



TAMALA PARK
REGIONAL COUNCIL

GOVERNANCE AND INTERNAL CONTROL FRAMEWORK 2021



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1. INTRODUCTION

This framework recognises the legislative requirements, strategic direction, and organisational culture that the Tamala Park Regional Council (TPRC) operates within and seeks, to create standard principles of corporate governance. These standard principles of corporate governance guide Elected Members and employees in their decision making and service delivery.

Governance is an important concept and impacts on all sectors of the community. The practice of good governance is increasingly seen as critical for ensuring that:

- the organisation meets legal and ethical compliance;
- decisions are made in the interests of all stakeholders; and
- the organisation behaves as a good corporate citizen.

There are a range of benefits that can be derived from the development and implementation of an effective governance framework. These include:

- providing clear guidelines for the roles of the Council, Elected Members, CEO and Employees, ensuring that all responsibilities are properly allocated, and performance expectations are well understood;
- enshrining best practice in relation to 'board processes' (which are relevant to the elected Council);
- assisting Council and the CEO in delivering good governance;
- ensuring legal and ethical compliance;
- influencing processes throughout the organization by setting guidelines for strategic planning at all levels;
- acting as a point of reference for disputes;
- assisting as an induction tool for new Elected Members and employees.

For an organisation to demonstrate good governance there needs to be a clear understanding about responsibility and accountability. This Governance Framework has been produced to set out the roles of Elected Members and the organisation. The TPRC's framework consists of four key principles required to achieve good governance:

- *Culture and Vision;*
- *Roles and Relationships;*
- *Decision making and Management;*
- *Accountability.*

Each principle is divided into sub-categories where the principle is explained and put into action at TPRC. This framework has been developed with reference to documents outlining the practice of good governance (please refer to the Reference section of this document).

2. LOCAL GOVERNMENT DEFINED

Local government in Western Australia is established under the *Local Government Act 1995 (LGA)* and is the third sphere of government in Australia. Local government has legislative responsibility for many functions, activities, and service provision.

As the level of government often seen as the 'closest' to the community, local government activities relate to matters that are fundamental to people's lives and impact strongly on their quality of life.

The Tamala Park Regional Council was established by proclamation in the Government Gazette on 3 February 2006, via the Tamala Park Regional Council Establishment Agreement, for the specific purpose of creating an urban development on a 180-hectare portion of Lot 9504. As a regional government, it has the same general function of a local government, including legislative and executive functions, as per sections 3.61(1) and 3.66 of the LGA.

The regional purpose of the TPRC is to *undertake the rezoning, subdivision, development, marketing, and sale of the Tamala Park land.*

The objectives of the TPRC are:

- *to develop and improve the value of the land;*
- *to maximise, within prudent risk parameters, the financial return to the participants;*
- *to balance economic, social, and environmental issues; and*
- *to produce a quality development demonstrating the best urban design and development practice.*

3. GOVERNANCE IN LOCAL GOVERNMENT

3.1 WHAT IS GOVERNANCE?

Local governments in Western Australia must carry out their functions in accordance with the LGA and associated regulations.

Governance provides the structure through which a local government's vision and objectives are achieved within a context of competing and changing social, economic and environmental issues. The Governance Institute of Australia (GIA) notes that good governance has four key components:

Transparency

Being clear and unambiguous about the organisation's structure, operations and performance, both externally and internally, maintaining a genuine dialogue with, and providing insight to, legitimate stakeholders and the market generally.

Accountability

Ensuring that there is clarity of decision making within the organisation, with processes in place to ensure that the right people have the right authority for the organisation to make effective and efficient decisions, with appropriate consequences for failures to follow those processes.

Stewardship

Developing and maintaining an enterprise-wide recognition that the organisation is managed for the benefit of its shareholders/members, taking reasonable account of the interests of other legitimate stakeholders.

Integrity

Developing and maintaining a culture committed to ethical behaviour and compliance with the law.

The LGA 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 LGA prescribes that the general function of a local government is to provide for the good government of persons in its district.



3.2 FRAMEWORK FOR GOOD GOVERNANCE

The TPRC is committed to good governance systems and processes as they:

- underpin the confidence that stakeholders have in the TPRC;
- affect good planning and decisions;
- improve our capacity to be open to new ideas, and innovation to meet the expectations of stakeholders;
- ensure we meet our legislative responsibilities and minimise risk.

Good governance needs to be based on several principles and practices that emphasise clarity of goals, ownership of processes, opportunity to participate, roles and relationships and accountability.

Governance practices for the TPRC will be in line with the following four principles that provide a clear foundation for good governance:

Principle One: Vision and Culture

There is a clear vision and a Strategic Community Plan that is produced through a comprehensive and inclusive process. There is a positive culture and value system in place that promotes trust, openness, and honesty, in which constructive and respectful questioning is encouraged and accountability is clear.

Principle Two: Roles and Relationship

There is clarity about the roles within a 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 Elected Members, the CEO, and the organisation.

Principle Three: Decision-Making and Management

There are effective decision-making processes in place that reflect the transparency and accountability which underpin excellence in local government. There should be robust and transparent business management practices established and maintained to meet the TPRC's accountability to its stakeholders/members, particularly in terms of stewardship of community assets and finances, 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 to enable Council to focus on strategic issues.

Principle Four: Accountability

TPRC must account for its activities and have systems and processes that support accountability. TPRC should have an active performance management system in place that enables Elected Members and employees to be openly accountable for their performance. TPRC should establish internal structures that provide for independent review of processes and decision-making to assist it meeting its accountability to stakeholders/members.

The TPRC has developed this framework based on the above four principles. These four principles govern the TPRC's decision making. All decisions, policies, plans and strategies should be made with reference to the four principles. This should ensure legislative compliance, alignment with the TPRC's strategic vision, transparency, and accountability.

Adherence with the four principles is the responsibility of Council, individual Elected Members, the CEO, and all staff. Every decision made should be in alignment with the four governance principles and reflect good governance.

This framework divides each principle into sub-categories.

4. PRINCIPLES

4.1 PRINCIPLE ONE: VISION AND CULTURE

4.1.1 VISION: Vision and Values

In February 2020, Council adopted a ten-year Strategic Community Plan (2019-2029) with a vision to:

“Create a sustainable urban community offering diverse housing choice, social connectivity and employment opportunities”

The TPRC Strategic Community Plan (2019-2029) sets out vision, aspirations and objectives and is the principal strategy and planning document for the Tamala Park community over the next ten (10) years. It governs the work that the TPRC undertakes, either through direct project delivery, partnership arrangements or advocacy on behalf of our community. The clear direction set by the Council ensures asset and project provision is focused to meet the requirements of our community, now and into the future.

The Strategic Community Plan is a legislative requirement to ensure that we appropriately plan for the future of our communities and meets the aspirations of the seven participant local government members.

4.1.2 VISION: Integrated Planning and Reporting Framework

In October 2010, the LGA was amended to include a requirement for all local governments to follow an Integrated Planning and Reporting Framework (IPRF).

This IPRF aims to ensure integration of community priorities into strategic planning by local government Councils, as well as implementation of the objectives that have been set from these priorities.

The IPRF requires each local government to have three levels of integrated strategic planning, informed and supported by appropriate resourcing and asset management plans.

The key components of the Integrated Planning and Reporting Framework are:

Long Term Financial Plan (LTFP)

Long term financial plan to deliver the SCP strategies and CBP actions

Asset Management Plan (AMP)

Approach to managing assets to sustainably deliver chosen service levels

Workforce Plan (WP)

Shaping workforce to deliver organisational objectives now and in the future

Corporate Business Plan (CBP)

Four-year delivery program, aligned to the SCP

Issue or Area Specific Plans and Strategies

Any other informing plans or strategies (e.g. ICT, recreation plans, youth plan, local area plans, etc.)

Annual Budget

Financial statements, year 1 priorities and services.

Strategic Community Plan (SCP)

Community vision, strategic direction, medium and longer-term priorities, and resourcing implications over 10+ years

The Long-Term Financial Plan, Asset Management Plan and Workforce Plan are referred to collectively as the “core” informing strategies.

Long Term Financial Plan

The ten-year Long-Term Financial Plan is the high-level strategic document that helps align our community aspirations, strategic intent, and organisational capacity. It guides our approach to delivering infrastructure and services to the community and demonstrates our commitment to managing our operations in a responsible and sustainable manner.

The Plan achieves this objective by projecting our financial position over a ten-year time horizon using a series of financial assumptions.

This financial modelling provides the TPRC with appropriate information to assess capacity to maintain overall financial sustainability into the long term and, to ensure that the necessary funding arrangements are in place to support proposed capital replacement programs and new capital projects.

The Long-Term Financial Plan is underpinned by the following principles:

- alignment with strategic aspirations;
- responsible stewardship of assets;
- financial sustainability and accountability;
- prudence; and
- transparency.

Corporate Business Plan

In December 2020, Council approved a Corporate Business Plan (CBP) for 2020 - 2024. The purpose of the TPRC’s Corporate Business Plan is to determine internal operational activities (service delivery, programs, and projects) over a four-year period, which are developed to achieve the priorities in the SCP. It is a rolling four-year plan, updated annually, and informs the Long-Term Financial Plan (LTFP) and annual budget.

Strategic Community Plan

Section 5.56 of the LGA requires every local government in Western Australia to ‘plan for the future’, which includes developing a Strategic Community Plan (SCP).

Regulation 19C of the *Local Government (Administration) Regulations 1996* provides that the purpose of the SCP is to clearly define the local government’s strategic priorities, actions and initiatives for the next ten years, with the SCP to be updated every four years following a review.

In February 2020, Council adopted a SCP for 2019 - 2029, which established five elements to guide the TPRC in delivery a range of programs, project and services. The five key themes are:

1. Built Environment;
2. Natural Environment;
3. Social;
4. Economic;
5. Governance & Corporate Accountability.

The SCP drives the TPRC’s planning, budgeting, resource allocation and service delivery over the next decade, to focus efforts and align activities with the approved vision.

Annual Budget

The TPRC’s Annual Budget is adopted by Council each year and focuses on the TPRC’s actions to be achieved in line with the Corporate Business Plan and Strategic Community Plan. The Budget outlines operating expenditure and capital expenditure.



4.1.3 CULTURE: Ethical Standards and the Code of Conduct

In October 2019, the *Local Government Legislation Amendment Act 2019 (Amendment Act)* amended the LGA to introduce the requirement for a mandatory code of conduct for Elected Members, committee members and candidates, and model standards for CEO selection and recruitment, performance, and termination. The associated regulations took effect in February 2021. An objective of the amendments is to ensure that standards of behaviour are consistent between local governments.

The TPRC's Code of Conduct (**Code**) provides Elected Members, the CEO and all employees with guidelines for an acceptable minimum standard of professional conduct and behaviour in carrying out their functions and responsibilities.

The Code addresses, in a concise manner, the broader issue of ethical responsibility and encourages greater transparency and accountability within the TPRC. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective responsibilities may be based.

In accordance with the Amendment Act, the TPRC Code of Conduct for Elected Members was approved by Council. A separate Code of Conduct for employees is also to be prepared.

The *Local Government (Rules of Conduct) Regulations 2007* provide minimum standards for ethical and professional conduct by Elected Members in relation to:

- standards of general behaviour;
- use of confidential information;
- securing personal advantage or advantaging/disadvantaging others;
- misuse of local government resources;
- prohibition against involvement with the organisation;
- relations with employees; and
- disclosing interests that may affect impartiality.

4.1.4 CULTURE: Learning and Training Opportunities

Elected Members are required to undertake mandatory training in their first 12 months from being elected in accordance with the LGA. The mandatory training covers the following topics:

- Understanding local government;
- Serving on council;
- Meeting procedures;
- Conflicts of interest; and
- Understanding of financial reports and budgets

Elected Members are encouraged to continually improve their knowledge and expertise to enhance the quality of representation and promote well informed decision making. This can be achieved by participating in conferences, programs and training courses specifically designed for professional development relating to their role and responsibilities in local government.

In order to avoid unnecessary duplication of training and reporting and to comply with the requirements of the Section 5.128 of the Act the TPRC's website provides a link to each member local government's website where the policy, training and reporting requirements in respect of each of the TPRC's Elected Members is detailed.

The TPRC provides a comprehensive Information Pack for all new Elected Members, which includes relevant legislative information and all strategic planning and financial documents associated with the TPRC.

4.1.5 CULTURE: Confidentiality

Local government business involves significant confidential information being supplied or maintained. This information could be about commercial matters, individuals or businesses or legal issues.

The Act, Regulations and the Rules of Conduct detail how general information and confidential information is to be treated, accessed, and used by Elected Members and employees. The Code of Conduct also states the following in relation to disclosure of confidential information: "Elected Members, Committee Members and employees must not disclose to another person, written or oral information that is provided to them, or obtained by them, in confidence, or derived from a confidential document, or acquired at a closed Council meeting or committee meeting which is not open to the public."

This is in addition to provisions in the Act concerning confidentiality and to the Rules of Conduct discussed above.

4.1.6 CULTURE: Fraud, Misconduct and Corruption

TPRC expects Elected Members, Committee Members and employees act in accordance with the Code of Conduct and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all stakeholders and its’ members of the TPRC.

In December 2020, Council approved a Fraud Prevention Plan 2021 and the Fraud and Corruption Policy. The purpose of the Plan is to demonstrate that the TPRC is committed to ensuring that fraud and corruption do not occur, and to detail the actions that will be undertaken to achieve this.

The Plan aims to:

- Reduce the potential for fraud and corruption within and against the TPRC;
- Build a culture which seeks to prevent fraud and corruption; and
- Explain how suspected instances of fraud can be reported.

In support of the behavioural expectations, TPRC has also developed a Fraud, Corruption and Misconduct Control Policy which articulates TPRC’s “zero tolerance” position on fraud and corruption. It also details the internal controls in place and the expectations that are placed on Elected Members, Committee Members, employees, and the broader community, to prevent such activity and to identify and report such activity.

4.1.7 CULTURE: Support for Frankness, Honesty and Questioning

Elected Members are to debate issues openly and honestly. Employees are to provide frank and timely advice to the CEO, who in turn is to provide sound and frank advice to Elected Members and Council.

4.1.8 CULTURE: Communication and Engagement

TPRC is to have effective communications policies, practices and protocols, internally and externally, and be open to, and encourage, feedback from all stakeholders, members and the community.

4.2 PRINCIPLE TWO: ROLES AND RELATIONSHIPS

4.2.1 Roles

There are five key roles within a local government:

1. Council;
2. Elected Members;
3. Chair;
4. CEO; and
5. Administration.

The TPRC comprises 12 Elected Members made up from the 7 participant local governments listed below. Decision making, assets and liabilities are in accordance with ownership shares of each of the local governments outlined in the TPRC Establishment Agreement. The 2006 schedule of ownership shares and voting entitlements is as follows:

Council	Project Shares	Voting
Town of Cambridge	1/12	1 vote
City of Perth	1/12	1 vote
Town of Victoria Park	1/12	1 vote
City of Vincent	1/12	1 vote
City of Joondalup	2/12	2 votes
City of Wanneroo	2/12	2 votes
City of Stirling	4/12	4 votes

TPRC local government members are elected for a two-year term by the participant local governments, unless elected for a shorter term due to a vacancy created by the resignation or disqualification of an Elected Member during their term. There are no limitations on the maximum terms of office for Elected Members.

Effective relationships between Elected Members, the Chair, the Council as a whole, the CEO and Administration is critical to the achievement of good governance.

Council is responsible for strategy and policy. This includes the strategic planning mechanisms to ensure the continued sustainability of the organisation, the setting of strategic goals for the organisation and the monitoring of the TPRC’s performance against these strategic goals.

Council is not responsible for the day-to-day operation of the local government. All operational matters are the responsibility of the CEO.

Elected Members and employees must understand their different roles and accept the role they play in achieving the TPRC's corporate goals and implementation of the TPRC's strategies. This understanding is essential for the TPRC to operate effectively and underpins good governance.

The LGA sets out the roles and responsibilities of the Council, Chair, Elected Members, CEO and Administration.

4.2.2 Role of Council

In accordance with section 2.7 of the LGA the role of Council is to:

- Govern the TPRC's affairs;
- Be responsible for the performance of the TPRC's functions;
- Oversee the allocation of the TPRC's finances and resources; and
- Determine the TPRC's policies.

4.2.3 Role and Responsibilities of the Chair

In accordance with section 2.8 of the LGA, the role of the Chair (Mayor/President) is to:

- Preside at meetings in accordance with the LGA;
- Provide leadership and guidance to the community in the district;
- Carry out civic and ceremonial duties on behalf of the TPRC;
- Speak on behalf of the TPRC;
- Perform such other functions in accordance with the Act or any other written law; and
- Liaise with the CEO on the TPRC's affairs and the performance of its functions.

4.2.4 Role and responsibilities of the Deputy Chair

The role of the Deputy Chair is to perform the functions of the Chair when authorised to do so under sections 2.9 and 5.34. This includes when the role of Chair is vacant or when the Chair is not available or unwilling or unable to perform duties.

4.2.5 Role and Responsibilities of the Elected Members

In accordance with section 2.10 of the LGA, the role of an Elected Member is to:

- Represent the interests of electors, ratepayers, and residents of the district;
- Provide leadership and guidance to the community in the district;
- Facilitate communication between the community and the Council;

- Participate in the TPRC's decision-making process; and
- Perform such other functions as prescribed in the Act or any other written law.

4.2.6 Role and Responsibilities of the Chief Executive Officer (CEO)

In accordance with section 5.41 of the Local Government Act, the functions of the CEO are to:

- Advise the Council in relation to the functions of a local government under the LGA and other written laws;
- Ensure that advice and information is available to the Council so that informed decisions can be made;
- Cause Council decisions to be implemented;
- Manage day to day operations of the local government;
- Liaise with the Chair on the local government's affairs and the performance of the local government's functions;
- Speak on behalf of the local government if the Chair agrees;
- Be responsible for the employment, management, supervision, direction, and dismissal of other senior employees (subject to section 5.37(2));
- Ensure that records and documents of the local government are properly kept for the purposes of the Act and any other written law; and
- Perform any other function specified or delegated by the local government or imposed under the Act or any other written law as a function to be performed by the CEO.

4.2.7 Role and Responsibilities of Employees

Good governance requires all employees to think carefully about their decisions and actions, to be interested and to be active participants in the TPRC's management and outcomes. It is not only senior management and Council that is responsible for governance matters - every element that forms part of TPRC is responsible for good governance.



4.2.8 Working Relationships

4.2.8.1 Working relationships between the Chair and CEO

It is necessary for the Chair and the CEO to have an effective working relationship. Some of the key features of an effective relationship include:

- Working together to achieve Council's objectives and strategies and the implementation of Council's decisions;
- Professional, inclusive, and open communication;
- Clear understanding of respective roles and authorities; and
- Consistent communication and regular meetings.

4.2.8.2 Working relationships between Elected Members and employees

Elected Members are entitled to be fully informed to carry out their role as a decision maker and may seek specific information on various issues before Council.

Elected Members can not undertake administrative tasks, as set out in regulation 19 of the *Local Government (Model Code of Conduct) Regulations 2021*.

4.3 PRINCIPLE THREE: DECISION-MAKING AND MANAGEMENT

4.3.1 Effective Decision-Making

Decision making is the most important activity undertaken by Elected members of TPRC. Effective decision-making processes increase the likelihood that the decisions themselves will be in the best interest of the community. Good processes will ensure confidence in decision making by all Elected Members as well as the public.

Part 5 of the LGA sets out the framework whereby Elected Members meet as the governing body (Council) for the purpose of decision making on behalf of the local government.

It is an intention of the Act that Council conducts business and makes decisions:

- openly and transparently;
- with a high level of accountability to their community;
- efficiently and effectively;
- with due probity and integrity;
- acknowledging relevant community input;
- with all available information and professional advice;

- with the fullest possible participation of elected members.

An important role of the CEO is to ensure that Council receives quality and timely advice and relevant information to enable informed and effective decisions to be made. At meetings, this includes ensuring that all reports presented include the necessary background information and detail; any options; any financial or legal impacts; and any associated risks. Council decisions need to have clarity and that clarity arises from the recommendations in reports from the CEO. The decisions made at meetings provide the direction and authority for the ongoing operation of the Council and give direction to the CEO to act.

Decisions made at meetings are recorded in the form of resolutions, which are binding on the Council until they are formally amended or repealed. Resolutions, once recorded, take effect immediately.

To facilitate transparent and accountable decision-making Elected Members and Administration are encouraged to operate in the following manner:

- Administration will endeavour to respond to any queries or requests for information from Elected Members as a priority so that Elected Members have the required information to fulfil their role and make decisions.
- Elected Members will endeavour to provide complex questions or large requests for information to Administration in advance of a Committee or Council Meeting, particularly if a detailed response is required or if it relates to a possible amendment or alternative recommendation, so that Administration has sufficient time to provide a sufficiently detailed response.

This reciprocal arrangement assists Council in fulfilling its roles and responsibilities on behalf of its stakeholders, members, and community.

4.3.2 Decision Making Forums and Processes

4.3.2.1 Council Meeting Schedule

The TPRC has adopted a bi-monthly schedule of Council Meetings. The meeting schedule is generally determined in December for the following year and is listed on the TPRC website.

4.3.2.2 Council Meetings

Council Meetings are conducted in strict compliance with the requirements of the LGA, its regulations and the TPRC's Meeting Procedures Local Law.

Good decision-making at a Council Meeting is achieved by:

- a clear and informative agenda;
- good chairing and facilitation by the Chair;
- adherence to the meeting procedures; and
- adherence to statutory requirements.

Council Meeting Agendas are published on the TPRC's website on or before the Friday of the week before the Council Meeting.

The TPRC's Council Meetings are open to the public. Elected Members, the CEO and relevant officers attend all Council meetings.

4.3.2.3 Committee Meetings

To assist with its decision-making responsibilities, Council can establish committees from time to time. The work of committees is significant in local government due to the wide range of activities and functions of Council. Committees report to Council and are subject to the requirements of the Act and the TPRC's meeting procedures.

The role and tasks of committees are varied however committees are generally established to:

- inquire into matters and to provide and make recommendations to Council on matters within Council's responsibilities
- carry out a specific project or task on behalf of Council or
- exercise, perform or discharge delegated powers, functions, or duties.

The Council has approved the establishment of the following committees:

- Management Committee; meets bi-monthly, between Council Meetings
- Audit Committee; meets when required
- Chief Executive Officer Performance Review Committee; meets when required

4.3.2.4 Community Participation in the Decision-Making Process

The TPRC's Meeting Procedures Local Law outlines procedures for the community to engage in the TPRC's decision making process, which includes access to information, agendas, and questions at meetings.

4.3.2.5 Agenda and Minutes

Agendas

The TPRC circulates the agenda for the Council Meeting on the Thursday prior to the Meeting.

Well-structured agendas lead to efficient and effective Council Meetings, and in turn result in good decision-making.

The TPRC's agendas comprise of reports prepared by Administration, which aim to provide the Council with sufficient and relevant information to make a decision.

Reports include the following information:

- Recommendation: Clearly states the action that Administration is proposing.
- Purpose: Explains why the report is being prepared and what is requested from Council.
- Legislation: Specifies any Acts, Regulations, Local Laws and Policies that are relevant to the decision.
- Risk Management Implications: A low, medium, or high-risk rating is assigned to the proposed recommendation. The risk of not making the recommended decision can also be included.
- Financial and Resource implications: Identifies the financial impacts of the proposed decision and alignment with or impact on the LTFFP.
- Background: A brief overview of the history of the topic
- Details/Discussion: Summary of key information and messages to enable a full understanding of the matter.
- Conclusion / Next Steps: Identifies the actions that will follow the Council's/Committee's consideration of a matter.

Minutes

Regulation 13 of the *Local Government Administration Regulations 1996* prescribes that unconfirmed minutes of each Council meeting are to be available to the public within 10 business days after the meeting.

The minutes of a Council Meeting comprise of all items considered at the meeting and include attendances, all motions, their movers, seconders, and the results of the motions.

In the interests of accountability and transparency, the TPRC circulates the minutes seven (7) days following the Council or Committee Meeting.

The minutes are confirmed at the first Council Meeting immediately thereafter.

4.3.2.6 Meeting Procedures

The Council is to adopt a Meeting Procedures Local Law that sets out the conduct, process and protocols of Council meetings. The Meeting Procedures Local Law is required to be reviewed every 8 years.

Elected Members are to familiarise themselves with the meeting procedures as any breaches may result in the matter being referred to the Local Government Standards Panel.

Council has also adopted an Electronic Council Proceedings Guideline which governs the conduct of e-Meetings. e-Meetings may be held during a declared state of emergency or public health emergency.

4.3.3 Declarations of Interest

Elected Members must make decisions in the best interests of their community. To do this, they must consider each issue on its merits.

A conflict of interest occurs when a person's position, or their financial or other personal interests, affect, have the potential to affect, or could have the appearance of affecting, their judgement, objectivity, or independence.

Decision making could be influenced, or perceived to be influenced, in several ways, including through financial relationships, personal relationships and the receipt of gifts.

The LGA sets out requirements for Elected Members, CEOs, and employees to disclose interests to ensure transparency and accountability in decision making.

Elected Members, the CEO and employees must declare any actual or perceived conflict of interest between their personal interests and the impartial fulfilment of their professional duties in accordance with the requirements of the LGA, as outlined below.

4.3.3.1 Disclosure of Interests Affecting Impartiality

An impartiality interest is defined in Regulation 19AA of the *Local Government (Administration) Regulations 1996* and Regulation 22(1)(a) of the *Local Government (Model Code of Conduct) Regulations 2021*.

Elected Members and employees (including persons under contract) are required to disclose interests affecting impartiality and must disclose the nature of the interest in a written notice given

to the CEO before the meeting; or at the meeting immediately before the matter or item is discussed.

The disclosure of an interest that may affect impartiality does not affect the ability of the Elected Member to discuss or vote on the matter.

4.3.3.2 Financial Interests

Elected Members and employees must comply with the laws governing financial interests, including the disclosure of financial interests, set out in the LGA. Sections 5.59-5.90 of the LGA establish the requirements for disclosure by Elected Members and employees and contractors of financial interests (including proximity interests).

The onus is on Elected Members and employees to identify possible financial interests (including proximity interests and non-financial interests), to determine whether an interest exists and whether any statutory exemption applies.

4.3.3.3 Proximity Interests

In accordance with section 5.60B of the LGA, it is a requirement for the discloser of a proximity interest where the Elected Member is closely associated, has in a matter before Council or a Committee.

A proximity interest arises it is proposed to:

- a proposed change to a planning scheme affecting land that adjoins the person's land; or
- a proposed change to the zoning or use of land that adjoins the person's land; or
- a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.

The existence of a proximity interest is established purely by the location of land. A financial effect on the valuation of your land or on the profitability of your business does not have to be established. It is therefore important that you fully understand when a proximity interest exists.

The person's land referred to is both land in which you, or a person with whom you are closely associated, has any estate or interest.

Land the adjoins a person's land is defined by the LGA as land that:

- the proposal land, not being a thoroughfare, has a common boundary with the person's land;
- the proposal land, or any part of it, is directly across a thoroughfare from, the person's land;
- the proposal land is that part of a thoroughfare that has a common boundary with the person's land.

4.3.3.4 Disclosure of Interests of Employees

It is a requirement of the LGA that employees disclose any interest in any matter when providing advice or reporting directly to Council.

In accordance with section 5.70 of the LGA:

“An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.”

Such interest is to be disclosed in writing to the CEO before the meeting.

The TPRC’s Code of Conduct also requires an employee to disclose any interests, where the interest could, or could reasonably be perceived to, affect the impartiality of the employee having the interests and includes an interest arising from kinship, friendship or membership of an association. In some situations, this may require the employee to disqualify themselves from dealing with a particular matter.

The TPRC maintains a register of staff conflicts of interest, and any staff disclosing a conflict of interest that cannot be appropriately managed will be removed from the decision-making process.

4.3.3.5 Primary and Annual Returns

Elected Members and ‘designated employees’ are required to complete Primary and Annual Returns in accordance with the requirements of Division 6 of Part 5 of the LGA. Primary and Annual Returns outline financial interests, including property ownership. These interests could give rise to a conflict of interest.

Section 5.75 of the LGA requires Elected Members and ‘designated employees’ to complete a Primary Return within three months of commencing in their role.

A Primary Return is a snapshot of personal financial information as it exists at the time of commencement.

At the end of each respective financial year, Elected Members and ‘designated employees’ must complete an Annual Return, which discloses any changes to the information previously disclosed in their Primary Return or new interests that have accumulated since completing their Primary Return or last Annual Return.

4.3.3.6 Acceptance of Gifts

In accordance with the LGA, Elected Members (section 5.87A) and CEOs (section 5.87B) are required to disclose gifts that are received in their capacity as an Elected Member or CEO and:

- are valued over \$300; or
- are of a cumulative value that exceeds \$300 where the gifts are received from the same donor in a 12-month period.

An individual gift from a person or organisation with a value exceeding \$1,000 must not be accepted by an Elected Member or the CEO.

The TPRC registers of gifts are publicly available on the TPRC’s website.

Elected Members must disclose the interest, in accordance with section 5.65, in writing to the CEO before the meeting or immediately before the matter is discussed.

The CEO is also bound by these requirements and must not be involved in the preparation of the report to Council, either directly or indirectly (section 5.71A).

4.3.4 Legislative Framework

4.3.4.1 Delegations

Some legislation confers powers on local governments to allow Council to delegate powers to a committee of the local government, the local government’s CEO or in limited circumstances other persons or employees.

The purpose of delegating a power is to allow matters that are routine, may have a time constraint or can change rapidly, to be dealt with efficiently.

Delegates exercise the delegated decision-making function in their own right; in other words, they have discretionary decision-making powers. The use of delegated authority means that a large volume of routine work can be effectively managed and acted on promptly, which in turn facilitates efficient service delivery to the community.

In situations where an employee has been delegated a power or duty by the CEO, and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and must either disclose the nature of the interest to the CEO (or should the employee be the CEO, disclose the nature of the interest to the Chair).

Council is required to keep record on the exercise of delegations and the TPRC's Register of Delegations is reviewed by Council on an annual basis and is available on the TPRC's website.

This register includes:

- Delegations from Council to the CEO;
- Sub delegations from CEO to other employees;
- Appointments of authorised persons; and
- Appointments of other employees.

4.3.4.2 Policies

Section 2.7(2)(b) of the LGA states that the Council is to "determine the local government's policies".

Policies guide decision making by Council and Administration. Policy provisions are at the discretion of the Council, provided they are in accordance with relevant legislation and align with the TPRC's Strategic Community Plan.

Council is responsible for making, amending, and revoking policies as required to ensure policies remain relevant and reflect community views and current practices.

Policies are to be reviewed by Council on an annual basis or otherwise determined and are available on the TPRC's website.

4.3.5 Financial Management

4.3.5.1 Role of the CEO

The CEO is accountable to Council for the financial performance of the TPRC. The CEO must ensure that certain fundamentals are in place including, but not limited to:

- Appropriate financial systems, plans, strategies, and protocols
- Adequate resources to support the TPRC's activities and financial monitoring and performance
- Suitable internal review and audit mechanisms
- An organizational culture where responsibility and accountability are clearly defined and understood
- Adherence to and compliance with legislative provisions.

4.3.5.2 Financial Management Planning and Principles

The Council is ultimately responsible for the financial management of TPRC. Good financial management requires both Council and the organisation to play their role. The TPRC has developed a Long-Term Financial Plan 2019-2030 that is an important part of Council's Integrated Planning process. The plan is aligned with Council's Strategic Community Plan and Corporate Business Plan.

Council is to ensure that it receives sufficient reports and other information to adequately monitor its performance, resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery.

There should be robust and transparent financial management established and maintained to meet local government's accountability to its stakeholders, both now and into the future. There is an emphasis on the role of Council in delivering their accountability for the financial state of TPRC, which is accomplished through the TPRC Audit Committee, the role of which is to:

- Review of statutory documents including, Annual Budget, Statutory Budget Review, Annual Financial Statement and Compliance Audit;
- Review of statutory processes including, quarterly financial reporting and annual financial reporting;
- Recommend to Council on the appointment of an external Auditor; and
- Review of Policies.

4.3.5.3 Annual Budget

One of the responsibilities of Council under the Act is to prepare, set and adopt the TPRC's Annual Budget. The Annual Budget can be viewed as the annual articulation of the TPRC Long Term Financial Plan 2019-2030. Based on the leadership of Council, it determines the TPRC's priorities for each year and the allocation of resources to achieve those priorities.

Under Regulation 33A of the Local Government (Financial Management) Regulations 1996 the TPRC is required to conduct a review of its Annual Budget after considering the changes in its operating environment since the beginning of the financial year with a view to forecasting the financial impacts likely to arise for the remainder of the year. The review is to be conducted before 31 March each year

4.3.5.4 Long Term Financial Plan 2019-2030

The prime objective of the Tamala Park Regional Council is to subdivide, develop, market and sell the developed land of the Catalina Estate. The Long-Term Financial Plan covers a 12-year planning period from 2019-2030.

The Catalina Project is anticipated to be completed in the 2029-30 financial year; however, the Plan will be subject to annual reviews. The Long-Term Financial Plan includes three cashflow scenarios based on a range of assumptions. The LTFP will also:

- Demonstrate greater accountability and transparency;

- Link to various plans, such as the Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Annual Budget;
- Assess the financial returns of the Tamala Park Project; and
- Identify potential financial issues and their long-term impact.

The LTFP includes modelling of three scenarios based on a range of assumptions and assesses the projected income from the sale of lots, cost of development and profit distribution to member councils as well as the operational costs associated with the TPRC.

4.3.6 Asset Management

TPRC Asset Management Plan covers the infrastructure assets that serve the TPRC's needs. These assets include leasehold improvements, motor vehicles and computer equipment, that allow the TPRC to meet the needs of its stakeholders.

The Asset Management Plan has been developed to demonstrate responsive management of the Council's assets (and services provided from these assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service.

4.3.7 Records Management

The TPRC's corporate records are to be managed in accordance with the TPRC's Records Management Policy. All Elected Members and employees are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the TPRC's official recordkeeping system.

The TPRC's record keeping practices must be in accordance with:

- State Records Act 2000
- Evidence Act 1906
- Freedom of Information Act 1992
- Local Government Act 1995
- Local Government Accounting Directions 1994.

Certain corporate records maintained and held by TPRC are accessible to members of the public in accordance with the processes stated in the Freedom of Information Act 1992.

4.3.8 Risk Management

Tamala Park Regional Council operates in a challenging risk environment. Economic uncertainties coupled with varied member Council expectations and un-certain future demand for residential and non-residential developments drive

the need for the Council to both understand and manage the risks associated with the successful delivery of the Catalina Development Project. A systematic and structured enterprise-wide approach to risk management enables us to effectively deal with both known and emerging uncertainty arising from potential threats and opportunities.

"Risk Management" is concerned with the processes and structure to understand and optimize the impact of uncertainty on objectives, whilst at the same time minimising and downside risk. The risk management process is defined as "The systematic application of management policies, procedures and practices to the activities of communication and consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk".

TPRC has established a Risk Management Framework, which is to be reviewed on an annual basis it reflects the below objectives:

- To provide greater visibility of TPRC's risk exposure across all its activities and functions;
- To ensure that all risks are assessed against the Risk Appetite as set by the Council and outlined in the Risk Appetite Statement;
- To ensure that all employees are aware of the need to identify and manage risk;
- To promote a culture of risk-based decision-making;
- To ensure that strategies, plans and controls are focused on maximizing opportunities and minimising the negative impact of uncertainties;
- To deliver greater transparency, objectivity and accountability in decision-making;
- To facilitate the identification of critical and vulnerable areas of operations to provide focus for implementing measures to improve operations resilience and continuity; and
- To provide greater visibility of Catalina Project risk exposure and accountability and reporting from the Development Manager



4.4 PRINCIPLE FOUR: ACCOUNTABILITY

Good governance is based on the premise that those who are involved in governance, both Elected Members and Administration, are held to account for what they do.

Accountability means holding Elected Members, the CEO, and employees of a local government responsible for its performance. The public trust placed in the public sector and in its Elected Members to act in the public interest can be justified in the way their duties have been performed.

4.4.1 Performance Management and reporting

The Council is accountable for monitoring performance in the achievement of the TPRC's strategic direction, goals and financial outcomes which are set through, the Long-Term Financial Plan, the Corporate Business Plan, and the Annual Budget. The management of the TPRC's performance and the reporting of that performance to its stakeholders is achieved in several ways.

4.4.1.1 Progress Reporting

The TPRC has developed a reporting system to provide Council with the necessary information to enable it to assess performance against the various plans it has developed. The reporting system is a systematic and regular process that allows Council to take action to rectify any issues that arise and as such, be accountable to its stakeholders.

4.4.1.2 Financial Reporting

The *Local Government Act 1995* (the Act) requires local governments to prepare an Annual Financial Report on its operations for the preceding financial year. The Annual Financial Report provides information about the TPRC's financial activities, income, and expenditure.

The TPRC's Annual Financial Report is audited by an external auditor and considered by the TPRC's Audit Committee before being submitted to Council for adoption.

4.4.1.3 Annual Report

In accordance with section 5.53 of the LGA the TPRC prepares an Annual Report each financial year.

The TPRC's Annual Report is the key reporting document that details the TPRC's activities throughout each year, and outlines progress made

towards strategic objectives set out in the strategic documents.

4.4.1.4 CEO Performance Review

Council is accountable to review the performance of the CEO at least once each year. TPRC has established the CEO Performance Review Committee to assist with the annual review of the CEO's performance as well as recruitment activities for a new CEO when such a situation arises.

In accordance with section 5.39(a) and (b) of the LGA the Council adopted a Model Standard for CEO recruitment, performance and termination which sets out the way this annual review is to be conducted.

4.4.1.5 Employee Performance Review

In accordance with the Act, the performance of all employees is to be reviewed at least once in relation to every year of their employment. Employee performance is to be assessed as well as training and development opportunities to be identified.

4.4.2 Audits

4.4.2.1 Compliance Audit Return

The Local Government Act 1995 states local governments to undertake a Compliance Audit Return (CAR) "*in the prescribed manner and in a form approved by the Minister*". In accordance with section 7.13(1)(i), the CAR is to be submitted to the Department of Local Government, Sport and Cultural Industries before 31 March, after its review from the Audit Committee and adoption by Council.

The Compliance Audit Return provides prompts in relation to the local governments' statutory obligations in several areas, such as local laws, tenders, meeting processes, disclosure of financial interests and financial management. It provides TPRC a useful tool to ensure compliance with the Local Government Act.

4.4.2.2 Audit Committee

The TPRC's Audit Committee is responsible for reviewing and making recommendations to Council regarding financial management, risk management, internal controls, legislative compliance, internal and external audit planning, and reporting.

The primary objectives of the Audit Committee are to:

- Accept responsibility for the annual external audit; and

- Liaise with the local government's internal and external auditors so that Council can be satisfied with the performance of the local government in managing its affairs.

Reports from the Committee assist Council in discharging its legislative responsibility of controlling the local government's affairs, determining the local government's policies, and overseeing the allocation of the local government's finances and resources. The Committee ensures openness in the local government's financial reporting and liaises with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The Committee facilitates:

- The enhancement of the credibility and objectivity of internal and external financial reporting;
- Effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control, and legislative compliance;
- The coordination of the internal audit function with the external audit; and
- The provision of an effective means of communication between the external auditor, internal auditor, the CEO, and the Council.

4.4.2.3 External Audit

Each year, TPRC will engage an external independent auditor to carry out an audit on TPRC's financial statements with an audit report being provided to Council. Any significant issues the Auditor identifies, are reported to the Council and TPRC's CEO.

The audit report is examined by the Council and is to implement appropriate action in respect to the significant matters that may be raised and detail such action in a report to be submitted to the Council.

In addition to financial and compliance audits, the Independent Auditor may carry out performance audits that examine compliance with legislative provisions and internal policies. Performance reports are also submitted to Council.

4.4.2.4 Internal Audit

The TPRC will develop an internal audit program in 2021 that focuses on areas of risk including non-financial systems and compliance with legislation, regulations, policies, and best practice. The primary objectives of the program are to

independently evaluate TPRC's systems of internal control to provide assurance that:

- TPRC is achieving its goals and objectives efficiently, effectively and in an ethical manner;
- Operating information produced is accurate, timely and complete;
- There is compliance with relevant laws, regulations, and other external requirements and with policies, protocols, and other internal requirements;
- TPRC assets and liabilities are competently managed and protected against loss or other negative consequences.

Recommendation action plans are developed and agreed with management for audit recommendations and follow-ups conducted to ensure that they are implemented as agreed.

4.4.2.5 Project Development Manager engagement

Strong relationships are critical to the successful delivery of the Catalina Project and its activities, which require careful and ongoing management. TPRC developed a Management Agreement between TPRC and Satterley Property Group (SPG), which enables SPG to perform Development Management Services to assist it to carry out the Catalina Project.

4.4.3 Internal Controls

TPRC is to ensure appropriateness of internal controls to meet compliance with regulations, good governance principles and achievement of strategic objectives.

The implementation of policies, procedures and processes designed to promote compliance, encourage effective and efficient operations and to protect the TPRC's assets.

All employees are accountable for documenting and implementing systems, controls, processes, and procedures in their own area of responsibility.

Procedures are to be established to allow for the appropriate development, review, amendment, and authorisation of internal control documentation (such as processes and checklists). This is intended to reduce the risk of breakdowns in controls through unilateral undocumented changes to authorised established procedures.

Internal controls will be reviewed and assessed through risk management activities aligned with the Risk Management Framework and reported through the appropriate channels as detailed in these documents.

In line with Regulation 17 of the *Local Government (Audit) Regulations 1996*, the Chief Executive Officer is required to report on a review of risk management, internal controls, and legislative compliance every three calendar years. This is in addition to the three-yearly review required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* which also includes a review of the Council's financial internal controls.

4.4.4 Complaints Management

The TPRC has adopted a Complaints Policy, which reflects the TPRC's commitment to providing a responsive and accountable complaints management framework. Customer service requests or complaints are processed in accordance with this policy.

4.4.5 Public Access to Information

Section 5.94 of the LGA sets out certain Local Government information that members of the public can inspect with limits on those rights detailed in Section 5.95.

The Western Australian *Freedom of Information Act 1992* gives people a right to access documents of an agency, subject to the sensitivity of the document and the exemptions applied pursuant to the Act. The Act is designed to make State and local government more open and accountable to the public by creating a general right of access.

The TPRC is committed to transparency and accountability and seeks to provide members of the public with access to information in the most time efficient and low-cost methods, while ensuring the privacy of staff and the public is protected.

This position has been formalised in the following documents:

- Freedom of Information Statement;
- Freedom of Information Application form; and
- Freedom of Information Brochure / Fees

5. REVIEW AND CONTINUOUS IMPROVEMENT

The processes that support continuous improvement of the Framework and the policies, procedures and processes that support this Framework include:

- Reviewing the Governance Framework bi-annually or following a significant change within the TPRC or in the underpinning legislations;
- Review of individual governance issues to identify any control weaknesses and lessons learned for policy and procedure improvement; and
- Regular training for Elected Members and Employees of Tamala Park Regional Council

6. REFERENCES

The following documents have been used in the development of the Governance Framework for Tamala Park Regional Council:

- *AS8000 Good Governance Principles*
- *ASX Corporate Governance Council - Principles of Good Corporate Governance and Best Practice Recommendations*
- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*
- *Local Government (Financial Management) Regulations 1996*



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