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Preface

Corporate governance is a system of processes through which an organisation makes decisions and how it directs, controls and monitors its operations. The systems are complex and are required by legislation. The Governance Manual will assist the Council to achieve its commitment to excellence in governance.

The Manual links the respective roles under the Local Government Act and other relevant legislation with the suite of available governance documents. It is designed to provide guidance and information to the major participants in all functions and governance processes of the Council.

It will act as:

- an introduction for new Councillors and staff members to the governance framework and processes for the Council;
- a guide and reference for Councillors in performing their duties as elected representatives;
- a document that establishes clear guidelines for the day-to-day governance of the Council.
- a basis to monitor the performance of the Council and administration in working towards excellence in governance.

The manual has been based on a number of existing governance frameworks, but in particular “Excellence in Governance for Local Government” produced by the Local Government Managers Australia and CPA Australia.
The Manual is divided into five parts:

Part One: Principles, values, vision, and mission

- The principles, values, vision and mission establish the underlying aspects that should govern every aspect of Council corporate operations.

Part Two: Overview of corporate governance

- This section introduces the need for a governance manual. It explains the importance of good governance and the critical factors to be considered for all stakeholders in governance processes.

Part Three: Council governance statement and framework

- This part outlines the conceptual governance framework for the Council. It provides a statement of commitment to good governance principles within which all Elected Members and staff should operate. The framework highlights the inter-relationship between different aspects of good governance and illustrates how the Councillors and staff must work in a collegiate way to ensure strength and success in the Council’s governance practices.

Part Four: Detailed Guidelines for good governance practice

- Provides more detailed guidelines on how good governance is carried out. The section covers roles and responsibilities, decision-making, accountability and sustainability.

Part Five: Appendix - Policies

Policies provided reference essential documents that support the governance processes and procedures of the Council.

Summary

The Governance Manual will form the basis for an annual corporate governance review by Council which will assess the effectiveness of the Elected Members and administration in achieving good governance.
1.1 Principles

Clear principles govern how decisions are made by the whole organisation. All decisions should be measured against the principles to ensure that the governance processes and practices adhere to the overarching principles of operation. Individual elected members and staff take specific responsibility for governance in their own activities. Individual actions in governance must demonstrate values that reflect best practice in governance and alignment with the agreed principles. The vision, mission and values of the Council demonstrate how the five principles above are incorporated in a Vision that provides the long term goals for the Council and the Mission that states the focus and commitment of the Council within the next five years. Five key principles have been identified to assist Council achieve excellence in governance. These are:

**Principle 1. - Clear Vision And Culture.**
- Uniting in a clear vision and positive culture that respects the natural and built heritage of the Council as well as community needs and aspirations.

**Principle 2. – Productive Roles and Relationships.**
- Valuing the different roles of the various elements of a local government and the need for positive working relationships between these elements.

**Principle 3. – Good leadership.**
- Demonstrating exemplary leadership qualities through effective decision-making and related management processes that reflect transparency, integrity and sustainability.

**Principle 4. - Accountability.**
- Accounting for all local government activities and installing and maintaining systems which reinforce accountability and which communicate outcomes achieved to the community.

**Principle 5. – Commitment to Sustainability**
- Making the right decisions for both now and for future generations, in careful monitoring of progress to avoid negative impact, and, in ensuring a positive change for improved results and outcomes.
1.2 Shire of Ashburton Vision

‘The Shire of Ashburton will be a vibrant and prosperous place for work, leisure and living’

1.3 Shire of Ashburton Mission

‘Working together, enhancing lifestyle and economic vitality’

In accordance with our Mission, the Councillors and Officers of the Shire of Ashburton, as individuals, and as a group of people working together, uphold the principles in our work on behalf of the community to work towards the Shire.

1.4 Shire of Ashburton Focus

In the context of the Shire of Ashburton’s objectives to strengthen and diversify opportunities and experiences for people living, visiting, working and learning in the Shire, strategies will address the following six key areas:

**Diversify and Strengthen the Economy**
- Focuses on ensuring that the Shire's economic base is robust, broad and able to service future growth

**Include and Engage Our Community**
- Ensures lifestyle is enhanced by providing access to satisfactory health and educational services, as well as quality recreational, community and social services.

**A Connected and Accessible Region**
- Addresses the need for people to have a high standard of access to their neighbourhood community, region and world by means of high quality transport and communication systems.

**Conserve and Enhance the Environmental and Cultural Heritage**
- Ensures that the Shire's diverse natural, cultural and built environment is conserved

**Community Safety and Security**
- Promotes an environment which is safe and secure from both natural and societal risks

**A Well Managed and Contemporary Corporation**

Delivers effective and accountable governance and administration within the Shire organisation, achieved by demonstrating:
- Economic growth and diversity
- Quality lifestyle and social wellbeing
- Ecological sustainability and environmental management
- Improved services and infrastructure
- Best practice local government management

1.4 Strategic Planning Context

Integrated planning and reporting, gives local governments a framework for establishing local priorities and to link this information to operational functions.
Legislation changes gazetted in August 2011 require compliance to this approach that can be tabled to the size and structure of each local government as long as the principles and practices of the framework are upheld.


Elements of the Integrated Planning Framework

The Strategic Community Plan responds to three questions put to the community and the local government:

- Where are we now?
- Where do we want to be?
- How do we get there?

The plan prioritises community aspirations giving consideration to:

- Social objectives.
- Economic objectives.
- Environmental objectives.
- Factors such as changing demographics and land use.
It is at least a 10 year Plan

The Corporate Business Plan activates the Strategic Community Plan by responding to:

- Council’s distillation and prioritisation of the community’s short, medium and long term aspirations.
- Existing operational plans, priorities and external factors impacting on resourcing.
- The assessment and integration of services and business area plans.

The process through which the Corporate Business Plan is developed incorporates:

- Activating the Strategic Community Plan.
- Operations Planning - including:
  - Asset Management.
  - Financial Management.
  - Workforce Management.

It is for at least 4 years

Ref: [https://integratedplanning.dlg.wa.gov.au](https://integratedplanning.dlg.wa.gov.au)
Part 2 Overview of Corporate Governance

2.1 Governance in the Legislative Environment.

Local Governments in Western Australia are required to make decisions, report them and implement them according to the provisions of the Local Government Act 1995 (the Act). Other legislation regulates the way in which a local government exercises its authority in areas such as Town Planning, Environmental Health and Dog Control.

The Act defines the roles and responsibilities of Elected Members and the Chief Executive Officer to ensure that a local government fulfils its obligations and exercises its powers and functions appropriately. Section 3.1 (1) of the act prescribes that the general function of a local government is to provide for the good government of persons in its district.

To facilitate good government, local governments develop strategies and policies and provide mechanisms and processes for their implementation as provided for in the Act and its regulations The Governance Manual establishes the policies and processes by which the Elected Members and the Chief Executive Officer undertake their respective roles.

2.2 Definition of ‘Good Governance’.

Just as the companies operating in the private sector have a requirement to adhere to legislation and regulations governing compliance and behaviour, so do local governments in the public sector.

The private sector has had a long standing involvement with governance issues, as reflected in adoption of mechanisms such as the Australian Institute of Company Directors corporate governance charter, which:

“...defines the roles and responsibilities of the ultimate decision makers in the organisation and establishes a framework for strategic planning. It also defines expectations of the board and delineates critical policies, such as strategies for risk management and the delegation of responsibility.”

2.3 Excellence in Governance.

Governance is the process by which decisions are taken and implemented; the process by which organisations go about achieving their goals; 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.

Excellence in governance occurs when it is underpinned by accountability, integrity, openness and commitment to sustainability. It involves a focus on clarity of roles and responsibilities, robust systems which support both internal and external accountability and public access to decision making and information.
From a Local Government perspective, the establishment of a governance framework reinforces the statutory authority and responsibilities of Council as a corporate body and assists Elected Members 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 outcomes are best achieved where the role and focus of Elected Members as a collective corporate body, is directed to policy formulation and strategic development. The role of the officers is to implement the policies and strategies of the corporate body through an accountable, effective and efficient application of resources and assets.

**Part Three: Governance Statement and Framework**

### 3.1 Council Governance Statement

Council considers that integrity, role delineation, accountability, a systems approach and strategic management are applicable to local government. To ensure effective, transparent and sustainable administration of the Council’s affairs, a governance framework has been designed. The governance statement, key principles, values and framework aim to create a strategic and accountable approach to management of the Council as “pillars” of good governance. Collectively, appropriate policies, strategies and procedures constitute the Council’s governance “foundations”.

Governance is based on the understanding that the Council and its Chief Executive Officer and staff have different roles and responsibilities which, when combined, create the environment for effective management and operation of the Council. It recognises that good governance does not only apply to internal procedures but ultimately reflects in the satisfaction of the residents and other stakeholders of the Shire both now and into the future.

### 3.2 Council Governance Framework

The governance framework serves to bring together in a coordinated manner, legislative issues and requirements affecting the Council, the governance statement and its underlying strategies, policies and procedures. It depicts the values, legislation of strategic directions as the pillars which support the activities of Councillors, staff and stakeholders. The foundation stones of the framework are the good principles and practices that are required for building good governance throughout the organisation.

The fundamental objective of a corporate governance framework is to promote stability, confidence and consistency of process by providing role clarity and certainty of direction for the Elected Members and administrative office holders of the Council.
The basis for this governance framework can be found in strategic documents and associated operational mechanisms which have been developed and implemented pursuant to roles and functions prescribed by the Local Government Act 1995 (The Act) and arising from the vision, mission, values and goals enunciated in the Strategic Community Plan.

### 3.3 Good Governance Practice

The increasing level of scrutiny now being directed to the operations and activities of public bodies has created a need for full and open disclosure of the governance systems which exist within these organisations.

Accountability is an essential element of good governance and applies to Elected Members and Chief Executive Officer alike. From a political perspective, accountability requires that the Shire President and Councillors of the Council are accessible to residents and ratepayers so they may be responsive to community issues and needs.

As the governing body of the Shire, the Council has the ultimate responsibility for ensuring compliance with legislation and regulations. It is the Chief Executive Officer’s responsibility to ensure that Council is provided with unbiased and relevant, professional advice and information on which decisions are made. The Chief Executive Officer is also responsible for the management of officers, financial resources and the maintenance of effective and efficient systems, procedures and processes which are necessary to meet the accountability requirements of the Council.

Accountability is unachievable without effective stewardship of the Shire’s financial, physical, intellectual and natural heritage assets. Stewardship refers to the planning and management required ensuring optimum use of assets to serve existing community needs and provide a lasting legacy for future generations. It requires innovation, reflected in strategies designed to encourage sustainable growth and prosperity, which are compatible with the unique character and focus of the Shire.

### 3.4 Good Governance Principles

The following practices, as they relate to the five principles of operation apply to the achievement of good governance at the Council. A summary of the key practices that will govern actions for each principle is provided below then further detail on each aspect is provided in the following sections.

**Principle 1 - Vision and Organisational Culture**

- There is a clear vision and Strategic Community Plan that is produced through a comprehensive and inclusive process which is owned by all sectors of the local government.
- There is a positive culture that promotes openness and honesty, in which questioning is encouraged and accountability is clear.
Principle 2 - Roles, responsibilities and relationships

- There is clarity about the roles of local government and there exists a sophisticated approach to defining and implementing these.
- There are effective working relationships that are promoted and supported within and between the Shire President, Councillors, CEO and administration.

Principle 3 - Decision-making and management

- There are effective decision-making processes in place that reflect the transparency and accountability which underpin excellence in governance.
- There should be robust and transparent financial management established and maintained to meet local government’s accountability to its stakeholders, particularly in terms of stewardship of community assets, both now and into the future.
- An effective approach to the identification, assessment, monitoring and management of risks should be established and maintained.
- Effective delegations should be implemented and maintained
- There should be an active performance management system in place that enables Elected Members and officers to be openly accountable for their performance.

Principle 4 - Accountability

- Consultation should be undertaken that is appropriate to the scope and potential impact of the matter. It should respect the position and opinion of all stakeholders. The outcomes of the consultation should be taken into account when the decision is made and feedback should be provided to those who participated.
- The Council must account for its activities and have systems that support this accountability
- The Council should establish internal structures that provide for independent review of processes and decision-making to assist the Council to meet its accountability to stakeholders.

Principle 5  Commitment to Sustainability

- The Council will endeavour to keep up-to-date with all processes, methodologies and technologies which are capable of achieving improved outcomes for the Shire.
- Awareness of practices that will lead to improved resource management, environmental protection and rehabilitation, stronger communities and added
economic value will be raised within the Council and staff and across the community.

- Potential environmental, social and economic impact of any project or decision will be considered.

Part 4 Detailed Guidelines for Governance Practice

4.1 Vision and Organisational Culture

Vision

“There is a clear vision and Strategic Community Plan that is produced through a comprehensive and inclusive process which is owned by all sectors of the Local Government”.

The Council vision as stated in Part 1 is the driver that governs the culture of the organisation. The vision has been generated as a united focus for the Shire. Governance decisions and practice must at all times contribute towards achievement of the vision.

Organisational Culture

There is a positive culture that promotes openness and honesty, in which questioning is encouraged and accountability is clear.

The principles introduced in Part 1 will be demonstrated as an integral part of the organisational culture. If all individuals involved in Shire governance apply the values, the culture of the organisation will be one that has the greatest opportunity of achieving excellence in governance.

In addition, the Elected Members and staff will strive to achieve the following eight elements within its organisational culture:

- Effectiveness in management structures and practices
- Good communication including feedback
- Learning
- Ethical behaviour and codes of conduct
- No conflict of interest
- Support for frankness and openness
- Confidentiality
- Innovation

Effectiveness in management structures and practices

- A good management structure will be maintained based on the organisation’s vision, with clear roles and responsibilities.
• Responsibility and accountability will be delegated appropriately down the organisation.
• Management will support clarity in responsibility and accountability and focus on outcomes.
• There will be effective and efficient processes and systems in place.

**Good communication including feedback**

• Good relationships will be developed between the various parts of the Shire.

**Learning**

• Decision making processes will incorporate appropriate consultation, knowledge management and involvement.
• There will be learning programs for Elected Members and officers designed to meet their skills and knowledge requirements.

**Ethical behaviour and code of conduct**

• The Code of Conduct and ethics will be owned and lived, particularly by leaders throughout the organisation.
• The Council, Shire President, CEO and senior management will be models of appropriate behaviour.

**No conflict of interest**

• An effective induction program will reinforce the organisation’s culture so that all people associated with the organisation recognise where conflict of interest may arise and how relevant action can be taken.
• There will be agreement about different, but complementary roles of Councillors and officers.

**Support for frankness and openness**

• Opportunities will be provided for open and frank exchange between Elected Members, management and staff.
• Effective feedback mechanisms from the community will be established and maintained.

**Confidentiality**

• Where issues of confidentiality arise, the Shire will be transparent about instances where confidentiality will be protected.

**Innovation**

• The Shire will recognise that it operates in a changing environment and so must be aware of opportunities in those changes to improve the way the Shire operates.
• The Shire staff will be encouraged to take reasonable efforts to keep abreast of current best practice and up to date technologies.
4.2. Roles, Responsibilities and Relationships

“There is clarity about the roles of local government and there exists a sophisticated approach to defining and implementing these”.

4.2.1 Working Relationships

“There are effective working relationships that are promoted and supported within and between the Shire President, Councillors, CEO and administration”.

Effective working relationships are promoted and/or supported by and between the Shire President, Councillors, Chief Executive Officer and administration. It is a requirement that initial officer contact by Elected Members is made through the Chief Executive Officer in accordance with Council policy. Should an elected member wish to contact any other officer directly, a request shall first be made to the Chief Executive Officer, who will assess the request and advise the elected member of their decision.

Good corporate governance requires clear identification and definitions of responsibility and a clear understanding of relationships between the organisation’s stakeholders and those responsible for managing its resources. Very important relationships are those between:

- The Shire President and the Councillors;
- Elected Members and Elected Members;
- The Shire President and the Chief Executive Officer;
- Elected Members and the Chief Executive Officer; and
- Elected Members and the administration.

**Effective relationships are achieved and maintained at the Shire through:**

- Parties agreeing on and respecting the differences in their roles.
- Protocols being established based on the agreements about roles and responsibilities being followed.
- Information and discussion about the various roles being included in Councillors’ induction processes.
- Goodwill on the part of all parties to make governance work.
- The administration accepting that local government is a level of government and that political activities of Council are legitimate. Councillors are accountable to their constituents as well as to the “corporate whole” and they
have to be able to address these accountability requirements in a constructive manner.

- There being a preparedness to tackle problems when they arise.

4.2.2 Council - Roles and Responsibilities

Under the Act the Council is a body corporate with perpetual succession, a common seal, and is charged with responsibilities. The Shire has interpreted these responsibilities as they are contained in the Act in conjunction with the Shire’s governance framework and this governance framework and statement document provides the following guidance on the range and scope of these following roles:

(a) Directs and controls the Shire affairs.

This role encompasses strategic planning mechanisms to ensure the continued viability and performance of the organisation, the setting of strategic goals for the organisation and the monitoring of the Shire’s performance against these strategic goals.

(b) Is responsible for the performance of the Shire functions.

This role provides that the Council bears the ultimate responsibility for the performance of the Shire’s functions. It can exercise this responsibility through the development of appropriate governance frameworks including delegations of authority and the determination of an appropriate organisational structure.

(c) Oversees the allocation of the Shire finances and resources.

The Council exercises this role by adopting the Shire’s budget and long term financial plans. It is advised by officers of the Shire who are responsible for the development of appropriate financial controls and strategic documents.

(d) Determines the Shire policies.

The role of Council in setting policy is most effective when it is linked with a professional organisation that implements these policies through the development of appropriate management practices and work processes. Council policy should set the standards for the administration to achieve and make strategic policy decisions that guide officers in their decision making processes. Under the Act, a local government is a body corporate with perpetual succession and a common seal.

4.2.3 Role of Elected Representation

The Council consists of nine members including the Shire President.

Councillors are elected from each of the Shire’s six wards. The Shire President is elected by the Councillors.
Local Government elections are conducted biennially on a fixed date prescribed by the Act, with candidates elected to the office of Councillor or Shire President as applicable, attaining terms of four (4) years.

**Statutory Role of Councillors**

Section 2.10 of *the Act* describes that the role of a Councillor is to:

- represent the interests of electors, ratepayers and residents of the Shire;
- provide leadership and guidance to the Shire community;
- facilitate communication between the community and the Council;
- participate in the Shire decision making processes at Council and Committee meetings; and
- perform such other functions as are given to a Councillor by this Act or any other written law.

Each individual Councillor has a legislative requirement to fulfil this role. This governance framework provides guidance to Councillors on how they perform this role at the Shire.

Individually Councillors have a responsibility to act as a conduit between the community and the Shire. Not only must they represent the interest of the broader community on the Council, but also as community leaders they must represent the interests of the Shire within the broader community.

Whilst Councillors may be elected from an individual ward, their primary obligation is to represent the interests of the broader community within the Shire. It is not appropriate for individual Councillor’s constituent concerns to interfere with their decision making processes in providing good governance of the Shire as a whole.

Elected Members sitting as Councillors are responsible and ultimately accountable for long term financial planning, the annual budget and monitoring financial performance. In doing so, each individual elected member thus accepts a joint and individual responsibility for the financial outcomes.

Accountability and transparency is also facilitated through the standards and behaviour maintained by members – most notably, through their adherence to legislation governing declarations of financial and other interest where these arise, together with associated implications for participation in any debate.

*Elected Members rely on:*

- Financial advice and information from administration;
- Input from internal and external auditors and the Audit and Risk Committee;
Elected Members must also seek whatever additional information they need to make informed decisions.

**Responsibilities of Council**

The responsibilities of Council can be categorised into the following three key areas:

**Legislative**

- The Council is responsible for adopting a set of local laws that reflect current community standards and provide for the good governance of the Shire. Council when making local laws must be aware of their legislative effect.

**Executive**

- The Council is responsible for overseeing the executive functions of the Shire and determines appropriate policies, strategies and functions for the administration to implement.

**Quasi-judicial**

- The Council is responsible for applying factual situations to the legislative regime in a quasi-judicial manner under the Local Government Act, Town Planning and Development Act and other relevant legislation. This is explained in more detail at Part 4 “Councils Governance Tools” – Planning and Development Functions of the Council.

**Accountability, stewardship, sustainability and innovation focus.**

Accountability, stewardship, sustainability and innovation objectives are most effectively pursued where the focus of Elected Members of Council centres upon:

- Strategic planning, policy development and defining scope for delegation of powers and functions;
- Allocating the Shire’s resources;
- Monitoring performance of the Shire against adopted strategies and objectives;
- Representing the interests of the community;
- Appointing the Chief Executive Officer and participating in the performance review process of that officer.

Accordingly, the Council is required to be accountable and transparent by undertaking deliberations and making resolutions within a framework which is factually based, non-prejudicial and relevant to issues at hand.

**4.2.4 Limitation of Member Liability**

The Shire has the legal capacity of a natural person. As such, the Shire may instigate legal proceedings in its corporate name and have proceedings taken against it. Section 9.56 of the Act, summarised in Attachment 2 specifies the limitation that Councillors must be aware of when taking office.
It is largely due to such legislative-based requirements, that local governments have embraced strategies designed to mitigate the liability of members and officers, with liability insurance protection and risk management now serving as a significant element of corporate governance frameworks.

It is for these reasons that many organisations have developed and implemented processes for identifying, analysing and mitigating risks which could prevent the achievement of business objectives. These organisations have put control activities in place to manage risk throughout the organisation by developing risk management plans that cover activities as diverse as reviews of operating performance, information technology and management information systems.

### 4.2.5 The Shire President Role

The role of the Shire President as provided under Section 2.8 of the Act is to:

(a) preside at meetings in accordance with the Act;
(b) provide leadership and guidance to the community;
(c) carry out civic and ceremonial duties on behalf of the Shire;
(d) speak on behalf of the Shire;
(e) perform such other functions as are given to the Shire President by the Act or any other written law;
(f) liaise with the Chief Executive Officer on the Shire affairs and the performance of its functions; and
(g) otherwise fulfil the role of Councillor.

### 4.2.6 The Deputy Shire President Role

Section 2.9 of the Act enables the Deputy Shire President to perform the functions of the Shire President, if:

(a) the office of Shire President is vacant; or
(b) if the Shire President is not available, or is unable or unwilling to perform the functions of Shire President.

### 4.2.7 Chief Executive Officer Role

The Chief Executive Officer’s functions as described under Section 5.41 of the Act are to:

(a) advise the Council in relation to the functions of the Shire under the Act and other written laws;
(b) ensure that advice and information is available to the Council so that informed decisions can be made;
(c) cause Council decisions to be implemented;
(d) manage the day to day operations of the Shire;

(e) liaise with the Shire President on the Shire affairs and the performance of the Shire's functions;

(f) speak on behalf of the Shire if the Shire President agrees;

(g) be responsible for the employment, management, supervision, direction and dismissal of other employees (subject to Section 5.37 (2) in relation to senior employees);

(h) ensure that records and documents of the Shire are properly kept for the purposes of the Act, or any other written law; and

(i) perform any other function specified or delegated by the Shire or imposed under the Act or any other written law as a function to be performed by the Chief Executive Officer.

Section 5.42 of the Act enables the Shire to delegate in writing to the Chief Executive Officer, the capacity to exercise any of its powers or duties, with the exception of those relating to:

(a) actions in which a decision of an absolute majority or a 75% majority of the Council is required;

(b) acceptance of a tender which exceeds an amount as determined by the Council;

(c) appointment of an auditor;

(d) acquisition or disposal of any property valued at an amount exceeding an amount determined by the Council for the purposes of this paragraph;

(e) any of the Council’s powers under Sections 5.98A, 5.99A or 5.100 (determining fees, allowances and expenses of members and Committee members);

(f) borrowing money on behalf of the Shire;

(g) hearing or determining an objection of a kind referred to in Section 9.5;

(h) carrying out any power or duty that requires the approval of the Minister or the Governor; or

(i) such other powers or duties as may be prescribed.

This clear separation of elected member and Chief Executive Officer roles and responsibilities as identified within the Act reinforces good governance principles. It also ensures that the Shire adheres to all statutory requirements whilst meeting the expectations of its community.
4.2.8 Executive Management Role

In undertaking its functions and responsibilities, Council is supported by the Chief Executive Officer and an Executive Management Group comprising the heads of the five Divisions, namely:

- Corporate Services
- Community Development
- Development & Regulatory Services
- Infrastructure Services
- Strategic and Economic Development

The Executive Management Group meets regularly as a basis for ensuring effective coordination of the Shire’s operations and implementation of Council resolutions.

These meetings are complemented by operational meetings. Such forums are considered important, both in enabling management information dissemination and also feedback by officers. This promotes a whole of organisation approach for the Shire in the fulfilment of its functions and responsibilities.

4.3. Decision Making and Management

4.3.1 Decision-Making

“There are effective decision-making processes in place that reflect the transparency and accountability which underpin excellence in governance”.

The five stages in decision making which will be followed at the Shire are:

4.3.1.1 Agenda Setting –

This will be achieved through:

- an effective and efficient strategic planning process which produces owned strategic goals; and
- processes being in place which ensures Council plans are properly implemented.

4.3.1.2 Information Gathering –

This will be achieved through:

- ensuring the information gathered is sufficient to allow a decision to be made;
- ensuring an effective process within the administration to convert information into advice;
- providing good quality and timely Council reports which provide the necessary information, options and clear recommendations. The reports will always incorporate the corporate view of the issue in question, the financial impacts and any risks;
• having workable and productive consultation processes in place that ensure that decision-makers are aware of the views of those whom the decision affects;
• a sound process for identifying and distilling data into appropriate information;
• agendas being structured so as to facilitate good decision-making processes.

4.3.1.3 Opinion Formation –
This will be achieved through ensuring that Elected Members understand the issues and have enough information provided to make a decision.

4.3.1.4 Decision-making –
This will be achieved through:

• Council and Committee meetings being well chaired and conducted in accordance with Council Standing Orders;
• facilitating participation and involvement while ensuring debate is relevant and succinct;
• robust debate which ensures that all issues are aired. Although it is robust, the debate is conducted with courtesy and respect;
• the Chair attempting to find common ground amongst Elected Members; opportunities being available for the community to participate appropriately;
• delegations where appropriate.

4.3.1.5 Implementation –
This will be achieved through:

• decisions being implemented in a timely manner;
• solidarity among the Councillors once a decision has been made;
• confidentiality being maintained wherever necessary.

4.3.2 Financial Management
“There should be robust and transparent financial management established and maintained to meet local government’s accountability to its stakeholders, particularly in terms of stewardship of community assets, both now and into the future”.

The Council will achieve this by:

• Approving management’s Service Delivery Plans that reflect the services and projects identified for the relevant financial year as shown in the Corporate Plan.
• Approve each year’s Annual Budget in accordance with the adopted Service Delivery Plans and the Long Term Financial Modelling.
• Council through policy will determine the appropriate mix between borrowing for capital works and funding them from revenue. Council will consider the implications of its decisions on the level of capital works and infrastructure maintenance.

4.3.2.1 Funding Strategic Objectives

Section 5.56 of the Act requires that a local government prepare a plan for the future. The Council must know the direction it is it is going long-term. Its vision and goals must be properly reflected in the Strategic Community Plan. Council will take its final decisions about the content of the Strategic Community Plan based on an understanding of the long-term financial consequences of their decisions. To enable this to successfully occur, the following steps will be implemented by Council:

**Longer-term financial planning**

Elected Members, sitting as Council, will determine the long term financial plan, and be *accountable* for the process of developing it.

The delivery of the services identified in the Long Term Financial Plan will be in accordance with the Shire’s strategic direction.

The financial strategy should be consistent with the Council’s strategic plan. That is, it must be able to fund its projects, functions and service improvements.

As part of responsible business planning, the Shire’s Long Term Financial Plan will detail the significant programs and activities to be undertaken by the Shire over the next five years and roll on each year with amendments and additions.

The Plan will provide a broad overview of where the financial resources of the Shire are planned to be directed over this period and the manner in which these activities will be funded.

The implementation of a Long-Term Financial Model that can be used to align capital and operating expenditure requirements with income streams complies with Council’s rating strategy and policy.

**The rating system**

The rating system at the Shire will reflect the Council’s strategy and vision for the future of the Shire. The rating levels and mix will represent a fair distribution of the rate burden across the community and Council’s policies on appropriate taxation contributions from different sectors of the Shire.

Council’s approach to rating will incorporate the concept of intergenerational equity; that is; the way the rating burden is spread between current and future generations of ratepayers of the Shire.
Council will be informed whether the rates outcome, which was envisaged in the Long Term Financial Plan, is still appropriate and consistent with all objectives of the Community Strategic plan.

Mindful of the role outlined under Section 2.10 of the Act, Councillors must assess if the budget delivers what the Council wishes to achieve.

4.3.3 Annual Budget

Developed as part of sound business management, the annual budget provides a framework for allocation of financial, physical and administrative resources required in pursuing the Shire’s objectives for the proceeding twelve month period. The annual budget will be developed within the following framework:

4.3.3.1 Process

The Executive Group will annually develop a budget preparation timetable and process which meets Council’s statutory requirements and gives enough time to resolve major issues. The Executive Manager Corporate Services will ensure that Council is given adequate time to have the opportunity to work through key issues.

4.3.3.2 Consistency with Financial Plan

Council’s Long Term Financial Plan will provide broad guidance for the budget. The Long Term Financial Plan will be reviewed at least annually to incorporate the long term impact of any significant current decisions which are not consistent with the plan.

4.3.3.3 Information

Information will be presented to Council by officers through reports that enable Council to make informed decisions.

4.3.3.4 Community input

Opportunities will be provided to enable the Community to have input into the plan for the future through an advertising process.

4.3.4 Financial Reporting – Performance against Budget

4.3.4.1 Statutory Compliance

The Shire recognises that when decisions are made by Council, when resolutions are acted upon and when performance outcomes are reported, it is important that the requirements of any legislation and/or regulations are complied with, especially because of the reporting requirements of the Statutory Compliance Return.

Compliance will be pursued through ensuring the integrity of the key financial planning and reporting mechanisms which underpin the Shire’s operations – especially the Annual Budget and Annual Report, and supplemented by
internally based performance measurement instruments such as Reports from each division.

Compliance with key financial and statutory requirements is assessed through the audit schedule conducted in accordance with the Act by professionally qualified internal and external parties as appointed by the Shire. Financial reporting to Council will as a minimum be in accordance with its statutory requirements.

4.3.4.2. Content

The focus of financial reports to Council is to provide accurate information about the Shire's overall financial position.

Councillors, when considering the financial reports, will satisfy themselves that the information they are given reflects the actual situation of the Shire. Councillors will ensure that they understand sufficiently about the financial indicators for them to ask appropriate questions and interpret the responses.

4.3.5 Annual Report

The Annual Report has its basis in the Act, but also serves as the vehicle by which the Shire can evaluate, monitor, control, improve and report on the outcome of its activities over a particular financial year.

The Annual Budget should reflect the priorities expressed in the Strategic Community Plan and the Annual Report should indicate the extent to which those priorities have been achieved.

4.3.7 Services and funds

Council will:

- monitor on a regular basis (every 2 years) community satisfaction with the levels of service it provides
- have appropriate user charges for its services and facilities.
- be mindful of the proportion of rate revenue required to meet operational and capital costs for the Shire.
- comply with government policy
- where appropriate, seek to obtain other avenues of financial assistance such as grants, being mindful of the implications of accepting any grant including financial and management obligations
- Ensure costs can be recognised and recovered appropriately.

4.3.8 Capital works and debt servicing

- Key assets will be maintained.
- Any borrowing must be sustainable and not impose an unacceptable level of debt servicing.
• Council will be informed on the proportion of rate revenue required to service debt and decide whether it is appropriate for the Shire.

4.3.9 Accountability and policy

• Council will meet its legislative and financial reporting requirements.
• Council will meet its accountability requirements to the community in terms of stewardship of assets.
• Council will strive to achieve best practice in financial policies and practices.
• Council will leave an appropriate legacy for future Councils.

4.3.10 Audit

An Audit Committee will be appointed by Council. Council has appointed professional external auditors.

4.3.11 Risk Management - An effective approach to the identification, assessment, monitoring and management of risks should be established and maintained.

The Shire’s performance in implementing effective risk management strategies and adherence to sound business practice is reinforced through access to independent legal advice, the completion of the annual statutory compliance audit, and the annual financial audit undertaken by professional external auditors as required by the Act.

The Shire maintains a wide range of assets including:

• Infrastructure assets;
• Real property;
• Financial assets;
• Information assets and intellectual property and
• Natural and heritage assets.

The Shire takes an active approach to risk management in the conduct of its business through the implementation of a number of specific and organisation wide initiatives.

This risk management strategy involves the Shire identifying, collating and treating all the identified risk (internal and external) to ensure a coordinated approach that effectively minimises business, financial and physical liability to the Shire’s operations.

The Council will ensure the risk management program is of the standard required to meet its fiduciary obligations to:

• safeguard assets
• ensure there are sufficient monies to meet its financial obligations when due
• prevent and detect fraud
• ensure accuracy and completeness of accounting records.
Controls and risk minimisation processes have been implemented in the form of:

- An Audit & Risk Committee
- Formal processes whereby strategic and operational business risks and activities are considered by the Council.
- Review processes and reporting requirements that monitor compliance of service providers with their contracts.
- Formal procedures for the safeguarding of assets. The procedures include accounting, financial reporting and internal control policies.
- Regular reporting to the Council on financial and non-financial areas of Council operations.
- Process mapping of procedures

Internal control and risk management procedures are set out in the following documents:

- Procedures and Controls
- CORP2 Misconduct Prevention Management Directive
- CORP5 Risk Management Policy
- Risk Management Statements
- Liability Insurance
- Asset Insurance
- Financial Controls
- Delegations Manual
- Auditor reviews in place for quality Assurance

4.3.12 Delegations
Effective delegations should be implemented and maintained. Delegations of authority are required in order to provide officers of the Shire with the power to exercise duties and make determinations. It is essential that the Council’s delegations are performed in accordance with the adopted governance framework and are compliant with relevant legislation. The Shire is required to keep records on the exercise of its delegations.

Council may delegate authority to the Chief Executive Officer and other nominated officers under the provisions of the Local Government Act 1995, Health Act 1911, Strata Titles Act 1985, Caravan Parks and Camping Grounds Regulations 1987 and the Shire’s Town Planning Scheme to perform some of its functions and duties.

The Act and associated regulations allow the Chief Executive Officer to delegate to any other officer the authority to perform functions and duties that are exercisable by the Chief Executive Officer under the Act or that have been delegated to the Chief Executive Officer by the Council.

This is in accord with a governance framework whereby officers are responsible to the Chief Executive Officer and the Chief Executive Officer is responsible to Council.
Similarly the Chief Executive Officer is responsible for the implementation of Council decisions and may delegate some of this responsibility to other officers of the Shire.

All delegations are to be recorded in a register established for the purpose (as required by the Act) and reviewed annually. The Chief Executive Officer will advise Council of any decisions that have been made under delegated authority.

Under the provisions of Town Planning Scheme Council may delegate authority to certain officers other than the Chief Executive Officer. If such a delegation is exercised Council shall be advised.

### 4.4. Accountability

“Local government must account for its activities and have systems that support this accountability”

Excellence in governance is based on the premise that those who are involved in governance are held accountable for what they do. Accountability at the Shire means the Elected Members and management taking responsibility for their performance.

Elected Members and management at the Shire accept they are accountable under legislation in terms of how the Council operates and reports. This also extends to other measures such as:

- Risk management systems implemented and maintained to ensure that community assets are protected.

- Internal Audit and Risk Committee focused toward providing assurances to all stakeholders that processes and procedures are being adhered to and that financial reports are accurate.

- A consultation policy to support good decision making by ensuring Elected Members are aware of the views of those who will be affected by any decision.

#### 4.4.1 Performance Management

“There should be an active performance management system in place that enables Elected Members and officers to be openly accountable for their performance”.

The Shire will put in place a range of mechanisms to ensure that performance is measured, reviewed and improved and thereby enable remedial action to be taken, where necessary.

The Shire is committed to the development of appropriate performance measures in financial policies and strategic plans to ensure long term viability.

Ongoing financial performance will be monitored through internally and externally based systems and processes, with associated reporting at the Executive Management Group and Council.
Effective coordination between the strategic and operational elements will be maintained through a regular report to Council which is based on the Strategic Plan, Long Term Financial Plan and agreed service levels.

4.4.2 Chief Executive Officer Performance Management

The Chief Executive Officer is appointed by the Council and is directly accountable to it. The Council is accountable for setting the Chief Executive Officer’s performance plan and subsequent monitoring of his or her performance. This responsibility belongs to Council sitting as the Council and is not the responsibility of individual Elected Members.

Council has established a Chief Executive Officer's Performance Review Panel which is responsible for:

- Undertaking a performance appraisal of the Chief Executive Officer in accordance with the provisions of Section 5.38 of the Local Government Act 1995 and in accordance with the terms and conditions of the employment contract of the Chief Executive Officer.

- Managing and conducting the performance appraisal of the Chief Executive Officer in order to meet both Council’s statutory obligations in accordance with the requirements of Section 5.38 of the Local Government Act 1995 and any terms and conditions of the employment contract of the Chief Executive Officer.

- Determining and setting in place an appropriate review process;

- Consulting prior to determining and setting in place an appropriate review process, with each of the Elected Members at the time and taking account of their respective views;

- Using the resources and professional advice of a mutually agreed and independent consultant to determine the process and plan and conduct the review;

- Negotiating and setting goals, objectives, key performance indicators and changes to the remuneration package within the terms of the Chief Executive Officers contract. Any goals, objectives, key performance indicators or remuneration package changes so negotiated and set must be acknowledged in writing by both the Shire President and the Chief Executive Officer; and outlined

- Briefing all Elected Members on the outcomes of the review.
4.4.3 Independent Review

“Local governments should establish internal structures that provide for independent review of processes and decision-making to assist the Council to meet its accountability to stakeholders”.

Independent Review will be sought as appropriate through the following ways:

- Audit & Risk Committee
- Internal auditors
- External auditors
- 3rd party certifications

4.4.4 Customer Consultation

“Consultation should be undertaken that is appropriate to the scope and potential impact of the matter. It should respect the position and opinion of all stakeholders. The outcomes of the consultation should be taken into account when the decision is made and feedback should be provided to those who participated.”

The Shire will maintain and regularly review a Customer Service Charter which details the levels of service a customer can expect from the Shire, concentrating on the areas of service that our residents have indicated are the most important.

The Shire is prepared to explore new and innovative methods of service delivery in order to provide improved access to information and enhance customer interaction.

The Shire is committed to fostering high levels of public awareness of its activities, by providing its residents and ratepayers with access to a wide range of information. Any policy or planning developments will be fully inclusive of the affected Ward’s representatives.

In addition to meeting the state wide and local public notice requirements prescribed by the Act in respect to particular proposals and activities, the Shire will also ensure that information is available by electronic means. The Shire will utilise the local press for notifying residents about important issues Information will also be posted on its official notice board located at the Administration Centre. The Shire Newsletter will continue in its role as a mechanism for disseminating information and encouraging feedback on key strategies, projects and significant Shire events.

Increasingly, the Shire’s website at: www.ashburton.wa.gov.au will serve as the focal point for providing up to date information and service delivery information to ratepayers and residents.

Public consultation involving residents and ratepayers is facilitated by the Shire through a range of mechanisms which includes; information provision, consultation, public comment, Special Meetings and Annual General Meetings.
4.5. Commitment to Sustainability

4.5.1 Sustainability Principles

The Shire will meet its commitment by ensuring that planning, reporting and decision making are conducted using contemporary sustainability principles.

4.5.2 Sustainability Outcomes

The Shire will endeavour to keep up-to-date with processes, methodologies and technologies which are capable of achieving improved outcomes.

The Shire will:

- Identify, assess and manage risks to employees, contractors, the environment and communities
- Strive to achieve industry best practice
- Meet and where appropriate, exceed the minimum performance standards required by legislation.
- Set and achieve targets that include reducing and preventing pollution
- Develop our people and provide the resources to meet our targets
- Support the fundamental human rights of employees, contractors and the communities in which we operate
- Care for the environment and value cultural heritage.
- Communicate with, and engage employees, contractors, business partners, suppliers, customers, visitors and communities to build relationships based on honesty, openness, mutual trust and involvement

4.5.3 Sustainability Practices

Awareness of practices that will lead to improved resource management, environmental protection and rehabilitation, stronger communities and added economic value will be raised within the Council and staff and across the community.

Organisational Teams will support sustainability by

- Integrating service delivery across departments.
- Minimising the consumption of energy, water and other resources, by reducing waste and maximising recycling.
- Reducing vehicle use, maximising fuel efficiency, promoting alternative fuels and modes of travel to offset greenhouse gas emissions.
- Incorporating sustainability considerations into the design, procurement, leasing, construction, maintenance and management of Council assets and to the management or development of Council owned land.
- Continually improving their knowledge about sustainability through education and training.
• Implementing occupational health and safety measures in the workplace to improve environmental, economic and social outcomes.

4.5.4 Sustainability Monitoring

Potential environmental, social and economic impacts of any project or decision will be considered.

Sustainability is not an outcome in itself, but is a process towards improved outcomes in social, economic and environmental terms.

Reviewing progress in that process is important for the Shire to assess its level of success and learn from its own processes.

4.6 Support for Elected Members in the Governance Process

Elected Members are encouraged to attend training offered by the Local Government Department or the WA Local Government Association to better enable them to carry out their Civic Duties.

Training needs, advice or resource needs can be facilitated by the CEO or relevant delegated officers.

The Department of Local Government and Communities offers advisory and support services for Elected Members. Guidelines are available through their Website www.dlg.wa.gov.au, or by contacting the Department on 08 92171500, or Free call 1800 620 511

Corporate Governance Standards AS 8001 – 8004 can be purchased from Standards Australia – www.standards.com.au