



WEST WIMMERA SHIRE COUNCIL

Date: 24 January 2019

Mr Ross Millard
Manager Operations – Local Government Inspectorate
GPO Box 2392
Melbourne VIC 3001

Dear Mr Millard

Re: Response to Local Government Inspectorate Examination Report and Recommendations.

Ref:

I write to provide a response to the report and recommendations from the Local Government Inspectorate following the receipt of the document titled West Wimmera Examination, dated, 28 November 2018.

The examination and investigation process undertaken by the Inspectorate has been of great benefit to West Wimmera Shire Council, as it has provided good advice on a number of governance activities and also provided good examples for the staff to research.

Council accepts the recommendations as contained within the report document and a number of actions have occurred since the examination to rectify the issues identified.

Responses to recommendations have been provided in the order that are listed within the examination report document and the recommendations have been provided in a table which indicates the action taken or to be taken and the timelines for taking the action. It also contains, where necessary, the Council Officer responsible for completing the action.



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Abbreviations

- CEO means - Chief Executive Officer
- DIDW means - Director Infrastructure Development and Works
- DCCS means - Director Corporate and Community Services
- GO means - Governance Officer
- FM means - Finance Manager
- CM means - Contracts Manager
- MPE means - Manager Planning & Environment
- ME means - Manager Engineering
- WM means - Works Manager
- PD means - Position Description
- PROV means - Public Records Office Victoria
- RecFind means - Councils records management system
- SMG means - Senior Management Group
- HRM means - Human Resource Manager



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1. Governance Schedule

Council accepts the recommendations provided and has taken steps to improve the practices currently in place. These include consolidating all governance scheduled governance functions in the one location, this includes returns and the development of standardised procedures.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
A whole of organisation governance schedule should be developed that clearly outlines all legislative requirements and designated roles and responsibilities	Governance schedule to be added to the GO PD and set as a KPI for both G.O. and CEO. Investigation of other formats across the sector will be completed to enable schedule to be developed	Document to be developed for endorsement by Council by April meeting of Council 2019.
The roles undertaken by the governance officer and the corporate support officer should be reviewed to ensure there is clarity of responsibilities for all governance requirements and tasks.	All scheduled governance activities will be undertaken in the one central location with the governance officer based in Edenhope. During periods of leave a “back-up” officer will be appointed.	Roles redefined by March 2019, by the CEO & DCCS.
The roles must be closely aligned to ensure any advice provided to Councillors is clear, direct and consistent, irrespective of which officer provides the advice.	As above all advice will be provided via the Governance and executive support role.	March 2019 – CEO & DCCS
Council is advised to review better practice examples of governance schedules, such as the statutory obligations template provided by Hobsons Bay	It has been agreed that a number of examples will be investigated by the CEO, DCCS and GO	Schedule document to be developed by April 2019. CEO, DCCS, GO

2. Policy framework

Council has undergone a complete policy review and standardisation of policy presentation, commencing in early 2017. This review failed in its early stages to include the next review date.

As discussed during the report meeting of 10 December 2018, the inclusion of a review date on the policies has been inconsistent and Council accepts the recommendation of including a review date in the policy template to ensure that statutory timelines are met.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council should continue to update policies and include a “next review date” on each policy subject to review, to provide accountability and assist in ensuring they are appropriately reviewed within legislative timeframes.	The policy document template has been adjusted to include the next review dates. Policy reviews will be included in the Governance Schedule document	January 2019, GO and CEO.



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3. Record keeping

It is acknowledged by the administration of West Wimmera Shire Council that importance of an active records management system and diligent record keeping is a very high priority.

It is also acknowledged that there is considerable improvement required to ensure that all relevant staff are completely aware of their respective responsibilities, regarding record keeping.

To enable a greater level of awareness to be achieved regarding records management, the Senior Management Group is arranging for training for all relevant staff on their requirements for record keeping. Also arrangements are currently being negotiated to have the providers of RecFind to present to relevant staff on the functionality of the program and how best to utilise it.

Council accepts all of the recommendations regarding Record Keeping.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council should facilitate an independent assessment of current record keeping practices and ensure the findings are promptly implemented.	Records management as a measurable key performance indicator will be added to PD's for relevant staff. PROV to be approached to nominate a suitable records auditor.	Audit / Assessment to be arranged by March 2019. DCCS.
Council officers should be made aware of their obligations under the Public Records Act in relation to the keeping and storing of Council records and that they are required to record all Council related correspondence in the records management system.	Training for all relevant staff to be undertaken by PROV, or a nominated provider, on legislative requirements of all staff. Information session to be conducted by records management system providers (RecFind) and subsequent updates provided at management meetings as required.	The target date for this training is April 2019. This will be determined by the availability of training providers and will be arranged by the DCCS
Mandatory staff training should be carried out on a regular basis to ensure staff are familiar with the document management system. Staff should also be educated about the relevant record management policies and legislation.	Initial training to be conducted by records management system providers (RecFind) and subsequent sessions to be hosted by Records Management staff, with RecFind presenting annually. Training to be added to staff training schedule as a mandatory bi-annual item for all relevant staff.	Training to be arranged by DCCS by August 2019. Staff review template will be altered by CEO & GO for 2019 reviews in Sept 2019.



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4. Audit Committee

West Wimmera Shire Council recognises the importance of a high functioning and independent Audit Committee.

Council has been fortunate to have independent members providing a quality service to the shire as members. Council is also fortunate that the recently appointed internal auditors are providing a high quality service and have the confidence of the committee members and officers.

Council accepts the recommendation provided and will action from the next Audit Committee meeting scheduled for February 2019.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
The minutes of each audit committee meeting should contain sufficient detail in terms of what has been reviewed and clearly outline any subsequent actions to be taken.	Minutes of Audit Committee meetings will include detail that outlines any actions as per the recommendation	February 2019. DCCS & FM.

5. Special committees

The recommendations provided regarding the section 86 status of the Kaniva Museum and Historical Collection Committee, is agreed to by Council and discussions with the committee have commenced regarding this.

It has also been discussed about the relevance of the Economic Development Special Committee, section 86 status. The committee consists of Councillors and senior staff only and performs a role that can be accommodated as part of a Council Assembly / Forum.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Kaniva Museum and Historical Collection Special Committee <ul style="list-style-type: none"> • Conduct a review to determine whether there is a need for the committee to remain as a section 86 committee • If it is to continue, <ul style="list-style-type: none"> ○ Council must have Instrument of Delegation authorised by a resolution of Council to ensure that it complies with section 86(6) of the act. ○ Provide appropriate training to the committee members in regard to their roles and responsibilities as committee members. 	Discussions have commenced with the committee with the intention of discontinuing the section 86 committee status. This will be undertaken by resolution and correspondence exchanged between Council and the committee to confirm this.	Following negotiation with the Committee, the target is to resolve to extinguish the section 86 status at the April (2019) meeting of Council. This will be completed by the CEO



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<p>Economic Development Special Committee</p> <ul style="list-style-type: none"> • Council must have the Instrument of Delegation authorised by a resolution of Council to ensure it complies with section 86(6) of the act. 	<p>Council will discuss the merits of this committee remaining as a section 86 committee. Officers will be recommending that it function as a sub-committee and meeting agendas be included as part of Council Assemblies / Forums</p>	<p>The target is to resolve to extinguish the section 86 committee status of the Economic Development Committee by the April (2019) meeting of Council.</p>
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6. Complaints management

Council acknowledges that there are a number of gaps in the complaints handling processes within Council. Also the issue regarding a mechanism to accept complaints (anonymous or otherwise) against Councillors or Staff.

The recommendations regarding Complaints Management are accepted by Council and will be actioned within 12 months of this report. It is also intended to undertake a detailed review of customer service related policies and reference them to relevant procedures that will ensure consistency is applied to complaints management.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
<p>Council should maintain a complaints register</p>	<p>A complaints register will be developed and managed as part of a consolidated governance role. Customer Service staff will be informed of the process and relevant managers reminded regularly of their obligations to respond to complaints and requests and record the action / outcome.</p>	<p>The target date to have the full system implemented is October 2019. This will be driven by the SMG.</p>
<p>Council should update the complaint section of the Customer Service Policy to include the process for making a complaint against a Councillor and also the process for making a complaint anonymously, as well as details of how the Council will deal with the complaint.</p>	<p>Council shall add a reference to Complaints Handling Policy into the Customer Service Policy. This Complaints Handling Policy will reference Council's Councillor and Staff Codes of Conduct and its Protected Disclosure Policy.</p>	<p>It is anticipated that the Customer Service Policy review be completed by June 2019. This will be completed by the CEO and Governance Officer in conjunction with the DCCS and DIDW and Council's Employee Consultative Committee</p>
<p>Council must review its internal policies for the recording, handling and finalisation of complaints to ensure complaints are actioned and finalised with justification.</p>	<p>Council shall develop a separate Complaints Handling Policy which will reference all other relevant Policies, Procedures and legislation. To assist this, Council will research similar policies of other Councils.</p>	<p>SMG will drive this policy development with input from Employee Consultative Committee. The target date for completion is October 2019.</p>



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Council should review the Ombudsman Victoria report on complaint handling to ensure that the practices at Council comply with best practice.	Council will review the Ombudsman Victoria's report	Council will utilise the Ombudsman's report when developing the Policy. CEO and GO will commence policy development process in May / June 2019
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7. Delegations

Council has undertaken a number of delegations reviews over the past two years across all of the various categories. This activity will continue as updates are alerted via the Maddocks subscription.

Council has also investigated a subscription to a program called Reliansys which will enable exception reports to be provided to ensure that all relevant areas are easily captured during a review.

Specific allegations

1. Conduct issues and Councillor / Staff interactions

The issue of Councillor and Staff contact protocols was identified as an issue that needed to be addressed in early 2016. Identifying the issue led to the development of the protocols that were provided as part of the examination.

Council accepts that having these protocols included in the Councillor Code of Conduct is an important step in enabling them to be enforced. It is also acknowledged that a review of the Councillor Code of Conduct will need to be undertaken to enable the protocols to be included and that a review of the Wyndham and Ballarat Council Codes of Conduct will assist with this review.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council review and improve the Councillor Code of Conduct. Council may wish to review code of conduct material from Wyndham and Ballarat Councils as a guide.	Council will undertake a detailed review of the Councillor Code of Conduct and utilise material from other Councils to inform the review. The staff code of conduct has been reviewed and will be endorsed in February by the CEO and SMG.	The Councillor Code of Conduct will be completed by June 2019 and will be facilitated by the CEO. Staff code of conduct has been re-written and will be endorsed by the CEO in February 2019.
Ensure all staff and Councillors are meeting the requirements of the relevant policies including the Councillor Staff Protocols – October 2016, the Employee Code of Conduct & Ethical Behaviour Handbook and the Councillor Code of Conduct.	Employee Code of Conduct and Ethical Behaviour Handbook has been re-written and retitled and will be rolled out in Feb/March 2019. Update refresher workshop with Councillors to be provided on Code of Conduct and Protocols	The targeted completion date of the reviewed Councillor Code of Conduct is June 2019. Refresher Workshop to be completed by end of August 2019.



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		Actioned by CEO, GO & HRM
Council should assess whether there are valid reasons for Councillors to have ongoing unrestricted access to Council offices. If it is determined that Councillors are to be given unrestricted access to Council offices, then protocols must be developed to ensure that confidential information and officers exercising delegated authority are not compromised.	Council will review the access to the Council offices that currently exists and if necessary the access cards that have been provided will be retrieved. Internal redesign of access and office spaces will also be undertaken.	The review will be actioned by the SMG and discussions with Cr's has commenced as at 19 Dec 2018. Office redesigns will be completed by May 2019 and implemented over consecutive (3) financial years.

2. Conflicts of interest (COI)

Conflict of interest is an area that most Councils battle with when it comes to fully understanding what constitutes a conflict. The level of understanding can lead to discussions at the point in a meeting where conflicts are to be raised.

The lodging of a COI declaration form would make the process considerably cleaner at a Council meeting and would greatly assist with the development of a register.

The development of the COI declaration form, a COI register and independent training provided for Councillors will enable the organisation to function at a higher level regarding COI.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Provide external, independent training in relation to the COI provisions to improve Councillor knowledge and understanding of COI's . .	Council agrees with this recommendation and will engage the services of an independent facilitator to provide the training.	The target for this training is April 2019 and it will be actioned by the CEO and GO
Create a COI register.	This item will be actioned in time for the February meeting of Council	February 2019, actioned by GO
Create and enforce the use of a COI declaration form.	As above, to be in place ready for February 2019 meeting of Council.	February 2019, actioned by GO
Council may also wish to liaise with Ballarat Council regarding their application dealing with conflicts and the reporting of gifts and benefits.	Council staff will explore options provided by other Councils including Ballarat	CEO and GO will action and incorporate guidelines included in policy position and present to Council by August 2019.



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3. Interest returns

Council acknowledges the importance of an accurate interest returns process and also acknowledges that the late returns and incomplete returns is unsatisfactory.

By consolidating all of the statutory governance activities in the one area (CEO and Governance Officer), many of the issues that have been highlighted can be rectified. Also the development of a detailed Governance Schedule will also enable the process to be monitored closely and ensure that all people required to lodge interest returns will be alerted at the appropriate time.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
The interest return process should be formally documented to assist in ensuring that legislative requirements are met, irrespective of who has or is given responsibility for managing the process.	Interest returns will be managed via the GO role and “back-up” officers will be appointed to ensure sufficient resources are applied to the task. The “back-up” officers will include the Corporate Support Officer and Executive Assistant to DIDW.	CEO, GO, DCCS to implement by June 2019.
The documented process should include the nomination of a secondary responsible officer who is aware of the process and the legislative requirements.	As above support for this function will be developed.	As above
Councillors, Officers and Committee members should be routinely reminded of their obligations to submit returns, that they are on time and appropriately witnessed	Updates for Council Staff will be provided at Senior Management and 3 rd Tier Managers meetings prior to the lodgement time. Councillors will have reminders provided and refreshers provided at Council Assemblies prior to the lodgement date. This item will also be added to the agenda for the Audit Committee in 2019.	CEO, GO, DCCS & Finance Manager to implement by June 2019.
Returns are checked for statutory compliance, with non-compliant submissions followed up and appropriate actions taken.	The consolidation of all governance activities in the one location will enable the quality of submissions to be assessed and actioned by the CEO in a more suitable timeframe.	All returns will “quality checked” by the Governance Officer two weeks prior to the deadline for submitting them.

Asset management

1. Sale of land

Whilst Council does not have large volumes of land for sale, it is committed to ensuring that the appropriate legislative steps are taken when disposing of land assets. To ensure that this occurs, a detailed procedure will be developed and workshopped with the relevant staff.



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The procedure will include a check list to be approved by the CEO or relevant Director whenever land assets are sold. It must also include standards to be adhered to on advertising, valuations and reporting to ensure that suitable levels of transparency can be achieved.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council must ensure that relevant staff understand the requirements of section 189 of the Act and Council's Asset Disposal Policy and adhere to them.	A detailed procedure is to be developed to support the policy and relevant staff to be informed of their responsibilities to comply with the Act.	DCCS and FM will prepare policy by May 2019
Council must ensure that sale of land transactions are at all times transparent to the community, in accordance with Local Government Best Practice Guideline for the sale, exchange and Transfer of Land	Information sessions with relevant staff using the guidelines document will ensure that appropriate standards of transparency are achieved.	DCCS will facilitate information sessions with relevant staff by June 2019

2. Lease of land

Council acknowledges that there is a clear obligation to obtain best value for the community from its assets and accepts the recommendations contained within the report.

It must be highlighted however that the period from 2016 to 2018 where it is suggested that sheep were grazing the site was undertaken as a form of vegetation control and not an activity to advantage any particular party. It must also be highlighted that the site was not available for any grazing activity for a large portion of the period 2016 to 2018. The grazing / vegetation control, was arranged post the former arrangements with previous tenants and the sheep were sourced via local agents on short term placements / agistment. Grazing was not the only form of vegetation management exercised at the site, as Council funding the slashing of the site to reduce the grass fire risk.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
In all circumstances where Council land is being utilised by a body / entity other than Council, there should be a formal lease arrangement in place and the rental / lease payments must meet public expectations.	A complete review of all sites under Council care and control will be completed and agreements developed for any outstanding properties.	To be completed by December 2019 with responsible officer to be DIDW.
Council should develop a policy, or include in an existing policy, guidelines that outline the process in relation to the lease of Council Land	Council will develop a set of guidelines and have them referenced in the policy documents relevant to the lease of Council land	To be developed by October 2019



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Financial management

1. Procurement

Council accepts the recommendations contained within the procurement section of the report and a number of steps have been taken over the past two years to improve processes.

The items highlighted in the report namely, the *Kaniva Grass Maintenance, Town Maintenance Services, Kaniva and the Street Cleaning and pit Cleaning Services, Kaniva* are all items that have been managed inappropriately at times. In particular the Kaniva Grass Maintenance arrangements are to be finalised as soon as practicable, with staff working on specification documents.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council must follow its procurement policy	Council agrees to this recommendation and will undertake random audits of its processes to ensure levels of compliance improve. Training will also be provided for relevant staff to keep knowledge of the system up to date.	This will be an ongoing awareness program that will commence with the next review of the Procurement Policy in March 2019. It will be driven by the DIDW, DCCS and Contracts Manager
All tender evaluation panel members must be aware of their roles and responsibilities and have clear guidelines in regard to the disclosure and management of conflicts of interest.	Senior staff will attend conflict of interest training with the Victorian Ombudsmen's Office during 2019. This training provides a clear and easy to understand set of guidelines with respect to conflicts pertaining to procurement. Updates on process and requirements will be provided to management meetings on a regular basis	DIDW and DCCS to attend training at next available opportunity (CEO completed training in Dec 2018). CM, ME and WM to attend also.
All documents must be maintained in the records management system	This will be addressed through the records management training to be provided by PROV (or recommended provider) and updates and refresher training provided at regular intervals.	The target date for this training is April 2019. This will be determined by the availability of training providers and will be arranged by the DCCS
The credentials of each of the panel members be included in the evaluation report to demonstrate knowledge / expertise.	A standard form to be completed by all evaluation panel members will be developed and include conflict declarations, listing of credentials	Form(s) to be developed by DCCS and CM and implemented by May 2019



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Where a scoring matrix is completed, include the matrix with the evaluation report and ensure all tender evaluation panel members sign the matrix to attest that they were part of the process and support the final ratings.	Evaluation matrix documents are currently included in reports and will also include signatures of panel members.	Matrix documents in the signed format will be facilitated by the CM by February 2019.
Independent members of staff review completed files from a probity perspective, even if only on a random basis, to reinforce the integrity of the process.	Council agrees with this recommendation and random audits will be facilitated via the finance department at suitable times	Random audits to be facilitated at times that are suitable to the finance department and will be coordinated by the FM, commencing in March 2019.
Council develops a defined procurement complaints process to ensure consistency and uniformity when managing complaints about procurement	This process to be developed to compliment the Complaints Handling Policy, Customer Service Policy and Procurement Policy.	Senior Management Group along with CM and FM to develop by October 2019.
Council should ensure, where appropriate, formal contracts are entered into.	A review of all activities potentially requiring a formal contract will be completed as part of the review of the procurement policy	This activity will be completed by the CM during March 2019.

2. Community grant programs

The community grant program at Council is a very important program for Council as it provides an opportunity for Council to assist with small community groups to complete small projects and host events etc.

Due to the program being under subscribed for a number of years, the Economic Development Unit at Council provided information sessions to assist with the groups lodging applications. This improved the uptake during the periods when the grants were open.

It is acknowledged that a separation between the promoters of the scheme (Economic Development) and the recommendations needs to exist due to the program being promoted by the unit and assistance provided to the various applicants.

In order to create this separation, the Senior Management Group has agreed to develop an assessment panel / committee to make recommendations to Council for endorsement.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council must ensure that a separation of duty exists where the officer responsible for assisting applicants complete their applications, is not responsible for assessing applications and determining which are to progress to the funding stage.	Council will establish an assessment committee to determine which applications are to progress to the funding stage.	This process will be implemented from the next round of Community Grants (closing on 18 Feb 2019) and endorsed by



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	<p>All committee members will be required to complete disclosure statements.</p> <p>The officers who have assisted any particular group with an application will also be required to highlight which application they have assisted with.</p>	<p>Council at Ordinary meeting on 20 March 2019.</p> <p>Committee development will be undertaken by CEO & DCCS</p>
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3. Councillor expense / reimbursement

The processing and approval of Councillor expense claims will continue to be facilitated via the CEO and Governance Officer.

4. Corporate credit cards

The potential for misuse of corporate credit cards is acknowledged a risk for Council and the due this risk, the statements are scrutinised thoroughly to ensure compliance with policy.

This level of scrutiny will continue and the signing and counter signing of statements will be adjusted slightly to accommodate the CEO statement being counter signed by both the Mayor and Director Corporate and Community Services (DCCS).

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council may consider including a Director in the approval process of CEO expenditure, in addition to the Mayor, to ensure there is sufficient knowledge in regard to what reasonably constitutes Council business expenditure.	Council agrees with the recommendation and will implement it immediately	This process has been implemented and the appropriate finance staff informed of the requirement.

Human Resources management

As discussed during the Governance Examination, West Wimmera Shire Council participated in a shared service agreement with Horsham Rural City for the provision of a limited HR Advisory service.

Whilst this arrangement provided West Wimmera with some assistance in standardising a number of practices such as, justification for recruitment and assistance with staff reviews, it lacked a regular face to face element to the service.

After an evaluation of the service, some changes to the structure at Horsham Rural City and discussions with CEO's across the region, West Wimmera has now entered into a shared use arrangement with Yarriambiack Shire for HR Services, where each shire will receive 5 days per fortnight of a HR Manager based in the respective shire offices.



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This arrangement will commence in the first week of February 2019 and has been positively received by staff from both organisations and will greatly assist in improving efficiencies, morale and ultimately productivity across the shires.

1. CEO / Senior Officer Contract and Performance Reviews

It is acknowledged that the performance criteria has not been included in the contract documents for the CEO and DCCS.

It is intended that this will be addressed by attaching the annual performance objectives to the contracts upon completion of the annual review. This will also be undertaken by the Director Infrastructure Development and Works.

Recommendation	Action taken or to be taken	Action timeline and responsible officer(s)
Council should ensure that all future Senior Officer contracts, under the current legislation, must have specific performance criteria at the point of execution,	Council agrees with the recommendation and will implement it immediately	This process has been implemented and the appropriate finance staff informed of the requirement.

Yours faithfully

David Leahy
Chief Executive Officer