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Objective

Council, in its role as a Local Government Authority in NSW, is committed to compliance with all statutory and common law requirements relating to its operations and governance. Council must maintain the highest standards of diligence in all areas of public accountability through its policies; in meeting its legal obligations; and in the maintenance of a compliance management system.

It is the objective of Mid-Western Regional Council and its staff to not only comply with legislative requirements but also clearly and routinely demonstrate such compliance.

If legislative breaches are committed by Council, or staff at Council, legal action could be taken against Council, staff and Councillors. The reputational damage to Council could also be considerable.

Legislative requirements

- NSW Legislation: <https://www.legislation.nsw.gov.au/#/>
- Local Government Act 1993
- Local Government (General) Regulation 2021
- Office of Local Government: <https://www.olg.nsw.gov.au/>
- Audit Office NSW: <https://www.audit.nsw.gov.au/our-stakeholders/local-government>

Related policies and plans

- Many of Council's policies and plans are publicly consulted and are available on its website. A policy register is maintained and routinely reported to the Executive to monitor the currency of its policies.

<http://www.midwestern.nsw.gov.au/council/council-documents/Policies--Strategies-2/>

- A primary function of Council is to give lawful effect to both NSW government legislation and local policies. Public officials (council staff) are employed to assist the Council to do so. Council staff must therefore give effect to a lawful policy of the Council whether or not they personally agree with or approve of it.

Policy

Council is committed to the principles of effective compliance programs. These principles are outlined in the NZS/AS 3806:2006. It is noted that the International Standard ISO 19600:2015 supersedes the Australian Standard. At this time Council's Audit Risk and Improvement Committee has resolved to initially work toward achievement of the Australian standard before the adoption of the International standard.

Council will apply appropriate resources and procedures to ensure that the following principles are integrated into Council's legislative compliance.

Principles

COMMITMENT

1. Commitment by the Council and the Executive to achieve effective compliance across all areas of the organisation
2. The compliance policy is aligned to the organisation's strategy and business objectives, and is endorsed by Council
3. Appropriate resources are allocated to develop, implement, maintain and improve the compliance program
4. The Council and the Audit Risk and Improvement Committee will endorse the objectives and strategy of the compliance program
5. The Executive will routinely assess Council's compliance obligations
6. Managers will ensure that they keep up to date with changes in the Legislative Compliance Database, with the assistance of the Governance team.

IMPLEMENTATION

7. Responsibility for compliance is clearly articulated and assigned behaviours that create and support compliance programs are encouraged, and behaviours that compromise compliance are not tolerated
8. Controls are in place to manage the identified compliance obligations and achieve desired behaviours

PERFORMANCE

9. Performance of the compliance program is monitored, measured and reported on
10. The organisation is able to demonstrate its compliance program through both documentation and practice

CONTINUOUS IMPROVEMENT

11. The compliance program is regularly reviewed and continually improved
12. Competence and training needs are identified in order to meet compliance obligations

Responsibilities

Councils **Audit Risk and Improvement Committee** (ARIC) will review and provide advice and recommendations on Council's Legislative Compliance Framework and internal audit processes and report to Council as required.

The **General Manager** shall have overall responsibility for Council's legislative compliance framework.

The **Executive** should ensure that adequate training and instruction is given to staff to ensure that legal obligations for their responsibilities are identified and met. The Executive will receive reports of significant non-compliance that must be promptly addressed and the necessary steps taken to comply. Non-compliance will be reported to ARIC.

Managers must ensure that procedures and systems are established to support compliance with Council's Legislative Compliance Policy. Procedures will cover all necessary council activities and will be regularly updated as required.

Managers, through using Local Government Legal Legislative Compliance Database, have a responsibility to ensure that they remain abreast of legislation changes which affect their area of work to ensure that they and their staff are aware of their legislative obligations with the goal that compliance is achieved at all times.

All employees must immediately report any areas of non-compliance identified.

Maintenance

Council will ensure adequate processes are in place to ensure that timely advice is received regarding changes to compliance obligations and good governance practices by:

- Maintaining the Local Government Legal Legislative Compliance Database
- Continuing memberships with professional bodies (areas such as engineering, accountancy, planning, health and building and Local Government.
- Subscribing to relevant information services
- Attending industry forums, conferences, workshops and seminars

Implementation and Review

Commitment to legislative compliance must be demonstrated by all levels of leadership to ensure Council's legal obligations within their area of responsibility are met at all levels.

To achieve Council's compliance objective, Council has engaged with Local Government Legal for access to their Legislative Compliance Database (LCD). Access to the database will assist Managers to monitor and review council's legislative obligations and responsibilities. Managers will access the database and acknowledge their understanding of the legislative obligations of their role with Council.

Where necessary expert advice will be sought following Executive approval to guide management actions. To support the achievement of the Legislative Compliance Policy objectives Managers will:

- Promote a culture of compliance and good governance;

- Uphold a culture of open disclosure of non-compliance without fear of reprisal;
- Document and review Council policies and procedures to ensure they comply with applicable laws and regulations;
- Attend training and be established as users of the LCD to enable understanding of compliance obligations and required management actions;
- Continue to monitor and report on compliance to identify breaches or system failures;
- Promptly address identified breaches or other non-compliances to mitigate council's exposure to legal risk.
- Advise staff of the LCD and their ability to access the system in order to be familiar with and easily refer to legislation that is relevant to their role.
- Immediately report all major non-compliance events to the Executive.

Council's staff are required to report any legislative breaches of compliance to their manager and director who will then advise the Governance Team and any external authorities that require mandatory reporting. The Governance Team will report to the Executive and to the Audit Risk and Improvement Committee. The level of compliance will be assessed by the Audit Risk and Improvement Committee and reported to the General Manager and Council. ARIC will advise Council on the effectiveness of its Risk Management Framework through the review of a quarterly risk management update. This update includes an overview of Council's current key risk management activities, and relevant financial, Community Plan, strategic or policy implications relating to risk management.