LGI Recommendations –

Council embarked on a comprehensive program of change to fundamentally improve Culture, Governance, Transparency, Performance and Accountability for our Community. With significant change in leadership and management practices, review of the organisation structure, increased resources, improved policies, increased communication and community engagement, increased rigor to councillor briefing sessions and strengthened governance resources. Council has created an environment where all staff and councillors conduct themselves professionally and hold each other accountable in decision making. The following is many but not all improvements implemented, in relation to the recommendations contained in the released report.

	Recommendation	Comment
1	Council must create and implement an 'Acquisition and sale of land and property purchase policy' which must be reviewed on a regular basis in line with best-practice.	- Policy has been adopted in December 2023, complies with legislative and additional requirements. - The Disposal and Acquisition of Land Policy provides a framework to guide decision making in relation to the sale and acquisition of land and applies to all Council freehold land or land vested in Council. - The policy ensures that an independent valuation must be obtained for the purchase of sale of land to occur. - https://www.hepburn.vic.gov.au/files/assets/public/v/1/council/documents/other/council-policy-93-c-disposal-and-acquisition-of-land-19-december-2023.pdf
2	Council must be transparent to their Councillors and provide accurate information on where funding for a project will come from.	A number of initiatives are in place, including but not limited too: - Capital Works Planning Group created to lead budget development and assessment of all projects. Project budget bids are completed as part of the annual budget process and initially reviewed and critical analysis undertaken by this group. - Project plan template identifies legislative compliance requirements and funding sources. - Quarterly project reporting provides updates to councillors, Audit and Risk Committee and the community. - CEO is providing project updates through councillor briefings and councillor bulletins.
3	Council must take into consideration the cost of decontaminating a property that they sell	The Disposal and Acquisition of Land Policy was adopted by Council, and requires that Council, when selling property, will undertake a property land assessment and consider a number of

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	prior to agreeing to sale terms, as it may affect the profit of loss to the council and in turn to the community.	factors. Those factors include a requirement to review Site specific information, including survey issues, land boundaries, site constraints and opportunities plus building asset condition and maintenance considerations (risks), environmental (including contamination).
4	Separation of duties must be maintained between the Planning department and the CEO to ensure public confidence in its independence.	The Statutory planning team has been standalone function since 2018 and reports to an Executive Member, not the CEO. Instruments of delegation have been reviewed to require high value/controversial applications to go to Council, and resources have been significantly increased in Statutory and Strategic Planning teams.
5	Council must create a policy that supports staff in their understanding of governance, conflict of interest, and integrity and enables council officers to be able to exercise their duties under their delegation and raise issues through the internal hierarchy without fear of repercussion.	- Staff Code of Conduct adopted December 2021, reviewed January 2023. Training provided to staff, including refresher training (April 2021). - Staff in leadership positions are required to lodge biannual personal interest return. - Increased resources within the People and Culture function. - A review of the staff induction program undertaken in 2023 –with a focus on finance, governance and procurement policies and procedures is now undertaken. - An e-learning system has been implemented, which enables tracking of staffs' progression through the various training modules. This includes mandatory reviews of key policies and a declaration that they have read the policy. - Refresher courses are provided for all staff on information privacy, bullying, cultural diversity and managing conflicts of interest. - Attendance records at training sessions are kept. - There is also an induction process for contractors for key policies and procedures, which is managed by the relevant council department.
6	Council must ensure all projects are properly scoped and costed before proceeding and comply with relevant legislation.	- Council has established a Major Projects Unit with suitably qualified staff. - The Capital Works Planning Group provides additional oversight. - A significant amount of work has been undertaken with the council as to what sound project management looks like. This is to underline the need for a solid project planning process at the start of each major project, which may take up to 12 months, to ensure a project plan and risk analysis is undertaken.

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		- Officers and Councillors now talk about a 5-year timeframe for major projects. The development of major strategies is also considered to be a major project under council's new Project Management Framework. - Officers are currently implementing an EPMO (enterprise project management office) – which is designed to further enhance project planning, delivery and reporting.
7	Councillors should receive regular, open and transparent updates in relation to any projects that are undertaken.	- Council has created a weekly Councillor Bulletin that provides project updates and important information for Councillors. - Quarterly reporting provides an update on each project – this is tabled at a Council Meeting and therefore available to the community. - Broad general community communications now in place including a monthly e-newsletter with 4,000 subscribers. - Various ad-hoc updates provided to Councillors. - A councillor intranet portal with key documents and information is available to Councillors/ - A CEO report detailing activities undertaken is presented to each Ordinary Meeting of Council. - Council has implemented a new, electronic agenda and minutes system and has created a new format for its briefing and meeting reports. The format includes sections that clearly identify to councillors' key risk and financial implications (including funding sources). - An online councillor request system has been created which allows councillors to seek updates from management.
8	Council must not rely on previous community consultation if it significantly changes the scope of a project, such as the location or budget.	- Community Engagement Framework and matrix implemented to assess consultation for each project. - Council recruited a Community Engagement Specialist that supports consultation at each stage of a project. - Independent Internal Auditor conducted a review of Councils Community and Stakeholder Engagement in December 2022 – with positive results. This report was presented to the Audit and Risk Committee.

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9	Council must be open and transparent about the costs of construction projects.	• Monthly Executive and quarterly Council project status and financial reports prepared. • Recommendations to Council relating to tenders undertaken in open section of Council meeting (confidential attachments) for the majority of contracts. Every endeavour is made to present contracts for consideration of award in the public part of an Ordinary Council Meeting agenda. These reports will typically refer to a confidential evaluation report as an attachment. There may be an irregular instance where a contract may be presented in the confidential part of the meeting.
10	Council must develop and implement an owner-builder policy and ensure all potential owner-builder projects have a project plan which includes a budget, oversight, and a risk assessment.	• Council have stated they will not undertake owner builder projects. • Owner builder delivery model is not supported and now forms part of corporate knowledge. The development of EPMO will embrace this approach and embed the practice in the Project management framework.
11	Council should implement and strictly follow a policy for major projects.	• Major projects process developed. • No specific threshold for what a major project is but will consider this under review of the project management framework. • Project Control Groups are established by agreement by Project Sponsor, Sponsor Delegate and Project Manager case by case. • All projects must have a project plan. • Thorough project scope, tender evaluation, cost analysis and contract award/management process in place. • Major Projects Team established to provide specialised skills and experience. • Currently council do not categorise projects into a binary 'Major Projects' or other. Project management framework encourages governance, risk and other decision to be considered and tailored on a case-by-case basis. • The decision of which projects are to be delivered by the Projects Team are held at the Senior Leadership Team/Manager level, and are based on considerations of resourcing, skills, experience, risk, and complexity.

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		• As projects progress, increasing rigor is applied to cost estimates. Scoping, and specific contingencies (specific to the type of works, and the level of certainty), are critical to these costings. Project management and escalations are also included, for full project costings. • As a project is delivered, costs are managed via project budgeting sheets, with regular reporting to ELT level, and more complex projects subject to regular review with finance team and PCG where established. • Regular reporting on high-risk projects occurs to the Audit and Risk Committee.
12	Council should develop and implement a policy and procedure to process and management planning and building matters that concern the direct and indirect involvement of councilors and council staff. This should be done to avoid any perception of a conflict of interest, inappropriate behavior and lack of good governance.	• Policy and procedure under development. • Conflict of Interest was covered in Councillor induction and regular reminders have been provided. • Staff regularly reminded of Conflict of Interest obligations. • Majority of planning decisions require sign off by two officers.
13	Council should ensure all subdivision applications are lodged with the Planning department to ensure transparency and oversight of the subdivision process. This will ensure that an application is not submitted directly to a subdivision officer by surveyors.	• All applications lodged with Planning department. • Weekly report on applications received and determined provided to Leadership Team and Councillors. • Planning register publicly accessible on website.
14 / 15	The CEO should be limited to purchasing a new vehicle from the 'approved list of vehicles' as stated in the Motor Vehicle Policy unless any other arrangement is approved by Council.	• Policy reviewed April 2020. • Policy states vehicles are to be chosen from Vic Fleet list, but that CEO's car is covered by contract (approved by CEO Employment & Remuneration Committee) not the Policy. • New vehicle purchased for CEO by Manager Facilities, under supervision of Director Infrastructure and Delivery.

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	A properly authorised officer must undertake the purchase of a new vehicle for the CEO, in accordance with the Motor Vehicle Policy and Procurement Policy.	
16	Council must conduct risk assessments for all future projects	• Council adopted a Risk Management Framework in December 2021 and set an ambitious improvement plan to improve risk management culture within the organisation. • Council adopted a Risk Management Policy in November 2023 - Microsoft Word - Policy 24(C) - Risk Management Policy - Adopted 21 November 2023 - Current • New software has been implemented to monitor and report on risks. • Regular reporting of risks is provided to Councillors and the Audit and Risk Committee. • Council has in place an annual internal audit program which is approved by the Audit and Risk Committee. This program includes a number of independent reviews.

17	Council must ensure there is more accountability and oversight for commitments made by the CEO.	• Establishment of the CEO Employment and Remuneration Committee that is required per the terms of reference to meet at least twice each year.
		• The CEO Employment and Remuneration Committee is comprised of all councillors and two independent members, and provides recommendations on
		    o CEO recruitment and appointment
		    o Approving the contract of employment
		    o Appointing an Acting CEO for a period of greater than 28 days
		    o Provision of independent professional advice
		    o Monitoring of CEO's performance against the KPIs
		    o Annual review of CEO performance
		    o Determining CEO's remuneration
		• Mayor and CEO meet on weekly basis.
		• Councillor briefings held on a regular basis.
		• Weekly bulletin provided to councillors on wide range of activities.
		• Quarterly report outlining operational statistics provided to councillors and the Audit and Risk Committee

	Recommendation	Comment
		• Where councillors authorise the CEO to enter into negotiations the resolution often includes a requirement to keep councillors updated of progress and outcomes.
18	Council should introduce a policy and procedure to govern contract management.	• Council is compliant with LG Act in relation to land acquisition and sales, evidenced in sale of Rex property. • Policies relating to contract management under review/development as part of a broader project management framework. • Procurement policy (Revised Procurement Policy adopted by Council at the September 2023 Council meeting.) • Council Owned & Controlled Property Policy was reviewed and separated into two policies being: Leases & Licenses policy; and Disposal and Acquisition of land Policy. Both policies were adopted by Council at the December 2023 Council meeting following a community consultation period. • Quarterly report detailing tenders undertaken, contracts entered into, and procurement exemptions provided to councillors and Audit and Risk Committee. • A decentralised procurement model is in place. A centralised procurement officer role has also been established that supports process improvements, templates guidance and advice on procurement activities and review of procurement plans. An independent probity advisor is also appointed for larger purchases / tenders as required by the procurement policy.
19	Council must create a governance schedule which includes a policy review schedule. The executive leaders should be accountable for this governance schedule and policy review schedule.	• Audit and Risk Committee briefed quarterly on outstanding policies and renewal program. • Refreshed policy register, with reminders sent to leadership group regarding policies due for renewal. • Reminders are currently tracked and sent manually. A system implementation is planned for the future, when budget becomes available. • Council will roll out software modules for delegations' updates, subject to budget. • Internal audit review on both the Hepburn Hub at the Rex project and Council's Project Management have been completed which has detailed a number of recommendations, which officers accepted and implemented. • An automated IT system has been implemented for internal and external audit recommendations tracking, which will assist with the creation of a governance schedule.

	Recommendation	Comment
20	Council must ensure its policies are consistent and do not contradict each other.	- Ongoing review and comparison as policies are renewed. - There is a significant cultural shift occurring across the organisation in relation to ensuring policies and procedures are current and reviewed on a regular basis. - A significant amount of resources have been put into this task, aided by the recruitment of a records management and governance expert.
21	Council must actively enforce its records management protocols to ensure all documents are saved in its Content Management system. It must induct staff and conduct regular refresher training on records management protocols.	- Information Management Team re-established 2018, as the records management function decentralised under former management but now dedicated/qualified records management staff are employed - 1.8 dedicated staff - The records management system was recently upgraded with greater functionality. - Information Management update forms part of corporate reporting process – quarterly reports since September 2020. - Training packages for staff improved – induction, advanced users and refreshers on records management from October 2021. - The recruitment of a dedicated Governance and Records Manager has resulted in the drive for a centralised records management system, recently aided by the procurement of Technology One's RMS (to be rolled out over the next few years). - A centralised records management system is a significant cultural shift for council, which will take some time to embed but expert staff have been onboarded and a focus on training and induction is apparent. - Protective Data Security Plan (PDSP) project recently completed included review of the IM Policy and establishment of the Information Asset Register with significant improvements recorded. - Records disposal project to be undertaken in 2024/25. - IM Staff recently undertook dedicated training in disposal and have commenced a review of our record management system to facilitate disposal. - Ongoing review of user guides, information available on intranet, enhanced training for RM staff, monitoring and reporting of overdue actions.
22	Council must ensure its CEO, Councillors and staff are trained on, and comply with the	- Council subscribed to Maddocks Authorisations and Delegations service. - Instruments are updated every six months when updates are released by Maddocks.

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	delegations of functions, duties, and powers set out in the Local Government Act.	- Council register of delegations and authorised officers being reviewed and is available on Council's website. - Major review undertaken in 2020, with biannual updates presented to Council in line with Maddock's updates. - Training and advice sought from Maddocks on legislative changes, authorised officer powers, considerations when appointing authorised officers. - Regular training for staff provided and there is a focus on delegations through the staff induction program. - Council Adopted a Public Interest Disclosure Policy in September 2020 and updated Council's website to allow staff and community to confidentially disclose improper conduct. - A comprehensive Councillor Induction program was conducted for the incoming Councillors; which included guidance on Councillor, CEO and Officer roles and responsibilities. The induction program was facilitated by officers and included presentation by legal representatives.
23	Council must ensure all staff adhere to its procurement policy, reviews its procurement policy in accordance with legislation, and ensure the procurement policy aligns with LGV's best practice procurement guidelines.	- The Procurement Policy / Procedures requires additional strengthening around conflicts of interest (COI) – currently a COI form is completed when the staff member is invited to form an evaluation panel but only a verbal confirmation that they have no conflict when the tenders are received. - Best practice requires written declarations at both the inception of the evaluation panel and when the tenders are in to ensure no conflict exists at the time of evaluation. - Council undertakes a regular review of the procurement policy. The last review was completed and presented to Council in September 2023, and due for review again in 2027. - Training plan and material including slides and 'How to' guides have been developed. - The implementation of the training program as stalled due to staff vacancies and inability to recruit / retain staff. - Council will update the how to guides and guidance documentation to ensure forms are signed when invited to the evaluation panel and when the tenders are received.

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		• Council have implemented a new process from November 2023 whereby all procurement plans, and associated documents require to be approved by the procurement representative then the appropriate financial delegates prior to the release of the RFQ/RFT to the tenders portal. This workflow and approval process is via content manager (Records system) with electronic workflow approvals.
24	Council must ensure all council staff, including the CEO, do not enter into any contractual arrangement without following the procurement policy.	• Internal Audit of contract management was undertaken in 2021, with updates on progress provided to Audit and Risk Committee. • Procurement and Contract Management was subject to independent audit by internal auditor and reported results to Audit & Risk committee. • No major issues identified.
25	Council must ensure there is more accountability and oversight for financial commitments made by the CEO.	• Agreements entered into by CEO are responding to Council resolution or recommendation from Officers. • Monthly finance reports are prepared for the Executive Management Team, quarterly reports are provided to Council and the Audit and Risk Committee. • Currently, all Council decisions are captured in a register and a status update is reported to Councillors on a monthly basis. • A weekly Councillor bulletin is provided to councillors that updates them on current activities, issues and outcomes. • Councillor and CEO meetings are held monthly. This is an opportunity for the CEO to update Councillors on current issues and for Councillors to raise items for discussion. • In addition, there are occasions where a specific Council decision will include a requirement for the CEO to report back to Councillors. This detail is reported back to councillors through the avenues referenced above.
26	Council must strengthen its record keeping procedures in relation to procurement documents.	• Updated record keeping practices in place. • Documentation saved at all stages of project on Council's Content Manager system. • Council investigating procurement of contract management system to support sound record keeping, compliance, performance monitoring and reporting.

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		• There is currently a significant cultural shift around records management processes, being driven by the new Governance and Records Manager. A more centralised records system is under development and additional staff training has been provided to aid in the cultural change.
27	Council must ensure procurement documents, including details of all public tender processes and written quotations, are saved in its content management system.	• Updated record keeping practices in place. • Documentation saved at all stages of project on Council's Content Manager system. • Council investigating procurement of contract management system to support sound record keeping, compliance, performance monitoring and reporting.
28	Council must ensure all staff are trained on the Procurement Policy.	• Training of staff undertaken after 2021 policy adoption. • A new staff induction policy and training module has been implemented by council to ensure key processes and policies are covered and declarations made to say that staff have read the policy.
29	Council must establish a timeline for delivery of training and education to all staff involved in procurement.	• Training completed 2021 and in 2023. • Council has a training attendance list that they use to monitor who has been invited to attend and who has attended training. • Council has a general induction and general training program. Training program has been tailored slightly for finance employees to target areas that they should be looking out for. • Council has 'how to guides' as reference tools to support the employees with their procurements.
30	Council must strengthen the wording in the Motor Vehicle Policy, in line with the Victorian Government Standard Motor Vehicle Policy.	• Motor Vehicle Policy was updated and strengthened.
31	Council ensures that its procurement policy incudes that when purchasing goods from a	• Compliance with Australian Standards or other licenses/permits required from contractors for all goods, services and works. • Proof required through procurement phase and contract management stage.

	Recommendation	Comment
	foreign supplier, the product is compliant with relevant and current Australian Standards.	
32	Council must strengthen its Procurement Policy's procurement exemption provisions.	• The current process has been updated to provide guidance about exemptions from general public tenders, proposals, quotations and expressions of interest. • Future policy will require two directors to authorise an exemption for the CEO. • Provides guidance around exemptions request process (Procurement officer reviews request, Director reviews prior to CEO sign off).
33	Council must add a section into the Procurement Policy related to standing orders explain what standing orders are, how they should be used and establishing guidelines to ensure they are not used to circumvent procurement policies.	• Standing orders are known as Panels of Suppliers, the policy includes guidance for establishing and use of panel suppliers.
34	Council should amend its Procurement Policy to set out the steps that must be taken when a tender is not awarded at the end of the tender process.	• Procurement policy has broad guidance but needs to be more defined in future revision of the Policy. • Council has a guidance document that forms part of the procurement policy – Procurement Methodology and Process – that steps out when a tender is not awarded.
35	Council must review its contract management system and train relevant staff, particular management and executives on all aspects of contracting, including drafting, execution, interpretation and records management.	• Full suite of standard contracts used by Council. • Digital signature software launched and training provided. Software will increase transparency, monitoring and filing of documentation. • Contracts are managed in the EDMS with a central, manual register. • Records management is not decentralised. The Information Management team was re-established in October 2018. The IM team have responsibility for ensuring the EDMS is maintained, with support from ICT.

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36	Council must provide training to relevant staff on public tender processes.	- Training session held for staff involved in tender evaluations - Council has a Conflict of Interest form signed by all evaluation panel members prior to involvement.
37	All council staff, including the CEO, must follow procedures for donations and grants of council money unless reviewed and varied by resolution of Council.	Grants Funding review undertaken, with a Grants Funding Policy adopted by Council in April 2024.
38	Council should review the issue of its Refund / Reimbursement request form and amend the wording and use of the Corporate Credit Card policy to provide clear guidance about reimbursements.	- Procedure reviewed and available on intranet. - Manager required to approve reimbursement. - Section 9.2 prohibits use for personal use, partner or family members.
39 / 40	Council must review its Corporate Credit Card Policy.	- Policy updated and approved September 2022. Currently Mayor approves and Director People and Transformation processes. - Staff are required to record the work purpose of the expenditure. - Policy acknowledges that accidental personal expense may occur but outlines reporting and repaying ASAP. - Details that all expenditure must be for council purposes. - The Mayor does not have any financial delegation and does not provide any approval of CEO credit card transactions. The Mayor does review them for transparency. Formal approval is provided by Director People and Transformation. The process has also been subject to audit by our internal auditors and reported to Audit and Risk committee. - With regards to Food / Alcohol our credit card policy requires an itemized list of those persons for meal / accommodation purchases. The policy also states that prohibited use of the CC by the cardholder is items or services for personal use or consumption. - Legitimacy of credit card transactions is achieved through supported tax invoices as specified in the policy.

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		• Credit card holders are assigned maximum transaction limits that range from $500 to $5,000 depending on position within Council. This aligns with the procurement policy threshold whereby $0 to $5,000 requires one verbal quotation and can be a direct approach to the supplier.
41	The Recruitment, Selection and Induction Policy should be reviewed and amended to strengthen the policy.	• Council's People and Culture recruitment procedure requires Procurement Policy to be followed to directly engage consultants. • Section 70(0) of the updated Recruitment Policy states an employee who has resigned shall not be re-engaged as a contractor within 12 months. However, there is an ability for the CEO to approve an exemption. • Roles cannot be advertised without a PD and People & Culture procedures require the current PD to be sighted as part of the recruitment form. • The Recruitment Policy allows the CEO to approve an exemption from going through the various recruitment processes. It would be best practice to have a Director/Executive Member and the CEO to sign the exemption so there is a two-stage approval process. There will be a review and update of the policy scheduled and the recommendation for co-approval for this scenario will be included as part of this review. • In terms of re-appointment of former staff as consultants, there are no examples of this occurring in the previous 12 months.
42	People and Culture should develop protocols for following up on the execution of employment contracts, to ensure this is done in a timely manner.	• P & C must receive all contracts, which are kept on personnel files in a secure place. • Staff are unable to access ICT systems without a contract in place.