

SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

Corporate Governance Framework 2025



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1. Definitions

Term	Definition
Act	The <i>Local Government Act 1995</i> .
Audit	The inspection or examination of a Shire activity or facility to evaluate or improve its appropriateness, efficiency or compliance.
Audit, Risk and Improvement Committee	The Audit, Risk and Improvement Committee is a formally established committee and supports Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management, internal and external audit functions and ethical accountability.
Administration	The operational sector of the Shire which includes the Employees and is headed by the CEO.
CEO	The Chief Executive Officer is the most senior employee in the organisation and is appointed by the Council.
Committee	A formal committee of Council established under the Act or any other applicable legislation.
Committee Member	A member of a committee appointed by Council but does not include a Councillor.
Community	The entire population within the Shire of Merredin district. Including those who work in, invest in, or visit the district for recreational or similar reasons.
Council	The body constituting all Council Members sitting formally as a Council under the Act.
Councillor	An individual elected representative of a local government.
Council Meeting	A formal meeting of Council conducted in accordance with the Act.
Council Plan	A ten year plan (updated every 4 years) that can be considered a contract with the Community detailing long term plans and how the Shire will deliver on its commitments.
District	The area of the State prescribed by legislation that a local government is required to control.
Employee	A person employed by the local government including casual or contract employees.
Executives	The CEO and senior management positions directly responsible to the CEO.
Framework	This Governance Framework document.
Local Government	A body corporate established under the Act.
Long Term Financial Plan	Plan that outlines the sound financial principles upon which the Shire rates its ratepayers, borrows to meet community demands (if necessary) and how it reinvests surpluses to remain financially sustainable and takes into account future asset management requirements.
Manager	An employee directly accountable and responsible for a Business Unit of the organisation, including supervisors and coordinators.
Organisation	Includes all employees of the local government, led by the Chief Executive Officer.
President	Person elected by Councillors to hold position as the leader of the local government under the Act.
Regulations	The <i>Local Government (Administration) Regulations 1996</i> .
Stakeholders	Individuals and organisations that have an impact on the strategic direction and decision-making processes of the Shire.

1. Introduction

The Shire of Merredin (the Shire) requires a corporate governance framework to be able to provide services and facilities, by proper and democratic government, to the broad range of people who have a stakeholder interest in the Shire, including residents, commercial and retail business, workers, and local, national and international visitors.

1.1 Purpose

The Shire has developed this Corporate Governance Framework to ensure compliance with legislation and best practice democratic local government. The Framework provides an overview of the governance program that has been put in place in order to assist elected members, management and employees in meeting their governance responsibilities. Council is committed to a high standard of corporate governance and accountability and seeks continuous improvement in this area.

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 Council, the Chief Executive Officer (CEO), and employees, ensuring that all responsibilities are properly allocated, and performance expectations are well understood;
- Developing a culture of best practice in relation to governance processes;
- Assisting Council and the CEO in delivering good governance;
- Ensuring legal and ethical compliance;
- Influencing processes throughout the organisation by setting guidelines for strategic planning at all levels;
- Acting as a point of reference for disputes; and
- Assisting as an induction tool for new Elected Members and employees.

1.2 What is Governance?

Good governance is about the processes for making and implementing decisions. It is not about making correct decisions, but about the best possible process for making those decisions. It is an important concept and impacts the Shire as a whole.

The practice of good governance is critical for ensuring that:

- The Shire meets legal and ethical compliance obligations;
- Decisions are made in the interest of all stakeholders; and
- The Shire behaves as a good corporate citizen should.

Good governance contains authority, accountability, stewardship, leadership, direction and control. It allows Council to evaluate, direct and monitor its activities.

The principles and practices of good governance and guiding documents set out the specific processes of decision making by which the Shire is directed, controlled and held to account. Good governance ensures that the Shire is able to manage many complex responsibilities effectively in the best interests of the community.

For the Shire to demonstrate good governance, there needs to be a clear understanding about responsibility and accountability. This Framework has been produced to set out the roles of

Council as a whole, individual Council Members, and Employees, and their relationships, along with financial, legal and ethical considerations.

Good governance in local government combines the characteristics of good governance and the definitions and roles of local government. Good governance in local government requires the following;

- Councils being elected by, representative of, and accountable to the community.
- Elected Members making decisions on behalf of and in the best interest of the community as a whole.
- Policies and programs reflecting the mandate local governments have been given by their electors.
- Policy enactment arising from the Council Plan with appropriate performance management to assess the local government's progress.
- Community participation in decision making.
- Elected Members providing leadership to the community and reflecting the community's collective aspirations.
- A management structure which implements the local government's goals in accordance with the local government'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 coordination and integration at a local level.
- Cooperation between local governments and other spheres of government.

1.3 Why is Good Governance Important?

Good governance in local government ensures that local government is able to manage its many complex responsibilities effectively and in the best interests of the community. When a local government practices good governance, the community is more connected and engaged, appropriate services are provided and there is more effective use of the local government's resources.

Without good governance processes, Council can have little confidence that it is being run efficiently and is carrying out the objectives and policies set out in relevant plans.

Good governance is important because it:

- Underpins the confidence that the community has in Council and its services;
- Affects the quality of outputs;
- Is a value adding activity;
- Ensures that Council meets its legislative responsibilities;
- Is a strong reminder to the Council that it is ultimately accountable to the community it serves; and
- Provides clear guidelines for the roles of the Council, Elected Members and the CEO, ensuring that all responsibilities are properly allocated and performance expectations are well understood.

The Shire's Framework consists of four key principles required to achieve excellence in governance:

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

Each principle is divided into sub-categories where the theory of the principle and how the theory is put into action at the Shire is explained.

This Framework has been developed with reference to documents previously produced regarding the concept and practice of good governance (please refer to the References section of this document).

1.4 Principal Stakeholders

The Corporate Governance Framework delivers the following outcomes to its key stakeholders:

- Council – a high level of assurance that desired strategic priority outcomes are being achieved efficiently and effectively within an acceptable level of risk;
- Audit, Risk and Improvement Committee – a high level of assurance that the appropriate control mechanisms are in place to ensure effective delivery of services within an acceptable level of risk;
- Chief Executive Officer – a high level of assurance that the organisation is consistently delivering community value and Council's strategic priority outcomes;
- Organisation/ Staff – a broad-based understanding of corporate governance and its link to ensuring community value.



2. Corporate Governance Framework



There are a range of benefits that can result from the development and implementation of an effective Governance Framework. These include:

2.1 Quality Decision-Making

Quality decision-making founded on adequate, timely and relevant information disclosure. This means:

- Minimal unintended consequences of decisions; and
- Quadruple bottom line (social, environmental, economic, responsible governance) impacts are clearly enunciated and understood.

2.2 Assurance of Desired Outcomes

This means:

- Decisions are not ambiguous;
- The accountability of carrying out decisions to required standards is mandated; and
- Controls and monitoring are effective.

2.3 Effective Management

Effective management of risk and opportunities. This means:

- New or previously unforeseen risks and opportunities are routinely identified, assessed and managed.

2.4 Stakeholder Commitment

Effective and widespread stakeholder commitment and support for good corporate governance. This means:

- Corporate Governance Framework elements are clearly defined and understood;
- Stakeholder roles and responsibilities are understood;
- Support for good corporate governance is reflected in behaviours;
- Stakeholders have access to relevant information to support and fulfil their roles and responsibilities; and
- Stakeholders take part in, and are informed on, corporate changes.

2.5 Streamlined Corporate Governance

The system of corporate governance is streamlined and flexible to meet emerging demands or needs. This means:

- Integrated information management and support systems;
- Internal controls; and
- The overall system is regularly reviewed.

2.6 Strong Ethical, Performance and Value Based Culture

This means:

- Behaviour reflects endorsed values; and
- Robust performance monitoring and evaluation.

2.7 Transparency and Disclosure

This means:

- Accurate, complete and timely information provided to Council and the Chief Executive Officer;
- High level of community understanding of Council policies, decisions, performance etc; and
- A transparent process with the appropriate checks, balances and separation of powers.

3. Corporate Governance Principles

For the purposes of the Shire of Merredin Governance Framework, the principles contained in the 'Excellence in Governance in Local Government' developed by CPA Australia have been adopted. The principles provide the foundation for good governance and a means for assessing the extent to which good governance is applied at the Shire.

Principle One – Vision and Culture

There is a clear vision and strategic plan that is produced through a comprehensive and inclusive process.

There is a positive culture and value system in place that promote trust, openness and honesty, in which constructive and respectful questioning is encouraged and accountability is clear.

Principle Two – Roles and Relationships

There is clarity about the roles of local government and there exists a robust and consistent approach to defining and implementing these.

There are effective working relationships that are promoted and supported within and between the Elected Members, Chief Executive Officer and employees.

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

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

Effective delegation of authority should be implemented and maintained.

Principle Four - Accountability

The Shire must account for its activities and have systems and processes that support this accountability.

The Shire has an annual performance review system in place that enables all staff to be openly accountable for their performance and allows Elected Members to account for the performance of the Chief Executive Officer. Performance against adopted Shire strategic documents is provided to Council and published on the Shire's website.

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

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

4. Principle One: Vision and Culture

4.1 Vision

The Shire’s Vision is:

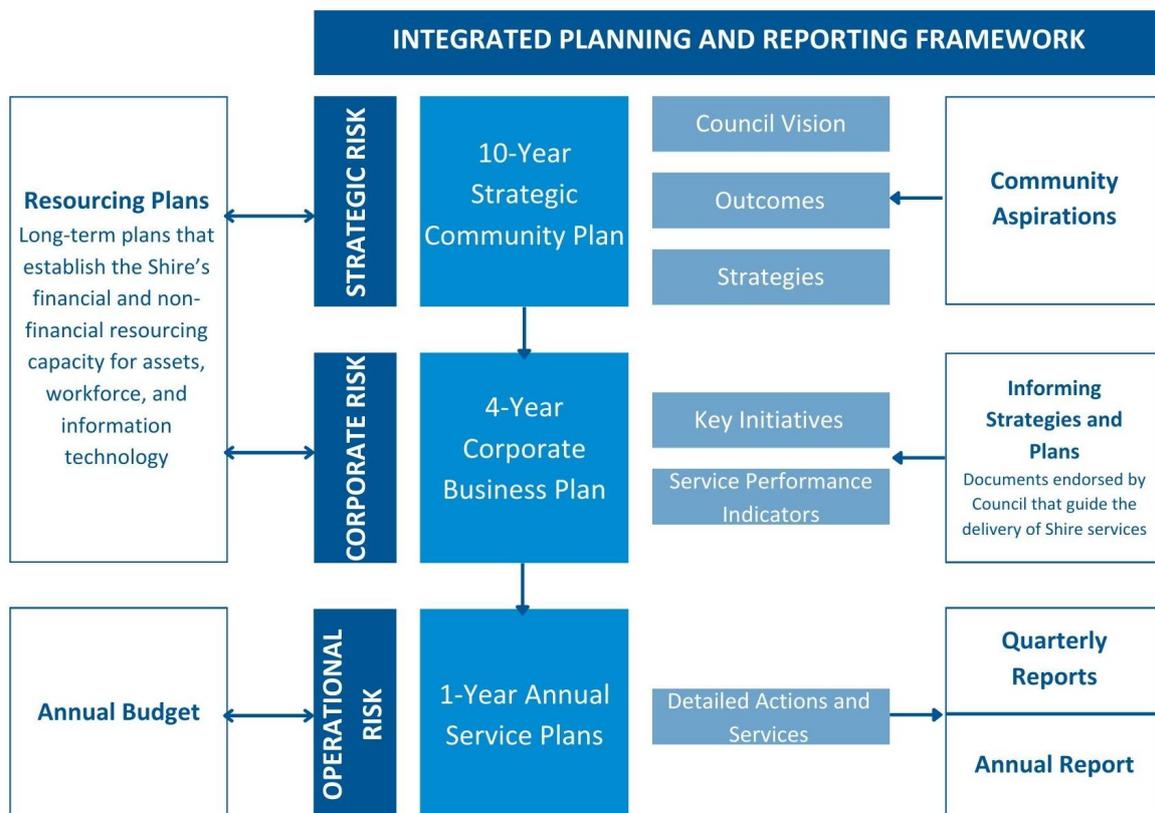
Merredin is the commercial and cultural heart of the eastern wheatbelt region. A place people are proud to call home and where visitors are always welcome.

Legislation requires all local governments within Western Australia, including the Shire of Merredin, to have an effective ‘plan for the future’ that is developed using the Integrated Planning and Reporting Framework (IPRF). The Shire has implemented the IPRF to ensure integration of community priorities into strategic planning for Council, 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 IPRF are:

- Strategic Community Plan
- Corporate Business Plan
- Annual Service Plans and Annual Budget

The diagram below shows how all the elements of the IPRF fit together to deliver the community aspirations:



The Shire’s Council Plan takes the place of the Strategic Community Plan and the Corporate Business Plan, merging these into one strategic document for the Shire. The Council Plan articulates the highest level of direction for the Shire for the coming ten years. It is an overarching

plan that aims to achieve better leadership and decision making with greater community participation.

The IPRF ensures that programs and services are being delivered in alignment with the strategic priorities of the organisation. The Council Plan outlines the below strategic priorities:

- Community and Culture
- Economy and Growth
- Environment and Sustainability
- Communication and Leadership
- Places and Spaces
- Transport and Networks

The Shire's Council Plan serves as a crucial internal planning tool that facilitates the Shire's progress towards achieving the community's vision. It provides a roadmap for how the Shire plans to achieve its strategic priorities.

A successful IPRF will deliver many benefits for the Shire including:

- Improved community engagement and satisfaction;
- Better resource allocation;
- Improved decision-making;
- Improved accountability and transparency; and
- Improved performance.

4.2 Annual Planning Process

The Shire's strategic documents are reported on and the Annual Budget is adopted by Council each year. These focus the Shire's actions to be achieved for the year and forms the basis of the Shire's Capital Works Program. Financial information relating to capital works projects can be accessed from the Shire's Annual Budget.

4.3 Culture

A positive culture promotes openness and honesty, makes accountability and responsibility clear and encourages debate on important issues. It is also more likely that the organisation will retain high caliber employees who want to work and participate in the activities of the Shire. An organisation seeking excellence in governance should have the following elements in its organisational culture:

4.3.1 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 Chief Executive Officer and Executive Managers, who in turn are to provide sound and frank advice to Elected Members and Council.

4.3.2 Innovation

The Shire considers new and better ways of going about its business in the achievement of its goals, through innovation which will be assessed critically using appropriate risk management and other analysis.

The Shire is committed to encouraging a climate of innovation and continuous improvement.

4.3.3 Effective Management Structures and Practices

The Shire is to have 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.

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

4.3.4 Communication and Engagement

The Shire is to have effective communication policies, practices and protocols, internally and externally. The Shire is to be open to, and encourage, feedback from all stakeholders and the community. Community attendance at Council meetings is welcomed.

4.3.5 Conduct and Ethical Standards

Good governance is characterised by honesty and integrity. Elected Members and Employees must 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 Shire generally.

For people to have confidence in those who govern and participate in the governance process, they must trust that governments are acting for the common good. People need to believe that governance is characterised by honesty and integrity and that those in government will behave accordingly.

The Act requires that every local government prepare and adopt two codes of conduct – one Code of Conduct for Elected Members, Committee Members and Local Government Election Candidates (adopted by the Council), and another Code of Conduct for Employees (approved by the CEO).

The Shire's codes outline the principles, values and behaviours expected of all Elected Members, Committee Members, Candidates and Employees. They are not intended to control or prohibit their actions but simply to document the standards of conduct expected by all who either service the community, or intend to service the community when they stand as a candidate.

The community are entitled to expect that the following general principles should guide the behaviours of Elected Members, Committee Members, and Employees:

- Act with reasonable care and diligence.
- Act with honesty and integrity.
- Act lawfully and in good faith.
- Identify and appropriately manage conflicts of interest.
- Treat others with respect and fairness.
- Avoid damage to the reputation of the Shire.
- Not be impaired by mind affecting substances such as drugs and alcohol.

The Code of Conduct for Council Members, Committee Members and Candidates is based on the *Local Government (Model Code of Conduct) Regulations 2021* and includes:

- General principles to guide behaviour.
- Certain requirements relating to behaviour (which if breached are investigated by the Department of Local Government, Sport and Cultural Industries' Local Government Standards Panel).

- Provisions specified to be rules of conduct (which if breached are investigated by the Department of Local Government, Sport and Cultural Industries' Local Government Standards Panel).

Similarly, the Code of Conduct for Employees includes conduct provisions required by the *Local Government (Administration) Regulations 1996*, such as:

- The behaviours expected of employees in relation, but not limited to:
 - The performance of an employee's duties;
 - Dealing with other employees and the broader community;
 - The use and disclosure of information; and
 - The use of Shire resources and Shire finances.
- How records are to be kept.
- Gifts and other disclosures.
- Reporting mechanisms and management of suspected breaches of the code and suspected unethical, fraudulent, dishonest, illegal or corrupt behaviour.

4.3.6 Fraud, Misconduct and Corruption

The Shire expects Elected Members, Committee Members and Employees act in accordance with their respective codes of conduct and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all stakeholders of the Shire.

In support of the behavioural expectations, the Shire developed a Fraud and Corruption Policy and Fraud & Corruption Control Plan, which articulate the Shire's "zero tolerance" position on fraud and corruption. They also detail the internal controls in place and the expectations that are placed on Elected Members, Committee Members and Employees, to prevent such activity and to identify and report such activity.

4.3.7 Confidentiality

Access to and the use of confidential information is often required to conduct local government business. This information could be about commercial matters, individuals, businesses or legal issues. The Act, Regulations and the codes of conduct detail how general information and confidential information is to be treated, accessed and used by Elected Members and Employees.

Elected Members, Committee Members and Employees must not make improper use of information to gain direct or indirect advantage for themselves, another person or body in ways which are inconsistent with their obligation to act impartially in the public interest; or to improperly cause harm, detriment or impairment to any person, body, the Council or the Shire.

4.3.8 Conflicts and Disclosure of Interests

Elected Members, Committee Members and Employees must comply with requirements for the disclosure of interests as described in the Act (sections 5.65 and 5.70) and the Shire's respective Codes of Conduct.

The nature of the Shire's business may result in conflicts of interest arising between an individual's personal interests and the performance of their public or professional duties. Conflicts of interest may arise from a number of sources, including friends, relatives, close

associates, financial investments or past employment. It is not only important to ensure real or potential conflicts are handled appropriately, but also perceived conflicts of interest.

Elected Members, Committee Members and Employees of the Shire must ensure that there is no actual or perceived conflict between the fulfillment of their public or professional duties and their personal interests, which may include the interests of those persons closely associated to them.

4.3.9 Gifts

The Shire's Codes of Conduct and the Act contain provisions in respect of Elected Members, Committee Members and Employees seeking and/or accepting certain types of gifts and gifts of a certain value while performing in their respective roles.

The Codes of Conduct and the Act detail the disclosure requirements for gifts accepted in a full and transparent manner.

The Act (section 5.87A & B) requires Elected Members and the CEO to disclose gifts that are received in their capacity as an Elected Member or CEO that 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.

The *Local Government (Administration) Regulations 1996* (r.19AA) prescribes that a local government employee is not to accept a prohibited gift (a gift that is valued at more than \$300). This requirement extends to the cumulative value of gifts that exceeds \$300 where the gifts are received from the same donor in a 12 month period.

All disclosures must be made to the CEO (or if the disclosure is from the CEO to the President) in a prompt and full manner and in writing within the appropriate register. These registers are made available for public inspection and are available for viewing on the Shire's website.

WA local governments are required to adopt a policy relating to the attendance of Elected Members and the Chief Executive Officer at events such as concerts, conferences, and functions. This policy must address the provision of tickets to events, payments in respect of attendance and approval of attendance by the Shire, and the criteria for approval. Acceptance of such tickets can affect how Elected Members can participate and be involved in the decision-making process of meetings. This is included in the Shire's Policy Manual 1.21 "CEO and Elected Member Attendance at Events".

4.3.10 Induction Program

The Shire's objective of a positive work culture is communicated to Elected Members and Employees through effective induction programs. Induction and training for Elected Members is provided to assist in understanding the functions and role of local government, governance in local government and how to operate effectively to produce good outcomes for their community.

5. Principle Two: Roles and Relationships

5.1 Roles

An understanding and acceptance of the different roles of President, Elected Members, and Employees, with cooperation between all parties, underpins good governance at the Shire. The relationship between Elected Members and the CEO respects the diversity of opinion and the rights of all points of view to be heard with courtesy and respect.

The Shire recognises the President has a general leadership role. The importance of this leadership role is recognised in respect of ensuring good governance, ensuring all Elected Members participate in the decision-making process. The President should also facilitate good relationships amongst Elected Members and between the Elected Members and Administration, creating an environment where good communication, systems and processes can thrive.

Elected Members are to focus on outcomes, policy and strategy.

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 such a way that promotes an organisational culture of openness, accountability, fairness and good communication.

The Act sets out a framework for the way in which local governments in general are to operate. It specifies the roles and responsibilities that are to be undertaken within each local government.

5.2 Role of Council

In accordance with section 2.7 of the Act, the Council is charged with the following responsibilities:

2.7. Role of council

- (1) *The council governs the local government's affairs and, as the local government's governing body, is responsible for the performance of the local government's functions.*
- (2) *The council's governing role includes the following —*
 - (a) *overseeing the allocation of the local government's finances and resources;*
 - (b) *determining the local government's policies;*
 - (c) *planning strategically for the future of the district;*
 - (d) *determining the services and facilities to be provided by the local government in the district;*
 - (e) *selecting the CEO and reviewing the CEO's performance;*
 - (f) *providing strategic direction to the CEO.*
- (3) *For the purpose of ensuring proper governance of the local government's affairs, the council must have regard to the following principles —*
 - (a) *the council's governing role is separate from the CEO's executive role as described in section 5.41;*
 - (b) *it is important that the council respects that separation.*
- (4) *The council must make its decisions —*
 - (a) *on the basis of evidence, on the merits and in accordance with the law; and*
 - (b) *taking into account the local government's finances and resources.*
- (5) *The council must have regard to the need to support an organisational culture for the local government that promotes the respectful and fair treatment of the local government's employees.*
- (6) *The council has the other functions given to it under this Act or any other written law.*

5.3 Role and Responsibilities of the President

The Shire President is a key public official who performs an important function in ensuring good governance and representing the views and directions of Council.

Section 2.8 of the Act defines the role of the Shire President as follows:

2.8 . Role of mayor or president

(1) The mayor or president —

- (a) provides leadership and guidance to the council and council members, including guidance as to the roles of the council and council members; and*
- (b) acts as the principal spokesperson for the local government, and carries out civic and ceremonial duties on behalf of the local government, at all times acting consistently with council decisions; and*
- (c) presides at meetings of the council, ensuring that meetings are orderly and held in accordance with this Act; and*
- (d) promotes, facilitates and supports positive and constructive working relationships among council members; and*
- (e) liaises with the CEO on the local government's affairs and the performance of its functions.*

Note for this subsection:

The role of the mayor or president as described in this subsection can be affected by other provisions of this Act or by another written law. For example, section 5.67 prohibits the mayor or president from presiding at a meeting of the council in the circumstances described in that section.

- (1A) The mayor or president has the other functions given to the mayor or president under this Act or any other written law.*
- (2) Section 2.10 applies to a councillor who is also the mayor or president and extends to a mayor or president who is not a councillor.*

The Shire President is to represent and advocate the decisions of Council and speak on behalf of the Shire. The position of Shire President is pre-eminent and when speaking on behalf of the Shire, they should set aside personal views and articulate the views and decisions of Council.

The Shire places great importance on the role of the Shire President as the Presiding Member of Council to facilitate good decision-making. It is important that the Shire President has good knowledge of the Shire of Merredin's Standing Orders Local Law.

The Shire President's role is very important when it comes to good governance. The Shire President is to ensure that all Elected Members are part of the decision-making process and are well and equally informed. They must reinforce the need for Elected Members to represent the interests of the whole community, not just constituents in specific areas or interest groups.

The Shire President should also facilitate good relationships between Elected Members and the Administration and help create an environment where good communication thrives.

5.4 Role and Responsibilities of the Deputy President

In accordance with section 5.34 of the Act, the Deputy President may perform the functions of the President if that office is vacant or the President is unavailable or unwilling to perform the functions.

5.34 . *When deputy mayors and deputy presidents can act*

If —

- (a) the office of mayor or president is vacant; or*
- (b) the mayor or president is not available or is unable or unwilling to perform the functions of the mayor or president, then the deputy mayor may perform the functions of mayor and the deputy president may perform the functions of president, as the case requires.*

5.5 Role and Responsibilities of Elected Members

The Act and relevant Regulations set out the legislative framework within which the Elected Members operate and from where they derive specific details of their roles and responsibilities.

An individual Elected Member, unless delegated as part of a Committee arrangement, has no authority to participate in the day-to-day management or operations of the Shire, including making any form of representation on behalf of the Shire.

Elected Members have no direct authority over Employees with respect to the way in which an Employee undertakes their duties.

In accordance with section 2.10 of the Act, the role of Elected Members is set out as follows:

2.10 . *Role of councillors*

(1) A councillor —

- (a) represents the interests of the electors, ratepayers and residents of the district and takes account of the interests of other persons who work in, or visit, the district; and*
- (b) participates in the deliberation and decision making of the local government at council and committee meetings; and*
- (c) facilitates communication with the community about council decisions; and*
- (d) facilitates and maintains good working relationships with other councillors, the mayor or president and the CEO; and*
- (e) acts consistently with section 2.7(3) to (5); and*
- (f) maintains and develops the requisite skills to effectively perform their role.*

Note for this subsection:

The role of a councillor as described in this subsection can be affected by other provisions of this Act or by another written law. For example, section 5.67 prohibits a councillor from participating in a meeting of the council or a committee in the circumstances described in that section.

(2) A councillor has the other functions given to the councillor under this Act or any other written law.

One of the challenges for good governance from an Elected Member viewpoint is to be provided with the opportunity to raise specific issues for due consideration by Council. The President and CEO have an important role to play in this process as well as the fellow Elected Members.

5.6 Role and Responsibilities of the Chief Executive Officer

In accordance with section 5.41, the functions of the CEO are:

5.41 . Functions of CEO

(2) The CEO's executive role includes the following —

- (a) causing council decisions to be implemented;*
- (b) managing the provision of services and facilities that the council has determined the local government is to provide in the district;*
- (c) determining procedures and systems for —*
 - i. implementing the local government's policies as determined by the council; and*
 - ii. otherwise managing the local government's administration and operations;*
- (d) being responsible for the employment, management, supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees);*
- (e) ensuring that records and documents of the local government are properly kept for the purposes of this Act and any other written law.*

(3) The CEO is the council's principal advisor and, as such, does the following —

- (a) advises, and procures advice for, the council in relation to the local government's affairs and the performance of the local government's functions;*
- (b) ensures that the council has the information and advice it needs to make informed and timely decisions.*

(4) The CEO —

- (a) liaises with the mayor or president on the local government's affairs and the performance of the local government's functions; and*
- (b) speaks on behalf of the local government if the mayor or president agrees.*

(5) The CEO performs any other function specified or delegated by the local government or imposed under this Act or another written law as a function to be performed by the CEO.

The CEO has a statutory responsibility to manage the organisation through the implementation of goals and strategies that have previously been approved by Council.

An important role the CEO plays in promoting good governance is through developing appropriate systems and leading the administration's culture to adhere to the principles of good governance and to engage with Elected Members and the Council appropriately.

A key accountability of the CEO is financial management. Even though Council has overall accountability, the CEO has critical responsibilities for managing the organisation soundly from a financial perspective and reporting the results and performance to Council.

In accordance with Regulation 17 of the Local Government (Audit) Regulations 1996 the Shire is to review the appropriateness and effectiveness of the local governments systems and procedures (and report) in relation to:

- Risk Management;
- Internal Control; and
- Legislative Compliance.

Section 5.42 of the Act enables Council to delegate in writing to the CEO, the capacity to exercise any of its powers or duties, with the following exceptions (s 5.43).

5.43 . Limits on delegations to CEO ²⁸

A local government cannot delegate to a CEO any of the following powers or duties —

- (a) any power or duty that requires a decision of an absolute majority of the council;
- (b) accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;
- (c) appointing an auditor;
- (d) acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph;
- (e) any of the local government's powers under section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.129;
- (f) borrowing money on behalf of the local government;
- (g) hearing or determining an objection of a kind referred to in section 9.5;
- (ha) the power under section 9.49A(4) to authorise a person to sign documents on behalf of the local government;
- (h) any power or duty that requires the approval of the Minister or the Governor;
- (i) such other powers or duties as may be prescribed.

In summary, the CEO is responsible for:

- Putting in place appropriate systems to achieve accountability and integrity;
- Implementing and maintaining a management structure which can achieve Council's vision and the Council Plan objectives;
- Managing relationships between the various elements in the Shire;
- Ensuring that the Shire is staffed by suitably qualified and motivated employees and that policies are in place that promote this; and
- Ensuring that employees understand the organisation is working for a democratically elected Council and that Council decisions form the basis for the organisation's activities.

The table below depicts the separation of roles between Council (governing the affairs of the local government) and the CEO (managing day-to-day operations):

COUNCIL	CEO
Sets direction and strategy.	Provides professional and technical advice to Council.
Responsible for the performance of the Shire's functions.	Implements the decisions of Council.
Decides on matters of policy.	Liases with the President.
Ensure that services and facilities are integrated with and do not unnecessarily duplicate other public services.	Manages day-to-day operations.
Oversee the allocation of the Shire's finances and resources.	Responsible for the employment and management of employees.
Monitors the Shire's performance through the CEO to ensure efficiency and effectiveness in service provision.	Monitors the performance of employees to ensure efficiency and effectiveness in service provision.
President to liaise with CEO and preside at Council Meetings.	Establishes and maintains financial management systems that consider risk management, internal control and legislative compliance.

5.7 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 Shire's management and outcomes. It is not only senior management and Council that are responsible for governance matters, every person that forms part of the Shire is responsible for good governance. The quality of governance relies on each employee taking responsibility as well as being part of a collective team effort.

Employees are to give their time and attention to the Shire's business and ensure their work is carried out efficiently and effectively, allowing the standard of work to reflect favourably on them and the Shire.

Employees achieve good governance when:

- They reflect the positive values and standards of behaviour the Shire expects;
- Their duties are performed and conducted in a professional way;
- Information is managed and maintained appropriately and records are kept of their duties, decisions, and work related activities;
- Resources of the Shire, including information, is used efficiently and effectively, not misused and waste is to be minimised; and
- Conflicts of interest are identified and reported including disclosure of gifts and benefits obtained from certain parties.

5.8 Working Relationships

Good governance is dependent on a mature and constructive working relationship between Elected Members. Elected Members should behave in a manner that generates community trust and confidence in them as individuals and enhances the role and image of both the Council and the Shire.

Elected Members are expected to:

- Conduct their ongoing relationship with other Elected Members, employees and the community with respect and courtesy;
- Act within the law at all times;
- Act in good faith and not for improper or ulterior motives;
- Act in a reasonable, just and non-discriminatory manner;
- Undertake their role with reasonable care and diligence; and
- Abide by the Communications Agreement between Council and the Administration.

5.8.1 Working Relationship between the President and Elected Members

The relationship between the President and Elected Members is critical to good governance and effective relationships between them will help to achieve the successful delivery of the Council Plan and promote the credibility of the Shire.

The most important aspects of the President/ Elected Member relationship are as follows:

- The President is the Presiding Member of Council and this role should be respected by all Elected Members.
- The President should facilitate an inclusive approach to decision-making and involvement of Council activities in general.

- The President is a source of assistance for Elected Members and also has the responsibility for facilitating resolution of any disputes between Elected Members.

The President, as the Presiding Member of the Council has an integral and influential role both within meetings and outside of the formal process by facilitating and encouraging all points of view to be expressed and respected. This ensures that Elected Members who may not have their point of view supported by the majority, can be satisfied that they have been given due consideration and the process is transparent.

Through this facilitation role, the President can manage conflict and differing opinions in a constructive manner. The complexity and diversity of opinion in the community, and therefore of Elected Members, can be made to work in the broader interest of the Shire as a whole, rather than be a source of division.

The President is also a first point of contact for Elected Members who wish to achieve a particular goal and this is especially true for new Elected Members who may be unfamiliar with a local government setting. By advising, supporting and facilitating negotiations, the President can assist this process considerably, and in doing so, assist Elected Members to meet their accountabilities to their communities.

This advisory and support role of the President for other Councillors is possibly the single most important contribution to good governance a President can make. It requires great skill and experience and as such, is critical to the overall operation of Council.

5.8.2 Working Relationship between the President and CEO

The President and CEO work closely together and the relationship should be characterised by openness with good communication, ensuring that they keep each other informed about important and relevant issues.

Both the President and CEO have a role in liaising with each other on the Shire's affairs and the performance of the Shire's functions.

They both have a crossover of responsibilities in speaking on behalf of the Shire. It is acknowledged that the role of speaking on behalf of the Shire rests with the President however there are occasions when it is considered prudent and more applicable for this function to be undertaken by the CEO. It is important that they develop a clear relationship and an understanding of the limits of each other's authority.

While the Act does not detail how the liaison is to occur, this liaison function should be seen in context of the separation of powers described in the Act, between the governing role of Council and the managing role of the CEO.

The essential principles for an effective President/ CEO relationship are as follows:

Communication

- Brief and inform each other about information each is privy to and which would assist the other in doing their job. Deciding what information is important and what should be passed onto each other must be negotiated and understood.
- Regular meetings – over and above those scheduled to discuss specific issues or problems are necessary to enhance planning and communication.
- 'No surprise' principle should apply. They should brief each other so that neither is caught off guard within other forums.

Role Clarity

- They need to understand and respect one another's role. A clear understanding of their different roles is absolutely crucial and should be a subject of ongoing discussion.
- There is a differential of power, which should be acknowledged. While the President has status and leadership capacity, the position has no direct authority in its own right. On the contrary, the CEO has direct authority through the Act.

Features of a good and effective relationship between the President and CEO are:

- The need to work closely together and put energy into achieving a good working relationship;
- A relationship characterised by consistency, openness, and good communication;
- Each has the responsibility to keep the other informed about important and relevant issues;
- An understanding that each has different roles and authorities;
- The need for the relationship between the President and the CEO should aim to facilitate involvement and inclusion amongst the Elected Members and the organisation. It does not seek to concentrate power in the relationship; and
- Consistent communication and regular fixed meetings.

5.8.3 Working Relationship amongst Elected Members

All Elected Members have issues of particular concern and interest to them. Given the open nature of the local government system and the absence of a political party structure which exists at the State and Federal levels of government, Council Members must work together to achieve satisfactory outcomes.

Elected Member relationships should be characterised by mutual respect and an acknowledgement that, while they may not agree on all issues, they are all doing important and often difficult work. At times, the nature of local government leads to conflict, how this conflict is resolved has implications for good governance. Elected Members should always seek to resolve conflicts respectfully and with a mutual understanding that Council is the decision-making body.

Elected Members should model good constructive relationships and show personal respect for one another when behaving at Council and committee meetings. There is no requirement to agree with every Elected Members' opinion, but there is a need to respect those opinions and allow other members to be free to express their opinions.

Elected Members need each other to achieve their individual and collective goals. Effective relationships between Elected Members assist in achieving a successful Council, a pleasant working environment and a Council with public credibility.

Features of an effective relationship are:

- Elected Members treat each other with respect and courtesy.
- Disagreements, if they must be aired, should be expressed in ways that are not personal attacks, and do not cause detriment to individual Elected Members or Council as a whole.
- Elected Members should not undermine each other, either within the local government or in public.

- Elected Members must have effective working relationships in order to succeed individually and collectively.

5.8.4 Working Relationship between Elected Members and CEO

It is critical to good governance in local government to maintain an appropriate relationship between Elected Members and the CEO.

Elected Members need support to manage pressures in such a way that their constituents feel their issues or concerns are being heard, but also appreciate that their demands cannot always be met. Advice and support on consultation and engagement, good systems, and responsive services and processes all assist in furthering good governance.

Elected Members must understand that the role of the CEO is to implement Council's goals and strategies, and manage the Shire's services, as well as advise and support Council.

The CEO and Elected Members should be in regular contact about issues, concerns and information. A level of trust needs to be developed which is based on good communication and understanding of each other's role and function.

A number of factors contribute to a good relationship between Elected Members and the CEO. These include:

- Goodwill.
- A clear understanding of each other's roles.
- Good communication.
- Agreed structures and protocols.
- An appreciation of legislative requirements.
- Clear delegation of authority.

It is crucial that appropriate channels for information, discussion and consultation be developed to allow for each other's interests to be discussed freely and openly shared.

5.8.5 Working Relationship between Elected Members and Employees

Individual Elected Members must not seek to foster special relationships with employees for the sole purpose of seeking information that may not otherwise be available to all Elected Members. Elected Members and employees are entitled to privacy and protection from inappropriate behaviour, this is including un-authorized access to the Shire's administration area.

Elected Members and employees must consider the following:

- Elected Members need to understand that accountable advice needs to go through an organisational process. Advice must be sought from the CEO or Executive Managers (as appropriate). Elected Members should not seek advice from other employees as the employee may have a particular interest or point of view in respect of the issue, but may not be in command of the full facts.
- Employees are accountable to the CEO. They are not accountable to Elected Members and are not required to take direction from them.

Regulation 20 of the *Local Government (Model Code of Conduct) Regulations 2021* makes this clear.

20. Relationship with local government employees

(1) *In this clause -*

local government employee means a person -

- (a) *employed by the local government under section 5.36(1) of the Act; or*
- (b) *engaged by the local government under a contract for services.*

(2) *A council member or candidate must not -*

- (a) *direct or attempt to direct a local government employee to do or not to do anything in their capacity as a Shire employee; or*
- (b) *attempt to influence, by means of a threat or the promise of a reward, the conduct of a local government employee in their capacity as a local government employee; or*
- (c) *act in an abusive or threatening manner towards a local government employee.*

(3) *Subclause (2)(a) does not apply to anything that a council member does as part of the deliberations at a Council or Committee meeting.*

(4) *If a council member or candidate, in their capacity as a council member or candidate, is attending a Council or Committee meeting or other organised event (for example, a briefing or workshop), the council member or candidate must not orally, in writing or by any other means*

- (a) *make a statement that a local government employee is incompetent or dishonest; or*
- (b) *use an offensive or objectionable expression when referring to a local government employee.*

(5) *Subclause (4)(a) does not apply to conduct that is unlawful under The Criminal Code Chapter*

5.8.6 Elected Member Access to Information

Section 5.92 of the Act provides that an Elected Member can have access to any information held by the Shire that is relevant to the performance of their functions under the Act or any other written law.

This provision does not give an Elected Member an automatic right to have access to all records held by the Shire as any information must be relevant to the performance of an Elected Member's role, as defined by the Act.

Requests for information held by the Shire are to be referred to the CEO who is to determine if the information is to be released, on the basis that he or she is satisfied that the requested information is relevant to the Elected Members' role and functions.

Notwithstanding, section 5.96 of the Act provides that if any person can inspect certain information, then Elected Members may also request a copy of that information. An Elected Member is also entitled to be given access to records that are accessible to other persons under the *Freedom of Information Act 1992*.

6. Principle Three: Decision-Making and Management

6.1 Effective Decision-Making

Decision-making is the most important activity undertaken by both Council and employees. Effective decision-making processes increases the likelihood that the decisions will be in the best interest of the entire community. Council can only make decisions by resolution, that is, a motion being considered at a properly convened meeting and passed by the required majority vote.

The CEO is responsible for ensuring 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. Council decisions need to have clarity and that clarity arises from recommendations in reports from the CEO and Executive Managers. The decisions made at meetings provide the direction and authority for the ongoing operation of the Shire and give direction to the CEO to act.

6.2 Decision-making forums

Council operates the following two weekly meeting cycle, however this can change depending on availability and other events.

Council Briefing Sessions:

- On Tuesday of the second week of each month, Council meet in a confidential Briefing Session. Briefing Sessions allow for the CEO and Executive Managers to brief Council on anything important that may be occurring or Council need to be aware of. It is also an opportunity for Elected Members to raise any questions they may have.
- Just prior to the Ordinary Council Meeting, Council meet in a second confidential Briefing Session. This Briefing Session is held to give Elected Members the opportunity to ask any questions on Agenda Items that are included in the Ordinary Council Meeting Agenda.

Ordinary Council Meetings:

- Ordinary Council Meetings are formal meetings of Council as defined under the Act and must be open to the public except for certain circumstances where it may be closed to the public in accordance with section 5.23(2) of the Act. In order to promote transparency and accountability required for good governance, the closure of meetings should be applied as infrequently as possible.
- Good decision-making at a Council Meeting is enhanced when the meeting is well run. This requires a clear and informative agenda, good chairing and facilitation by the Presiding Member, adherence to meeting procedures, and adherence to statutory requirements.

6.2.1 Agendas and Minutes

The level of decision-making and transparency needed for good governance requires comprehensive meeting agendas and minutes to be prepared. Matters to be considered at Council Meetings or Committee Meetings are to be presented in an agenda prepared by the CEO, these agendas comprise of reports prepared by the organisation. All reports are the professional advice of the organisation and contain recommendations as to the most appropriate course of action to take based on the information presented.

The decision to adopt, amend or reject a recommendation rests with Council, or in some cases a committee (if it has delegated authority). If Council's or the committee's decision is different to that which has been recommended, the reason for that decision must be stated and recorded.

Agendas are to be made available to Elected Members and the public as soon as possible prior to the meeting.

Unconfirmed minutes are to be made available to the public.

6.3 Interests

An important aspect of the Shire's decision-making responsibilities is how conflicts of interest are identified, recorded and treated throughout the organisation. It is important to ensure real, potential or perceived conflicts of interest are handled appropriately. It is an Elected Member's responsibility to decide whether or not to declare an interest.

Interests can be categorised as being:

- Financial interests
- Proximity interests
- Impartiality interests
- Closely Associated Person interests

6.3.1 Financial Interests

An Elected Member or a committee member may be excluded from presiding or voting in a meeting if that person, or a person that is closely associated to them has a direct or indirect financial interest in the subject under discussion.

Section 5.68 and 5.69 of the Act detail the circumstances in which Council, committees and the Minister may allow Elected Members and committee members disclosing interests to participate in meetings.

Failure to comply with certain sections of the Act can result in a penalty of \$10,000 or imprisonment for two years.

6.3.2 Proximity Interests

Elected Members and committee members also have a responsibility to declare interests around matters that are in close proximity to that person's land. Section 5.60B of the Act states a person has a proximity interest in a matter if that matter concerns:

- a. a proposed change to a planning scheme affecting land that adjoins the person's land;
- b. a proposed change to the zoning or use of land that adjoins a person's land; or
- c. a proposed development of land (as defined by section 5.63(5) of the Act as being the development, maintenance or management of the land or of services or facilities on the land) that adjoins the person's land.

Land (the proposed land) adjoins a person's land if:

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

Similar to financial interests, an Elected Member or committee member with a proximity interest must disclose their interest (in accordance with section 5.64 of the Act) and not preside or participate in discussion on the matter (section 5.67 of the Act). Although under certain

circumstances the Council, committee or Minister may allow Elected Members and committee members disclosing interest to participate in meetings.

6.3.3 Impartiality Interests

Elected Members are required to disclose any interest which could, or could reasonably be perceived to, adversely affect their impartiality, and includes an interest arising from kinship, friendship or membership of an association.

The disclosing of an interest that may affect impartiality is to be made immediately before the matter is discussed at a Council or committee meeting or in a written notice given to the CEO before the meeting.

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.

6.3.4 Closely Associated Person Interests

Closely Associated Person is the mechanism established in the Act to clearly specify what relationships make it inappropriate for a council member to vote on an item, or an employee to provide advice or reports, or exercise delegated authority.

If a person closely associated to you would have an interest in a decision, you have an interest in that decision. You must declare it and you must not vote or exercise your delegated authority.

The following persons are to be treated as being closely associated with a relevant person:

- Partnerships
- Employer
- Trustee to a person who is a trust beneficiary or object of a discretionary trust
- Client or advisor of a relevant person
- Body corporates
- Spouses, de facto spouses and children
- Provider of election-related gifts
- The Provider of a gift to Council members or the CEO
- Ancillary relationships of spouses and de facto spouses

For further information on each of these please visit:

<https://www.cits.wa.gov.au/department/publications/publication/disclosures-of-interest#5>

6.3.5 Disclosure of Interests of Employees

Employees should ensure that there is no actual or perceived conflict or incompatibility between the important fulfillment of the public or professional duties and either their personal interests, or those of persons closely associated to them.

Section 5.70 of the Act states that where an employee has an interest in any matter in which the employee is providing advice or a report directly to Council or a committee, they must disclose the nature of the interest when giving the advice or report. There is no requirement for employees to leave meetings where interests have been disclosed, however in most instances employees do remove themselves from the meeting.

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 President).

6.3.6 Primary and Annual Returns

Section 5.75 of the Act requires Elected Members and certain employees to complete a Primary Return within three months of commencing in Office or being employed at the Shire.

At the end of each respective financial year, Elected Members and certain 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.

These Returns assist with the decision-making process as they highlight an individual's interests at a particular point in time, clarifying whether a conflict of interest may arise.

6.3.7 Related Party Disclosures

The Shire is committed to complying with the disclosure requirements for related party transactions under the Australian Accounting Standards. Disclosure of relevant related party information will provide greater transparency and improve the quality of the financial reporting processes.

6.4 Protection from Liability

Elected Members are not protected in the same manner as Members of Parliament for statements they make in the Council Chambers.

In a Council Meeting, an Elected Member fulfils a public duty and is therefore given limited legal protection. An Elected Member's privilege is qualified, meaning that protection is only provided as long as the statements are made in good faith. Statements made with malice or made recklessly are not protected by qualified privilege. Statements made by Elected Members outside Council and Committee meetings are unlikely to attract qualified privilege.

Under section 9.57A of the Act a local government is not liable to an action for defamation in relation to any matter published on its official website as part of a broadcast, audio recording, or video recording, of a meeting of the Council or a Committee, but does not include other meetings (such as Briefing Sessions).

Elected Members must not make improper use of their office as an Elected Member to cause detriment to the local government or any other person. This has relevance to what an Elected Member can say whilst performing their role as an Elected Member.

6.5 Legislative Framework

The general function of the Shire is to provide the good government of people living and working within its district and includes legislative and executive powers and responsibilities given to it through the Act.

Overall, the Act is intended to provide excellence in governance through:

- Better decision-making by local governments;
- Greater community participation in the decisions and affairs of local governments;
- Greater accountability of local governments to their communities; and
- More efficient and effective local government.

The Act provides several ways of achieving these objectives to allow local governments to have better decision-making, greater accountability and to be more efficient and effective.

6.5.1 Delegations

Delegations entrust certain types of decisions to the CEO, employees or committees.

Under the Act both Council and the CEO are given certain functions and duties. Council may delegate authority to the CEO to perform some of its functions and duties on its behalf. The use of delegated authority means that the large volume of routine work of Council can be effectively managed and acted on promptly, which in turn facilitates efficient service delivery to the community.

Delegated authority allows Council to concentrate on policy development, representation, strategic planning, and community leadership.

The CEO may delegate to any other employee the authority to perform functions and duties that are exercisable by the CEO under the Act or that have been delegated to the CEO by Council (with the exception of the power to delegate).

Delegations of authority are required in order to provide Shire employees with the power to exercise duties and make determinations. It is essential that the Shire's delegations are performed in a manner that is in accordance with the delegation and is compliant with relevant legislation. The Shire is required to keep records on the exercise of its delegations and delegations by Council are to be reviewed on an annual basis.

6.5.2 Authorised Persons

Under legislation, Council or the CEO (with delegated authority) can 'appoint' persons or classes of persons to perform particular functions. These persons are generally termed 'authorised persons', or 'authorised officers'. Legislation or local laws may specify that an 'authorised person' can perform a particular function and those functions or duties are normally specified in the applicable provision.

An appointment is made, as required, by either a formal resolution of Council, or a written appointment by the CEO (with delegated authority or other employee with delegated authority), or as detailed in the specific legislation. Authorised persons are not necessarily employees with delegated authority.

Employees appointed as authorised persons are required to have a certificate of appointment or some other form of identification to confirm their appointment and to demonstrate their ability to perform that function.

6.5.3 Local Laws

Under the Act and as part of its legislative functions, Council is able to make local laws as a way of providing good governance to the community and which reflect current community standards.

The Act outlines the process by which the Council may adopt local laws. This legislative role allows the Council to adopt a regulatory regime that may be enforced through the courts, by the issue of infringement notices or by performing other executive functions to enforce the local laws. When adopting local laws the Council must be aware that they operate with the force of legislation and the Shire has a duty to enforce all of its local laws.

The process for making a local law provides the community with a six week advertising period to allow opportunity for comment on a proposed local law. The local law is then presented once more to Council and any public submissions are considered. Upon final adoption, the local law is published in the Government Gazette.

Local Laws must also comply with the National Competition Policy principles adopted by agreement between local, state, and federal governments.

The Shire's current local laws include:

- Health Local Law
- Bee Keeping Local Law
- Standing Orders Local Law
- Activities in Thoroughfares Public Places & Trading Local Law
- Bush Fire Brigades Local Law
- Cemeteries Local Law
- Fencing Local Law
- Local Government Property Local Law
- Parking & Parking Facilities Local Law
- Pest Plants Local Law
- Dogs Local Law
- Extractive Industries Local Law

The Shire has completed a review of its local laws as required by the *Local Government Act 1995* and is undertaking the process of developing amendment local laws where appropriate. The Standing Orders Local Law will be repealed once new model local laws are developed after the 2025 Local Government elections.

6.5.4 Policies

Policies provide Council and the organisation with the ability and direction to make decisions that are considered to be consistent and unbiased. A policy can also provide detail on the manner in which the Shire undertakes, or requires others to undertake, certain works or activities.

6.6 Business Management

The management of corporate business within an organisation is important to the concept of governance. As part of the Shire's Integrated Planning Framework, the Shire has developed a ten year Council Plan (Council Plan 2025 – 2035). This Plan is a strategic document that outlines Council's key priorities and projects.

The Council Plan serves as a crucial internal planning tool that facilitates the Shire's progress towards achieving the community's vision. The purpose of this document is to provide a roadmap for how the Shire plans to achieve its strategic objectives and deliver on its commitments to the community, while making the best use of available resources. It will also provide detailed information on the necessary financial and human resources, as well as assets required, to deliver each of our services.

6.7 Financial Management

6.7.1 Role of the CEO

The CEO is accountable to Council for the financial performance of the Shire. 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 Shire's activities and financial monitoring and performance.
- Suitable internal review and audit mechanisms.
- An organisational culture where responsibility and accountability are clearly delineated and understood.
- Adherence to and compliance with legislative provisions.

6.7.2 Financial Management Planning and Principles

The Council is ultimately responsible for the financial management of the Shire. Good financial management requires both Council and the organisation to work together and play their part. Council is to ensure that it receives sufficient reports and other information to adequately monitor its performance, resource allocation, expenditure, activities, and the efficiency and effectiveness of its service delivery.

Council has established an Audit, Risk and Improvement Committee to oversee and advise the Council on matters of accountability and internal control. From 1 January 2026, the chair of this committee will be an independent person, to comply with the recent amendments of the Local Government Act 1995.

6.7.3 Annual Budget

One of the responsibilities of Council under the Act is to prepare, set and adopt the Shire's Annual Budget. Council determines the Shire'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 Shire 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.

6.7.4 Strategic Financial Plan

At present the Shire has a combined Long Term Financial Plan and Asset Management Plan. This document is called the Strategic Resource Plan 2019 - 2035. Work on the development of updated Asset Management Plans and other informing documents is currently underway, with the development of an updated Long Term Financial Plan to occur once these have been completed.

6.8 Records Management

The Shire's corporate records are to be managed in accordance with the Shire's Recordkeeping Plan and Recordkeeping Policy.

All Elected Members, employees and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and to ensure that all corporate documents are retained within the Shire's recordkeeping system at the point of creation, regardless of the format.

The Shire's recordkeeping 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 documents maintained and held by the Shire are accessible to members of the public in accordance with the processes stated in the *Freedom of Information Act 1992*.

6.9 Risk Management

The Shire is committed to ensuring that effective risk management remains central to all its operations while delivering its range of services to the community.

The management of risk is the responsibility of senior management and all employees, and is an integral part of the Shire's organisational culture. Risk management is reflected in the various policies, procedures, systems and processes that are in place to guide the Shire's operations.

The Shire has a Risk Management Framework which reflects good practice and sound corporate governance principles and is consistent with the risk management guidelines and principles set out in Australian Standard for Risk Management (AS ISO 31000:2018 Risk Management – Guidelines). The Shire also has a Risk Management Policy which states the Shire's intention to identify potential risks before they occur so that impacts can be minimised, ensuring that the Shire achieves its strategic and corporate objectives efficiently, effectively and with good corporate governance principles.

Regular reporting is taken to the Audit, Risk and Improvement Committee and Council which allows the organisation to regularly identify risks, assess the risks and check if there are mitigation strategies in place or if there needs to be any put in place.

7. Principle Four: Accountability

7.1 Principle of Accountability

Excellence in governance is based on the principle that the people involved in providing governance, being the Elected Members and Employees, are held accountable for what they do and for the Shire's performance. The community trust in the Shire and the Elected Members to act in their interest can be justified in the manner in which their duties have been performed.

Accountability systems need to provide disclosure and allow for the review of decision-making and processes. These systems must record and support the Shire's accountability to its stakeholders and its legal accountability to the State Government.

The fundamental importance of accountability is that the Shire exists to govern for and on behalf of its community. Accountability systems that provide disclosure and review of decision-making and processes are integral to good governance and are reflected through:

- Open and transparent government so that people can follow decision-making processes and outcomes.
- Consultation to ensure the community's views are being heard and considered.
- Good information and communication processes so that communities are kept informed.

7.2 Performance Management and Reporting

Council is accountable for monitoring performance in the achievement of its strategic direction, goals, and financial outcomes which are set through the Council Plan, Long Term Financial Plan and Annual Budget.

The management of the Shire's performance and the reporting of that performance to the community is achieved in several ways:

- Financial Reporting
- Annual Report
- CEO Performance Review
- Employee Performance Reviews

Council is accountable for managing the CEO's performance and is responsible for setting the CEO's key performance indicators and subsequently monitoring the CEO's performance. The CEO is responsible for managing the performance of the Administration and all Employees in meeting the strategic direction of Council.

7.3 Audits and Oversight

7.3.1 Compliance Audit Return

It is a requirement of the Act that the Shire conducts an annual audit of compliance with statutory requirements and responsibilities of the Act.

The Compliance Audit Return (CAR) is submitted to the Department of Local Government, Industry Regulation and Safety (LGIRS) each year after being adopted by Council. It provides the Shire with prompts in relation to the statutory obligations in a number of areas, such as local laws, tenders, meeting processes, disclosures and financial management, and provides a useful tool to ensure compliance with the Act.

7.3.2 Audit, Risk and Improvement Committee

The Act requires Council to establish an Audit, Risk and Improvement Committee to oversee and advise the Council on matters of internal or external audit, risk management, financial reporting, and legislative compliance functions of the Shire.

7.3.3 External Audit

Each year, the Office of the Auditor General, or contractors appointed on its behalf, provide the independent oversight of the local government sector and audit the Shire's financial statements with an audit report being provided to the Audit, Risk and Improvement Committee and to Council. Any significant issues they identify are reported to the Shire and the Minister for Local Government.

Once the report is received, the Shire is to implement appropriate actions in respect to the significant matters that may have been raised and detail such action in a report to be submitted to the Minister for Local Government within three months of receiving the report. The report must also be published on the Shire's website.

7.3.4 Internal Audit

The three yearly Chief Executive Officer's Review of Risk Management, Internal Control and Legislative Compliance is completed internally and highlights any actions that may be required to improve efficiency, effectiveness or accountability. This review is presented to the Audit, Risk and Improvement Committee and Council to ensure transparency. Quarterly updates on actions required are also presented to the Audit, Risk and Improvement Committee and Council.

7.4 Community Consultation and Stakeholder Engagement

The Shire recognises that consultation is a two way interactive process that provides opportunities for the Shire and the community to clarify information, raise issues and discuss ideas and options. Consultation is an important dimension that informs and enhances the Shire's decision-making processes.

Council should define the Shire's directions and priorities by:

- Promoting discussion and debate within the community and with other stakeholders about the priorities and needs of the Shire.
- Using research to develop and inform Council policies and decision-making.
- Actively canvassing, and faithfully considering, the needs and opinions of the community when making decisions.
- Translating the community's aspirations through appropriate partnerships, initiatives, programs and services.

7.5 Customer Service and Complaints Management

The Shire prides itself on the delivery of exceptional service and customer experience. The Shire has adopted a Customer Service Charter which outlines the customer service standards the community can expect from the Shire.

The Shire has a complaints management process ([Customer Complaints Procedure](#)) which ensures an effective, transparent and timely method of responding to complaints regarding the Shire's services, administrative actions, competitive neutrality, the conduct and performance of elected members or employee behaviour.

7.6 Access to Information

Under the Act, any member of the public can access certain information held by the Shire, but there is not an unrestricted right of access to the Shire's information. There are some documents not accessible to the public or available for viewing, however, being a 'public body', the provisions of the *Freedom of Information Act 1992* apply.

8. References

The following documents have been used in the development of the Corporate Governance Framework for the Shire of Merredin:

City of Joondalup Governance Framework 2021

City of Wanneroo Corporate Governance Framework

Shire of Merredin Policy Manual

Shire of Merredin Risk Management Framework

AS8000 Good Governance Principles

ASX Corporate Governance Council – Principles of Good Corporate Governance and Best Practice Recommendations

Australian Public Sector Commission – Building Better Governance

Conflict of Interests Guidelines – Office of the Public Sector Standards Commissioner

Department of Local Government – Local Government Operational Guideline No 3 – Managing Public Question Time

Department of Local Government – Local Government Operational Guideline No 4 – Elected Member Induction

Department of Local Government – Local Government Operational Guideline No 5 – Council Forums

Department of Local Government – Local Government Operational Guideline No 7 – Clarity in Council Motions

Department of Local Government – Local Government Operational Guideline No 9 – Audit Committees in Local Government

Department of Local Government – Local Government Operational Guideline No 17 - Delegations

Department of Local Government – Local Government Operational Guideline No 20 – Disclosure of Financial Interests at Meetings

Excellence in Governance for Local Government – CPA Australia

Local Government Act 1995

Local Government (Administration) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local Government (Model Code of Conduct) Regulations 2021

Public Sector Commission (WA) – Good Governance Guide for Public Sector Agencies

WALGA Training and Development Program for Elected Members

Department of Creative Industries, Tourism and Sport – Disclosure of Interest:
<https://www.cits.wa.gov.au/department/publications/publication/disclosures-of-interest#5>