



City of Perth

Special Council Meeting

AGENDA

15 September 2020 1.30pm



Notice is hereby given that a Special Council Meeting of the City of Perth will be held in the Council Chamber, Level 9, 27 St Georges Terrace, Perth on Tuesday, 15 September 2020 at 1.30pm.

Michelle Reynolds | Chief Executive Officer | 11 September 2020

This meeting is open to members of the public

INFORMATION FOR THE PUBLIC PARTICIPATING IN COUNCIL MEETINGS

Welcome to this evening's Council meeting. This information is provided on matters which may affect members of the public. If you have any queries on procedural matters, please contact a member of the City's Governance team via governance@cityofperth.wa.gov.au.

Question Time for the Public

- An opportunity is available at Council meetings for members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a member of staff to answer the question and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question, please complete the Public Question Time form available on the City's website <https://www.perth.wa.gov.au/council/council-meetings>. Questions should be forwarded to the City of Perth prior to the meeting via governance@cityofperth.wa.gov.au

Deputations

- To submit a deputation request, please complete the Deputation Request form available on the City's website <https://www.perth.wa.gov.au/council/council-meetings>. Deputation requests should be forwarded to the City of Perth by midday on the day of the meeting via governance@cityofperth.wa.gov.au

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Commissioner or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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Order of Business

Item

1. Prayer/Acknowledgement of Country
2. Declaration of opening
3. Apologies
4. Question time for the public and notification of deputations
5. Disclosures of members interest
6. Matters for which the meeting may be closed
Nil
7. Reports

Item No.	Item Title	Page No.
7.1	The City's Response to the Inquiry Report	4

8. Closure

Item 7.1 – The City’s Response to the Inquiry Report

File reference	P1038672
Report author	Michelle Reynolds, Chief Executive Officer
Other contributors	Chris Noble, Acting Project Director Corporate Recovery
Reporting Service Unit and Alliance	CEO Alliance
Report author disclosure of interest	Nil
Date of report	11 September 2020
Nature of Council’s role	Legislative
Voting requirement	Simple Majority
Attachment/s	Attachment 7.1A – The City of Perth’s Response to the Inquiry Report

Purpose

To seek Council’s approval of the ‘City’s Response to the Inquiry Report’ (Attachment 7.1A) for submission to the Minister for Local Government in accordance with *Section 8.23(4) of the Local Government Act 1995*, detailing the things it has done or proposes to do to give effect to the recommendations in the Inquiry Report.

Background

On Friday, 2 March 2018, the Minister for Local Government suspended the City of Perth Council and appointed three Commissioners to perform the duties of Council. As a result, the Minister announced a formal Inquiry into the City of Perth (the City), under Section 8.16 of the *Local Government Act 1995*. The inquiry period examined government at the City between the period 1 October 2015 to 1 March 2018.

The final report of the Inquiry (the report) was tabled at State Parliament on 11 August 2020. The report detailed findings representing failings of good government and operations, which were suggested to be rooted in two causes, poor behaviour and poor decision-making. These were exacerbated by poor culture and poor governance practices at the time. The report included recommendations that have implications for both the City of Perth as well as the broader local government sector.

Details

In accordance with Section 5.23(4) of the *Local Government Act 1995*, the City is required to, within 35 days after receiving the report, provide the Minister for Local Government a written response setting out the things it has done or proposes to do to give effect to the recommendations provided.

The City’s written response titled ‘City’s Response to the Inquiry Report’ is provided in Attachment 7.1A.

Summary

The City is committed to re-establishing itself as an exemplar local government and building a solid foundation of good governance for the City of Perth.

Attachment 7.1A details the City’s acceptance of the findings and provides details as to the actions that have been completed, or are in the process of being delivered, in relation to the recommendations.

Next Steps

Implementation Plan

Following formal submission of Attachment 7.1A, the City will develop an implementation plan, by December 2020, that aims to address the recommendations. It is expected that this will include input from the newly elected Council.

The City recognises that critical improvements are needed, spanning across a range of activities. Therefore, an implementation plan will ensure a structured and planned approach to a significant body of work, which will be balanced with the City’s existing ‘business-as-usual’ operations.

Oversight and Reporting

The City intends to establish a committee consisting of independent oversight representatives, to monitor progress of the implementation plan and provide support and input where necessary. These ongoing progress reports will be provided to Council and the community.

Stakeholder engagement

There is no stakeholder engagement related to this report.

Strategic alignment

Strategic Community Plan

This item addresses the community’s vision for the future and its implications on the Strategic Community Plan 2019 – 2029, Corporate Business Plan 2020/21 – 2023/24 and relevant Issue or Area Specific Strategies or Plans.

Aspiration:	Performance
Strategic Objective:	5.6 – Decision-making that is ethical, informed and inclusive.

The City’s response to the Inquiry is aligned to the Strategic Community Plan objective of ‘Decision-making that is ethical, informed and inclusive.’

Legal and statutory implications

Section 8.23(4) of the *Local Government Act 1995*

Risk implications

Impact of decision	
Organisation	Low
Community	Medium

Risk domain	Consequence	Likelihood	Risk rating
Reputation and External Stakeholders	Minor	Possible	Medium
Legal and Regulatory/Ethical	Insignificant	Rare	Low

There are minimal legal risk implications surrounding the recommendation of this report. The City’s response to the Inquiry Report is likely to generate media interest, however, given the efforts already undertaken, it is likely that this will only be of a medium risk rating.

Approval implications

Should the recommendation not be supported, the City will be non-compliant with Section 5.23(4) of the *Local Government Act 1995*.

Financial implications

There are no direct financial implications related to this report.

Policy references

There are no policy references related to this report.

Comments

It is requested that Council approve the City’s written response titled ‘City’s Response to the Inquiry Report’, as provided in Attachment 7.1A, for formal submission to Minister for Local Government.

Following formal submission, the City will continue its improvement journey, taking guidance from the recommendations, focussing on re-establishing the organisation as an exemplar local government based on a solid foundation of good governance.

It is now time for the City of Perth to move forward with a new Council, Chief Executive Officer and Executive Leadership Team and deliver the best outcomes to its community and stakeholders.

Recommendation
That Council <u>APPROVE</u> the ‘City’s Response to the Inquiry Report’ (Attachment 7.1A) for submission to the Minister for Local Government in accordance with <i>Section 8.23(4) of the Local Government Act 1995</i> , which details the things it has done or proposes to do give effect to the recommendations in the Inquiry Report.



City of Perth

The City of Perth's Response to the Inquiry Report

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1

Executive Summary

The City of Perth (the City) welcomes and accepts the findings in the Inquiry Report (the report) that reflect the outcomes of the investigation into the City of Perth.

The recommendations provided in the report will further inform the program of improvement the City has already commenced since the appointment of the Commissioners in March 2018. That is to establish stable and aligned leadership, develop and implement an integrated planning framework, deliver better financial management and stronger governance, foster a cohesive culture, and provide agile and responsive services to the community and stakeholders. Overall, restore trust and confidence in the City.

The City is committed to re-establishing the organisation as an exemplar of local government in Western Australia. Over the past 24 months, the City has made numerous improvements whilst awaiting the outcomes of the Inquiry.

As such, good progress has been made and the City is pleased to find that some of the recommendations provided have either already been implemented or are in the process of being addressed.

While work has been done, the City recognises that the journey is far from over and there is significant room for improvement and ongoing vigilance required. The City therefore embraces the report recommendations to inform future improvement efforts.

2

Background

“Overall, the Inquiry considered the Council of the City of Perth was poorly led, divided and, as a result, dysfunctional. Had it been necessary, the Inquiry would have recommended the entire Council be dismissed.”

When the Commissioners were appointed at the City in March 2018 they led a “Discovery Phase” which involved several external and internal reviews, assessments, collaborative projects and individual contributions. Outcomes and findings identified improvement areas required to rebuild trust and confidence in the City.

Reassuringly, the City has made good progress with improvements and is pleased to find that some of the report recommendations were identified by Commissioners and the 2018 reviews and have already been implemented or are in the process of being addressed.

For example, over these past two years, the City has established stable and aligned leadership, developed and implemented an Integrated Strategic Planning and Reporting Framework (ISPRF), implemented better financial management practices, placed stronger focus on stakeholder and community relations and prioritised the establishment of good governance and culture within the organisation.

The high-level improvement areas as identified by the 2018 reviews are discussed in more detail below.

IMPROVEMENT AREAS	FINDINGS FROM THE 2018 REVIEWS	OUTCOMES ACHIEVED SO FAR
Leadership	The City did not effectively use leadership concepts, business processes and appropriate governing structures to support the delivery of quality services to its community. The leadership and governance throughout the organisation have been ineffective, which has led to a disruptive and disjointed culture.	<ul style="list-style-type: none"> • A high performing Executive Team appointed and an Alliance structure that enables optimal provision of services to the community. • Cultural change into a 'One City' Approach with stronger community focus and a sense of ownership within all staff.
Integrated Strategic Planning	The City had a disjointed approach to setting strategic direction and had not established integration between strategy and operations.	<ul style="list-style-type: none"> • Integrated Planning from the Strategic Community Plan through to the Corporate Business Plan, implemented via connected Service Unit Plans and budgets. • A shared sense of direction informed by the community, reflected in the Strategic Community Plan. • An integrated financial system to enable costed delivery of strategies and plans.
Customers and other Stakeholders	The City did not have established methods and approaches to engage and create meaningful relationships with its customers and stakeholders.	<ul style="list-style-type: none"> • An increased customer focus and delivery of service with solutions that enable end-to-end customer service, making it easier to live, work, visit and do business in the City.
Information and Knowledge	Inconsistency with financial systems and the overall ICT framework through usage of non-integrated ICT systems.	<ul style="list-style-type: none"> • Progress towards the achievement of integrated financial systems and the consolidation of ICT systems.
People Management	The City had an ad-hoc approach to the attraction, retention and growth of staff, and was as a result not seen as a great place to work. There were significant gaps in appropriate policies, systems, processes and tools to ensure that people are engaged and able to make a meaningful contribution.	<ul style="list-style-type: none"> • Improved processes in place for the attraction of staff that conform to the City's Values and desired culture. Business process mapping of the City's processes commenced, and a review of all policies in progress.
Process Management, Improvement and Innovation	There was little evidence of the City being agile in its ability to adapt to change and meet new challenges as they arise. The City also had ineffective procurement practices and contemporary project management structures.	<ul style="list-style-type: none"> • Addressing the gap between stakeholder requirements and internal resource and process capabilities. • The development and implementation of a Procurement Transformation Plan and the introduction of a project portfolio software system to manage projects.
Results and Sustainable Performance	The City did not monitor and review its performance effectively. There was little evidence that suggests it uses data as the basis for ongoing review and improvement.	<ul style="list-style-type: none"> • The development of KPI's, and planned and integrated measurement of performance.

3

The Inquiry Report Recommendations

The report suggests that failings of good government at the City during the period examined were rooted in two causes namely poor behaviour and poor decision making. These were exacerbated by poor culture and poor governance practices at the time.

The City accepts that the report recommendations have been developed to address these failings and guide improvements particularly in the areas of decision-making, conduct, capability, systems and processes.

While the City has commenced a program of improvement since the appointment of Commissioners in March 2018, any recommendations that are considered critical to the City's further reform, will be incorporated into the ongoing improvement program.

4

The City's Response to the Inquiry Report Recommendations

4.1. Statutory Roles and Responsibilities

Summary from the City of Perth:

The City is in the process of improving its Council Induction programme, placing significant focus on providing education to Councillors on their role, functions, duties and responsibilities.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
1-5	Council Members The City to provide the newly elected Lord Mayor and Councillors with an independently provided and fully comprehensive course of education with an assessment component on their legislative obligations and the special role, functions, duties and responsibilities of their respective offices (inclusive of the Code of Conduct). This training is to be delivered within six-months of each City of Perth ordinary or special local government election.	Agreed. The City has developed a contemporary induction program for new Elected Members consistent with the report recommendations and the Local Government Operational Guideline Number 04 – Elected Member Induction. Inductions will be fully delivered by March 2021.
6-10	Chief Executive Officer The City's CEO is to undertake and complete an independent Induction Program with an assessment component, within six months of commencement. The outcomes to be included in the CEO's probationary performance agreement and reported to the City of Perth Council as part of the performance review.	Completed. CEO induction has been completed, consistent with report recommendations.

4.2. Culture, Conduct and Leadership

Summary from the City of Perth:

An entirely new Executive Leadership Team has been appointed since the introduction of the Commissioners. The team has undertaken leadership coaching and developed a leadership charter.

A more streamlined Managerial Leadership Team operates within an Alliance Structure comprising Service Units. Previously the City had 31 managers - this has been realigned to 15, with services being amalgamated to break down silos and drive collaboration. As a result, the City is now able to better deliver community needs and outcomes.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
11-19	Culture	
	The City to engage an accredited provider to review the culture of the City, including Council and administration. Performance against a baseline is to be tracked for three years. The Accredited provider should also provide the City with organisational development advice to guide actions by the Council and City in response to Cultural Assessment findings. Reports of the Cultural Assessment and proposed findings to be provided to Council for consideration and endorsement within three-months after being received by the CEO, and made available to the staff and to public.	Completed. The City engaged an independent firm in 2019 to complete culture surveys and results will inform future organisational strategies. The involvement of Council in the survey is subject to further consideration with the newly elected Council.
	The Cultural Assessment to be supported by and integrated with an accredited Executive 360-degree culture and leadership assessment of the City's Council members, the CEO and executive.	Agreed. Executive culture and leadership assessment is included in the culture survey process detailed above. Consideration to be given to extend this to Council.
20-37	Code of Conduct and Training	
	In absence of a model Code of Conduct prescribed by the <i>Local Government Act 1995</i> , the Council is to review and amend the City's Code of Conduct (CP10.1) to set minimum standards to comprehensively regulate all conduct engaged in the discharge of Council's duties and functions, including, but not limited to, the disclosure of conflict of interests, financial gifts and gifts. The provisions of the Code of Conduct are to be principles-based and should mandate compliance with standards that the community expected from public offices.	Agreed. This is a high priority for the newly elected Council who will be engaged in the review of the current Code of Conduct, and will undergo relevant training.
	The City is to train and assess all staff and all newly elected Councillors and recruited employees on the Code of Conduct.	Agreed. The pre-boarding process for all new employees includes the completion of Code of Conduct training. Council will also be required to undergo the relevant training.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
20-37	<p>Code of Conduct and Training</p> <p>The City is to publish in its Annual Report the percentage of compliance for the financial year with the Code of Conduct training requirement, according to the specified categories.</p>	<p>Agreed.</p>
38-46	<p>Lord Mayors, Mayors, Presidents and CEOs</p> <p>In absence of a Mayoral Leadership Coaching Program and a CEO Professional Leadership Coaching Program established by the Department, the City to establish Mayoral and a CEO Leadership Coaching Program within three months of the Lord Mayor or the CEO commencing in the role, delivered by accredited coaching providers to build non-technical and leadership skills as part of continuing professional development. Independent coaches to be appointed to support the Lord Mayor and CEO respectively as part of this program.</p>	<p>Completed.</p> <p>The option of Lord Mayor coaching has been included as part of Mayoral Induction.</p> <p>The new CEO has a local government mentor and is well supported by many local government CEOs who have offered peer support.</p>
47-48	<p>Council Member Essential Training</p> <p>Council members required to undergo training on the statutory roles and functions of the Council, Lord Mayor, Council members, the CEO and other employees of the local government, including Council's role as the governing body, decision-making processes, Council and Committee meeting procedures and how Council, the CEO and the administration should work constructively. Training should also include conduct and integrity in decision-making, declaring and managing conflicts of interests, financial management and the Integrated Planning and Reporting Framework.</p>	<p>Completed.</p> <p>The City of Perth has developed an induction program for the newly elected Council consistent with the report recommendations and the Local Government Operational Guideline Number 04 – Elected Member Induction. Induction sessions will be delivered by March 2021 and opportunities will be provided as part of an ongoing learning program.</p>
49-56	<p>Continuing Professional Development</p> <p>The City to prepare and adopt a policy on continuing professional development for Council and Committee members and senior employees with consideration to individual training and professional development needs. Training and professional development courses to be delivered by independent and qualified training providers with assessment undertaken as part of the courses provided.</p>	<p>Agreed.</p> <p>A policy on continuing professional development for Council and Committee members is currently being developed. It is anticipated that this will be presented to Council for adoption by December 2020.</p>
	<p>All Committee members, as part of their continuing professional development, are to receive training in respect of the specialised skills and knowledge required to competently carry out that committee function. This training is to be received before the Committee member serves on the relevant Committee or as soon as practicable after appointment to the Committee.</p>	<p>Agreed.</p> <p>As part of the policy provisions detailed above, appropriate training will be developed and delivered to support Committee members.</p>

4.3. Council and Committee Decision-Making

Summary from the City of Perth:

The City strives to be fully transparent and accountable with its decision-making and has established systems to ensure that decisions made are stored in accordance with the State Records Act 2000.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
57-68	Decision-Making and Record Keeping	
	All parts of a Council and Committee meeting of Council be audio-visually recorded, kept in compliance with the <i>State Records Act 2000</i> and published on the City's official website.	Agreed. The City has appropriate infrastructure to support audio-visual recording of Council meetings and is awaiting consultation with the newly elected Council prior to proceeding with any enhancements.
	All communications sent or received by any Council member relating to any decision of a Council or a Committee of the Council (Decision-Making Correspondence) must be forwarded to the CEO and stored in accordance with the <i>State Records Act 2000</i> .	Agreed. Audits will be undertaken and included in the Annual Audit Plan. Serious deficiencies identified will be addressed within two months of the audit report.
	The decisions of the Council, a Committee and the CEO, including related correspondence, be audited for compliance with statutory and policy requirements and obligations, no less than once every 24 months by an independent, qualified auditor. The first audit to be conducted for the financial year ending 30 June 2021.	Agreed. A copy of the independent audit report for the financial year ended 30 June 2021 and the Council's response to that report will be provided to the Minister for Local Government by 31 December 2021.

4.4. Disclosure, Personal Interests and Entitlements

Summary from the City of Perth:

In August 2018, the City undertook public consultation on Elected Member expenses. The feedback collected was used to develop a new policy (Expenses), aligning it to community expectations. The focus was to ensure appropriate and transparent expenditure of ratepayer funds, while acknowledging the contributions of Elected Members to the City. The previous policy has been revised and clothing, personal donations and grooming are no longer reimbursed. Phone rental, child care and travel costs incurred from attending Council, Committee meetings or civic functions, are reimbursed under the Local Government (Administration) Act and Regulations 1996.

Since Commissioners were appointed in March 2018, the dining room has not been operational and the area decommissioned.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
69-77	<p>Disclosure and Conflicts</p> <p>Where a Council member, Committee member or employee has a conflict of interest in the discharge of their duties or functions or in relation to a matter before a Council or Committee meeting, they are to disclose that conflict to the CEO in writing. All disclosures of conflicts of interest and any decision or determination on that conflict be recorded in full in an Expenditure, Interests and Gifts Register and be recorded in full in the minutes of the meeting where relevant.</p> <p>The Code of Conduct is to provide guidance on, what constitutes a conflict of interest, what information and level of detail a disclosure of a conflict of interest should contain and how conflicts of interest are to be managed.</p>	<p>Agreed.</p> <p>As a matter of priority, the Code of Conduct and all Conflicts of Interest processes are being reviewed and giving consideration to the applicable recommendations.</p> <p>The newly elected Council will be provided with extensive training on their legal obligations, inclusive of Conflicts of Interest requirements, as part of their induction.</p> <p>The Council will also be engaged and consulted as part of the review of the Code of Conduct.</p>
78-86	<p>Primary and Annual Returns</p> <p>The Code of Conduct is to require Council members, the CEO and senior employees to disclose all financial interests in the primary and then each subsequent annual return and not permit information to be excluded because it was recorded in a previous return.</p>	<p>Agreed.</p> <p>See above.</p>
87	<p>Use of Councillor Title</p> <p>The Department to develop guidelines for local governments about the circumstances in which a Council member may use his or her Councillor title.</p>	<p>Not Applicable.</p>

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
88-92, 98-99	<p>Gifts</p>	
	<p>The Code requires Council members, Committee members and employees and any person or entity who requires a decision from the local government or who it is reasonable to believe may have, directly or indirectly, commercial dealings or a commercial relationship with the local government, is to disclose in full any gift that a Council member, Committee member or employee receives from that person.</p> <p>Information from the Expenditure, Interests and Gifts Register be published on the local government's website regarding conflicts of interest, impartiality, financial and proximity interests declared by Council members, Committee members, the CEO and senior employees. Also to be published includes interests disclosed in primary and annual returns and any failures to declare gifts or interests, together with the explanation given by that person for the failure.</p>	<p>Agreed.</p> <p>See above.</p>
	<p>The Expenditure, Interests and Gifts Register be independently audited by an independent auditor once each financial year, with the results on the City's website as soon as they become available.</p>	<p>Agreed.</p> <p>Audit to be undertaken and included in the Annual Audit Plan.</p>
93-97, 100	<p>Entitlements</p>	
	<p>The amendments to City of Perth Council Policy – “CP10.6: Elected Members – Reimbursement of Expenses” to be further reviewed and amended by the end of September. The City's CEO only to authorise Council members' reimbursement where the sole purpose of the expenditure is for the proper discharge of the Council member's role as a representative of the City. All expenditure claims are to be recorded in a register immediately after the claim has been incurred and be contained in the Expenditure, Interests and Gifts Register.</p> <p>The City is to publish in its Annual Report each year, the total reimbursement provided to each Council member.</p>	<p>Agreed.</p> <p>The policy has been reviewed and will be presented to Council in September 2020.</p>
101-103	<p>Council Dining Room</p>	
	<p>The City's dining and function facilities be used only by the City to discharge its unique civic responsibilities. The use of the facilities to be approved by the CEO.</p> <p>A quarterly report to the Council be submitted containing the costs associated with the dining room facility including events and meetings held, parties that attended, the numbers that attended the cost per person, as public information.</p>	<p>Subject to further consideration.</p> <p>The dining room on Floor 10 is no longer in use. A review of all Council House Elected Member facilities has been completed.</p>

4.5. Appointing, Managing and Terminating Employment of a Chief Executive Officer

Summary from the City of Perth:

The City is in the process of establishing a revised Terms of Reference for the CEO Performance Review Committee regarding the performance management of the CEO, referring to the establishment of KPI's on an annual basis. This will be provided to the incoming Council for adoption before December 2020.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
104-115	Model Contract and Minimum Professional Competencies	
	The Department to establish model standards for the appointment and performance management of a CEO.	Not Applicable.
	The City develop within six months of this report, a Council Policy articulating the Council's principles, procedures and decision-making processes for the recruitment, selection, performance management and termination of employment of the City's CEO.	Agreed. The recent CEO recruitment process followed a best practice approach.
	The Council is to develop, in consultation with independent expert advice, professional leadership competencies for the City's CEO in-line with the City's classification as "Band 1" LG.	Agreed. The recent CEO recruitment process followed a best practice approach and a selection process based on contemporary leadership competencies.
	The Council is to develop and use a standard format for the CEO Performance and Development Agreement and Assessment. A professional with expertise in performance management is to be engaged to assist with establishing the performance criteria for the City's CEO and to provide knowledge and skills to Council members on undertaking better practice performance management and assessment.	Agreed. The KPI process for the current CEO is aligned to best practice.
116-120	Recruitment	
	The Department to establish a CEO Recruitment Panel and CEO Selection Panel Process as part of the model standards, and to monitor the implementation trends with the process.	Not Applicable.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
121-132	Reviews of Performance	
	The Department to establish CEO Performance and Development Agreement and Assessments, including CEO Advisory Panel, to review CEO performance as part of the model standards.	Agreed. This process was developed and followed for the appointment of the current CEO.
	The City of Perth Council develop CEO performance criteria to be included in the CEO Performance and Development Agreement and Assessment, which includes professional leadership competencies and measurable key performance indicators and developmental requirements informed by training and coaching programs (including CEO Induction Program and CEO Professional Leadership Coaching).	Agreed.
133-139	Termination of Employment	
	In absence of model standards and recommended legislative changes, if the Council terminates a CEO's employment, it must record in writing, and provide to the CEO, the reasons for the termination.	Agreed.

4.6. Local Government Elections

Summary from the City of Perth:

Following the Inquiry's public hearings, the City has begun requesting proof of occupancy to support electoral enrolment applications. An internal audit on the Owners and Occupiers Roll has been undertaken. The audit has reviewed the City's procedures for assessing eligibility.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
140-155	Local Government Elections	
	The City of Perth is to engage an independent qualified auditor to conduct an audit of the owners and occupiers roll as a matter of urgency prior to the October 2020 election to mitigate the risks of misconduct in the election process. The results of the audit be reported to the Audit Committee and the Council (City of Perth Commissioners).	Agreed. Due for completion prior to October 2020.
	Applications for enrolment to vote by occupiers of rateable property be accompanied by adequate proof of that occupation and be carefully scrutinised by properly trained scrutineers at the City to ensure the right of occupation is genuine and applicants meet the criteria in the <i>Local Government Act 1995</i> for enrolment.	Completed. Application processing processes have been updated and appropriate training provided to scrutineers.
	The City conduct an audit of its systems and processes regarding the owners and occupiers roll, including processes related to applying to be on the roll, acceptance of nominations, inclusion on the roll and release of information on that roll to parties including Council members.	Agreed. Due for completion prior to October 2020.
	The City and the WAEC establish a clear division of responsibilities in the conduct of Council elections, including the handling of complaints.	Completed. Ongoing relationship with WAEC and the City. Candidate information session recently held which included the involvement of the WAEC and WALGA.
	The City engage the WAEC to provide adequate training to persons assisting with the City's 2020 local government elections commensurate with their roles and responsibilities (including returning officer and scrutineers).	Completed.
	The City's returning officer is to scrutinise each candidate for the City of Perth local government elections to confirm that he or she is eligible to enrol as an elector for the City and where a candidate who is enrolled on the owners and occupiers roll does not appear to be entitled to be so enrolled, to refer the matter to the City's CEO.	Completed.

4.7. People Management

Summary from the City of Perth:

The City's Human Resources system (HRIS) has been optimised to provide current FTE levels and headcount in real time. The City's Recruitment Policy is currently being reviewed to further align it to, and exceed, the requirements of relevant legislation such as the Local Government Act 1995 and Equal Opportunity Act 1984.

All Human Resources Policies are currently in the process of being reviewed. Current processes are being captured in Promapp, after which opportunities for improvement will be identified and new processes captured.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
156-161	General	
	A review of all human resources policies and procedures within 12-months of the report and consider the development of policies for areas of deficiency.	Agreed. Policies and processes review currently underway for completion by September 2021.
	The City to conduct an audit of the human resources function's record-keeping compliance, specifically related to recruitment, termination of employment, performance management and grievance and complaint handling.	Agreed. Audit to be undertaken and included in the Annual Audit Plan.
	The City to take steps to accurately measure and report to Council on the growth or contraction in labour numbers and to develop key people management metrics and associated performance targets, based on human resource best practice.	Agreed. Workforce numbers are now being captured in real time as part of the Corporate Performance Dashboard monitoring and monthly reporting.
	A report to Council to be provided on the City's performance against the reporting targets for key people management metrics on a quarterly basis. This includes any actions taken to correct performance which is not on target. The City's Annual Report also to contain performance assessment in the key people management metrics.	Agreed.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
162-174	Recruitment	
	The City to examine all recruitment records held in the City's human resource systems, including the 'BigRedSky' platform and ensure they are recorded, retained and disposed of, in accordance with the <i>State Records Act 2000</i> , the City's Record-Keeping Plan and the State Records Office's <i>General Disposal Authority for Local Government Records</i> .	Agreed. Review to be undertaken and included in the Annual Audit Plan.
	All recruitment decisions (permanent appointments and contracts greater than 12-months) should be made by a panel of at least two persons, comprising the direct line manager for the position and for senior employees and management positions, a person independent of the local government with the skills and knowledge to assess the suitability of the candidate for the role, and for all other positions, a person who is independent of the business area for the position being recruited. Each selection and recruitment process is to be recorded in accordance with the <i>State Records Act 2000</i> .	Agreed. To be included in the recruitment policy and process review due for completion in September 2020.
	A City employee is not to participate on a recruitment panel until they have undertaken selection and recruitment training provided by an independent industry accredited provider. Refresher training is to occur at least every three years.	Agreed. The City is developing a training module for recruitment panel members that will be delivered face-to-face then refreshed bi-annually via an online e-learning module. Roll out to occur in November 2020.
	The City to consider establishing a complaints and grievances procedure for recruitment and selection processes, with a qualified external professional engaged where appropriate.	Subject to further consideration. Currently reviewing as part of the overall recruitment and selection policy and processes.
	The City to review its human resources policy, procedure and forms to prescribe a process for assessing and managing any declared conflicts of interest and confidentiality through a declaration of conflicts of interest form and an understanding of the confidentiality provisions agreement.	Agreed. Currently reviewing as part of the overall recruitment and selection policy and processes.
175-181	Performance Management	
	Every employee is to have specified key performance indicators, based on the position description, established within one month of commencing at the City.	Agreed. KPIs currently in place at General Manager and Alliance Manager levels.
	The performance assessment of the employee be recorded in writing and kept by the City as a written record of that employee's performance assessment in accordance with the <i>State Records Act 2000</i> .	Agreed. The Performance Assessment process is currently being reviewed. The cascading approach from CEO down will inform the budget process for future training and development needs.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
175-181 Performance Management		
	An employee's probationary performance is to be assessed against the requirements of his or her key performance indicators, prior to the expiry of the probationary period	Agreed. To be included in recruitment and selection policy and processes.
	If any employee is assessed as not satisfying the requirements of his or her position description and/or key performance indicators, the employee be advised of the nature and extent of the deficiency and invited to respond to the deficiency within a reasonable time. After consideration of the employee's response, they are to be advised of the requirements for improvement on to satisfy his or her key performance indicators.	Completed. This approach is currently followed as best practice by the City.
	The City to examine all current and historical complaint and grievance records held in unregistered hard copy files or the City's local drives to ensure that they are recorded, retained and disposed of, in accordance with the <i>State Records Act 2000</i> , the City's Record-Keeping Plan and the State Records Office's " <i>General Disposal Authority for Local Government Records</i> ".	Completed.
	Auditing of the City's compliance with Council Policy 12.4 "Payments under Section 5.50 of the <i>Local Government Act 1995</i> " be undertaken as part of the City's annual internal audit program to ensure compliance, proper documentation and record-keeping.	Agreed. Audit to be undertaken and included in the Annual Audit Plan.
182-187 Termination of Employment		
	The City develop a framework for the termination of employment including processes around procedural fairness, terms of separation, resolving actual or potential legal claims, and record keeping in accordance with the <i>State Records Act 2000</i> .	Agreed.
	The City engage an independent, external and qualified auditor to conduct an audit of the recruitment, performance management and termination of employment processes, as part of the annual internal audit program. The results of the audit are to be reported to the Audit Committee and the Council.	Agreed. Audit to be undertaken and included in Annual Audit Plan.
	A report to Council to be provided on the City's performance against the reporting targets for key people management metrics on a quarterly basis. This includes any actions taken to correct performance which is not on target. The City's Annual Report also to contain performance assessment in the key people management metrics.	Agreed. Audit to be undertaken and included in the Annual Audit Plan.
	The City examine all current and historic termination of employment records in unregistered hard copy files or the City's local drives to ensure they are recorded, retained and disposed of, in accordance with the <i>State Records Act 2000</i> , the City's Record-Keeping Plan and the State Records Office's " <i>General Disposal Authority for Local Government Records</i> ".	Agreed. Review to be undertaken and included in the Annual Audit Plan.

4.8. Financial Management

Summary from the City of Perth:

The City has undertaken a detailed analysis of its financial management approach and as a result transitioned to a more transparent, accountable and sustainable approach to managing its financial resources. Key initiatives supporting the financial transformation include the implementation of a new enterprise wide financial system, a service-based resource allocation model, new reporting models to support more informed decision-making and customer-centric contemporary financial processes. In addition, the City has provided further training to staff on record keeping responsibilities and will continue to provide refresher training.

The City has, in its rating process for the 2020/21 Annual Budget, provided publicly accessible, fully transparent disclosures of the reasons and objects of its differential rating models by property category. Most importantly, it has developed and disclosed in the budget document a Relative Rating Effort (RRE) disclosure for each property category, that not only clearly evidences any cross-subsidisation between property categories, but also readily facilitates comparison of rating burden with other local governments. The City encourages other local governments to be equally transparent by using the RRE indicator to allow ratepayers in different local governments to meaningfully compare their rates against their peers.

In February 2018, the City sought an independent review into the activation of the Crisis Management Plan (CMP). Since then COVID-19 has challenged the City with regards to Crisis Management and Business Continuity. The City's Crisis Management Plan and Business Continuity Plan were both successfully activated and implemented in the early stage of Covid-19. Based on the learnings from this real-life exercise, both these documents are now being updated to ensure that the City is prepared for any potential crisis that would affect the community or the organisation.

The City's approach to the reporting and management of risks continues to evolve following a detailed review. Some key outcomes achieved include an updated Risk Management Policy and Risk Management Framework, a Risk Management Manual, a monthly risk reporting process, online software (CGR) to centrally host all the City's identified risks and the integration of risk management into all aspects of the business.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
188-210	General	
	The City consider employing an appropriately qualified chief finance officer.	Completed. Following the functional review of the finance area, the Project Director Strategic Finance is undertaking the role of Chief Finance Officer.
	Professional capabilities for finance employees to be developed and adopted as better practice by the City. All City employees who are involved in any aspect of its financial management are to receive training by an industry accredited provider and be assessed by that provider. This is to be done every 12-months. The City to maintain an accurate and up-to-date register of all training and assessment in financial management and the extent to which that employee was compliant with the necessary assessment standard.	Agreed.
	Any City employee who is not trained in financial management is to be restricted from engaging in those aspects of financial management for which he or she is not qualified.	Completed. The City is currently maintaining a comprehensive training register.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
188-210 General		
	The City to review the delegation framework to ensure it provides clear direction to Council members, Committee members, the CEO and employees on delegated limits and documents they are permitted to sign and the financial arrangements they can enter into on behalf of the City.	Agreed. Review to be included in the Annual Audit Plan.
	The City institute a mechanism to ensure employees understand and confirm their understanding of their delegated authority, documents they are permitted to sign and the limit of any financial management authorities, including when employees are acting in other roles.	Agreed. To be included in employee induction and refresher training.
	The City implement a financial control which prevents an officer approving contracts, agreements and purchase orders outside of his or her delegated authority.	Completed. The new procurement system provides financial controls as per recommendations. The City has also reviewed and implemented new financial authorities to enhance administration and control.
	Key financial processes and systems be process mapped and documented to support consistent decision making and ensure accountability.	Agreed. All processes across the City are currently being mapped. This is due for completion by December 2020.
	The CEO review the activity-based costing model for the allocation of direct service costs and other overhead costs.	Completed. ABC model applied.
	The CEO conduct a root-cause analysis, to be presented to City of Perth Council as a report for action, of its consistent underspend in capital works projects, to identify improvements to the City's capital works practices. A copy of the report for this root-cause analysis and the City of Perth Council's response to the report be provided to the Minister for Local Government no later than 30 June 2021.	Agreed.
211-212 Governance		
	The City progress the implementation of the Corporate Governance Framework (as tendered to the Inquiry) with it to be monitored and continually reviewed (and where necessary, updated) by employees and Council members.	Agreed. The Corporate Governance Framework tendered to the Inquiry is not the same as the Governance Framework Policy that was adopted by the Commissioners in 2019. The Corporate Governance Framework will be further reviewed by the incoming newly elected Council.
	The CEO undertake a functional review of the governance function to identify the current capability and maturity of the governance function within the City and the services provided and resources required by the governance unit, compared against similar local governments and industry benchmarks. Also an identification of any other gaps and recommendations.	Agreed. This is a key priority for the City.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
213-215	Integrated Planning and Reporting Framework	
	<p>The City to review the its approach to the integrated planning and reporting framework to shift the focus to a planning for the future approach, rather than a compliance and financially driven internal process. The City take steps to engage appropriate employees in the annual planning and budgeting process.</p>	<p>Completed.</p> <p>Framework adopted by Council, including the Corporate Business Plan and the Long Term-Financial Plan. The budget has been informed by these future planning documents. The Asset Management Plan has also been completed. The Workforce Plan will be completed by end September 2020. Staff were engaged through the Service Unit Planning Process which informed these documents.</p>
216-219	Performance Measures	
	<p>The City develop, in consultation with key stakeholders, effectiveness and efficiency key performance indicators which are specific and measurable for key programs, services, functions and outcomes. The City of Perth Council set reporting targets for key performance indicators on an annual and recurrent basis.</p>	<p>Agreed.</p> <p>Update and optimisation of the Corporate Performance Dashboard and reporting is currently underway.</p>
	<p>Key performance indicators and their targets or benchmarks are to form part of the City Corporate Business Plan and Annual Budget and the performance against the targets be reported in the City's Annual Report. A report to be provided to Council on the City's performance against the reporting targets for key performance indicators on a quarterly basis, including any actions taken to correct performance that is not on target.</p>	<p>Agreed.</p>
220	Financial System, Processes and Capability	
	<p>The CEO undertake a functional review of the finance function to identify the current capability and maturity of the finance unit and other financial areas within the City and the services provided and resources required by the finance unit, compared against similar local governments and industry benchmarks. Also the identifications of any other gaps and recommendations.</p>	<p>Completed.</p> <p>A review of the finance function was undertaken in 2020. A new structure was endorsed by the Executive Leadership Team in June 2020.</p>
221	Rate Setting	
	<p>The City of Perth Council take steps to improve transparency when setting rates and clearly document its reasons for differential rate increases and articulate the extent of any cross-subsidisation.</p>	<p>Completed.</p> <p>A relative rating effort calculation has been developed.</p>

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
222-226	Major Trading Undertaking	
	<p>The City to develop and publish its business plan for the City of Perth Parking (CPP), as a matter of urgency. The CPP business plan and the City's Annual Budget should account for and document competitive neutrality in the pricing of services provided by the CPP. The City of Perth Council's first business plan for CPP is to be provided to the Minister for Local Government by no later than 31 December 2020. Following its establishment, the business plan be reviewed annually as part of the process to develop the Annual Budget, Corporate Business Plan and Long-Term Financial Plan.</p>	<p>Agreed.</p> <p>A Business Plan is currently being developed. Once adopted, the Business Plan will be reviewed annually.</p>
	<p>The City set and adopt key performance indicators with targets or benchmarks for the CPP business, with them to be included in the City's Corporate Business Plan and the CPP business plan and reported on in the City's Annual Report.</p>	<p>Agreed.</p> <p>Performance criteria are currently being investigated.</p>
227-243	Grants, Sponsorships and Partnerships	
	<p>The City to review its policies and procedures on partnerships, grants, sponsorships and donations to ensure better practice and that its policies and procedures cover all types of discretionary funding. The policies and procedures to also clearly articulate who has authority and to what level to approve funding arrangements and describe the process for acquittal of funding arrangements.</p>	<p>Agreed.</p> <p>Policy review currently underway.</p>
	<p>The City to establish systems and processes to accurately record, monitor and report on all partnership, grant, sponsorship and donation funding arrangements. This is to be reported in the Annual Report.</p>	<p>Agreed.</p>
	<p>The City allocate a specified, pre-determined part of its Annual Budget to discretionary spending on partnership, grant, sponsorship and donation funding arrangements (Discretionary Grant Funding Arrangements), having appropriate regard to the relative expenditure of other capital city local governments on these categories of funding and the City's Strategic Community Plan.</p>	<p>Agreed.</p> <p>The City is currently researching other Capital City local government funding allocations and developing a holistic approach to in-kind sponsorship.</p>
	<p>Discretionary Grant Funding Arrangements entered into by the City be independently audited at least every 12-months for compliance and better practice grant funding management.</p>	<p>Agreed.</p> <p>To be included in the Annual Audit Plan.</p>
	<p>The City to conduct and retain complete and fully executed copies of all funding arrangements to which it is a party in accordance with <i>State Records Act 2000</i>. The City review its funding agreements and arrangements before execution or renewal and consider whether it should take legal advice, having regard to the value of the agreement and its terms</p>	<p>Completed.</p> <p>Incorporated into core service processes. A register is also being managed as part of these processes.</p>

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
227-243 Grants, Sponsorships and Partnerships		
	The City to review its policies and practices regarding the provision of funding in accordance with agreement or arrangement terms and acquittal of funds provided to external parties under partnership or other similar agreements or arrangements.	Agreed.
	The City amend its policies and practices to require an entity funded on a multiyear Discretionary Grant Funding Arrangement to provide an annual financial report containing a Statement of Income and Expenditure relating to activity funded, and be certified by a qualified auditor.	Agreed.
	A report to Council be provided by the CEO on the City's Discretionary Grant Funding Arrangements on a quarterly basis.	Agreed. In accordance with the Governance Framework Policy adopted in June 2020, details of decisions made under delegated authority are reported to Council regularly.
	The City to develop a partnership policy for arrangements with external organisations which, like its historic arrangement with the Perth Public Art Foundation, are not captured by Council Policy "CP18.8 – Provision of Sponsorship and Donations".	Completed. No partnership arrangements of this kind allowed under the current policy.
	The City continues to facilitate the transition of the employment of the Executive Director, Perth Public Art Foundation from the City to the Foundation and do likewise with any similar arrangements.	Completed. Partnership with the Perth Public Art Foundation terminated.
	The City to amend its policy to require that a Council member, Committee member or employee only be permitted to accept a ticket and attend an event under a Discretionary Grant Funding Arrangement when that person is performing an official role at the event or discharging the functions and duties of their office or employment, unless the person pays the cost of the ticket.	Agreed.
244-262 Risk, Assurance and Audit		
	The City's risk, audit and assurance management frameworks be comprehensively reviewed and a report to Council prepared by an independent consultant, providing a schedule of actions to improve the City's maturity in risk, audit and assurance. The City to consider adopting a co-sourcing internal audit model to use the experience of external professional providers to complement the current internal audit team. The City consider adopting a professional development program for its internal audit team, as part of the co-sourced model, to improve the team's capability and capacity. The report be submitted to Council within 12-months of the report.	Agreed. Review of audit function underway. Due for completion in October 2020.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
244-262	Risk, Assurance and Audit	
	The City review its Crisis Management Plan, Crisis and Business Continuity Management Framework and Business Continuity Plan for consistency of process, roles and responsibilities.	Agreed.
	The City take steps to improve the capability of the Council, committees and employees in risk, audit and assurance, so that the City's business planning, project management, capital planning and service delivery policies and practices are consistent with leading international standards for risk and audit management.	Agreed. Review currently underway.
	The City's CEO, supported by the Audit Committee, implement the 'lines of defence' Model to manage risk and improve governance practices within the City.	Completed. This Model has been incorporated into the City's new Risk Management Framework and practices.
	City employees to receive risk management training, appropriate to their roles and responsibilities, together with guidance on the 'lines of defence' model.	Completed. Incorporated into the City's new Risk Management Framework and practices.
	The City to integrate risk management practices into all annual planning activities.	Completed. Incorporated into the City's new Risk Management Framework and practices and integrated within the Integrated Strategic Planning and Reporting Framework.
	The Audit Committee develop, with appropriately qualified external assistance, a Strategic Internal Audit Plan that relates to the focus areas of internal audit over the medium term and an Assurance Map to understand the nature, scope and extent of assurance activities across the City. As part of the Strategic Internal Audit Plan and Annual Internal Audit Plan, and to supplement compliance audit, the Audit Committee introduce performance audits or reviews to assess the efficiency and effectiveness of activities, services and programs undertaken or delivered by the City.	Agreed. Review of audit function currently underway.
	The City to consider establishing an independent chief audit officer role to oversee the City's audit activities.	Agreed. Currently the City has a Chief Audit Officer role consistent with the recommendation.
	The City should establish a guide which clearly describes and distinguishes the roles of probity auditor and probity advisor used during procurement processes. The engagement and use of probity auditors to be overseen by the chief audit officer.	Agreed.

4.9. Procurement and Contracting

Summary from the City of Perth:

The City has developed a Procurement transformation Plan and is currently implementing the various elements of this plan, which includes amongst other things, the centralisation of the procurement function.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
263-270	Procurement and Contracting Systems, Processes and Capability	
	The City's CEO to undertake a functional review of procurement and contracting to identify improvements since the Deloitte Organisational Capability and Compliance Assessment (June 2017), the current capability and maturity of the City for procurement and contracting and to identify any other gaps and recommendations.	Agreed. The City will review the procurement and contracting function as a priority.
	The City to continue to advance its adoption of a centralised procurement model.	Completed.
	The City adopt a consistent approach in relation to whether and in what circumstances, a bill of quantities is to be supplied as part of a request for tender.	Agreed. The procurement function has been centralised and includes specialist resourcing to ensure a consistent approach to bill of quantities.
	Employees of the centralised Procurement team should not be a member of an evaluation panel for requests for tenders or quotations.	Agreed.
	City of Perth Council Policy CP 9.7 - Purchasing and the Sole Supplier Justification Procedure be amended to: <ul style="list-style-type: none"> provide a clear process to follow in circumstances where the CEO wishes to engage a person or an organisation with whom the CEO has an interest or conflict of interest expressly require all engagements, even those resulting from a verbal quotation process, to be fully documented make price and value for money a specific criterion of assessment. The Policy to prescribe the circumstances in which a procurement process requires an independent probity advisor or auditor to be involved in the process.	Agreed. Policy and procedure review currently underway and due for completion by end of 2020.
	The City consider establishing a centralised project management office to provide organisation-wide leadership, resources and integration of better practice project management within functions and activities.	Agreed. Centralisation of project management office completed, to better embed project management best practice.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
271-272	Confidentiality and Conflicts of Interest in Procurement and Contracting	
	<p>The City separate its “<i>Declaration of Confidentiality and Interest</i>” form into two separate documents, one dealing with obligations of confidence and the other dealing with the issue of conflicts of interests. The City require each panel member, technical advisor and decision-maker in a procurement process to complete a Declaration of Interest Form, declaring any conflict of interest, before undertaking any role or taking any step in the procurement process.</p>	<p>Agreed.</p> <p>The forms are separated and the requirements will be incorporated into the policy review that is currently underway.</p>
273-279	Evaluations of Quotations and Tenders	
	<p>All City procurement activities above \$150,000.00 be supported with a risk assessment and, for those identified as high risk, the City to develop treatment plans to mitigate those risks, including probity of the procurement process.</p>	<p>Agreed.</p> <p>A risk-based approach to procurement has been implemented.</p>
	<p>Where possible, evaluation panels should include more than one person with specialised technical knowledge relevant to the evaluation undertaken. The City to adopt a clear process by which an evaluation panel can obtain guidance or input from a non-panel member about issues that arise during the tender evaluation process. The City make clearer to the members of evaluation panels which requirements of a tender are “<i>compliance criteria</i>” and which requirements are “<i>selection criteria</i>”. Evaluation panel members to score tenders by consensus, rather than by averaging the scores of each panel member.</p>	<p>Agreed.</p> <p>To be incorporated into the policy review and associated procedures currently under review.</p>
	<p>If a comparative price analysis is to be retained by the City, as part of request for tender or quotation assessment, then a policy or procedure should be adopted setting out the methodology to be applied and the comparative price analysis is to be independently verified by a senior member of the procurement team.</p>	<p>Subject to further consideration.</p>
280	Capital Works Contracts	
	<p>The City develop, adopt and communicate to staff a plain-English procedure about the application of carry forwards to capital works projects.</p>	<p>Agreed.</p> <p>This can be incorporated into the City’s Project Management Manual.</p>

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
281-287	Training and Development	
	<p>The City create and implement a procurement and contract management training and development program (P&CM Program) for employees that have a delegated authority to incur liabilities on behalf of the City, employees who procure goods and services or have the potential to be a member of or a technical advisor to an evaluation panel and any other employee who has a role in procurement and contract management processes. The City to consider, as part of the P&CM Program, exploring case studies of where previous issues have arisen in the procurement area. Refresher training to be done annually.</p> <p>An employee is not permitted to sit on an evaluation panel or make a procurement decision, unless they have successfully completed all training required by the P&CM Program, and the relevant refresher training.</p>	<p>Agreed.</p> <p>Procurement Transformation Plan is currently being implemented and includes a training program. Recommendations to be considered for incorporation into the training program.</p> <p>Implementation of the plan is due for completion in 2021.</p>
	<p>The City compile and maintain a contracting and procurement handbook, comprising of all relevant City processes, policies and procedures, reference materials for the P&CM Program, contact information for places or people to whom staff can turn when faced with procurement or contracting management issues and a frequently asked questions section.</p>	<p>Agreed.</p> <p>Due for completion in 2021.</p>
	<p>The City improve the skills and knowledge of project managers, project officers and other staff responsible for or involved in construction, maintenance or other works in the requirements for development approval, heritage advice and building permits.</p>	<p>Agreed.</p> <p>Employment of staff with appropriate skills in areas of project delivery and contract management is part of continuing improvement in this area.</p>
288	Reporting	
	<p>The City to publish monthly on its website the contracts register for all contracts awarded above \$50,000.00 (in value), including:</p> <ul style="list-style-type: none"> • the contract details; • the mechanism of procurement; • the party to whom the contract was awarded; • the value of the contract; • the date the contract was awarded; • the period or duration of the contract; • any variations to the contract; and • the funds actually spent under the contract. 	<p>Subject to further consideration.</p> <p>Commercial in confidence concerns and software systems are being explored.</p>

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
289-291	Risk and Audit	
	Procurement and contracting risks to be reviewed annually and included in a report to the Audit Committee.	Agreed. The new Risk Management Framework requires regular updates of risks to the Committee.
	Procurement and contracting activities of the City be independently audited at least every 12-months as part of the City's internal audit program. The results of the audit are to be reported to the Audit Committee and the Council.	Completed. Completed for 2020. Risk controls are also regularly audited.

4.10. Complaints and Misconduct Prevention

Summary from the City of Perth:

The City has a range of control measures in place to reduce the risk of fraud and corruption. The Fraud and Corruption Controls Review conducted in mid-2019 identified the need for a fraud and corruption control plan that aligned with the Australian Standard to better control its fraud and corruption exposure. The City's draft Fraud and Corruption Control Plan will be presented to Council in September 2020, aimed at ensuring that the City's Elected Members and workforce acts legally, ethically and in the public interest.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
292-294	General	
	The City to develop a complaints resolution procedure based on the Australian/New Zealand <i>Guidelines for complaint managements in organisations</i> AS/NZS 10002:2014. All Council members and employees are to be trained and assessed on the complaints handling process, as part of any training on the Code of Conduct, by an industry-accredited provider on the commencement of the policy.	Agreed.
295-302	Corruption and Misconduct Risks	
	The City to adopt a policy which clearly states it has a zero-tolerance of fraud and corruption and develop a holistic fraud and corruption control framework.	Completed. The Fraud and Corruption Control Policy has been approved.
	The City adopt a process, in accordance with industry best practice and standards, to identify and document the City's misconduct and fraud risks and implement treatment plans.	Completed. This has been included within the City's Risk Management Framework.
	The City undertake within three months of this report a corruption and misconduct risk assessment. The first City corruption and misconduct risk assessment be conducted by an independent and suitably qualified provider and the outcome be reported to the Audit Committee and the Council. Corruption and misconduct risk assessments be reviewed annually and included in a report to the Audit Committee and the Council. The City to develop organisation-wide strategies (education and awareness, policy and compliance), based on the risk assessment to combat fraud and corruption.	Agreed.
	An external audit be conducted every two years on the City's approach to misconduct and fraud.	Agreed.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
303-309	Complaints Handling Framework	
	A centralised complaint handling policy be developed, based on industry best practice, and a confidential system developed for the management and recording of complaints and grievances, including the outcome of any investigations. The City to keep a record of these complaints and grievances in a centralised system in accordance with the <i>State Records Act 2000</i> .	Agreed.
	The City to adopt, maintain and publish on its website clear complaints and grievances handling policies and procedures, dealing with how the City will deal with misconduct complaints against or grievances about Council members, Committee members or employees of or contractors to the City, deal with referrals to and from the Corruption and Crime Commission, the Public Sector Commission and any other relevant authority, and conduct internal investigations. The City's website also be accompanied by a frequently asked questions (FAQ) section. The policies, procedures, records and FAQ section is to be prepared by an industry accredited expert in accordance with industry best practice standards.	Agreed.
	The City requires a person with appropriate governance experience be designated to maintain the complaints and grievances handling framework, dealing with complaints, grievances, referrals and internal investigations and reporting.	Agreed.
310	Complaints Handling Training	
	Council members and employees of the City to be trained and assessed on the complaints and grievances handling policies and procedures by an industry-accredited provider on the commencement of the policies and procedures.	Agreed.

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
311-318	Investigations	
	<p>The City to ensure any employee dealing with complaints, grievances, referrals or internal investigations is independent of the subject matter of the investigation, is appropriately trained and is, where necessary, supervised or assisted by a similarly independent person with specialist governance experience. The City ensure the engagement of a third-party consultant to advise or assist with any complaint, grievance or probity matter (Consultant Engagement) is clearly documented, including as to scope and budget.</p>	Agreed.
	<p>All Consultant Engagements be reviewed for conflicts of interest by a suitably qualified person with appropriate governance experience. City employees managing the Consultant Engagements should not involve themselves in the subject of the engagement. The City to adopt and encourage the practice of critically reviewing the accuracy and cogency of outcomes, conclusions and findings produced under Consultant Engagements. High-risk issues identified by Consultant Engagements are to be captured in the complaints and grievances handling system. The City to cease the practice of splitting investigations into employee matters and other matters for separate investigation.</p>	Agreed.
319-322	Reporting and Audit	
	<p>Trend and outcome reporting on complaints and grievances be reported in writing and at least quarterly to the City's Executive and Council.</p>	Agreed.
	<p>An audit of the City's complaints and grievance handling framework be undertaken annually by an independent qualified auditor as part of the internal audit program. Results to be reported to the Audit Committee and published in the Annual Report.</p>	Agreed.

4.11 External Oversight and Intervention

REC. NO.	KEY RECOMMENDATION FROM THE REPORT	THE CITY'S RESPONSE
323-331	<p>Local Government Inspector</p> <p>Part 8 of the <i>Local Government Act 1995</i> be amended or to give effect to the following: An office of Inspector of Local Government (Inspector) be established as an independent statutory office, responsible to the Minister for Local Government.</p> <p>Inspector to have specific duties, functions, conferred powers and be a legal practitioner of at least 10 years' experience. Office to be appropriately resourced and staffed, be audited at no less than three-year intervals and report annually or as requested to the Minister for Local Government.</p> <p>In absence of the above legislative changes, these functions be conferred on the Department or alternative models be investigated by the State Government.</p>	Not Applicable.
322-335	<p>Compliance and Enforcement</p> <p>The <i>Local Government Act 1995</i> be amended abolish the Local Government Standards Panel and give the State Administrative Tribunal jurisdiction to deal with alleged failures by Council members to comply with their obligations under the Code of Conduct, and the Magistrates Court be given jurisdiction to deal with serious failures Council members and local governments employees.</p>	Not Applicable.
336-338	<p>Inquiries under the <i>Local Government Act 1995</i></p> <p>In the event that Recommendations 323-335 are not adopted, the State Government consider appointing a suitably qualified person or panel of persons to prepare and publish a 'bench book' for inquiries conducted by Inquiry Panels under Part 8, Division 2 of the <i>Local Government Act 1995</i>.</p> <p>The <i>Royal Commissions Act 1968</i> be amended to clarify the Royal Commission's powers to make orders of non-disclosure, include prohibitions relating to summons or notice of summons and provide power to examine documents over which legal professional privilege is claimed for the purposes of verifying the claim of privilege.</p>	Not Applicable.
339-341	<p>Reporting on Recommendations of this Inquiry</p> <p>The Minister for Local Government to receive a detailed report from the City of Perth Council annually, within four-months of the close of the financial year, on the progress against recommendations.</p> <p>The City to report performance against recommendations in the Annual Report and the Council to monitor progress on a six-monthly basis. All decisions in relation to the recommendations to be documented in Council minutes and reports on progress be made publicly available for community information.</p>	Agreed.

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Next Steps

Planning

The City will be developing an implementation plan to address the report recommendations by December 2020. This will include input from the newly elected Council.

It is recognised that there are critical improvements needed, spanning across a range of activities, some of which are summarised below:

- Four functional reviews;
- Four other functional areas needing critical improvement;
- Six framework reviews;
- 15 key policy and/or process reviews; and
- 20 audit and/or reviews.

The City must ensure that a structured and planned approach is applied when addressing the report recommendations, as this represents a significant body of work that will need to be balanced within 'business-as-usual' operations and will impact resourcing and budgets.

Oversight and Reporting

The City intends to establish a committee consisting of independent oversight representatives, to monitor progress of the implementation plan and provide support and input where necessary.

The City also commits to reporting progress as per recommendations 339-341 of the report, and undertakes that:

- Council provide the Minister for Local Government a detailed report annually within four-months of the close of the financial year.
- Progress performance be included in the Annual Report until such time as all relevant recommendations have been addressed.
- Council receive and consider, at a minimum every four-months, a report monitoring progress against recommendations. The first such report will be presented to Council in April 2021.
- Progress reports will also be available for community information via the City's website.

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Conclusion

The City welcomes and accepts the recommendations detailed in the Inquiry Report.

The City is committed to re-establishing the organisation as an exemplar of local government in Western Australia and, with guidance from the Inquiry Report recommendations, will continue its improvement journey already underway. Part of this includes building a solid foundation of good governance for the new City of Perth.

It is now time for the City of Perth to move forward with a new Council, Chief Executive Officer and Executive Leadership Team and deliver the best outcomes to its community and stakeholders.



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