

Governance Review Report – Executive Summary/Overview

The change in political leadership owing to a mayoral by-election held on 19 August 2017, presented an opportunity for Ipswich City Council to undertake a review of its governance framework. Reinforcements Management Consulting was engaged to conduct this review.

The scope of the review was contained to systems, processes and procedures considered necessary to support an effective standard of governance consistent with the Local Government Principles contained in Section 4 of the *Local Government Act 2009*.

The review identified reasonably good structures of formal policies and procedures intended to guide Councillors and employees in the conduct of their respective roles. Opportunities for improvement and closer alignment to the local government principles were identified leading to 19 recommendations being made and summarised as follows:

Recommendation 1	Re-introduction of a Code of Conduct for Councillors as a public expression of Council's commitment to ethical governance. The report identified that the enactment of the Local Government Act 2009 removed the previous mandate for a Code of Conduct for councillors, however recommended that a Code of Conduct for Councillors be re-introduced (original code having expired in 2012) to demonstrate publicly Councillors commitment to integrity in office.
Recommendation 2 & 3	Review of Councillor/Council Officer contact list for provision of information and assistance to Councillors and develop, promote and deliver guidelines and training to Councillors and Council Officers in relation to their respective roles/responsibilities in making and addressing requests for information and assistance. The report considered the structure and guidelines around the interaction between Councillors and Council Officers designed to ensure that Councillors have access to appropriately qualified Council officers for the purposes of advice or information regarding Council operations while still maintaining the legislatively prescribed independence and separation of functions. This interaction is guided by the Reasonable Requests Policy. The report considered there to be no evidence of mis-use of this Policy, but identified a large number and spread in the staff empowered to inform and advise Councillors that could leave Council open to a high risk of error or inconsistency and undue influence on lower level administrative decisions. Accordingly, it has been recommended: (a) Review of Councillor/Council Officer contact list; (b) Review/development, promotion and delivery of guidelines and training for both Councillors and Council Officers in relation to roles/responsibilities in making and addressing requests for information and assistance.

<p>Recommendation 4</p>	<p>Publish identifiable and consolidated Register of Interests for Councillors with clear links from the Councillor information page of the Council’s website.</p> <p>The report identified that Part 5 Section 289 to 297 of the <i>Local Government Regulation 2012</i> sets out the requirements for Councillors Register of Interests and recommended publication of identifiable and consolidated Register of Interest for each Councillor linked to the Councillor profile page on Council’s website.</p>
<p>Recommendation 5</p>	<p>Record in minutes of meetings, Councillor’s declaration of conflicts of interest against Committee Report Item number and the topic or subject heading to identify the context of the declared conflict of interest.</p> <p>The report identified that there is a regular and disciplined approach to Councillors declaring conflicts of interest in business before the Council. However, it has been recommended that there would be greater transparency in recording in the minutes of meetings, Councillor’s declarations of conflict of interest against Committee Report item numbers, topics and subject headings.</p>
<p>Recommendation 6</p>	<p>Restructure the Board/Committee structure and establish guidelines, policies and procedures for dealing with “open” and “closed” sessions and recording of any recommendations.</p> <p>The report identified and analysed the current structure of Boards and Committees and Council’s approach to dealing with confidential agenda items through a Board process as compared with “open” and “closed sessions in Committee/Council meetings. It has been recommended that Council remove the Boards, restructure the Committees and develop policies/procedures around allocating and considering agenda items in “open” and “closed” session.</p>
<p>Recommendation 7</p>	<p>Publication of all Council Officer’s reports to Committees, Committee reports submitted to Council and Council’s formal resolutions on Council’s website subject to confidentiality considerations.</p> <p>The report identified that in light of the current Board/Committee structure publication of agendas and business papers could be improved and recommended that Council publish on its website all Council Officer’s reports to Committees, Committee reports submitted to Council and Council’s formal resolutions subject to confidentiality considerations.</p>
<p>Recommendation 8</p>	<p>Publication of a list of all adopted and current policies with links to actual documents on Council’s website.</p> <p>The report identified that while some policies are published on Council’s website and are open to inspection upon request, it recommended publishing a list of Council’s policies and linking the actual documents on Council’s website.</p>

<p>Recommendation 9</p>	<p>Council review the conditions of the delegated power to decide applications under the Planning Act and develop an awareness training program for inclusion in Council’s induction and CPD program in relation to workplace behaviour including preventing undue influence of delegated authority decisions, bullying and harassment.</p> <p>The report identified that to ensure efficient administration of local government Councils delegate decision making authority to the CEO and appropriately authorised officers. This ensures compliance with the principle of “Separation of Powers” which seeks to keep operational decision-making at arm’s length from the political forum. Delegation of powers is particularly important to planning staff regarding approval of planning applications. In order to ensure and support consultation with Councillors and avoid situations that could be considered direction, undue influence, frustration of approval processes, bullying or harassment, it has been recommended that Council review the conditions of the delegated power to decide applications under the Planning Act and develop an awareness training program for inclusion in Council’s induction and CPD program in relation to workplace behaviour including preventing undue influence of delegated authority decisions, bullying and harassment.</p>
<p>Recommendation 10</p>	<p>Review and reconciliation of QAO and Internal Audit recommendations in relation to the Procurement function with the implementation plan for the new Procurement Framework.</p> <p>The report identified that Council’s procurement function had previously be the subject of a review by external consultants and that associated recommendations were being implemented. It was noted that some additional recommendations from the QAO and Internal Audit relating to the procurement function existed and recommended incorporating those recommendations into the procurement function implementation plan to ensure all recommendations addressed.</p>
<p>Recommendation 11</p>	<p>Council continue to monitor the Procurement function through its Internal Audit Plan.</p> <p>Building on Recommendation 10, the report recommended maintaining the Internal Audit Plan monitoring activity relating to the Procurement function.</p>
<p>Recommendation 12</p>	<p>Review and amend the Councillor expenditure reimbursement Claim Form to include a declaration as to compliance with Council’s reimbursement policy and record any deductions of disallowed items.</p> <p>The report identified that good administrative practice and procedure around the lodging and processing of claims by Councillors for reimbursement of expenses. It was recommended as part of strengthening the processing that the claim form include a declaration by the Councillor that the reimbursement claim was in accordance with Council’s policy and certification by the assessing Council Officer regarding any deductions of disallowed items and compliance of claim. No issue was identified in relation to the procedures relating to Councillor Office expenses and support.</p>

<p>Recommendation 13</p>	<p>Review of procedures around the City Wide and Divisional Allocations particularly in relation to availability of funding for community purposes.</p> <p>The report compared Council’s City Wide and Divisional Allocations procedures within Councillor’s Discretionary Fund as regulated under the <i>Local Government Act 2009 and Local Government Regulation 2012</i> and concluded that it could technically be construed as being a Councillor’s Discretionary Fund. Accordingly, it has been recommended review and alignment of City Wide and Divisional Allocations, particularly in relation to availability of funding for community purposes, with the requirements of the <i>Local Government Act 2009 and Local Government Regulation 2012</i>.</p>
<p>Recommendation 14</p>	<p>Extract relevant matters from the Governance Review Report to include in the Executive Office Risk Register and develop appropriate risk mitigation strategies to deal with them.</p> <p>The report identified the importance of risk management in local government and the recent review and work undertaken by Council in relation to its risk management obligations and risk registers. Leveraging on this activity, it has been recommended that Council extract relevant risks identified as part of the Governance Review report and include in the executive office risk register and develop appropriate risk mitigation strategies to address them.</p>
<p>Recommendation 15</p>	<p>Development of guidelines, policy and procedures for Councillors and their administrative assistants, in relation to the assessment and capturing of correspondence likely to be regarded as a public record.</p> <p>The report consider the issues of capturing and securing public records, particularly in relation to Councillor communications. Mention was made to recent publicity around the use of private email systems to transact the business of the public office by Queensland Government members. It has been recommended the Council develop guidelines, policy and procedures for Councillors and their administrative assistants that provide convenient processes to enable the assessment and capture of public records.</p>
<p>Recommendation 16</p>	<p>Council review its controlled entities to determine the extent of benefit they deliver to the local government area and consider winding up controlled entities or improving related governance activities.</p> <p>The report considered the QAO Final Management Report for the 2015/16 year and Council’s Internal Audit examination of Council’s controlled entities. It was noted that Council had commenced review of its controlled entities and associated governance activities based on the extent of benefit they delivered to the local government area. It has been recommended that Council continue to act of these audit report recommendations and consider either winding up controlled entities of no justifiable benefit to the local government area or improve related governance activities.</p>

<p>Recommendation 17</p>	<p>Council expand the charter of its Audit Committee to including risk management and change the name to Audit and Risk Management Committee.</p> <p>The report identified that the business coming before the Audit Committee and the programming of activity of Council’s Internal Audit unit are well aligned and there is an active internal audit function aimed at continual improvement of these aspects of Council’s governance framework. However, it was identified that there may be utility in expanding the brief of the Audit Committee to incorporate, monitor and oversee the implementation of the new Risk Management Framework and program and rename the committee to the Audit and Risk Management Committee.</p>
<p>Recommendation 18</p>	<p>Council establish a procedure relating to the reception of the Auditor-General’s Observation Report and presentation of the report to the next ordinary meeting.</p> <p>The report identified that council’s current practice, like many other local governments, is to refer the Auditor-General’s Observation Report (otherwise known as the Final Management Report from the QAO) to the Audit committee for consideration of its content before submitting it formally to Council. This document advises the Mayor and the CEO of the outcome of the annual audit and includes observations and suggestions about matters arising from the audit. It is noted that s213 of the <i>Local Government Regulation 2012</i>, legislatively prescribes that the Mayor must present a copy of the Observations Report “<i>at the next ordinary meeting of the local government</i>” following its receipt. It has been recommended that Council establish procedures concerning the reception of the Observations Report by the Mayor and presentation of the report to the next ordinary meeting of the local government after being received and that the Mayor’s office be advised in this requirement.</p>
<p>Recommendation 19</p>	<p>The CEO consult with the Mayor to convene working parties to develop the approved implementation plan for any changes endorsed from the Governance Review and a formal project plan be compiled to manage the implementation.</p> <p>The Report identified that most of the recommendations are administrative and do not require substantive changes to Council policy, but that some recommendations will require consultation with Councillors and the adoption of new processes by resolution of the Council. It has been recommended that in order to provide for an orderly implementation of any changes endorsed by Council, two working parties should be convened to prepare relevant initiatives for consideration by senior management and Council. It has been suggested that Working Party # 1 comprise relevant Council Officers to develop an implementation plan to address the administrative actions and the actions requiring Council resolution. Working Party # 2 comprise the Mayor, Deputy Mayor and Chair of the Audit Committee to consider the proposed implementation plan relating to changes requiring Council resolution.</p>

Council is currently in the process of developing an implementation and project schedule in relation to the 19 recommendations detailed above.