council engages an independent internal auditor to conduct internal audits on specific focus areas within the organisation. The audits identify areas of improvement to assist Council to improve performance and manage risk. The results of the audits are reported to and monitored by the Audit and Risk Committee.

These also play an important part in auditing Council's fraud risk register to ensure risks are being correctly identified, treated and monitored. Additionally, they play a key role in assessing the effectiveness of Council's **Fraud Prevention and Control Policy and Plan** and perform audits to detect or mitigate fraud and corruption matters and evaluate the effectiveness of prevention actions and internal controls implemented within Council.

Council also participates in a range of external audits conducted by the Victorian Auditor General's Officer (VAGO). These fall into two categories – financial audits and performance audits.

When Council participates in an external audit, the Audit and Risk Committee play a key role in understanding the major focus areas of the audit, monitoring matters arising from the audit and monitoring the implementation of the external auditor's recommendations which are adopted by Council.

The audit plan ensures Council has effective internal controls and that they are adequately implemented throughout the organisation.

Audit programs focus on such areas as:

- Financial performance and control;
- Risk management processes;
- Records management;
- Occupational health and safety systems;
- Asset protection;
- Procurement;
- Legislative requirements; and,
- Any other management controls.

An Internal Audit Plan details the roles, relationships and responsibilities as well as the scope of work that internal audit will perform. The internal audit function has unrestricted access to all Council records and information to fulfil their duties. They are required to have unobstructed communication when required with the CEO. Recommendations provided from internal audit (and associated action plans) are developed in consultation with management to ensure buy-in and commitment to implement by the administrative arm of Council. To increase accountability, an owner is assigned to actions and a realistic timeframe provided for implementation. Processes are put in place to monitor the implementation of the recommendations, and report this back to the Audit and Risk Management Committee to increase accountability on action owners to ensure action is taken, and non-action is escalated if required.

### The role of the Audit and Risk Committee

The existence of an independent audit committee is an important feature of good governance.

Under section 53 of the *Local Government Act 2020*, Council is required to establish an Audit and Risk Committee that monitors and reviews the integrity of financial documents, the internal audit function and makes recommendations to Council about matters that need action or improvement. The committee is integral to ensuring Council has appropriate risk, culture, policies, systems and controls in place to function effectively, legally and ethically.

The role of the committee is to:

- Monitor the compliance of Council policies and procedures with the overarching governance principles;
- Monitor Council financial and performance reporting;
- Monitor and provide advice on risk management and fraud prevention systems and controls; and,
- Oversee internal and external audit functions.

Council's **Audit and Risk Committee Charter** establishes the roles, responsibilities and functions of the Audit and Risk Committee. The Chair of the committee must be an independent member. Councillors can play an important role as committee members, however, Councillors are not regarded as independent members.

## Sign-off of financial reports

Council prepares an annual financial report and which is required to be signed off through a resolution of Council.



## Fraud, corruption and improper conduct

Elected Councillors and local government employees make decisions and perform functions that affect the lives and interests of all their community. The community expects - and the law requires - that they do this responsibly and with integrity, accountability, impartiality, and in the public interest.

The culture of an organisation is a key control that can help it to prevent, detect and respond to fraud and corruption. It is critical that the senior leadership of an organisation models, communicates and supports appropriate values and behaviours, to enhance the organisation's ethical culture and reduce its vulnerability to fraud and corruption.

The impact of fraud and corruption on Councils can be significant. Fraud and corruption undermine public trust in local government and damages the reputation of the sector. They undermine the culture of the organisation and can significantly impact employees.

When fraudulent and corrupt activities are undetected, or left unchecked, public money and resources are wasted and this can reduce the quality and effectiveness of services, threaten Council's financial stability and can result in long-lasting reputational damage.

Fraud is dishonest activity involving deception that causes actual or potential financial loss by an entity or others. Fraud is usually carried out by taking advantage of opportunities created by weak control systems, poor governance, and lack of management oversight and use of a position of power or authority. Theft of money, intellectual property, confidential information, and falsely claiming to hold qualifications are all examples of fraud. Fraud is not only a risk within Council but also by customers, contractors and external service providers.

Corruption is dishonest activity in which an employee of an entity acts contrary to its interests, abusing their position of trust to achieve personal gain or advantage. Corruption is the misuse of public power or position to achieve advantage for themselves, family or friends. Examples include taking or offering bribes, dishonestly using influence and/or misusing information, assets, or resources acquired at work.

Hindmarsh Shire Council has a duty to ensure that appropriate controls are in place for the detection, prevention and correct management of fraudulent activities.

Risk management helps to identify internal weaknesses that may give rise to fraud and corruption. Appropriate controls can then be put into place to reduce the number and severity of fraud and corruption activities occurring.

Council has established controls to either eliminate or reduce the possibility of fraud occurring. This includes a **Fraud Prevention and Control Policy and Plan**.

Conflicts of interest, procurement, cash handling, gifts and benefits, employment practices, and information management all present potential corruption risks to Council.

The leadership of Council is integral in setting the tone for tolerance of fraud and corruption by setting the tolerance level for fraud and corruption at the lowest possible level as well as ensuring that internal control systems, that help prevent and detect, and reporting processes are functioning and effective.

Council uses available resources to:

- Implement effective fraud controls;
- Conduct any investigations and analysis of fraudulent activities; and,
- Conduct appropriate awareness training for staff.

Council strives to create a culture of ethical behaviour, honesty and integrity and encourages all Councillors, executive, management, staff, authorised agents, contractors and the community to report any suspicion of fraudulent activities.

## Reporting wrongdoing

Council staff need to feel safe and supported to speak up about wrongdoing. Encouraging Council staff to report wrongdoing can help identify corruption, maladministration, wasting of public funds, danger to public health and safety, and other breaches such as codes of conduct.

The leadership of Council play a key role in building a culture of integrity that supports and encourages reporting of wrongdoing. It is important that the leaders of Council help raise awareness on how to report wrongdoing, the available protections for Council officers who do speak up, and promptly act in accordance with proper process when issues are raised. Having policies, procedures and programs in place to support reporting of wrongdoing is vital in the effective management of reports of wrongdoing and complaints.

Council provides a fair mechanism to ensure that any staff and others who have become aware of, or who suspect that fraudulent activity may be occurring, know how and where to report it, and are provided with appropriate confidentiality and support if they make a report. Furthermore, the mechanisms are designed to ensure they are not victimised or disadvantaged for making allegations as per Council's **Public Interest Disclosure Policy** (*Public Interest Disclosures Act 2012*). Additionally, Council ensures procedural fairness for staff against whom allegations are made. The public disclosure procedure outlines how to make a disclosure and is publicly available on Council's website. All matters are treated with confidence.

## Complaints Handling

In accordance with section 107 of the *Local Government Act 2020*, Council has adopted a **Complaints Handling Procedure**.

The procedure outlines Council's approach to complaint management, ensuring that every complaint is managed consistently, fairly and objectively. The procedure provides an avenue for the community to provide feedback on a range of issues that affect them with complaints submitted on Council's website, email, post, over the phone and in person. The procedure recognises the community has a right to complain where service delivery does not meet reasonable expectations. Effective complaint handling offers many practical benefits. Information gathered from complaints help to provide a solution to a complainant, helps maintain positive relations with the community, evaluate and improve programs and services, and can inform decisions about future services. Analysis of complaints is a useful tool for continuous improvement.

## Service standards

The organisation has adopted a **Customer Service Charter** that outlines Council's customer service standards that the community can expect. The charter sets out Council's commitment to customer service excellence and the levels of customer service performance and accountability. The Charter also outlines how Council expects members of the community to treat Council staff, ensuring that we provide as safe as possible working environment for all employees.

Customer service standards and performance is measured to ensure that the organisation is delivering on its commitments to the community. In addition, business units have developed service specific service standards to signal their commitment to customer service excellence.

## Public Transparency

Hindmarsh Shire Council is committed to the principles of public transparency, good governance, open and accountable conduct and ensuring that Council information is publicly available, except where that information is confidential under the provisions of the Act or contrary to the public's interest.

In accordance with sections 57 and 58 of the *Local Government Act 2020*, Council has adopted a **Public Transparency Policy**. The policy stipulates the types of documents available to the public, to ensure openness with decision-making and Council processes, as well as listing the types of documents that remain confidential. This policy aims to formalise Council's commitment to transparent decision-making processes and freely available public access to Council information.

## Freedom of information

The Victorian *Freedom of Information Act 1982 (FOI Act)*, aims to make more information available, provide equal access to information across all sectors of the community, and provide appropriate protection for individuals' privacy. The right to information means Council must provide information unless there is a good reason to refuse. If there is a good reason not to provide the information, Council must explain the reason.

The community have the right to request access to documents held by Victorian public sector agencies. This right of access is subject to limited exceptions and exemptions. Council can withhold information if its disclosure would be contrary to the public interest. Council is not permitted to withhold information because it might be politically embarrassing, or it might cause a loss of confidence in Council. Information release is about Council proactively pushing information out to the community, as much as possible, with the goal of making formal applications a last resort.

## Privacy

Council has a **Privacy Policy** that explains how Council will collect, store, use and disclose personal information of individuals, how individuals can gain access to their personal information and correct inaccuracies. Additionally, it explains how an individual may complain about possible breaches of the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*.

## Culture, ethics and governance

An ethical culture is a key feature of good governance and is characterised by honesty and integrity. Councillors, the CEO, and Council officers must behave in a way that generates community trust and confidence in them as individuals and enhances the role and image of both Council and the community generally.

For the community to have confidence in those who govern and participate in the governance process, the community must have trust that the local government is acting for the common good. The community need to believe that governance is characterised by honesty and integrity and that those in local government will behave accordingly. Just as importantly, being proactive with integrity initiatives will improve the trust and confidence of employees.

*"A strong and ethical culture exists where organisational values and standards are clearly defined, understood and adhered to by employees"* (IBAC 2021).

## Values

The values and principles of an organisation help staff determine how things are expected to be done. They guide work practices, interactions and behaviour within an organisation. They are the foundation on which an organisation operates and apply across all levels of the organisation.

Council is guided by the following values:

- Transparent and accountable actions and decisions.
- Inclusion and collaboration with residents.
- Showing respect and integrity to all.

- Being proactive and responsible by encouraging innovation.

## Ethical leadership

Good corporate governance is essentially about effective ethical leadership. Strong leadership is fundamental to bringing about substantial changes to building an ethical culture and driving good governance. The role of the leaders in Council is to ensure that the ethical culture within the organisation is aligned to the tone set by the organisation through the implementation of appropriate policies and practices. Governance is focused on efficiency, probity, responsibility, transparency and accountability with effective and ethical leaders a part of a governance system.

Ethical leadership cannot be delegated, and it requires leaders to consistently exemplify and amplify core behaviours of personal integrity, ethical role modelling and ethical management, fairness and transparency.

The goal of ethical leadership is to strongly communicate consistent and clear principled messages to staff in promoting an ethical approach when performing their roles. It needs to be clear from leadership that being truthful at all times is more important than achieving the outcome at any cost.

Ethical leadership is strongly correlated with higher levels of engagement, encouraging ethical behaviours and reporting and influences positive behaviours. It also drives tangible business results by positively influencing culture.

Although executive leaders may perceive their Councils as having a high ethical culture, it is critical that they remain cognisant of their Council's vulnerabilities to corrupt conduct. Executive leaders are responsible for setting organisational priorities, and it is important to recognise the inherent nature of risk. Risk management helps to drive robust corruption prevention strategies and initiatives that are adequately resourced.

## Human Resources

Human resource (HR) practitioners play an important role in identifying what is acceptable and what is not. They develop operational policies, procedures and processes that support good governance and ethical practices.

Good practice that emphasises the importance of ethics include having transparent and fair recruitment, selection and promotion processes, codes of conduct and performance appraisal processes that include expected behaviours. Questions asked during the recruitment process reveals to the applicant the values and ethics that are important to the organisation. Training and education also play an important role in providing a greater focus on organisational values and appropriate workplace behaviours. Leaders need to work with HR during budget cycle to ensure sufficient financial resources and a planned approach to the delivery of relevant training and education across the organisation.

However, managing the behaviour of people is key and needs to be carried out at all levels of management, with strong support by leadership and quality tactical advice from HR. The tone at the top is important but so is the tone that filters through middle management and down into the organisation, understanding the influence of peers to peer relationships and appropriate role modelling.

## Code of Conduct

Codes of conduct provide a framework for staff in relation to demonstrating Council's commitment to the highest levels of integrity and accountability and identifies consistent standards of conduct for all Councillors and employees.



The **Councillor Code of Conduct** and **Employee Code of Conduct** set out the standards of conduct for staff and Councillors that the community could reasonably expect them to demonstrate in the performance of their duties and functions.

The **Employee Code of Conduct** applies to all Council’s workforce including permanent, part time, casual, contractors, volunteers and work experience students. Furthermore, application of the codes is supported by requirements in the *Local Government Act 2020*, Council policies, and procedural guidelines, along with appropriate training and education.

Councillors also have their own **Councillor Code of Conduct** that sets the standard of conduct, behaviour and commitments and guides the principles and standards of behaviour expected of Councillors and mayors when carrying out their roles, responsibilities and obligations as elected representatives for their communities.

The codes require Councillors and officers to comply with legislative requirements and Council policies for the disclosure of conflicts of interests, and the reporting of gifts and hospitality offered or received.

## Communication

Internal communication systems support the promotion of ethical decision-making and appropriate behaviours by communicating and over communicating expected values and behaviours to staff. Mechanisms such as the intranet, all staff meetings, weekly governance emails and newsletters are good sources of information as to what resources are available to support individual ethical reflections and decision making.

## Influences of external factors

Policies and procedures play an important role in addressing the potential risk of influences from outside an organisation that may arise from a myriad of different areas. These influences may arise from interrelationships or interactions with external parties. Gift policies, procurement policies, conflict of interest requirements, and other protocols reduce negative influences and support Councillors and staff in their moral judgement and decision-making.

## Document Review

<b>Good Governance Framework</b>		<b>Policy Category</b>		Council
<b>Version Number</b>	1.0	<b>Document Status</b>		Adopted
<b>Approved/Adopted By</b>	COUNCIL	<b>Approved/Adopted on:</b>		26 October 2023
<b>Responsible Officer</b>	CEO	<b>Review Date</b>		26 October 2026
<b>Version History</b>	<b>Date</b>	<b>Version</b>	<b>Description</b>	
	October 2023	1.0	Initial Framework.	

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