



City of Cockburn

Corporate Governance Charter





This document was revised in June 2013

Governance in Local Government

INTRODUCTION

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

- The governance of organisations has a legal and ethical basis,
- Decisions are taken in the interests of stakeholders, and
- The organisation behaves as a good corporate citizen should.

In order to act on behalf of the whole community and provide leadership and direction to the whole community the whole community that has elected them, democratic governments must meet specific governance demands.

DEFINITION OF GOVERNANCE

Governance is the process by which decisions are taken and implemented. It is process organisations use to achieve their goals and produce their outputs. It is a process by which organisations are directed and held to account.

It encompasses:

- Authority
- Accountability
- Stewardship
- Leadership
- Ethics and Values
- Culture

This provides the democratic basis, which is essential to an understanding of good governance in the local government sector. Good governance involves a focus on:

- Clarity of roles and responsibilities
- Robust systems which support both internal and external accountability
- Public access to decision-making and information

GOOD GOVERNANCE IN LOCAL GOVERNMENT

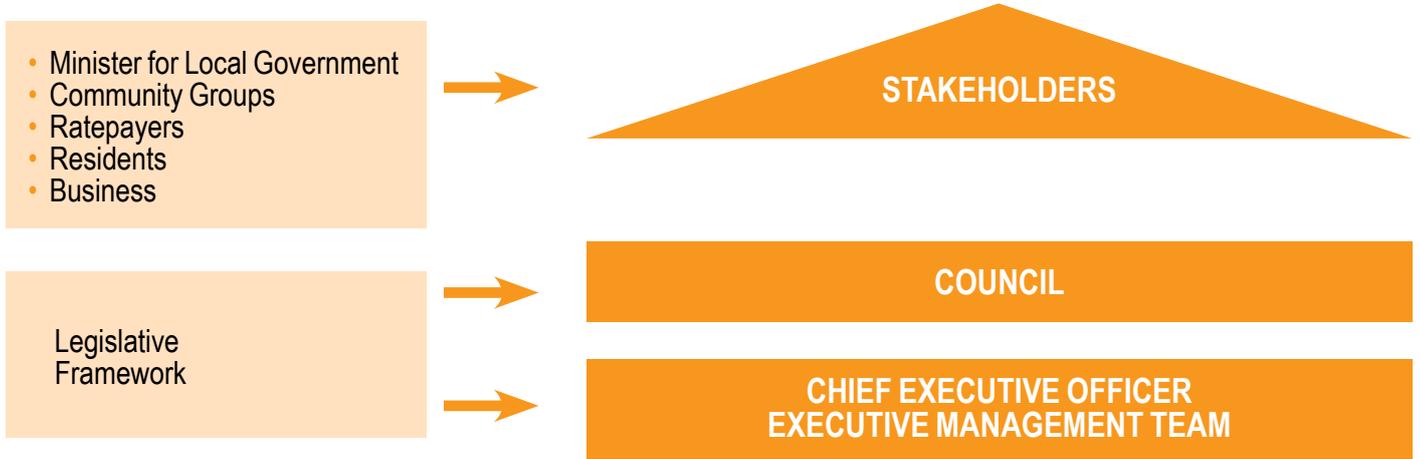
Good governance in local government combines the characteristics of good governance, the definitions and roles of local government and requires:

- Councils being elected by, representative of, and accountable to the community;
- Elected members making decisions in the best interests of the residents of the City as a whole;
- Policies and programs reflecting the mandate Councils have been given by their electors;
- Policy enactment arising from the Strategic Plan with appropriate performance management to assess the Council's process;
- Community participation in governance;
- Mayor and Elected Members providing leadership to the community and reflecting the community's collective aspirations;
- A management structure which implements the Council's goals in accordance with Council's priorities and approved budget.
- Provision of services which meet the community's needs (sometimes in partnership with other levels of government, business or community organisations); Local government being well placed to facilitate co-ordination and integration at a local level; and
- Co-operation between local governments.

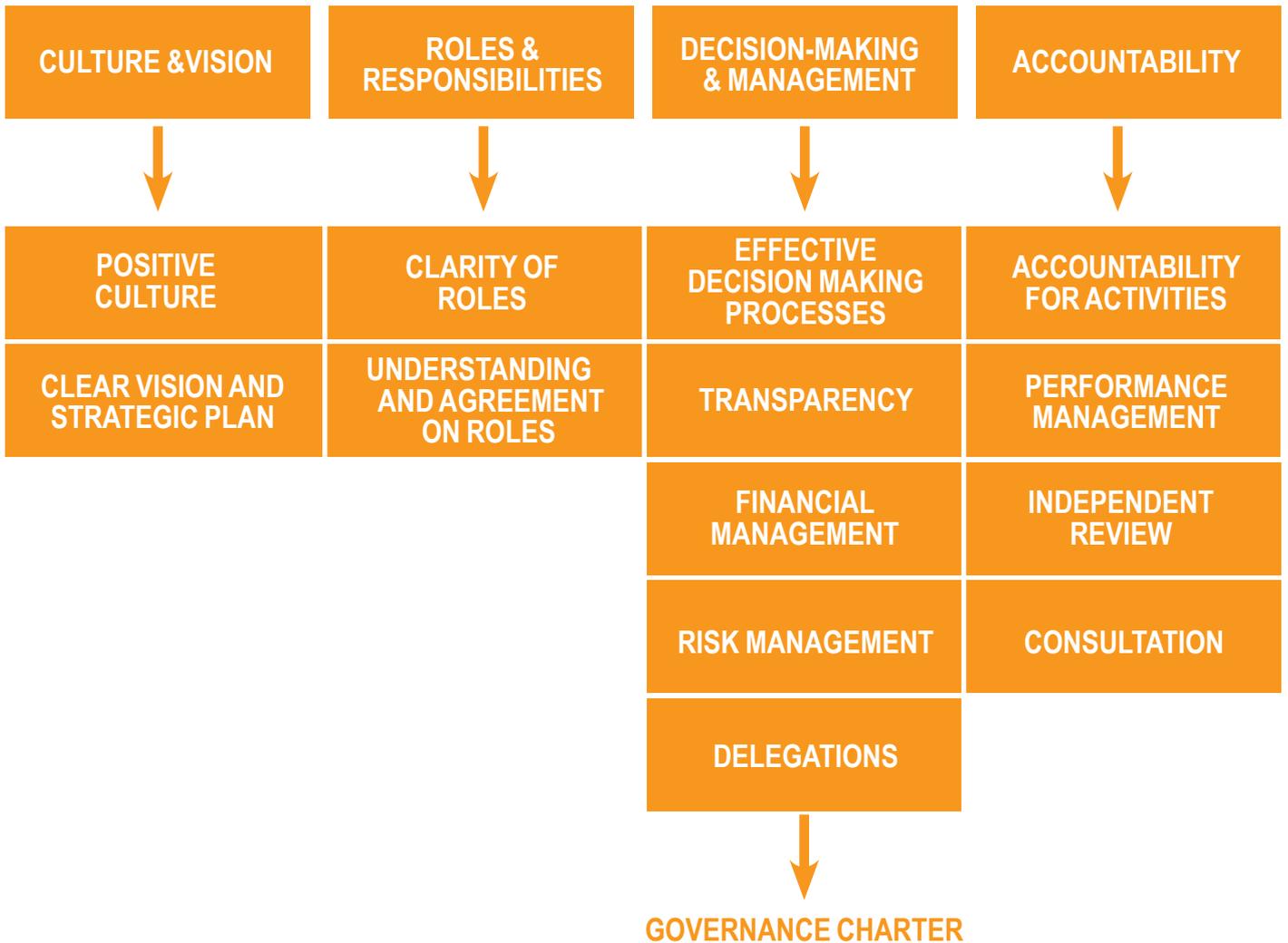


Governance Framework

GOVERNANCE STRUCTURE



GOVERNANCE PRINCIPLES



Governance Principles

The following principles provide the foundation for good governance and a means for assessing the extent to which good governance is occurring at the City of Cockburn. The principles are the 'what'.

Culture and Vision

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

There is a clear vision and strategic plan that is produced through a comprehensive and inclusive process, which is owned by all sectors of the local government.

Roles and Relationships

There is clarity about the roles within 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 Mayor, Councillors, Chief Executive Officer and Administration.

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 is robust and transparent financial management established and maintained to meet the City's accountability to its stakeholders, particularly in terms of stewardship of community assets, both now and into the future.

An effective approach to the identification, assessment, monitoring and management of risks is established and maintained.

Effective delegations are implemented and maintained.

Accountability

The City must account for its activities and have systems that support accountability.

The City has an active performance management system in place that enables elected members and management to be openly accountable for their performance.

The City has internal structures that provide for independent review of processes and decision-making to assist the Council to meet its accountability to stakeholders.

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

Governance Charter

For each of the Governance Principles a set of elements is outlined in the Governance Charter. This Charter commits the Council Members and the Management to a set of practices in order to turn the principles into reality. The Charter is 'how' and includes.

Culture and Vision

Support for frankness, honesty and questioning

Council Members debate issues openly and honestly. Staff members provide frank and timely advice to the CEO and senior management, and the CEO and senior management provide sound and frank advice to Council and Council Members.

Innovation

The City considers new and better ways of going about its business in the achievement of its goals. Innovation will be assessed critically by using appropriate risk management and other analysis.

Effective management structures and practices

The organisation has a management structure that meets its goals and needs and the structure is characterised by efficient and effective use of human resources and clear accountability. (**Refer to Position Statement PSES11 "Structure for Administering the City of Cockburn"*)

Management practices reinforce accountability and outcomes and incorporate the nurturing of people's capacities to do their jobs.

Communication

The City has effective communications policies and practices, internally and externally and will be open to, and encourage, feedback from all stakeholders. (**Refer to Policy SC6 "Communication and Information Dissemination" and Policy SC9 "Representation at Council Related Forums"*)

In addition, the City has an adopted Communication Strategy which details mechanisms by which community engagement is undertaken and reviewed.

Learning and Feedback

The City invests in training both for Elected Members and Officers. Learning is focused on what is required to achieve organisational goals. (**Refer to Position Statement PSES14 "Training of Council Delegates on Committees or Boards"*)

Training for Elected Members is important and training is offered to elected members to assist in the development of skills required to fulfil their roles properly. (Refer to Policy SC40 "Elected Member Training and Development").

Ethical Behaviour

Good governance is characterised by honesty and integrity. Council Members and staff will behave in a way that generates community trust and confidence in them as individuals and enhances the role and image of both the Council and Local Government generally.

Council Members and staff are expected to own and adhere to the City's core values as contained in the Code of Conduct (**Refer to "Code of Conduct for Elected Members" and "Code of Conduct for Staff"*).

Council Members also conform to the requirements of the Local Government (*Rules of Conduct*) Regulations 2007.

Induction

Induction and Training for Elected Members will assist them to understand local government, governance in local government and how to operate effectively to produce good outcomes for their community. The Induction Program will focus on:

The differing but complementary roles of Elected Members and officers;

Working relationships;

Decision making processes;

Responsibility, accountability and delegations;

Code of Conduct;

Organisational values and culture

*(*Refer to Policy SC7 “Briefing Sessions for Electoral Candidates and Newly Elected Members”)*

Vision

The City has in place a strategic/corporate planning process that includes a Strategic Plan, Plan for the Future of the District, and Business Plans. All stakeholders have the opportunity to participate in the development of the Plan for the Future of the District, and these documents form the basis for the Business Plans and budget and underpin policy development and service delivery. *(*Refer to Policy SC5 “Corporate Strategic Planning Process”)*

Everyone at the City is expected to have a good understanding of the Strategic Plan and the Plan for the Future of the District, as they relate to the direction in which Council is going.



Roles and Relationships

Roles

An understanding and acceptance of the different roles, and co-operation between all parties underpins good governance at the City. The relationships between Council Members, and Council Members themselves, and their interaction with the CEO, respect the diversity of opinion and the rights of all points of view to be heard with courtesy and respect.

The City recognises that the Mayor has a general leadership role. The Local Government Act recognises the role of the Mayor, as the spokesperson for the City, to carry out civic and ceremonial functions of the Mayoral office, and to chair the meetings of Council. The City places great importance in the role of the Mayor as chair of the Council, as well conducted meetings facilitate good decision-making. Other functions of the Mayor are prescribed in the Act (Sec. 2.8).

The City recognises that the Mayor's leadership role is very important when it comes to good governance. The Mayor will seek to ensure that all Councillors are a part of the decision-making process, and will help Councillors to balance their accountabilities to their constituents and their accountability to the Council as a whole and therefore to the wider community.

Councillors focus on outcomes, policy and strategy and in so doing are expected to:

- Represent and advocate on behalf of their constituents at the Council level;
- Facilitate communication between council and the community;
- Debate issues in an open, honest and informed manner to assist the decision making process;
- Keep the entire community in mind when considering and addressing issues and focus on the 'big picture';
- Inform and involve the community in all local government activities and processes;
- Work together, co-operate and respect diversity, and
- Provide model leadership and good governance.

These principles are encompassed in the statutory role of Councillors prescribed in the Act (Sec. 2.10)

Council recognises the CEO's role in managing the organisation to achieve the goals and strategies endorsed by Council, and the CEO is expected to fulfil these duties in a way that promotes an organisational culture of openness, accountability, fairness and good communication. The statutory functions of the CEO are prescribed in the Act (Sec. 5.41)
(Also *Refer to Policy SC19 "Raising of Staff Issues at Council Meetings")



Working Relationships

An effective relationship between the Mayor and councillors will help to promote the successful delivery of the strategic direction and credibility of the City. The relationship is based on mutual respect and understanding of the different roles and is based on:

- The Mayor having a leadership role and this role being respected by all Councillors;
- The Mayor facilitating an inclusive approach to decision-making and involvement in Council activities in general;
- The Mayor assisting other Councillors in getting their issues considered by Council;
- The Mayor taking some responsibility for Councillor's training and development and working with the CEO to ensure that Councillors receive necessary training opportunities;
- Councillors treating each other with respect and courtesy.
 - The Mayor and CEO work closely together and the relationship is characterised by openness and good communication, with each keeping the other informed about important and relevant issues.

Decision Making and Management

- Decision-making is the most important activity undertaken by Council. Effective decision making processes increase the likelihood that the decisions themselves will be in the best interests of the entire community.
- The City has an effective and efficient strategic planning process in place, and processes to ensure that Council plans are properly implemented. (**Refer to Policy SC5 "Corporate Strategic Planning Process"*)
- The CEO ensures that Council receives quality and timely reports with all the necessary information, options and clear recommendations, including financial impacts and any associated risks. (**Refer to Position Statement PSES7 "Reports to Council"*)
- Alternative Motions - Where a councillor feels that an alternative decision should be made, there is an established process to assist Councillors to draft their own motions. (**Refer to Policy SC28 "Proposed Amendments by Elected Members to Recommendations for Council Meetings"*)
- Procedural Fairness - The City has taken measures to ensure the quality and integrity of decisions made by Council and its officers. Due regard is given to statutory and policy requirements. (**Refer to Policy SC13 "Procedural Fairness"*).
- Access to Information – Elected Members may seek specific information to enable them to gain sufficient knowledge or awareness of an item which is to be considered by Council. Access to such information can normally be provided, however, the process is formally governed by Council Policy (**Refer to Policy SC31 "Access to Information by Council and Committee Members"*)

Financial Management

- The Council is ultimately responsible for the financial management of the City. Good financial governance requires both Council and the administration to play their roles.
- Council has in place a long-term financial plan (*Financial Management Plan*) that is consistent with the Strategic Plan, and all risks are identified with mechanisms put in place to minimise such risks.
- Community input is sought at an early stage so that such input can help to shape the Plan, as part of the process of adopting the Corporate Business Plan.
- Council will review its Corporate Business Plan every year, in accordance with Regulation 19D(A) of the Local Government (*Administration*) Regulations.
- On an annual basis the City will also publish a Business Plan. This document is an extension of the current budget process and will provide greater detail on the outcomes to be achieved in a particular year. It will include outcomes expected from the Corporate Business Plan as well as relate to the performance measures in the Strategic Plan. A six-month status report on the Business Plan will be provided each February as part of the reporting on budget adjustments.

Progressively these plans move from the macro to the micro level. The relationship between each of them is shown diagrammatically Page 9.

- Council ensures 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. (*Refer to Policy SC34 “Budget Management”).
- Council ensures that it has procurement practises that are sustainable and address all aspects of environmental, social, economic and governance processes. Procurement thresholds are regularly reviewed to ensure they provide adequate balance between purchasing principles and risk aversion (*Refer to Policy SC38 “Sustainable Procurement”).
- Council ensures that management of its assets is clearly understood and undertaken in a consistent manner to ensure the necessary protection and renewal of its assets for current and future generations (*Refer to Policy SC39 “Asset Management”).

Risk Management

- Council supports and is committed to a risk management program at a policy and strategy level through the establishment of an Audit and Strategic Finance Committee, in accordance with sec. 7.1A of the Local Government Act, 1995, and the CEO and senior management ensure processes are in place for identifying and managing risk as well as responding to and minimising such risks.
- Under the auspice of the Audit and Strategic Finance Committee, Council will undertake regular risk assessments of identified areas of the City’s operations (eg. *Information Technology*) which will provide conclusions and recommendations for mitigation strategies to be implemented.
- Council will engage the services of an appropriate risk manager/insurance broker (eg. *Local Government Insurance Services*) to provide adequate support and services aimed at the reduction of claims frequencies and costs, the improvement of the health and wellbeing of the work force and the development of organisation’s wide risk management capacity as well as specific hazard management initiatives. An in-house resource will be employed by the City to oversee this function. (*Refer to Policy SC51 “Enterprise Risk Management”)
- To support this process, the City will develop an enterprise Risk Management Strategy and Corporate Risk Register against which the City will monitor and control its risk exposure.
- Advice – Additionally Council seeks other expert advice, including legal advice, from other practitioners qualified in areas of specific expertise. This advice is included in any recommendations that come to Council. (*Refer to Policy SES1 “Obtaining Legal and Other Expert Advice”)

Delegations

- Delegations are a part of the City’s decision-making approach. They represent the position of the Council to entrust certain types of decisions to the CEO or other officers. All delegations should be in the context of Council policy that provides guidance to the delegate to make decisions that are consistent with the Council’s desired policy outcomes.
- Delegations of authority are established, maintained and documented by the Council to empower the actions of delegates so that Council can retain oversight of and accountability for the decisions made by delegates. Decisions made under delegation and records of delegations will be retained in accordance with legal requirements for document retention and record keeping.
- Council will review delegations at least once every financial year, in accordance with Sec. 5.46 of the Local Government Act.

Accountability

The City has accountability systems that provide disclosure and review of decision-making and processes. These systems record and support the City's accountability to its stakeholders and its legal accountability to the State Government.

Performance Management

- The Council is accountable for monitoring performance in the achievement of its strategic direction, goals and financial outcomes which are set through the Strategic Plan, Corporate Business Plan, and Annual Business Plan. A six monthly status report on the Business Plan will be provided each February as part of the annual review of the Municipal Budget.
- The City has a reporting system in place to provide the Council with the necessary information to enable it to assess performance against the plans. The reporting system is a systematic and regular process that allows the Council to take action to rectify any issues that arise and be accountable to the community.
- The Annual Report will provide a means of updating overall progress on achieving the Strategic Plan. The report includes the performance measures adopted in the Strategic and Business Plans, and Corporate Business Plan.
- The Council is accountable for managing the CEO's performance. The Council is responsible for setting the CEO's performance plan and subsequently monitoring his performance. Council communicates its expectations to the CEO when undertaking the performance evaluation of the CEO.

Independent Review

Council has an Audit and Strategic Finance Committee to oversee and advise the Council on matters of accountability and internal control in accordance with its Terms of Reference.

Objectives of the Audit Committee

As part of Council's governance obligations to its community, Council has constituted an Audit and Strategic Finance Committee to facilitate:

- 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;
- the effectiveness of the internal audit function;
- the provision of an effective means of communication between the external auditor, internal audit, management and the Council.

The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.

Reporting

- The Audit and Strategic Finance Committee shall after every meeting forward the minutes of that meeting to the next practicable ordinary meeting of the Council, including a report explaining any specific recommendations and key outcomes.

Duties and Responsibilities

The duties and responsibilities of the Audit and Strategic Finance Committee are contained within its Terms of Reference.

- The Audit and Strategic Finance Committee, following authorisation from Council and through the CEO, and within the scope of its responsibilities, may seek information or obtain expert advice in relation to matters of concern.
- The Department of Local Government and Regional Development provides a monitoring role to all local governments in Western Australia to ensure compliance with all administrative and executive functions for which local government is responsible. An Annual Compliance Audit Programme is presented to Council as a means of demonstrating a consistently high level of conformity with these requirements.
- The Department also provides an extensive advisory service to assist local governments in dealing with issues specific to their administrative functions. Much of this information is provided in a proactive manner through the distribution of “Operational Guidelines” and newsletters, however, issue specific guidance and advice can also be sourced direct from the Department.
- The City also receives enquiries from the Parliamentary Commissioner for Administrative Investigations (State Ombudsman) on behalf of individuals or organisations who have a dispute with a specific Council action or decision. Council has adopted a formal process to ensure such enquiries are addressed efficiently and with due promptness (**Refer to Policy SC12 “Response to Enquiries from the State Ombudsman”*)



Consultation

- Council recognises that consultation is a two-way interactive process that provides opportunities for the Council and community to clarify information, raise issues and discuss ideas and options. Consultation is an important dimension that informs and enhances Council's decision-making process. (*Refer to Policy SC4 "Establishment of Issue Based Committees")
- As a community leader, Council defines the City's directions and priorities for a sustainable future by:
 - Promoting discussion and debate within the community and with other stakeholders about the priorities and needs of the City;
 - Using research to develop Council policies and in decision-making generally;
 - Actively canvassing, and considering, the needs and opinions of the community when making decisions;
 - Translating the community's aspirations for a sustainable future through appropriate partnerships, initiatives, programs and services.

*(*Refer to Policy SC2 "Strategic Consultation with Community Stakeholders")*

Council will also consult with other stakeholders, including members and officials of state and commonwealth governments, in seeking the best outcomes for the community.

Council will remain a member of the Western Australian Local Government Association (WALGA) in order to maximise consultation with the State Government on matters which are likely to impact on the community.

*This document is available from the City of Cockburn Website (www.cockburn.wa.gov.au) "Your Council" link.



City of Cockburn

9 Coleville Crescent,
Spearwood WA 6163

T: 9411 3444

www.cockburn.wa.gov.au



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