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2 April 2019

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

GPS Ref: INT19/7DC33F6C
GPS File: 34-01-005

Dear Mr Millard

Response to Local Government Inspectorate Examination Report and Recommendations

Thank you for the opportunity to provide a response to Local Government Inspectorate on the Golden Plains Shire Council Examination Report and recommendations, dated 28 February 2019.

The examination has been of great value to Council and was widely welcomed to help identify measures to better strengthen governance processes and lead towards best practice in the sector.

Council are supportive of all the recommendations contained within the report. Council has a number of current and planned activities to uplift and improve governance processes and this program of work has been further informed by the findings and recommendations noted within the report.

Please find attached management responses to each of the recommendations made at the time of the audit. Responses have been provided in the order they are listed in the report. Each response specifics the agreed action, action target date, responsible officer and action to date. To ensure and track completion, any outstanding actions will be added to the Outstanding Issues and Actions Report overseen by Council's Audit and Risk Committee.

Council would also like to thank the auditors for their professionalism and positive encouragement shown throughout the audit.

Should you wish to discuss any aspect of the audit or this response in more detail, please contact Philippa O'Sullivan, Director Corporate Services on (03) 5220 7150 or by email philippa.osullivan@gplains.vic.gov.au.

Yours sincerely

Eric Braslis
Chief Executive Officer

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NO.	AREA	ACTIONS RECOMMENDED	AGREED ACTIONS	CURRENT ACTIONS / STATUS
1.	GOVERNANCE SCHEDULE	Recommendation 1: The council develop a governance schedule to ensure key statutory requirements are met.	Accept the recommendation provided. Governance and compliance schedule to be developed taking into consideration the example provided by the Local Government Inspectorate. The schedule to be endorsed at a future Full Management Team meeting. Ongoing management of the schedule to become a responsibility of the Corporate Governance Coordinator position. A copy of the schedule to be made readily available to relevant responsible officers.	Action Target Date: 30 June 2019 Responsible Officer: Corporate Governance Coordinator Action to Date: On track for completion by action target date.
2.	POLICY FRAMEWORK	No actions recommended.	Comments noted.	Action Target Date: ITEM COMPLETED Responsible Officer: Corporate Governance Coordinator Action to Date: Item completed. No actions recommended.
3.	SALE OF LAND	Recommendation 1: Council must ensure that sale of land transactions are at all times transparent to the community, in accordance with the Local Government Best Practice Guideline	Accept the recommendation provided. Council is more likely to consider the sale of land in the future and therefore, a best practice Council Policy will be developed and implemented.	Action Target Date: 31 December 2019 Responsible Officer: Corporate Governance Coordinator

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		for the Sale, Exchange and Transfer of Land.	As an interim measure, internal instructions to be developed that reference to the Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land. A copy of the instructions and guide to be made readily available to relevant responsible officers.	Action to Date: On track for completion by action target date. Interim measure of internal instructions completed. Instructions have been developed and included in the governance manual, along with a copy of the guide.
4.	CEO / SENIOR OFFICER CONTRACT & PERFORMANCE REVIEWS	Recommendation 1: Council to ensure that the CEO performance review is conducted at the earliest convenience.	Accept the recommendation provided. The CEO performance review was presented and approved at the February 2019 Council meeting for approval.	Action Target Date: ITEM COMPLETED Responsible Officer: Director Corporate Services Action to Date: Agreed action completed. No further action required.
5.	CORPORATE CREDIT CARDS	Recommendation 1: Council should ensure that as per section 6.8 of the Standard Operating Procedure, audits if procurement card usage are conducted randomly by the Finance Department, internal and/or external audit to further mitigate fraudulent activity and ensure that all procedural requirements are being met.	Accept the recommendation provided. There are current process and practices in place to ensure monthly credit cards are reviewed and approved by the relevant supervisor. This to be further strengthened by random audits which will be included as part of the Finance Department responsibility. This will include the development of a schedule of financial activities to ensure that audits are undertaken across all areas of council.	Action Target Date: 30 June 2019 Responsible Officer: Finance Manager Action to Date: On track for completion by action target date.

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6.	INTEREST RETURNS	Recommendation 1: Council send out notification memo on the day the return period commences.	Accept the recommendation provided. Notification memos will be distributed on the day the return period commences and the governance schedule updated accordingly.	Action to Date: 30 June 2019 Responsible Officer: Corporate Governance Coordinator Action to Date: On track for completion by action target date.
		Recommendation 2: Communication with relevant staff and councillors reinforces that returns are due within 40 days after 30 June and 31 December.	Accept the recommendation provided. Notification memo to be updated to include relevant timeframes for submission.	Action to Date: 30 June 2019 Responsible Officer: Corporate Governance Coordinator Action to Date: On track for completion by action target date.
		Recommendation 3: That the responsible officer ensure that all submitted returns are reviewed for completeness but excluding content.	Accept the recommendation provided. The newly appointed Corporate Governance Coordinator to take over responsibility for Register of Interest Returns to ensure centralised oversight. Corporate Governance Coordinator to facilitate training with support staff who assist with the administration.	Action to Date: 30 June 2019 Responsible Officer: Corporate Governance Coordinator Action to Date: On track for completion by action target date.

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		<p>Recommendation 4: For any non-compliant or non-submitted returns, relevant detail must be recorded in the register.</p>	<p>Accept the recommendation provided.</p> <p>Register to be update to include a new field for recording non-compliant or non-submitted returns.</p>	<p>Action to Date: 30 June 2019</p> <p>Responsible Officer: Corporate Governance Coordinator</p> <p>Action to Date: On track for completion by action target date.</p>
7.	AUDIT COMMITTEE	<p>Recommendation 1: Review date included on the charter or in the governance schedule to ensure the document is routinely reviewed in line with other policies and procedures.</p>	<p>Accept the recommendations provided.</p> <p>The Audit and Risk Committee charter will be presented at the May 2019 Audit and Risk Committee meeting and in the future will be reviewed annually as part of the annual audit and risk plan.</p>	<p>Action Target Date: 31 May 2019</p> <p>Responsible Officer: Director Corporate Services</p> <p>Action to Date: On track for completion by action target date.</p>
8.	SPECIAL COMMITTEES	No actions recommended.	Comments noted.	<p>Action Target Date: ITEM COMPLETED</p> <p>Responsible Officer: Corporate Governance Coordinator</p> <p>Action to Date: Item completed. No actions recommended.</p>

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9.	COUNCILLOR EXPENSES AND REIMBURSEMENT	Recommendation 1: Approval process to be formalised in the Councillor Reimbursement Policy and adhered to.	Accept the recommendation provided. Corporate Governance Coordinator to review the Councillor Reimbursement Policy and related forms. Training to be facilitated for relevant staff in the Mayor and Councillors office.	Action Target Date: 30 June 2019 Responsible Officer: Corporate Governance Coordinator Action to Date: On track for completion by action target date.
10.	GOVERNMENT GRANTS	Recommendation 1: Where any changes to the process are agreed upon, the process documented be updated accordingly.	Accept the recommendation provided. Standard Operating Procedure –for 'Making Applications / Submissions for Funding (SOP-7049) to be amended to include briefing of Council before specified grants are applied for. Recreation Team Leader has been tasked with updating SOP-7049 and taking to a future Full Management Team meeting for adoption.	Action Target Date: 30 June 2019. Responsible Officer: Director Community Services Action to Date: On track for completion by action target date.
11.	COMMUNITY GRANTS	Recommendation 1: Ensure that all relevant information is available on the council website.	Accept the recommendation provide. All relevant information is now available on website.	Action Target Date: ITEM COMPLETED Responsible Officer: Director Community Services Action to Date: Agreed action completed. No further action required.

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		<p>Recommendation 2: A provision be included on the assessment form that allows for the assessors name and sign-off to be recorded.</p>	<p>Accept the recommendation provide.</p> <p>The current process requires all awarding of grants to be by resolution of Council. This will be further strengthened by the new SmartyGrants software which has been configured to require assessors to identify themselves.</p>	<p>Action Target Date: ITEM COMPLETED</p> <p>Responsible Officer: Director Community Services</p> <p>Action to Date: Agreed actions completed. No further action required.</p>
12.	DELEGATIONS	<p>Recommendation 1: Council must ensure that wherever a review of a delegation take place, it is authorised via a resolution of council, and the instrument of delegation is executed accordingly. This can be included in the governance schedule.</p>	<p>Management confirm that all reviews of delegations have been correctly administered. Accept the recommendation provided to include the review of delegations in the governance schedule.</p>	<p>Action Target Date: ITEM COMPLETED</p> <p>Responsible Officer: Corporate Governance Coordinator</p> <p>Action to Date: Agreed actions completed. No further action required.</p>
		<p>Recommendation 2: Council assess where there are legal and financial risk for the period in where the Instrument of Delegation were not executed.</p>	<p>No action required. The incorrect (incomplete) version of the instrument of delegation in question was provided to the Local Government Inspectorate. The delegation was in fact correctly executed and a copy provided to the inspectorate on the 19 March 2019. There is no legal or financial risk to Council.</p>	<p>Action Target Date: ITEM COMPLETED</p> <p>Responsible Officer: Corporate Governance Coordinator</p> <p>Action to Date: Item completed. No action required.</p>

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13.	AUTHORISED OFFICERS	No actions recommended.	Comments noted.	<p>Action Target Date: ITEM COMPLETED</p> <p>Responsible Officer: Corporate Governance Coordinator</p> <p>Action to Date: Item completed. No actions recommended.</p>
14.	SYSTEMS/RECORD KEEPING	<p>Recommendation 1: Council should develop an appropriate record keeping strategy to address the identified issues over an appropriate time period.</p>	<p>Accept the recommendation provided.</p> <p>The following Internal Procedures (IP) an Standard Operating Procedures (SOP) to be updated:</p> <ul style="list-style-type: none"> • IP-334 - Records Management Policy • SOP-3048 – Mail Procedures • SOP-3059 – Records Creation and Capture • SOP-3060 – Records Storage, Security and Access • SOP-3061 – Records Transfer and Disposal • SOP-3083 – Archiving <p>Once IP's and SOP's have been adopted by management, a process for changing processes will commence.</p>	<p>Action Target Date: 30 June 2019</p> <p>Responsible Officer: ICT & Digital Transformation Manager</p> <p>Action to Date: On track for completion by action target date.</p>

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			<p>This will include the development of a Digitisation Policy (and associated SOP's).</p> <p>Digitisation Strategy currently being developed. The Paperlite Project which manages the change has been developed and will be presented at the Full Management Team meeting in April 2019 for adoption before then being rolled out across the organisation.</p>	
15.	PROCUREMENT	<p>Recommendation 1: Council, as a matter of priority, develop a strategy to address the issues identified in the management of procurement.</p>	<p>Accept the recommendation provided.</p> <p>In order to implement the recommendations and have continuous improvement in place in the best interests of the community and other stakeholders, Council is in the process of developing an Improvement Plan.</p> <p>The Improvement Plan will aim to:</p> <ol style="list-style-type: none"> 1. address the seven (7) issues which are highlighted in the Report and action them; and 2. develop a Procurement and Contract Management System which will support the underlying principles of: 	<p>Action Target Date: 30 June 2019</p> <p>Responsible Officer: Manager Finance</p> <p>Action to Date: On track for completion by action target date.</p>

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			<ul style="list-style-type: none"> a. Best value for money b. Open and fair competition c. Accountability and management d. Risk management e. Probity and transparency. <p>The Procurement and Contract Management System will:</p> <ul style="list-style-type: none"> 1. have up to date policies, procedures, tender and contract templates, a contract register, a compliance register, facts sheets and/or checklists; 2. ensure compliance with legislation, policy requirements and best practice principles; 3. be clear, simple and easy to use; 4. be understood and applied by Council employees; 5. support potential contractors engaged as a result of the procurement process; 6. provide education and training across Council; and 7. be monitored for record keeping, reporting, compliance and continuous improvement. 	

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		<p>Recommendation 2: Review systems and process relating to procurement to ensure they meet the requirements of the procurement policy, the Act and the process is fair and transparent.</p>	<p>Accept the recommendation provided.</p> <p>The review into Councils current practices and procedures has been undertaken with the aim of identifying the areas for improvement. Council has put an action plan in place to ensure that procurement documents including conflict of interest and confidentiality forms are complete, the evaluation process and documents are compliant, the sign off process and decision making are accountable, fair and transparent, panel members are aware of, and comply with, their roles and responsibilities.</p>	<p>Action Target Date: 30 June 2019</p> <p>Responsible Officer: Manager Finance</p> <p>Action to Date: On track for completion by action target date.</p>
		<p>Recommendation 3: Relevant training should be provided for procurement staff to ensure they are fully aware of their roles and responsibilities.</p>	<p>Accept the recommendation provided.</p> <p>Training of all staff will be provided to ensure clear understanding of staff responsibilities. Training for procurement staff on their responsibilities will also be provided.</p> <p>The education and training plan will be put in place to:</p> <ol style="list-style-type: none"> a. identify the areas for improvement in order to provide training for the procurement staff about their roles and responsibilities; 	<p>Action Target Date: 30 June 2019</p> <p>Responsible Officer: Manager Finance</p> <p>Action to Date: On track for completion by action target date.</p>

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			<ul style="list-style-type: none"> b. provide training for the Management team about their roles and responsibilities in leading and supporting Council's Procurement and Contract Management System; and c. provide training for all Council employees as part of their induction process with additional training provided to employees who require or use the procurement services. 	