Mount Isa City Council

Corporate Governance Framework

....
Sharon Ibardolaza
Chief Executive Officer

DOCUMENT VERSION CONTROL					
Governance/Policies/Strategic Folder ID# 14992			**POLICY TYPE**	Strategic (Council)	
VERSION	**DATE**	**RESOLUTION NO.**	**DETAILS**		
V1	22.03.2017	OM28/03/17	**Responsible Officer –** Executive Manager		
V2	23.09.2020	OM29/09/20	**Responsible Officer –** Corporate Governance Coordinator		
			REVIEW DUE	07.2021	

DISTRIBUTION AND DISSEMINATION				
Internal email to all employees	X	Section meetings / Toolbox talks	X	
Internal email to all councillors	X	Included in employee inductions	X	
Employee noticeboards		Uploaded to Council website	X	
Internal training to be provided		External training to be provided		
Registered in magiQ	X			

Contents

Corporate Governance Framework

1. Introduction

1.1 Purpose

The Corporate Governance Framework ensures compliance with legislation and best practice democratic and corporate governance. The purpose of the document is to outline Council's governance policies, procedures, practices and guidelines. It provides an overview for elected members, executive management, management, employees, contractors and volunteers of Mount Isa City Council ("MICC"). We are committed to delivering best practice governance and strive to continuously improve our accountability and efficiency.

1.2 What is Governance

Governance within Australian Local Government usually refers to accountability for organisational decision making and behaviour:

> *Governance is the process by which decisions are taken and implemented; the process by which organisations go about achieving their goals and producing their outputs and the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, values and culture within the organisation.*

Corporate Governance is widely recognised as providing the framework and tools required to ensure that organisations are progressive and can operate in an effective and accountable manner. From a Local Government perspective, the framework reinforces the statutory authority and responsibilities of Council as a corporate body and assists elected representatives and professional officers in the delivery of quality services. Central to the achievement of these outcomes is the engagement of key stakeholders and intended beneficiaries in the development and implementation of initiatives for the betterment of local communities.

Effective corporate governance is not possible without a recognition and acceptance of legislative and administrative instruments that clearly establish the roles and responsibilities of the corporate body, elected membership and professional officers. Within this context, the governance framework will be enhanced through the adoption of a clearly defined, transparent decision-making process and delegation instruments which best meet the strategic and operational needs of the region.

Effective outcomes are best achieved where the role and focus of elected members as a collective corporate organisation, is directed to policy formulation and strategic development. The role of the staff is to implement the policies and strategies of the corporate body through an accountable, effective and efficient application of resources and assets.

1.3 About this Framework

Mount Isa City Council Governance Framework ("the framework") is based upon best practice for public sector governance. The framework sets out the standards of accountability and transparency expected of government by our many stakeholders and the people of Queensland. The overall aim of the framework is to drive performance improvement while meeting our obligations and legislative requirements.

The framework outlines the principles, elements and mechanisms used by Council to support a focus upon effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

The benefits of an effective governance framework include the ability to provide responsible government, oversight of Council's progress towards strategic goals, a healthy organisational culture and community confidence.

Corporate governance arrangements must continually evolve to ensure that organisational and service delivery objectives are met effectively, efficiently and transparently. Accordingly, the framework will be reviewed annually, or as required to support change to Council's strategic priorities or major legislative realignment. However, the fundamental principles of good governance outlined in this framework will be maintained.

As local government employees, we have a duty to carry out our activities according to required practice. This framework should be used to assess the strengths and weaknesses of current practice and improve it so that our stakeholders have ongoing confidence in Council's commitment to deliver its services responsibly.

1.4   Essential principles of good governance in local government

Good governance refers to the rules, processes and behaviours that shape how powers are exercised. Everyone has a role to play in the governance of a Council — from the person offering advice at the customer service counter, to the councillor representing constituents. Effective governance relies on an understanding of the different roles played by elected representatives and employees and the successful working relationships that are established as a result.

The *Local Government Act 2009* (the Act) creates clear obligations for councillors in carrying out their responsibilities. Section 4(2) of the Act provides five core principles:

- transparent and effective processes, and decision-making in the public interest
- sustainable development and management of assets and infrastructure, and delivery of effective services
- democratic representation, social inclusion and meaningful community engagement
- good governance of, and by, local government
- ethical and legal behaviour of councillors and local government employees

The benefits of good governance can extend through all aspects of Council through developing and implementing tools such as:

- corporate and operational plans
- annual budgets and future forecasts
- appropriate and clear delegations
- code of conduct for employee
- systems for monitoring and reporting (being able to measure and report performance against the stated objectives and budget)
- a reliable information management system capable of retaining information in a structured and secure manner
- a risk management system (operational, misconduct and financial
- register of interests
- management of declarations of interest including material personal interests and conflicts of interests
- gifts and benefits register

The use of these tools can contribute to a stable, transparent and ethical decision-making process. Good governance is also underpinned by a strong, ethical and values-based culture within the organisation.

1.5   Our key governance commitments

1.5.1 Accountability

Accountability is fundamental to good governance. Council has an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the community it represents.

1.5.2 Transparency

People should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made — what information, advice and consultation Council considered, and which legislative requirements (when relevant) were followed.

1.5.3 Follows the rule of law

Decisions will be made in a manner that is consistent with relevant legislation or common law and are within the powers of Council.

1.5.4 Responsiveness

Local government should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.

1.5.5 Equitable and inclusive

A community's wellbeing results from all members feeling their interests have been considered in the decision-making process. This means all groups, particularly the most vulnerable, should have opportunities to participate in the process.

1.5.6 Effective and efficient

Council will implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for their community.

1.5.7 Stakeholder (including the community at large) participation

Stakeholders will have the opportunity to participate in the process for making decisions. Council may engage with stakeholders including:

- informing — provide accurate and objective information in a timely manner
- consulting — seek feedback on analysis, issues, alternatives and decisions where possible
- involving — ensure concerns and aspirations are considered
- collaborating — partner with community during decision making
- empowering — place final decision-making with the community

More information can be found in Council's Community Consultation Policy on our website.

1.6 Aims and objectives

The framework aims to reinforce the accountability standards within Council and ensure that the organisation's objectives are being achieved efficiently and effectively to ultimately deliver value to the community. The aims and objectives of the framework are:

a) Strong ethical, performance and values-based culture. This means:

- behaviour reflects endorsed values
- robust performance monitoring and evaluation

b) Quality decision-making founded on adequate, timely and relevant information disclosure. This means:

- minimal unintended consequences of decisions
- quadruple bottom line (environment, social/community, economic, governance) impacts are clearly understood and integrated into decision-making processes

c) Assurance of desired outcomes or results. This means:

- decisions are unambiguous
- the accountability for carrying out decisions to required standards is enforced
- controls and monitoring are effective

d) Effective management of risks and opportunities. This means:

- existing, new or previously unforeseen risks and opportunities are routinely identified, assessed and managed

e) Effective and widespread stakeholder commitment and support for good corporate governance. This means:

- Corporate Governance Framework elements are clearly defined and understood
- stakeholder roles and responsibilities are understood
- support for good corporate governance is reflected in behaviours
- stakeholders have access to relevant information and training to support and fulfil their roles and responsibilities
- stakeholders take part in, and are informed of, corporate changes

f) The system of corporate governance is streamlined and flexible to meet emerging demands or needs. This means:

- integrated information management and support systems
- the overall system is regularly reviewed

g) Transparency and disclosure. This means:

- accurate, complete and timely information provided to Council, management and decision makers
- high level of community understanding of Council policies, decisions and performance

h) Strategic leadership and direction are clearly stated. This means:

- operational and corporate plans, and associated processes are guided and aligned
- priorities, strategies, operations and performance are integrated.

i) Stewardship. This means:

- legal and fiduciary responsibilities are understood and carried out effectively

1.7   Our Vision and Values

Council's Vision is "Making our good city great, through innovation, diversification and cultural enhancement."

The framework is underpinned by the five values of Council:

- **Honesty**   Is an integral element of Mount Isa City Council, our staff, our functions and our systems

- **Accountability**   Be fully compliant, exercise best practices, be open, transparent and fully accountable at all times

- **Quality Services**   To deliver a consistent high level of service that meets the requirements of our community and reflects the quality of services we aim to deliver

- **Equity and Justice**   To exercise and implement policies and procedures that ensure legal compliance, ethics, equality and justice for all stakeholders involved in or with our community

- **Working in Partnership with our Community**   To ensure frequent, regular and reliable community consultation processes to accurately reflect the needs and requirements of our community

1.8   Stakeholders

There are a number of stakeholders who can have an effect on, or be affected by, activities and decisions undertaken by Council. The Corporate Governance Framework delivers the following outcomes to principal stakeholders:

a) Community — a broad-based appreciation that resources are being used appropriately to ensure that community value is being consistently delivered by Council.

b) State government — that Council adheres to legislation that provides for the good governance of local government including being accountable, effective, efficient and sustainable:

  - *Queensland Public Sector Ethics Act 1994*
  - *Queensland Local Government Act 2009*
  - *Queensland Local Government Regulation 2012*
  - *Queensland Local Government Electoral Act 2011*

c) Council — a high level of assurance that desired strategic priority outcomes are being achieved efficiently and effectively within an acceptable level of risk.

d) Audit and Risk Management Committee — a high level of assurance that the appropriate control mechanisms are in place to ensure effective delivery of services within an acceptable level of risk.

e) Chief Executive Officer ("CEO") — a high level of assurance that the organisation is consistently delivering community value and Council's strategic priority outcomes.

f) Organisation — understanding of corporate governance and its link to ensuring community value.

1.9   Implementation and Review

To ensure compliance and best practice governance, Council will conduct an annual review of the Corporate Governance Framework to ensure continuous improvement of corporate governance in the organisation.

The review will ensure the accuracy of the document in line with changing legislation and organisational responsibilities. A series of quantitative and qualitative performance measures will be defined to measure Council's effectiveness in implementing the Framework. An assessment of performance against these measures will be conducted annually as follows: -

- April - Evaluation of Corporate Governance Framework performance measures

- April - Review and revision of the document by internal stakeholders

- June - Approval of revised document and any recommended actions by the Executive Management Team

- June - Distribution of the updated Corporate Governance Framework

2. TRANSPARENT AND EFFECTIVE PROCESSES, AND DECISION-MAKING IN THE PUBLIC INTEREST

2.1 Decision Making

2.1.1 The Role of Local Government

Council is responsible for providing transparent and accountable local government to the Mount Isa City community. Local government in Queensland is established under the *Local Government Act 2009* ("the Act"). Section 8 of the Act states that a local government is an elected body that is responsible for the good rule and local government of a part of Queensland (known as the local government area).

Local governments have legislative responsibility for many functions and activities that are relevant to local communities. As the level of government often seen as 'closest' to the community, local government activities relate to matters that are fundamental to people's lives and impact strongly on their quality of life.

The Act gives Council flexibility in making decisions and delivering services, without intervention by the state government or the minister responsible for local government.

Ordinary meetings of Council are the primary method of decision making regarding strategic or significant matters. Many operational decision-making powers are legislatively provided directly to the CEO. For operational efficiencies, there are other circumstances where it is appropriate to delegate Council's decision-making power to the CEO. These powers may be sub-delegated to appropriately qualified employees (authorised delegates) unless precluded by legislation or a condition of the original delegation.

Certain decisions of Council are prescribed by legislation and must not be delegated.

Decisions made must be made in a way that is consistent with the local government principles set out in the Act (S4):

> *(a)   transparent and effective processes, and decision-making in the public interest*
>
> *(b)   sustainable development and management of assets and infrastructure, and delivery of effective services*
>
> *(c)   democratic representation, social inclusion and meaningful community engagement;*
>
> *(d)   good governance of, and by, local government*
>
> *(e)   ethical and legal behaviour of councillors and local government employees,*

Good decision making requires that:

- decisions must be those that the local government can lawfully make
- decisions must be consistent with and in accordance with legislation and Council policies
- councillors should have all the relevant information to make a considered and informed decision
- councillors should be impartial, objective, free from bias and act in the public interest of the overall local government area, not just the division they represent
- declarations of prescribed conflicts of interests and declarable conflicts of interests are dealt with in an accountable and transparent way that meets community expectations
- decisions should be made on a reasonable basis.

The roles and responsibilities of elected members (the executive arm of government) and Council employees (administrative arm of government) are clearly defined.

2.1.2 The Role of Councillors

Councillors responsibilities are detailed in the *Local Government Act 2009 (Section 12):*

Pursuant to the LG Act, a Councillor must represent the current and future interests of the residents of the community which includes:

- Ensuring Council discharges its responsibilities under the LG Act, achieves its Corporate Plan, and complies with all laws that apply to Local Governments;
- Providing high quality leadership to the local government and the community;
- Participating in Council meetings, policy development, and decision-making, for the benefit of the local government area; and
- Being accountable to the community for the local government's performance

The figure below provides an overview of the role of Councillors within local government and outlines how they may exercise their powers and responsibilities in an appropriate fashion to provide value to the community in the short and long-term.

Figure 1. Role of Councillors
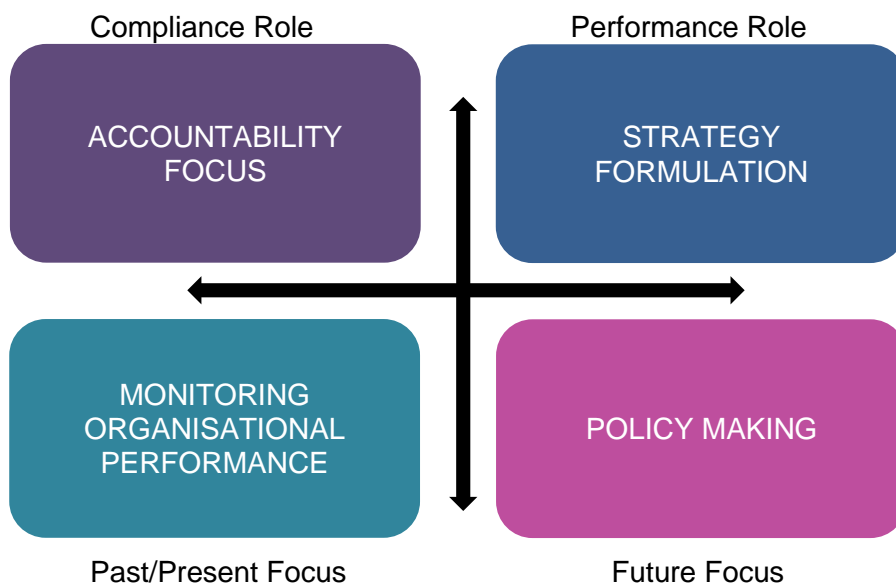
This figure highlights the importance of balance between the future orientated performance roles of Councillors such as setting strategy and policy, and the past and present focussed compliance roles of monitoring performance and accountability

Councillors must avoid actively participating in operational matters as this can lead to inequitable decisions which are inconsistent with policy objectives and strategies.

2.1.3 Mount Isa City Councillors – Portfolio System

The Mount Isa City Council comprises of seven (7) councillors including the Mayor. The Mayor and councillors are elected by popular vote across the Region. Local Government elections are conducted every four years on a fixed date prescribed by the State Government, with councillors elected for a term of four years.

Council has agreed to the establishment of a portfolio system as part of its corporate decision-making structure. This system provides for nominated councillors to be assigned specific responsibilities for

a key strategic focus area of Council. The portfolio system provides no formal delegated authority to the portfolio councillor. It provides, however, the councillor with an opportunity to develop and maintain a heightened level of knowledge and leadership across the Council area in a specified field.

The portfolio system serves as a means of establishing focused and meaningful connections between Council and the community, providing the opportunity for joint strategic collaboration and greater representation of community priorities.

2.1.4 Council Meetings

Council is committed to:

- conducting meetings in accordance with the principles of the Act and Standing Orders to ensure an accountable, effective, efficient and sustainable system of local government.
- ensuring councillors are performing their responsibilities as required under the Act.
- providing meeting processes that support effective contributions from elected members, employees and residents in the best interest of the community.

Standing Orders Policy and Model Meeting Procedures are modelled on the State Government templates to define how Council meetings will be conducted and includes the order of meeting agendas. The meeting agenda is released 2 days prior to the meeting.

Ordinary Meetings of the Mount Isa City Council are held on the 2nd and 4th Wednesday of each month commencing at 12:00pm.

Ordinary meetings are held in the Mount Isa City Council Chambers located at the Administration Centre, 23 West Street, Mount Isa.

Council aims to hold Ordinary Meetings at Camooweal twice a year.

Whilst members of the public are welcome to attend these meetings, they must be excluded during deliberations of confidential items in the "Closed" section of the Agenda.

From time to time Special Meetings of Council are called. Any changes to meeting dates and/or times are notified in a locally circulating newspaper.

Minutes of Council meetings are available to the public within 10 days of the meeting.

2.1.5 Confidential items

Council understands that its decision-making and processes must be open and transparent so that the community understands how decision have been made. There are some circumstances where decisions relating to confidential matters need to be made without public discussion or dissemination of reports. This may include matters as per Section 254J of the *Local Government Regulation 2012* relating to:

a) the appointment, discipline or dismissal of the chief executive officer; or

b) industrial matters affecting employees; or

c) the local government's budget; or

d) rating concessions; or

e) legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government; or

f) matters that may directly affect the health and safety of an individual or a group of individuals; or

g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government; or

h) negotiations relating to the taking of land by the local government under the *Acquisition of Land Act 1967*; or

i) a matter the local government is required to keep confidential under a law of, or formal arrangement with, the Commonwealth or a State.

In these cases, resolutions of Council will still be a public record, however substantive information may be considered in confidential business to prevent prejudice to Council or third parties or breaches of confidentiality obligations.

2.1.6   Advisory and Standing Committees

Council may appoint an Advisory Committee which is responsible for providing recommendations on the management of key community assets and facilities. Advisory Committees comprising of community and stakeholder representatives and resourced by Council's technical and administrative staff have also been established to progress key strategic projects.

As part of Council's aim of maintaining ongoing, effective community participation in decision making, advisory committees are also established on an 'as needs' basis to facilitate input and feedback in the development of major proposals and initiatives.

Advisory committees do not have decision-making powers and each committee has terms of reference that outline the scope and limitations of the group, and reports their advice, actions and performance to Council in various ways as set out in their terms of reference. The Advisory Committees Policy provides structure and governance around these groups.

Council does not currently have any Standing Committees.

2.1.7   Corporate Planning Framework

Council's Corporate Planning Framework (refer also Corporate Planning Framework) is the overarching framework used to assist Council and the community to plan for the future. It is a continuous, systematic process for engaging the community to identify intended future outcomes, monitor how outcomes are being achieved and report how success will be measured. The Strategic Planning Framework ensures that efficiencies are achieved through coordinated planning and budgeting and that systems and arrangements are undertaken in an integrated manner to inform a well-considered asset, capital and financial strategic direction for Council.

The Strategic Planning Framework comprises a hierarchy of cascading and interconnecting documents, which when taken together allows Council to turn its long-term aspirations, goals and plans into reality. It assists in planning for a sustainable future for Council, the community, the environment and the economy. It also ensures methodologies are in place for measuring performance against desired outcomes.

2.1.8   Organisational Structure

Council's organisational structure is aligned to the achievement of Council's goals and objectives and is reviewed after each Corporate Plan review. The organisational structure can also be reviewed when Council reviews its annual Operational Plan and budget to ensure optimal deployment of resources for the delivery of services and appropriate cohesion between Council departments.

The organisational (or administrative) structure of MICC, determined by the CEO in consultation with Executive Management Team, is endorsed by Council and is responsible to the CEO. The CEO will consult with Council regarding any changes to the Director (senior executive) positions. Restructures within departments can be approved by the CEO upon referral from the relevant Director. The CEO

endorses all organisational structure changes below Director level in consultation with the Executive Leadership Team.

The CEO is responsible directly to the Council.

The Chief Executive Officer and Executive Management Team partner with employees and councillors to deliver expected outcomes to the community. The following diagram illustrates the structure and interrelationship between the community and key stakeholders with the internal organisation.

Mount Isa City Council Organisation Structure

Mount Isa City Council Elected Members

Executive Support
Elected Member Support
Internal Audit
Media and Comms (Strategic)
Economic Development (Strategic)

CHIEF EXECUTIVE OFFICER

DIRECTOR Engineering Services

Construction - Roads
Maintenance - Roads
Construction - Town Streets
Maintenance - Town Streets
Concrete Batch Plant
Parks and Gardens
Cemeteries
Street Cleaning
Technical Services
GIS
Asset Management
Plumbing Inspection
Workshop
Disaster Management

DIRECTOR Corporate & Financial Services

Finance - Accounting
Finance - Rates
Financial Reporting
Grants Revenue / Expenses
Records
Customer Service
Risk Management
ICT
Business Continuity
Sport & Recreation
Swimming Pool
Corporate Facilities
Sporting Facilities
Library
Buchanan Park
Outback at Isa
Civic Centre

DIRECTOR Compliance & Utility Services

Waste Management
Sewer
Treatment Plan - Sewer
Water
Treatment Plant - Water
Local Laws
Stock Routes
Bio-Diversity
Town Planning
Land Use Planning
Environmental Health
Licensing - Business etc...

Executive Manager

Governance
Community Liaison
Tourism
Events
Promotion & Development
Grants Writing
Community Development
Arts Development
Social Media
Human Resources
Training and Development
RRTW
WH&S

MOUNT ISA CITY COUNCIL

2.1.9   Executive Management Team

Council's Executive Management Team comprises of the Chief Executive Officer and three directors. Its purpose is to provide leadership, direction and collaborative organisational decision-making to enhance community value and the achievement of Council's strategic vision. The EMT meet on a weekly basis with some of the key issues considered by the EMT including:

- management of Council's Corporate and Operational Plans and the annual budget
- implementation of Council's decisions, key strategies and plans, for example Economic Development Strategy, Long-term Financial Plan and Tourism Strategy
- key organisational capacity and people management issues, for example Enterprise Bargaining Agreements, Cultural and Leadership Development Program, recruitment and retention strategies
- high risk and/or sensitive corporate projects being advanced under the Project Management Framework and corporate performance management reviews, issues and opportunities relating to corporate security, risk management, workplace health and safety, disaster management and strategic asset management
- matters being tabled at Council meetings
- relevant whole-of-Council communication priorities.

Where input is required from particular employees on a matter, those employees are invited to attend EMT meetings to provide expertise, present reports, answer questions and take part in discussion that will assist them in the implementation of any decisions or directions given by the EMT.

EMT meetings are complemented by the regular Management Team meetings. Such forums are considered important, both in enabling management information dissemination and feedback by staff, thereby promoting a whole of organisation approach for the region in the fulfilment of its functions and responsibilities.

2.1.10 Employees

The day-to-day work of the local government is carried out by Council employees under the direction and guidance of the CEO. This operational work is directed by the decisions of the local government through its annual Operational Plan. Operational work carried out by employees is aimed at achieving strategic objectives. The CEO is responsible for reporting against key performance criteria to monitor progress towards these objectives.

3. SUSTAINABLE DEVELOPMENT AND MANAGEMENT OF ASSETS AND INFRASTRUCTURE, AND DELIVERY OF EFFECTIVE SERVICES

3.1 Planning Scheme

In accordance with the *Planning Act 2016*, the local government for the City of Mount Isa has prepared a planning scheme as a framework for managing development in a way that advances the purpose of the *Planning Act 2016* by:

a) identifying assessable and self-assessable development; and

b) identifying outcomes sought to be achieved in the local government area as the context for assessing development.

The City of Mount Isa Planning Scheme is available via Council's website.

3.2 Long Term Financial Planning

Council's long-term financial strategy and financial plan support the implementation of Council's comprehensive future programs. Long-term financial planning is an essential governance tool in supporting:

- fiscal responsibility and financial sustainability
- development of financial strategies in areas such as revenue, expenditure and borrowings
- transparency and accountability to the local community and other stakeholders
- appropriate levels of inter-generational equity
- reporting against financial targets and goals
- capacity of managers to effectively plan and deliver their services
- development of performance measures (qualitative and quantitative) and target service levels and
- the development of Council's annual budget.

Section 169 of the *Local Government Regulation 2012* requires that the long-term financial forecast must cover a period of at least 10 years and include the relevant financial sustainability ratios, including:

- asset sustainability ratio;
- net financial liabilities ratio; and
- operating surplus ratio.

Council is in the process of developing and testing the Queensland Treasury Corporation Financial Forecasting Model for use as a consistent and comprehensive platform for financial forecasting and data analysis for Council.

3.3 Asset Management Plans

Asset management planning is an essential tool for the long-term provision of asset-based services to the community. The *Local Government Regulation 2012,* Section 167-168, requires that Council prepare and adopt a long-term Asset Management Plan ("the plan") covering a period of at least 10 years. The plan must provide strategies to ensure the sustainable management of Council's infrastructure and the assets mentioned in Council's asset register. It must also state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan and be consistent with Council's Long-Term Financial Management Plan.

Council's Draft Long-Term Asset Management documentation (not adopted) supports the Corporate Plan and informs the Long-Term Financial Management Plan by providing financial projections for asset capital investment (i.e. renewal and new and upgrade works) and asset operational and maintenance costs for Council's current and future asset portfolio.

The Draft Strategic Asset Management Plan (SAMP) provides the framework for effective, consistent, appropriate and responsible asset management. It ensures that assets are managed to provide the essential services the community requires now and in the future. This involves strategies to ensure assets are appropriately planned with funded asset management plans developed.

The SAMP collates the findings and actions from a suite of class-specific Asset Management and Maintenance Management Plans to present a holistic assessment of Council's asset base and requirements. The SAMP has a 10-year horizon. The expectations developed through the Asset Management and Maintenance Management Plans are prioritised taking into consideration affordability and our ability to deliver, to inform the annual and 10-year forecast CAPEX programs.

Asset management must be considered from a whole-of-life perspective, so the efficiency and effectiveness of decisions are considered, not only for the upfront capital investment, but over the entire life of the asset. Adopting sound asset management practices and requirements support the provision of agreed services and assets in a sustainable manner.

3.4 Capital Expenditure Program

The capital expenditure program (CAPEX program) outlines the proposed infrastructure delivery program for the next 10 years. The CAPEX program responds to asset management plans across various infrastructure classes (roads, drainage, buildings, parks etc) and feeds into the Long-term Financial Plan (LTFP). This supports prudent financial and technical planning for this significant area of expenditure, where typically, to ensure good outcomes, projects must be planned several years in advance.

Each year, Council reviews its CAPEX program as part of budget deliberations. During this review process, projects may be deferred, removed or brought forward and estimated project costs may be adjusted. All adjustments are updated in the LTFP annually.

3.5 Infrastructure delivery

The Project Management Framework enables effective planning, integration, prioritisation and optimisation considering affordability and delivery of infrastructure projects. The framework and process help to ensure the three-year lifecycle of works is achieved and supports:

- improved decision-making to facilitate the efficient and effective setting of 10-year works programs and annual budgets

- building a robust and impartial priority-based system for allocating finite resources to capital works
- the capital works component of Corporate and Operational Plans, LTFP and SAMP
- improved public confidence in the decision-making process
- increased awareness of Council's procedures and responsibilities
- councillors and employees with appropriate decision-making information and direction on capital projects.

Council is committed to maintaining existing infrastructure by adopting a strategy of renewing existing assets that meet community need ahead of other upgrade and/or new works in an effort to reduce future operational and maintenance costs. Asset Management and Maintenance Plans are the primary tool for capital planning and are directly linked to the long-term financial forecast. Council will ensure it maintains a capital program that confirms the source of funding for renewal and new capital works.

3.6 Procurement/Purchasing Policy

Council adopts a Procurement Policy at the commencement of each year to ensure transparency and accountability in the procurement of all goods and services in line with Section 198 of the *Local Government Regulation 2012*. The Procurement Policy sets out the approved processes and methods for purchasing goods and services within Council.

All Council procurement must be conducted in strict compliance with Section 104 of the *Local Government Act 2009*, including the Sound Contracting Principles as follows:

- Value for Money
- Open and Effective Competition
- The Development of Competitive Local Business and Industry
- Environmental Protection
- Ethical Behaviour and Fair Dealing

Council's Procurement Procedure defines the process and communicates to employees their responsibilities when undertaking procurement functions. The procedure serves to:

- specify the policy position
- reinforce the need for compliance with relevant legislation, directives and the specific processes established within Council
- outline the procurement methods, strategies and requirements that should be employed for all aspects of Council's procurement functions
- identify the key procurement and contract risks that need to be managed.

3.7 Annual Budget

The Annual Budget supports the delivery of the annual Operational Plan and is consistent with the priorities identified in Council's key plans. The Budget identifies the initiatives funded for the coming year and is presented to Council at the Annual Budget Meeting together with a report setting out the financial operations and financial position of Council for the previous financial year. Council's Budget must include statements of Council's financial position, cash flow, income and expenditure and changes in equity and is accompanied by a suite of associated policies including the Debt, Investment, Procurement and Revenue Policies.

The Annual Budget 2020-2021 is available for inspection on Council's website.

3.8 Project Management

Council's Project Management Framework was developed to assist all staff involved in the management or delivery of projects, to undertake project management effectively and efficiently. The Framework is tailored to Council's project management needs and supports the consistent application of sound project management to the wide range of projects in Council's portfolio of capital and operational programs.

The Framework explains the key project management concepts and the importance of project management in Council's annual business cycle and its project and product lifecycle. It specifically provides the following benefits:

- The consistent application of project management practice by all the departments within Council
- The effective integration of relevant departments' needs in the early phases of a project
- The effective transfer and sharing of information between departments at the end of project delivery
- An increased project management capability and capacity within Council
- The promotion and support of the continuous improvement of project management understanding and capability within Council.

3.9 Other Plans

In addition to the above-mentioned plans, Council has a number of other plans that guide delivery of services including:

- Biosecurity Plan 2018
- Drinking Water Quality Management Plan
- Reconciliation Action Plan

4. DEMOCRATIC REPRESENTATION, SOCIAL INCLUSION AND MEANINGFUL COMMUNITY ENGAGEMENT

4.1 Engagement and communication with the Community

Effective communication and engagement are essential to responsible decision making, especially in local government. We value communication and engagement as tools of understanding and commit to the sharing of information and key decisions with all stakeholders. We provide avenues for our community and stakeholders to have a meaningful say in Council decisions that affect or interest them.

There are different mechanisms for the community to have input into Council decisions including community engagement, public forums, deputations and internal review of decisions.

Good governance requires accountability to the community and requires communication about performance.

The following tools are in place to guide communication and engagement with stakeholders:

- Community Consultation Policy
- Media Policy
- Youth Strategic Plan
- Disability Access and Inclusion Plan
- Reconciliation Action Plan
- City of Mount Isa Planning Scheme
- Council Ordinary Meetings are open to the public including meeting agendas and minutes containing information, recommendations, disclosure and performance reviews

- [Corporate website](#) ([Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#))
- open channels of direct communication (email, telephone, letters, online forms, meetings, engagement sessions, customer service centres, visitor information centres, libraries etc)
- targeted messages with ratepayers affected by Council decisions (letter drop, door knock, SMS message, telephone or email)
- Annual Report, Quarterly Reports and budget documentation
- [Community newsletters](#) distributed monthly
- print and radio advertising including public notices
- public meetings, information sessions, displays at events, training and networking opportunities
- engagement plans and methods to reach diverse audiences including telephone, print and online surveys or polls, focus groups, pop up stalls etc
- submissions from stakeholders.

4.1.1 Community Engagement

Council is committed to ensuring inclusive and effective community engagement and has a [Community Consultation Policy](#) in place to engage with residents about issues and opportunities that will have an impact on our community.

Council believes that fostering democratic representation, social inclusion and meaningful community engagement greatly assists in the delivery of high-quality local government. Council has adopted a Community Consultation Plan to guide efforts to enhance the planning and delivery of services and programs.

In committing to this Plan, Council aims to ensure that its communication strategies and processes will:

- Keep people informed about Council's work and services;
- Encourage active local democracy by informing people about Council's decisions, services and activities;
- Manage Council's reputation by promoting Council's role and maintaining good relationships with the media;
- Build a sense of place through the positive promotion of the Mount Isa City Region and life within the district;
- Engage and listen to Mount Isa City Council's residents and consumers through effective consultation and local engagement; and
- Use a variety of methods to communicate and to provide information in a manner that accommodates the needs of all residents and consumers.

Community engagement is a continuous process, which provides opportunity for residents and other key stakeholders to have a greater say in what happens in the local government area and to be more active in the decision-making process.

Public forums are held to disseminate information and to obtain community input. These forums are for collecting and sharing information, not for making decisions.

Some examples of when Council uses community engagement include:

- Annual Budget
- major Council projects or proposals for the area
- local laws
- community land acquisitions and disposal
- major road works

- certain development applications
- proposed changes to Council's rating system
- proposed changes to Council's Planning Scheme
- recreation development proposals
- reserve naming, renaming or leasing
- road closures
- strategic planning
- boundary reviews
- tree planting and removal.

4.1.2   Customer Service Policy

The Customer Service Policy reflects our commitment to the quality of service provided.

The Policy promotes flexibility, innovation and responsiveness in the delivery of service, with an environment of openness, transparency and co-operation between Council and its customers as being pivotal to the achievement of positive outcomes.

The Policy assists these outcomes through establishment of minimum standards by which Council staff will attend to customer enquiries, complaints and information requests.

Strategically, Council is committed to reviewing the Policy with the aim of further reaffirming its customer focused culture.

Council is also seeking to explore new and innovative methods of service delivery in order to provide improved access to information and enhance customer interaction in the business context.

4.1.3   Media Relations

Media relations is an important component in achieving Council's mission and goals through effectively informing, educating and promoting Council's programs, services and facilities to residents. Council is committed to maintaining a professional, informative and courteous relationship with all levels of the media as outlined in its Media Policy.

The Media Policy also sets out the standards of behaviour expected of persons when making reference to Council on social media platforms, including social networking sites when the person is using a computer or handheld device not owned or controlled by Council. This policy also deals with acceptable use of the social media platforms during ordinary work hours.

4.1.4   Deputations

Deputations are permitted in Council meetings as a mechanism for a person or a group to raise their concerns. Requests for deputations are made in writing to the CEO through the completion of the Deputation Application form.

4.1.5   Internal review of Council decisions

Request for internal review of decisions can be made directly to the CEO. There are procedures in place to manage customer suggestions and/or complaints. View the Customer Service Policy and Complaints Policy or see them at a customer service centre.

5.   GOOD GOVERNANCE OF, AND BY, LOCAL GOVERNMENT

5.1   Planning

5.1.1   Corporate Planning Framework

Our Corporate Planning Framework sets out the mandatory requirement for the process of planning in Council. The framework supports Council in setting its strategic direction, identifies the integration

between different types of planning and creates clear linkages between Council's long-term high-level outcomes, strategic objectives and operational day-to-day work.

Council's direction and priorities are set at a strategic level and cascade through to operational and financial planning. Corporate planning is integrated through a system of long, medium and short-term planning instruments that recognise the importance of planning in driving resource allocation decisions and ensuring a clear direction for the organisation. Council's long-term vision is translated through medium and shorter-term planning into financially sustainable services, projects and outcomes for the community.

Council governs the planning process through:

- ensuring Council effectively links its long-term vision for the local government area to strategy and a tangible set of organisational activities
- aligning Council's strategic planning to its operational budget and activities through articulating the relationship between what Council wants to achieve and how it aims to get there
- ensuring that operational planning (financial and non-financial) is delivered within the context of the long-term strategic priorities and long-term financial planning to endorse sustainability of inputs, outputs and outcomes
- establishing the parameters by which decisions for future planning can be made.

The Corporate Planning Framework is made up of the following:

- Regional Plans and contributions to the State Plan
- Planning Scheme
- 5-Year Corporate Plan
- Annual Operational Plan
- Annual Budget

5.1.2 State and Regional Planning Context

Council's Corporate Planning must have regard for State and Regional Plans.

Regional Development Australia is an Australian Government initiative that brings together all levels of government to enhance the growth and development of Australia's regions through the development of Regional Roadmaps.

The Mount Isa City Council Local Government Area sits within the Townsville and North West Queensland Regional Roadmap. This Region accounts for one quarter of Queensland's land mass, has a population of approximately 262,000 and represents 5.9% of Queensland's population. The 15 Local Government areas included in the region are Boulia, Burdekin, Burke, Carpentaria, Mount Isa, Cloncurry, Doomadgee, Flinders, Hinchinbrook, McKinlay, Mornington Island, Charters Towers, Palm Island, Richmond and Townsville.

Townsville and North West Queensland Regional Roadmap vision:

> *By 2031 the Region will have a robust, sustainable economy; caring and inclusive communities that embrace all cultures; a great lifestyle that attracts and retains people; a distinctive and well recognised identity and an environment and natural assets that are valued and well managed.*

The full Roadmap, including the committee members and Mount Isa City's responsibilities, can be found on the Regional Development Australia Townsville and North West Queensland website.

5.1.3 Planning Scheme

In accordance with the *Planning Act 2016*, the local government for the Mount Isa City Region has prepared this planning scheme as a framework for managing development in a way that advances the purpose of the *Planning Act 2016* by:

a) identifying assessable and self-assessable development; and

b) identifying outcomes sought to be achieved in the local government area as the context for assessing development.

You can download the current Mount Isa City Region Town Planning Scheme.

5.1.4 Corporate Plan

The Corporate Plan is a five-year plan and a detailed road map for the Region, which identifies the projects, operations and services which Council will implement during the life of the Corporate Plan. The Corporate Plan, in conjunction with the Long-Term Financial Plan, will set Council's resource and budgeting priorities for the life of the Corporate Plan.

Council's Corporate Plan defines the outcome measures that it will use to demonstrate progress towards achieving the vision outlined in this long-term plan. These measures are reported against through Council's Annual Report.

Council's Corporate Plan is available for inspection on Council's website and at its Customer Service Centres and Library.

5.1.5 Operational Plan

The Operational Plan links Council's strategic directions (set out in the Corporate Plan) to the projects, initiatives and ongoing activities to be delivered for a particular financial year, and funded through Council's annual budget. The plan is comprised of a number of key activities and outputs which Council is committed to delivering over a financial year. Council is required to report quarterly on the progress of all operational activities to ensure financial responsibility and the sustainability of our Region and community assets.

Progress on the implementation of the Operational Plan is measured using a suite of performance measures and reported quarterly through the Corporate Performance Report, by the Chief Executive Officer to Council.

Council's Operational Plan is available for inspection on Council's website.

Figure 2. Strategic Alignment

5.2   Performance and Accountability Frameworks

Performance Framework: The Performance Framework provides the necessary structural elements for Council, the CEO and Executive Management Team to provide the direction and environment for the organisation to maximise Council's ability to achieve its stated objectives and ensure the successful delivery of its programs and services to the community.

Accountability Framework: Council's Accountability Framework aims to provide assurance of transparency, ethical behaviour and sustainable financial management and provide the visibility of results to Council, the Executive Management Team and the community. It also focuses on achieving compliance with applicable legislative obligations and the community's expectations of openness, transparency and integrity

Council recognises the importance of performance reporting in ensuring responsible, transparent and accountable government. The diversity of local government creates a complex range of performance information needs across a broad variety of stakeholder groups including Federal and State government, the community, the elected Council, the Audit and Risk Management Committee, and management.

Our performance reporting seeks to ensure:

- all statutory reporting on Council performance, as outlined in the *Local Government Act 2009* and supporting regulation, is delivered as required on a timely basis
- performance reporting contains a balance of strategic measures (i.e. reporting against the overall achievement of the Corporate Plan and various Council strategies) and operational measures (i.e. reporting against the projects contained in the Operational Plan and other key areas of service delivery — parks, roads and footpaths, waste management etc.)
- assurance of an open and transparent organisation that is willing to share performance data with the community and other stakeholders regardless of whether the data might be perceived favourably or not.

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

- Financial reports are included in monthly Council meeting agendas, with budget reviews conducted quarterly.
- Capital works reports are provided to Council quarterly to monitor progress of the annual capital works program.
- The LTFM Asset Management Plans and projects linked to Council's Corporate Plan are key guiding documents that are reviewed annually.
- The ELT receives monthly reports on the budget.
- Audited annual financial statements are reviewed by the Audit and Risk Management Committee before being considered by Council.
- Quarterly reports showing performance towards achieving strategic objectives outlined in the Corporate Plan and progress towards achieving activities and initiatives identified in annual Operational Plans, capital works program and budget.
- Annual Report published within set timeframe including audited financial statements.
- Media releases, website and community magazine updates.
- Community engagement to understand how the community views the performance and delivery of services by Council.
- Reporting on the effectiveness of the system of internal control over time as part of audit of annual financial statements.

5.2.1 Annual Report

Council is required to produce and adopt an Annual Report within one month after the day the Auditor- General's report on the Annual Financial Statements is provided. The Annual Report is one of council's key planning and accountability documents. It provides a comprehensive assessment of Council's performance in implementing the 5-year Corporate Plan and annual Operational Plan. The Annual Report is also one of the only documents that provide a report on Council's financial performance throughout the preceding financial year.

The Report provides council with a tool to market achievements to potential investors and city partners and demonstrates to stakeholders that Council has delivered its committed outcomes.

The Annual Report is available for inspection on Council's website and at its Customer Service Centre.

5.2.2 Annual Returns

The Sustainability and Reporting program is a component of the Queensland Government's Local Government Reform Program. The Sustainability and Reporting program requires Councils to provide information on specific areas such as governance and accountability, planning, asset management and financial performance management and is delivered through annual returns submitted to the Department of Local Government and Planning. This is also known as the annual evaluation program.

The Department of Infrastructure, Local Government and Planning collates the returns state wide and publishes results on its website.

5.2.3 Annual Financial Statements

Council's general-purpose financial statements are prepared pursuant to Section 176 of the *Local Government Regulation 2012* and other prescribed requirements. The statements must accurately reflect Council's financial performance and position for the financial year, must be prepared in accordance with Australian Accounting Standards, must present a true and fair view of Council's financial position and of its financial performance and cash flows for the financial year ended on that date.

The financial Statements are included in Council's Annual Report, which is available for inspection via Council's website or at our Customer Service Centre.

5.2.4 Community Financial Report

The Community Financial Report is a brief summary of the information contained in Council's financial statements and is intended to provide an overview of council's financial position in an easily understood format.

The financial statements are included in the Annual Report, which is available for inspection via Council's website or at our Customer Service Centre.

5.2.5 Quarterly Corporate Performance Reports

Section 174 of the *Local Government Regulation 2012* requires the Chief Executive Officer to present a written assessment of the local government's progress towards implementing the annual Operational Plan at meetings of the local government held at regular intervals of not more than three months.

Council meets this requirement through the preparation of a Quarterly Corporate Performance Report, which provides substantive evidence for council and the community of progress in delivering on the annual Operational Plan each quarter. Progress against each operational planning activity is

measured using key performance indicators and provides the basis for an annual assessment of progress towards meeting the goals and strategies outlined in the Corporate Plan.

Council's quarterly Corporate Performance Reports are available for inspection on Council's website.

5.2.6 Reporting agencies

There are a number of external agencies that provide oversight and require reporting by Council, including:

- Department of Local Government, Racing and Multicultural Affairs
- Crime and Corruption Commission
- Queensland Ombudsman
- Queensland Audit Office
- Queensland Treasury Corporation
- Office of the Information Commissioner
- Queensland Integrity Commissioner
- Regulatory authorities
- Funding bodies

5.2.7 Performance review

The CEO performance review panel is responsible for setting the CEO's annual key performance indicators to measure success against key result areas, reviewing the CEO's learning and development plan and undertaking two reviews annually of the CEO's performance including seeking feedback from councillors.

Individual performance planning for all employees involves achievement and development plans designed to establish a shared understanding of what is to be achieved, and how it is to be achieved, and ensure that individual performance contributes to the achievement of our Corporate and Operational Plans. Achievement and development plans are created each year for each employee, with two reviews of progress towards achieving desired outcomes.

5.2.8 Enterprise Wide Risk Management

The management of risk is recognised as an integral part of good management practice and is an essential component of good corporate governance for the successful achievement of Council's vision, objectives and community expectations.

Enterprise Risk Management (ERM) is the management of risk not only in conventional hazard categories such as work health and safety, information management and finance, but in the full spectrum of strategic and operational risk. The ERM framework provides a structured approach of aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risk.

The ERM framework recognises the need for risks and opportunities to be identified, classified, reported and managed. The framework focuses on risks associated with what is undertaken and the risk in lost opportunities of what is not done and is based on Risk Management Standard ISO 31000.

The Executive Management Team regularly review operational processes and procedures and implements corrective action when necessary to ensure the effectiveness of Council's internal systems. This ensures assets are safeguarded, decision-making capabilities are enhanced, and the accuracy of reporting and financial results are maintained at a high level.

Council is committed to an integrated approach to risk management to protect employees, assets, liabilities and the community against potential exposures, to minimise uncertainty in achieving goals, and to maximise opportunities.

Enterprise Risk Management is a sound management process for helping Council to achieve the strategies and objectives outlined in its Corporate Plan, thus providing the following benefits: -

a) Lower insurance costs and claims. Councils with a robust risk management culture and framework assist with the mitigation of risk and are seen in a positive light by insurers. The successful development and implementation of risk mitigation will therefore have a flow on positive effect on insurable risks e.g. Liability, Professional Indemnity and WorkCover, and potentially reduce annual contribution levels;

b) Reduced likelihood of reputation damage caused by unexpected surprises;

c) Compliance with the *Local Government Act 2009*;

d) Compliance with Qld Audit Office requirement to have processes and controls in place for managing and monitoring financial and other types of risks;

e) Minimises the possibility of legal action against CEO's and Executives, as this is becoming more common. The establishment of a risk management framework and subsequent documented processes is accepted by Courts of Law as evidence of good governance. Having consistent policies and procedures in place, and part of Council's culture will assist in defending Council's position and reputation;

f) Provides a formal structure around which Councils can take advantage of new opportunities as they arise, especially if cost savings are made on other areas;

g) Contributes to positive cultural change within Council, whereby staff at every level are both aware of, and proactive in practicing Risk Management as part of their daily jobs.

The rollout of the Enterprise Risk Management Framework will take place through the Executive Management Team (EMT) and overseen by the Audit and Risk Management Committee.

Effective governance and risk management arrangements and practices contribute to strong, sustainable and accountable organisational performance whilst building confidence in the organisation.

There is a clear link between risk management and governance of the organisation, with both needing to be critically supported by 'soft elements' which include, strong leadership, supporting the right culture and behaviours across the organisation; nurturing relationships, and encouraging effective communication and collaboration between stakeholders.

Conceptually, we can divide the systems and structures of an effective governance framework into two key elements, which form the performance framework and accountability framework of the organisation. Within each of these frameworks are a myriad of structures, frameworks, policies and processes, which are all interrelated and work together to drive the best outcomes for the communities that the local government serves.

Whilst the ERM Framework structurally fits within these two key elements, the practice of risk management really sits as an overlay across the whole operation of a local government.

An illustrative analogy is to consider ERM as the lubricant that facilitates the efficient and sustainable functions of the context, elements and structures that underpin everything that is undertaken by the organisation (Figure 3).

Figure 3 ERM in the Local Government Context
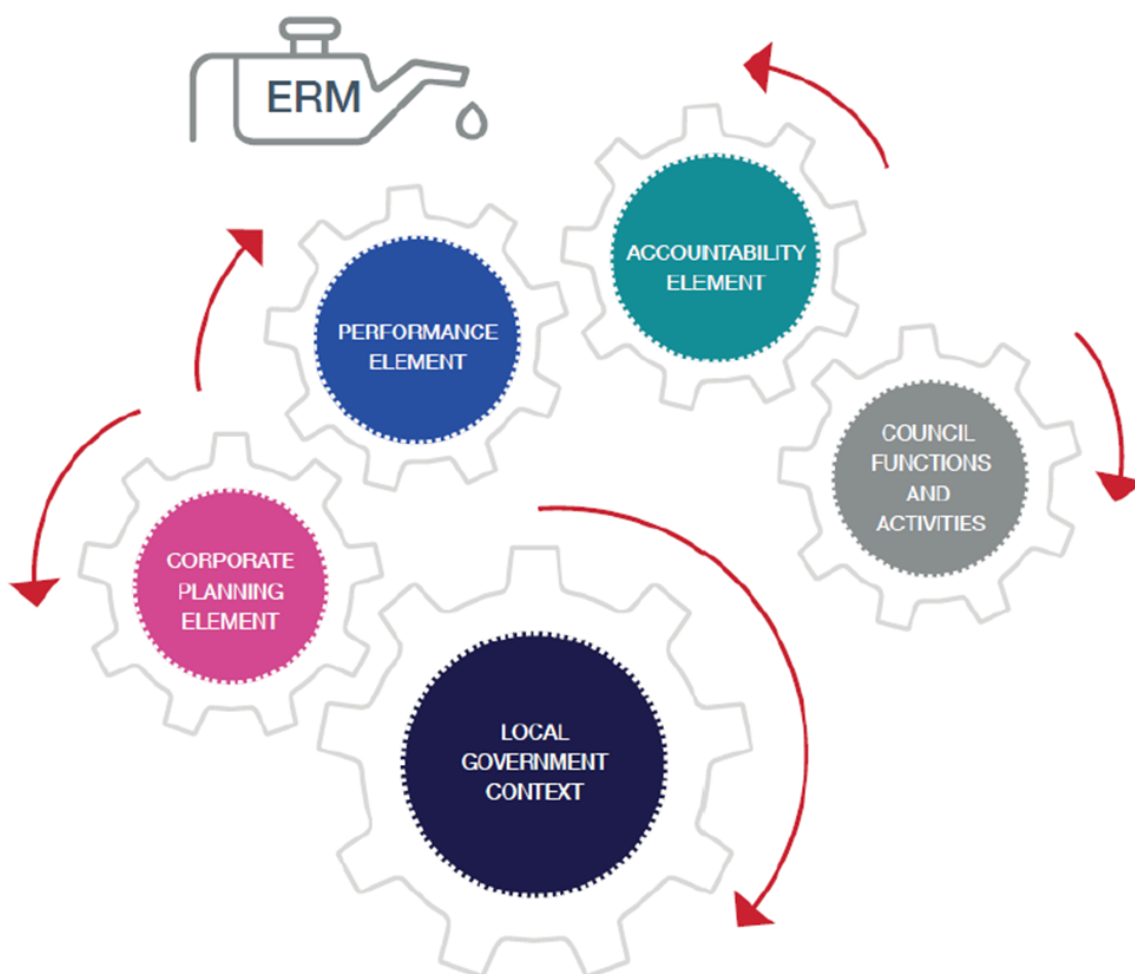
The context, elements and structures are:

- Local government context (where the community elects the Mayor and Councillors to set policy and direction for the local government established under the LG Act)
- Corporate planning element (where the Council and the organisation set plans and objectives in response to community needs and expectation)
- Performance element (the mechanisms for Council to achieve its planned objectives)
- Accountability element (the mechanisms and assurance that Council will perform and provide its services in an open, transparent and ethical fashion); and
- Council functions (the delivery of Council services and functions to the community).

Appendix 1 explores the interrelationships between these elements and structures.

5.2.9   Disaster and Recovery Management

In accordance with the *Disaster Management Act 2003* and other relevant legislation, regulations and standards identified in the *State Disaster Management Group Strategic Policy Framework*, Council's disaster management function serves to increase the resilience of the Mount Isa City Region in the event of a significant emergency or disaster within the local government area.

Effective coordination of disaster response involves the implementation of all relevant plans, processes and procedures, together with the timely activation of the Mount Isa City Local Disaster Management Group and Council's Disaster Co-ordination Centre. The primary aim of the Mount Isa City Local Disaster Management Group is to ensure that the community can return to normal

functioning as quickly as possible following a disaster event. This involves ensuring that critical infrastructure and essential services are restored as soon as possible, providing longer-term psycho-social support and welfare to those in need, minimising and redressing environmental impacts and facilitating recovery of the business sector.

In accordance with S58 of the *Disaster Management Act 2003*, the Local Disaster Management Plan is consistent with disaster management standards and guidelines, complying with:

- Queensland Prevention, Preparedness, Response and Recovery Disaster Management Guideline (2018)
- Emergency Management Assurance Framework (2014)
- *Disaster Management Regulation (2014)*

The Local Disaster Management Group Plans are available for inspection via Council's website.

5.2.10 Business continuity planning

The Business Continuity Plan (BCP) is a suite of business unit recovery plans that outline the actions to ensure Council services are recovered in the shortest timeframe possible in the event of a significant disruption. The Executive Management Team, led by the CEO with support from the Corporate Governance Coordinator is responsible for activating the BCP.

Council tests parts of the BCP every year with a major coordinated test of the plan at least every two years.

5.2.11 Liability and non-liability insurances

To adequately protect the interests of the organisation and the community, Council has several insurance policies which are renewed annually.

Liability insurance protects Council from public liability and professional indemnity claims from third party personal or property damage arising out of a failure of Council's assets or services or from an unintended act of negligence by an employee in carrying out their duties, providing advice or services. There is a deductable on Council's liability insurance premiums which ensures that Council's maximum exposure from any one insurable event does not exceed $25,000. Council is self-insured through Queensland Local Government Mutual for public and professional liability.

Council is self-insured through Queensland Local Government Mutual Assets for all other insurable risks including building and motor vehicle/fleet insurance.

Being self-insured through the Queensland Local Government Mutual schemes enables Council to exercise control over and manage their liability and asset-based risk exposures. It enables Council to avoid the direct dependence on the commercial insurance market (which continues to be characterised by volatility in availability and cost). This also provides effective and appropriate insurance cover, tailored to individual needs.

5.2.12 Workers' compensation

In accordance with the *Workers' Compensation and Rehabilitation Act 2003*, Council is a member of the Queensland Local Government Workers' Compensation Self-Insurance Scheme (Local Government Workcare (LGW)), which effectively exercises complete control over the discharge of the liability to compensate and rehabilitate injured employees. The self-insurance arrangements are monitored by the Workers' Compensation Regulator who ensures:

- Council complies with workers' compensation legislation
- the performance of Council's self-insurance program is regularly audited
- appropriate licensing protocols are observed.

The renewal of LGW's self-insurance license is subject to the Workers' Compensation Regulator receiving a report attesting to satisfactory workplace health and safety performance, which is completed by external certifiers in the last year of each license period.

Council ensures the best possible people and financial outcomes through a combination of management practices and controls including:

- an excellent workplace health and safety program
- early intervention by the rehabilitation team after an injury
- a high standard of care for injured workers including access to excellent doctors and allied health professionals.

5.3 Data and Information Management

5.3.1 Transparency and accountability

In accordance with relevant legislation and good governance principles, Council is committed to transparency and accountability to residents and relevant stakeholders. Policies and procedures govern the information and registers held by Council. Detailed information on services, projects, strategies and plans, events, accessing information and the complaints process is available on the Council website and customer service centres.

5.3.2 Information management

The Information Management Strategy outlines the overall direction for information management and information systems. Its objectives are to:

- enhance customer experience
- increase value-add to customers
- maximise accessibility and minimise risk.

The Information Technology team have policies, guidelines and procedures to assist with achieving the objectives of the strategy.

Technology is rapidly changing, and it is important to ensure that technologies used are compatible, assist to manage compliance, and provide effective records. All employees have a responsibility for understanding and complying with information management and recording keeping requirements and are provided with continuous training.

Elected members receive all correspondence including agendas and minutes electronically. Devices are provided to each councillor to use during their term of office for accessing and creating information.

5.3.3 5 Year IT Strategy

The ICT Strategic Plan 2019-2023 was adopted in 2019.

The 5-year IT strategy is designed to align IT investments with organisational service delivery outcomes. IT is central to how Council communicates, operates and provides services to staff and the community. The strategy outlines the trends and future changes that will impact on technology within Council.

A priority of information technology is to automate services through the application of online and mobile services to empower end users. Customer-centric mobile-accessible internet services increase transaction efficiency, customer requests, application lodgement, and information accessibility. These services enable staff to become more dynamic and agile, while allowing the community to readily engage with Council.

This strategy identifies initiatives that are linked to three priority areas of:

1. Cloud/Online Services

   Development of service focused internet facing facilities, improving community interaction, accessibility and workforce mobility.

2. Smart Council

   Development of our awareness of Council's technology operations and directs effective management of Council's data, while minimising our environmental footprint.

3. Efficient Operations

   Ensures Council obtains value from our information technology investments.

To achieve the initiatives and fulfil the three priority areas, Council has developed a list of projects spanning the next 5 years, from 2019 to 2023.

5.3.4 Records Management

Council is committed to ensuring all records retained are complete and accurate and can be identified, accessed and retrieved in a useable format that preserves the record's evidential integrity. Council's Records Governance Policy provides guidance to employees to ensure mandatory compliance with the *Public Records Act 2002* and consistency with good record keeping principles.

5.3.5 Right to Information

The *Right to Information Act 2009* makes information concerning government documents available to members of the community unless it is contrary to the public interest to release that information. The *Information Privacy Act 2009* makes one's personal information available to them and enables members of the community to ensure that information concerning them is accurate, up-to-date and not misleading. Council has established formal processes to support the timely provision of information requested by members of the public under each of these acts.

5.3.6 Information Privacy

The Queensland Government's *Information Privacy Act 2009* (the Act) applies to the Queensland public sector. The Act contains a number of privacy principles which set out how agencies may and must handle personal information (including the collection, security, use and disclosure of such information). Personal information means any information from which your identity is apparent or can reasonably be ascertained.

Council protects the personal information which can identify an individual and takes all reasonable actions to ensure collection, use, disclosure and handling of all personal information complies with relevant legislation.

If you have any queries about our privacy and security practices, please contact Council.

Council's Information Privacy Policy is available for inspection via Council's website.

5.3.7 Registers

Council is required to maintain and report on a list of registers that are available for public inspection in the interests of openness and transparency. These registers include:

- Councillors register of interests
- Assets
- Gift and benefits
- Delegations
- Local laws

- Policies
- Roads
- Cost recovery fees
- Regulated dogs
- Councillor conduct complaints.

These registers are available for inspection by the public on request.

5.4 Legal Framework

5.4.1 Framework, Policy and Procedures

Council has appropriate policy documents (frameworks, policies and procedures) to support the operation of Council. These documents are developed in light of legislation, Council's vision, strategic intent and long-term objectives. The consistent use and interpretation of policies enhance corporate governance.

Statutory and strategic policies are a statement, formally adopted by Council that describes Council's position on a particular matter. These policies are consistent with Council's long, medium and short term planning outcomes and some will directly support the delivery of Council's Corporate Plans. Policies provide guidance for future action by clearly stating the objectives, scope and responsibilities for policy implementation. All employees are required to comply with policies.

All approved policies are included in a policy register and copies of the statutory and strategic policies are available on Council's website and for public inspection on request. All policies have review dates and are reviewed and evaluated in accordance with a schedule, ensuring that policies are up-to date, accurate and continuing to achieve their objectives. There is a formal procedure for reviewing, amending and rescinding policies.

Administrative directives describe what the CEO (acting under s.257 of the *Local Government Act 2009*) considers to be appropriate in relation to specific issues arising out of either legislation or Council decisions. They generally relate to the implementation of the day-to-day operations of Council. Administrative directives are considered by the Directors at the Executive Management Team meeting and approved by the CEO.

Procedures assist in the implementation of Council policies or administrative directives. A procedure may establish a set of steps to be undertaken in implementing a policy. Such procedures describe how decisions or actions must be undertaken. Procedures do not have to be approved by the CEO or adopted by Council, however Directors or Managers of the responsible department may refer a procedure to the CEO.

Frameworks are a set of policies, procedures and supporting tools grouped together due to commonality in dealing with a particular issue or opportunity.

5.4.2 Local Laws

Local laws are statutory instruments adopted by Council to assist in the good rule and government of the local government area, enabling Council to regulate matters to serve the community. Council's local laws closely follow the models recommended by the Queensland Government.

Local Laws are available for inspection via Council's website.

5.4.3 Delegations and Delegations Registers

Under Sections 257-260 of the *Local Government Act 2009*, Council can delegate authority to the Mayor, Chief Executive Officer, a Standing Committee, a Committee Chair, another Local Government. In turn, the Mayor can delegate to another councillor (however, the Mayor must not delegate the power to give directions to the CEO) and the CEO can delegate authority to an

appropriately qualified staff member or contractor. However, the CEO must not delegate a power delegated by the local government, if the local government has directed the CEO not to further delegate the power or a power to keep a register of interests.

The CEO or an officer who the CEO has delegated the power, exercises discretion in their own right in the appointment of statutory authorised persons and must be satisfied that the person being appointed has the necessary competencies to perform the required responsibilities.

The Act requires the CEO to establish a register of delegations which must record all delegations by Council, Mayor or the CEO. The Local Government Association Queensland has developed a register following a comprehensive review of State legislation impacting on Local Government.

This Delegations Register covers all possible delegations from Council to Chief Executive Officer, and from Chief Executive Officer to employees or contractors. Council has utilised the LGAQ service in the development and maintenance of its Register of Delegations.

A Register of Delegations is maintained by Council's Corporate Governance Co-Ordinator is available for inspection on request. As required under the Act, a corporate database (register) of all delegations is reviewed annually by Council to ensure they remain current.

5.4.4 Legislative compliance

The Corporate Governance Co-Ordinator monitors and communicates on significant legislative changes and emerging legislative issues. Employees are responsible for satisfying the legislative requirements of their positions through appropriate recruitment, performance management, professional training, membership and operational risk notifications and reports. This mechanism ensures that appropriate corporate responses to legislative changes are coordinated and enacted as required.

While there are numerous acts, regulations and policies that impact Council, the following priority areas require the most significant control:

- *Local Government Act*
- *Right to Information Act*
- *Information Privacy Act*
- *Public Health Act*
- *Water Act*
- local laws
- contract law
- case law
- employment law
- administrative law and natural justice
- workplace health and safety
- environmental protection
- planning laws.

The Executive Management Team oversees the engagement of external legal services to Council to ensure that Council's legal risks are appropriately identified and mitigated.

6. ETHICAL AND LEGAL BEHAVIOUR OF COUNCILLORS AND LOCAL GOVERNMENT EMPLOYEES

6.1 Roles and Responsibilities

The critical governance role for Council, the CEO, and the Executive Management Team and Management Team is to set the right 'tone at the top' which reinforces Council's values, passion for good governance and focus of performance and accountability.

The *Public Sector Ethics Act 1994 (Qld)* provides the following principles that are fundamental to good public administration:

- Integrity and impartiality;
- Promoting the public good;
- Commitment to the system of government; and
- Accountability and transparency

6.1.1 Councillors

Section 12 of the *Local Government Act 2009* lists the responsibilities of councillors as follows: -

(1) A councillor must represent the current and future interests of the residents of the local government area.

(2) All councillors of a local government have the same responsibilities, but the mayor has some extra responsibilities.

(3) All councillors have the following responsibilities—

(a) ensuring the local government—

(i) discharges its responsibilities under this Act; and

(ii) achieves its corporate plan; and

(iii) complies with all laws that apply to local governments;

(b) providing high quality leadership to the local government and the community;

(c) participating in council meetings, policy development, and decision-making, for the benefit of the local government area;

(d) being accountable to the community for the local government's performance.

(5) A councillor who is not the mayor may perform the mayor's extra responsibilities only if the mayor delegates the responsibility to the councillor.

(6) When performing a responsibility, a councillor must serve the overall public interest of the whole local government area.

Councillors are also responsible for providing quality leadership to Council and the community, participating in Council meetings, policy development and decision making for the benefit of the local government area. councillors are accountable to the community for Council's performance.

Upon being successfully elected, councillors are inducted to Council, which provides them with much of the information and resources needed to effectively discharge their responsibilities. Councillors also participate in ongoing professional development programs and activities.

6.1.2 Mayor

In addition to the responsibilities of all councillors, the Mayor is also responsible for (S12(4)):

(a) leading and managing meetings of the local government at which the mayor is the chairperson, including managing the conduct of the participants at the meetings;

(b) leading, managing, and providing strategic direction to, the chief executive officer in order to achieve the high-quality administration of the local government;

(c) directing the chief executive officer in accordance with a resolution, or a document adopted by resolution, of the local government;

(d) conducting a performance appraisal of the chief executive officer, at least annually, in the way that is decided by the local government (including as a member of a committee, for example);

(e) ensuring that the local government promptly provides the Minister with the information about the local government area, or the local government, that is requested by the Minister;

(f) being a member of each standing committee of the local government;

(g) representing the local government at ceremonial or civic functions.

6.1.3 Employees

Under Section 13 of the Act, Council employees are responsible for:

(2) All employees have the following responsibilities—

(a) implementing the policies and priorities of the local government in a way that promotes—

    (i) the effective, efficient and economical management of public resources; and

    (ii) excellence in service delivery; and

    (iii) continual improvement;

(b) carrying out their duties in a way that ensures the local government—

    (i) discharges its responsibilities under this Act; and

    (ii) complies with all laws that apply to local governments; and

    (iii) achieves its corporate plan;

(c) providing sound and impartial advice to the local government;

(d) carrying out their duties impartially and with integrity;

(e) ensuring the employee's personal conduct does not reflect adversely on the reputation of the local government;

(f) improving all aspects of the employee's work performance;

(g) observing all laws relating to their employment;

(h) observing the ethics principles under the Public Sector Ethics Act 1994, section 4;

(i) complying with a code of conduct under the Public Sector Ethics Act 1994.

All Council employees, including the CEO, are subject to performance management while employed by Council.

6.1.4 Chief Executive Officer

Under Section 13 of the *Local Government Act 2009*, Council's Chief Executive Officer has the following responsibilities:

(a) managing the local government in a way that promotes—

    (i) the effective, efficient and economical management of public resources; and

    (ii) excellence in service delivery; and

    (iii) continual improvement;

(b) managing the other local government employees through management practices that—

    (i) promote equal employment opportunities; and

    (ii) are responsive to the local government's policies and priorities;

(c) establishing and implementing goals and practices in accordance with the policies and priorities of the local government;

(d) establishing and implementing practices about access and equity to ensure that members of the community have access to—

    (i) local government programs; and

    (ii) appropriate avenues for reviewing local government decisions;

(e) the safe custody of—

(i)   *all records about the proceedings, accounts or transactions of the local government or its committees; and*

(ii)   *all documents owned or held by the local government;*

(f) *complying with requests from councillors under* <u>section 170A</u>—

(i)   *for advice to assist the councillor carry out his or her role as a councillor; or*

(ii)   *for information, that the local government has access to, relating to the local government.*

6.2   Effective Working relationships

Relationships are the key to good governance in local government. Good relationships, which are based on understanding and agreement around roles, help the different elements of a local government to work together effectively.

Councillors and employees must have a clear and thorough understanding of their different roles and responsibilities, and the fact that these operate within a hierarchy. Employees are accountable to the CEO, who is accountable to the Council.

The elected members role is to develop the vision and then build the strategies and policies to achieve it. The role of employees is to advise the Council, implement Council decisions and to oversee service delivery.

It helps if employees recognise the complex political environments in which elected members operate and acknowledge that the whole system is based on democratic governance. councillors similarly need to understand that to prepare information and provide quality advice on a wide range of issues is a highly complex task and resource intensive.

6.2.1   Councillors (elected members)

Councillors are members of a team, elected by their constituents to work collectively in the best interests of the whole community. Good governance is dependent on a mature and constructive working relationship between councillors.

Councillors should behave in a manner that generates community trust and confidence in them as individual councillors and enhances the role and image of both the Council and the local government area. Councillors are expected to:

- conduct their ongoing relationship with other councillors, employees and the community with respect and courtesy
- act within the law
- act in good faith and not for improper or ulterior motives
- act ethically
- act in a reasonable, just and non-discriminatory manner
- undertake their role with reasonable care and diligence.

The State Government's <u>Code of Conduct for Queensland Councillors</u> is a public declaration of the principles of good conduct and standards of behaviour that councillors must conform to when carrying out their roles. It provides guidance to councillors about carrying out their duties and responsibilities in accordance with the following standards of behaviour:

- Carry out responsibilities conscientiously and in the best interests of the Council and the community.
- Treat people in a reasonable, just, respectful and non-discriminatory way.
- Ensure conduct does not reflect adversely on the reputation of Council.

All councillors will have individual views regarding community priorities and issues, not all of which can be addressed at the same time. Councillors are required to represent both the current and future interests of residents across the local government area. What is important to one councillor may not be as important by other councillors. Councillors need to be able to persuade, through respectful debate and discussions, sufficient numbers of their fellow councillors to support and prioritise the specific matters or priorities they wish to advance, and this depends significantly on having good ongoing relationships with each other.

The structure of Council, consisting of a group of independently elected councillors, is an environment in which good relationships, mutual respect and a constructive appreciation of differences are required for good decision-making and the capacity of councillors to deliver on their various election platforms.

Given the way local government operates, it is inevitable that there will sometimes be conflict. From a good governance perspective, it is the way that conflict is addressed that is significant. The role of the Mayor is particularly important during these times. Good, robust debate is part of local government, but the focus should always be on issues, not personalities.

When it comes to behaviour in the Council Chamber, councillors should model good and constructive relationships, and always show respect for one another. Understanding the key elements of good conduct and having solid processes in place to manage behaviour is important for good governance.

Standing Orders and Model Meeting Procedures have been modelled on the State Government best practice guide for Queensland local governments. They regulate the way Council conducts meetings, and how the Mayor should deal with any breaches of the expectations of appropriate conduct at meetings by councillors, staff and the public in attendance.

6.2.2 Mayor and CEO

The Mayor and CEO work closely together and the relationship should be characterised by frank, open and good communication, with each keeping the other informed about important and relevant issues.

They both have a role in liaising with each other on local and regional affairs and the performance of the Council's functions. This liaison is qualified in that any liaison between the Mayor and CEO is only relevant to those matters that enable each party to perform their statutory role.

The Mayor is the official spokesperson on behalf of the Council, primarily concerning policy issues and the decision-making role of Council, and promotion of events, programs, services. There may be occasions when the Mayor delegates this responsibility to another councillor. The CEO (or delegate) is the official spokesperson for operational or technical matters. These responsibilities involve the development of a clear relationship and an understanding of the limits of each other's authority. While the Act does not detail how the liaison is to occur, this liaison function should be seen in the context of the separation of powers described in the Act, between the governing role of Council and the managing role of the CEO. Council's Media Policy provides guidance to ensure appropriate representation of Council, its decisions, actions and services to media outlets and on corporate communication tools.

The Mayor and the CEO are to adopt an approach that suits their needs. The overall essential principles that should be followed are the ability to effectively communicate and to have a large degree of trust in each other as well as respecting each other's opinion and role.

The essential principles for an effective Mayor/CEO relationship are communication and role clarity.

a) Communication

- Both parties brief the other about information that would assist them in performing their role (deciding what information is important and what should be passed on must be negotiated and understood).
- Regular meetings, over and above those scheduled to discuss specific issues or problems, are necessary to enhance planning and communication.
- The no surprises principle should apply — the Mayor and CEO should brief one another so that neither is caught off guard.

b) Role clarity

There is a need for the Mayor and CEO to understand and respect one another's role. A clear understanding of their different roles is crucial.

The Mayor:

- provides leadership to councillors and steers policy direction
- has civic and ceremonial duties and responsibilities
- chairs Council meetings
- see S12(4) of the Act

The CEO:

- provides leadership to the organisation

- implements the agreed strategic priorities of Council

- is responsible for operations and services

- see S13(3) of the Act

6.2.3   Elected members and CEO

The CEO is accountable to the Council and is a valuable source of support and assistance to councillors. Councillors, as a collective, are responsible for employing the CEO and managing his/her performance.

While the formal relationship is very important, it is equally important for councillors and the CEO to create positive working relationships. They are generally in regular contact to share information, discuss issues and action opportunities. As with the relationship between the Mayor and CEO, there needs to be trust between all. This trust should be based on good communication and an understanding of each other's role and responsibilities.

6.2.4   Elected members and employees

In order to maintain the integrity of the relationship between the strategic (councillors) and the administrative (employees and operations) elements of the Council, it is important for councillors to understand their obligations when interacting with Council employees.

S170(A) of the Act provides a framework for councillor/employee interactions. As part of the framework, councillors must deal with employees in accordance with Council's Councillor Acceptable Requests Guideline. Councillors should seek advice from the CEO to resolve any uncertainties or matters not clearly defined in the policy. The policy specifies the channels to use when requesting information or advice from employees, and the appropriate ways to provide employees with information or knowledge about specific matters.

A councillor (including the Mayor) must not under any circumstances give a direction to employees. This includes requests framed in such a way that employees interpret them as instructions, or that seem to be an attempt to exert improper influence over a process or a decision.

Only the Mayor may give a direction to the CEO in accordance with section 12(4)(c) of the Act.

The purpose of the Councillor Acceptable Requests Guideline is to enhance working relationships by providing a framework for constructive interactions.

6.3 Review and Control Measures

6.3.1 Internal controls

Having internal controls in place assists Council to set the operational expectations for the organisation. The CEO has a responsibility to support and oversee operations by reviewing internal controls which should be proactive and have a risk management element. Once risks are identified, management need to identify, develop and manage policies, procedures or any other relevant tool to mitigate those risks.

An effective framework of internal controls is a key element in driving the organisation to achieve its vision, deliver on its Community, Corporate and Operational Plans, minimise risk, promote efficiency and ensure compliance with legislation. Internal control consists of five interrelated components:

- Control environment — deals with the integrity, ethical values and competence of employees, management's operating style, the way authority and responsibility is assigned, and attention and direction provided by Council.
- Risk assessment — details how the organisation identifies and analyses relevant risks to the achievement of the organisation's objectives and makes determinations on how those risks should be managed.
- Control activities — the policies and procedures that help to ensure management directives are carried out including approval, authorisations, verifications, reconciliations, performance reviews and delimitation of duties.
- Information and communication — outlines how information is identified, captured and communicated in a form and timeframe that helps people to carry out their responsibilities including how information flows throughout the organisation ensuring employees receive clear messages from management and that there are appropriate mechanisms in place for information to flow from employees to management.
- Monitoring — assesses the quality of the system of internal control over time and can include ongoing monitoring at the operational level, evaluations from the internal audit and risk functions or working groups established to review a problem.

Internal controls include:

- structure of the organisation
- culture of the organisation
- knowledge, skills and experience of employees
- processes employed by the organisation to conduct business
- accountability and integrity in relation to any financial transactions.

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

- reporting to the Audit and Risk Management Committee
- implementation of an internal audit program where compliance with major regulatory, strategic and operational requirements (e.g. the Act, environmental, heritage, cultural,

workplace health and safety, industrial relations and equal opportunity legislation) may be periodically reviewed

- pursuant to S129 of the Act, annual external audit to provide assurance that Council's Annual Financial Statements are true and fair and to provide an opinion on the adequacy of the internal controls in place
- policies and procedures
- limits of authority delegated in accordance with the Act, and appropriate approval processes
- organisational review when required
- position descriptions
- annual performance appraisals
- approval processes
- training for councillors and employees.

6.3.2 Code of Conduct for Employees

All employees of Council must seek to achieve the highest standards of behaviour when dealing with customers and each other and must encourage a culture where ethical conduct is recognised, valued and followed at all levels and ensure appropriate action is taken to prevent fraud and corruption.

Council has developed a Code of Conduct for Employees which is based on the principles of the *Public Sector Ethics Act 1994*. Employees are introduced to the Code of Conduct at the point of induction and review and its content on a scheduled basis via Council's policy review system.

The Code of Conduct for Employee is available for inspection via Council's website.

6.3.3 Complaints Management System

Council has complaints management policies and procedures which ensures an effective, transparent and timely method of responding to complaints regarding:

a) Council's services;
b) administrative actions;
c) competitive neutrality;
d) the conduct and performance of councillors;
e) the public official (i.e. CEO);
f) staff behaviour; and
g) information privacy.

The process ensures a consistent approach to complaint resolution and contains mechanisms to ensure fairness and objectivity, accessibility, visibility and confidentiality. In order to facilitate the effective management of complaints, Council has committed to:

- maintaining policies and procedures and ensuring that training is provided to staff;
- ensuring that potential complainants are aware of the avenues available to lodge a complaint with Council;
- providing an environment of continuous improvement by using complaints as constructive opportunities to address problems and make improvements where appropriate.

The Administrative Action Complaints Policy and Procedure is available for inspection via Council's website.

6.3.4 Fraud and Corruption

Council operates under relevant legislation, including the *Crime and Corruption Act 2001*, *Local Government Act 2009* and *Public Sector Ethics Act 1994*.

Council is committed to the prevention of fraud and corruption and seeks to promote a strong culture of corporate governance to detect, investigate and take appropriate action in cases of suspected or proven fraud. To facilitate this, Council has an established, integrated Fraud and Corruption Prevention Policy to help minimise the impact and reduce the risk of fraud and corruption within the work environment.

Fraud prevention at Council is enforced through mechanisms including employee code of conduct and related policies and procedures, employee induction process and ongoing training for employees. A process exists for the reporting of corrupt conduct in accordance with the *Public Interest Disclosure Act 2010* and for referring such matters to the Crime and Corruption Commission. Council's Public Interest Disclosure Policy and procedure ensure that a centralised, independent and effective incident reporting and investigation process exists within Council.

6.3.5   Confidentiality

Council employees and councillors will have access to confidential information in the course of their duties. Council is committed to preserving the confidentiality of information held by it in accordance with its Handling of Confidential Documents Directive. councillors and staff must not access Council information except to the extent that is necessary for them to perform their official duties.

There are a number of laws which require Council to make available information to members of the public or government bodies. Council will fully comply with its obligations under those laws.

Details about Right to Information and Information Privacy can be found in Section 5.3.5.

6.3.6   Councillors requests for advice and information

Council has guidelines for councillor interaction with staff in relation to the provision and exchange of information and advice. Council's Councillor Acceptable Requests Guideline ensure that requests for information comply with the intent and purpose of the principles of the *Local Government Act 2009*. Staff are to provide reasonable assistance to councillors in the exercise of their role and the performance of their duties. Interaction must always be carried out in a professional manner with respect and regard for councillor and staff positions

6.3.7   Prescribed Conflicts of Interests and Declarable Conflicts of Interest

Prescribed conflicts of interests and declarable conflicts of interests must be declared by councillors during decision-making process. Any conflicts of interests arising from a Council meeting will be recorded in the minutes.

A prescribed conflict of interest applies to a councillor or a close associate and relates to:

- gifts, loans and sponsored travel or accommodation totalling $2000 or more in the relevant term
- a contract with Council
- an application or submission to Council
- appointment/employment matter of CEO if close associate

A declarable conflict of interest applies to a councillor or a related party and relates to:

- gifts, loans and sponsored travel or accommodation totalling more than $500 or more in the relevant term
- a councillor's bias due to a conflict of interest between their interest and the public interest that is not a prescribed conflict of interest
- the perception that a councillor could be bias

The Integrity Commissioner has guidelines to assist councillors and staff with their consideration of declaration of interests.

6.3.8 Register of interests

Council maintains a register of interests for councillors, CEO, EMT and their related persons, as required by the *Local Government Regulation 2012*. Register of interests for councillors are also available for inspection on Council's website. All other registers of interests are held in the Office of the CEO.

6.3.9 Related parties

Council complies with the disclosure requirements for related party transactions under the Australian Accounting Standards and has a Related Party Disclosure Guide.

Related parties are likely to include the Mayor, councillors, CEO and EMT, their close family members and any entities that they control or jointly control. Any transactions between Council and these parties, whether monetary or not, need to be identified and disclosed.

This information will be audited as part of the annual external audit by Queensland Audit Office.

6.3.10 Contact with Lobbyists

Pursuant to S71 of the *Integrity Act 2009*, a councillor or employee must not knowingly permit an entity that is not a registered lobbyist to carry out lobbying activities for a third party.

6.3.11 Audit and Risk Management Committee

Council has established an Audit and Risk Management Committee in accordance with Section 208 – 211 of the *Local Government Regulation 2012* and Section 105 of the *Local Government Act 2009*. The Audit and Risk Management Committee provides an independent forum where representatives of Council, independent specialists and management work together to fulfil specific governance responsibilities that contribute to the improved performance of the organisation. It plays a key role in assisting Council to fulfil its governance and oversight responsibilities in relation to a number of areas including, financial reporting, internal control systems, risk management, legal and regulatory compliance and audit functions.

The *Local Government Regulation 2012* defines the membership of the Audit and Risk Management Committee as consisting of between three and six members, two of which are appointed councillors. At least one member must have significant experience and skills in financial matters and one member is to be appointed as the chairperson of the committee. The committee must submit to Council a copy of the meeting report of each Audit and Risk Management Committee meeting and prepare an annual report for Council.

The Audit and Risk Management Committee meets at least two times per year. The Audit and Risk Management Committee meets on an annual basis with the external auditor to review the external auditor's report.

Through the risk-based audit program, the internal audit function (external contract) evaluates the adequacy and effectiveness of Council's internal controls and reports its findings and recommendations to management, the CEO and the Audit and Risk Management Committee.

The Audit and Risk Management Committee provides a formal review and monitoring function over Council's corporate assurance, audit, risk management and corporate governance activities and arrangements. It has an established charter and operates independently of any influence from the political (Council) or administrative (corporate) arms of the organisation.

6.3.12 External Audit

Each year, the Queensland Audit Office, or contractors appointed on their behalf, audit Council's financial statements and provide an independent audit report to Council. Any significant issues the

Queensland Audit Office identifies are made public through the Auditor General's Reports to Parliament.

The audit report identifies financial and compliance issues and categorises them into high, medium and low risks. These risks are reviewed and addressed by Council's management via the coordination and stewardship of the Finance and Corporate Governance departments. In addition to financial and compliance audits, the Queensland Audit Office carries out performance management system audits and information systems audits.

6.3.13 Internal Audit

Council has established an Internal Audit function in accordance with Section 105 of the *Local Government Act 2009 and* Section 207 of the *Local Government Regulation 2012*. The Internal Audit function (external contract) is an independent and objective review and advisory service, established within Council to provide assurance to the Audit and Risk Management Committee and management that Council's controls are designed to manage Council's risks and achieve objectives by operating in an efficient, effective and ethical manner.

The primary objectives of the Internal Audit (external contract) are to evaluate Council's systems of internal control in order to provide assurance that:

- Council is achieving its goals and objectives efficiently, effectively and in an ethical manner
- financial and operating information produced is accurate, timely and complete
- there is compliance with relevant laws, regulations and other external requirements and with Council policies, directives and other internal requirement Council's assets and liabilities are competently managed and protected against loss or other negative consequences.

The internal audit function performs an important assurance and continuous improvement role through its recommendations for improving the control environment.

The internal audit focus is driven by the corporate risks contained in Council's ERM Policy. Audits are undertaken in a consultative manner with management and employees, with ongoing discussions during and after the audit processes. The internal auditor reports to the CEO and the Audit and Risk Management Committee.

Corporate Governance Framework

APPENDIX 1: CORPORATE GOVERNACE FRAMEWORK

MOUNT ISA CITY COUNCIL

Community Vision & Expectations

Local Government Act 2009

Council (Elected Members)

Chief Executive Officer

Structures

Governance & Control

Corporate goals outlined in:
Corporate Plan
Operational Plan and Budget
Planning Scheme
Adopted Strategies and Plans
Advocacy and Partnership Programs

Organisational Framework
Structural elements set in place that provide good governance, democratic representation, ethical decision making and meaningful community engagement.

Accountability Framework
Functions, systems and activities that provide assurance of transparency, ethical behaviour and sustainable financial management of community assets and infrastructure.

Functions & Systems

Organisational Structure	Management & Leadership	Decision Making	Reporting & Monitoring	Performance & Culture	Risk Management	Legislative & Organisational Compliance	Financial Management & Stewardship	Data & Information Management
• CEO • Directors • Managers • Coordinators • Team Leaders • Supervisors • Employees • Contractors • Volunteers	• Board of management (Council) • Executive Management Team • Far North Regional Organisation of Councils-FNQROC • Roles and responsibilities clarity • Corporate systems and processes • Strategies and plans • Advisory committees handbook and terms of reference • Councillor Informal Briefing Sessions • Advocacy priorities and plans • Partnerships and collaborations	• Statutory meetings of Council (Ordinary, Special, Budget & Post election) • Standing Orders and Model Meeting Procedures • Advisory committees • MIETV • Policy, guidelines and procedures • Communication and engagement processes	• Financial statements • Annual Report • Quarterly progress reporting • Performance reporting • Risk and audit reports • External reporting agencies and obligations • Disclosures (related parties, gifts and benefits, secondary employment, public interest) • Meeting resolutions (database) • Register of Interest and Disclosures • Gifts Register • Incident control • iCaseworks system	• Councillor and employee code of conducts • Complaints management • Internal audit • Project management framework • Workforce strategy • Employee achievement development plans • Certified Agreement • Organisational values • Learning and development program • Culture and leadership development plan • Executive performance management framework • Continuous improvement	• Enterprise risk management framework and risk registers • Fraud and corruption prevention • Business continuity planning • Disaster management plan and processes • Liability and non-liability insurance • Asset register and databases • Internal controls • Work Health and safety (WH&S) training • Contractor controls	• State and Federal legislation • Local laws • Planning scheme and policies • Policy framework and procedures • Councillor policies and protocols • Instruments of appointment • WH&S plan • Industrial agreements • Compliance and integrity audits • Internal and external audit	• Financial policies • Annual budget • Long-term asset management plans • Long-term financial forecasts • Financial delegations and limits • Procurement policy • Contract management system • Rates, fees and charges annual reviews • Project management framework • Systems (Practical)	• Right to information and privacy processes • Information and knowledge security, systems and processes • Information communication technology (ICT), governance and policies • ICT Strategy • Open access data sources • Records management • Registers

APPENDIX 2: TERMINOLOGY & DEFINITIONS

Term	Definition
Australian Standard	Australian Standard ISO 31000:2018 Risk management – Guidelines
Close associate	Spouse, parent, child, sibling, business partner, employer (non-government), entity of which you are an executive officer or board member, any entity in which you have an interest except a publicly listed company where your interest is less than 5%.
Consequence	The outcome of an event affecting objectives (impact/magnitude). An event can lead to a range of consequences. A consequence can be certain or uncertain and can have a positive or negative effect on objectives. Consequences can be expressed qualitatively or quantitatively.
Enterprise Risk Management (ERM)	The structured processes established by an organisation to enable the identification and management of risks faced in achieving its intended purpose, objectives and functions.
Event	Occurrence or change of a particular set of circumstances
Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Frequency	Number of events or outcomes per defined unit of time
Level of risk	Magnitude of a risk or amalgamation of risks expressed in terms of the combination of consequences and their likelihood
LG Act	*Local Government Act 2009 (Qld)*
LGMS	Local Government Mutual Services, umbrella brand for the Queensland local government LGM Liability, LGM Assets and LGW Workcare member-owned mutual self-insurance schemes
Likelihood	The chance of something happening, whether defined, measured or determined objectively or subjectively (probability or frequency).
Operational risk	The effect of uncertainty on achieving operational objectives that relate to specific program or service objectives and are generally established through the Annual Operational Plan and/or specific program or service plan
Project risk	The effect of uncertainty on achieving project deliverables and objectives
Related parties	Includes all covered in 'close associates' plus your spouse's parent, child or sibling and any other person you have a close personal relationship with.
Risk	any action or event that has the potential effect of uncertainty on the achievement of objectives.
Risk analysis	Process to comprehend the nature of risk and to determine the level of risk
Risk appetite	Qualitative statements that indicates the amount and type of risk that the Council is willing to accept, pursue, avoid or retain in achieving its objective
Risk assessment	Overall process of risk identification, risk analysis and risk evaluation
Risk criteria	Terms of reference against which the significance of a risk is evaluated
Risk culture	Refers to behaviours that lead to how every person thinks about and manages risk
Risk description	Structured statement of risk usually containing four elements, sources, events, causes and consequences.

Risk evaluation	Process of comparing the results of risk analysis with risk criteria to determine whether the risk is acceptable or tolerable
Risk governance	The culture and arrangements developed to manage the uncertainties in achieving objectives
Risk identification	Process of finding, recognising and describing risks
Risk management policy	Statement of the overall intentions and direction of the Council related to risk management
Risk management process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing the risk
Risk Owner	The person with the accountability and authority to manage a risk. The owner may delegate some duties in relation to managing the risks for which they are responsible, however they are ultimately accountable for the risks allocated to them.
Risk profile	A description of any set of risks. The set of risks can relate to the whole or any part of Council.
Risk rating	An assessed level of risk determined by mapping the likelihood and consequence of a risk event.
Risk Register	A list of identified and assessed risks directly related to a particular department or to the whole of Council. Risk Registers can be held at either Corporate, Operational or Project level.
Risk source	Element which alone or in combination has the intrinsic potential to give rise to a risk
Risk Treatment	The process to modify existing risks or create new risks. Some options for treating a risk can include: Retaining, Transferring, Sharing, Avoiding or Controlling.
Risk Treatment Action Plans	The plans outline the steps to be taken to reduce unacceptable risks to achievable and acceptable levels. This includes details on current controls; required risk treatments; improvement opportunities; resources; timing; reporting and accountabilities. Action Plans must be reviewed on a regular basis to ensure controls are actually working.
Risk tolerance	Quantitative and specific measures that provide indication as to whether or not a risk is acceptable having regard to the Council's risk appetite and any adopted key performance indicators
SafePlan	Councils Work Health and Safety System
Schemes	LGW Workcare, LGM Assets and LGM Liability mutual self–insurance schemes
Stakeholder	Person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity
Strategic risk	Effect on uncertainty on achieving strategic objectives that apply across internal organisational boundaries and are established through strategic plans including but not limited to Council's Corporate Plan