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**New South Wales Government**

Department of Local Government



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## Local Government Reform Program – Promoting Better Practice Review

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### What is Local Government Reform – Promoting Better Practice?

Local Government Reform - Promoting Better Practice is a review process that is part of the local government reform program. The program aims to improve the viability and sustainability of councils. The process represents the second stage of the NSW Government's program of reform for local government.

### Objectives

Reviews can act as a 'health check', giving the council confidence about what is being done and helping to focus attention on key priorities. The process has a number of objectives:

- to generate momentum for a culture of continuous improvement and greater compliance across local government

- to provide an 'early intervention' option for councils experiencing operating problems

- to promote good governance and ethical conduct principles

- to identify and share innovation and good practice in local government

- to enable the department to use review information to feed back into its work in identifying necessary legislative and policy work for the local government sector.

### How does the department select councils for review?

Councils will be selected for review on the basis of, but not limited to, the following:

- whether councils in the region or locality have been reviewed and if so, how many

- where the council has requested a review

- the council's financial position

the council's performance in key areas as identified in the comparative performance publication

the date of the last review, section 740 inquiry or section 430 investigation of the council

referral or request from another department branch or body such as the ICAC or the Ombudsman;

number and seriousness of complaints and allegations about significant performance issues

a direction from the Minister or Director General

### **Review program process**

A review involves a review team closely evaluating the effectiveness and efficiency of key aspects of council operations and giving feedback. This will involve assessing council's overall strategic direction, checking compliance, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance.

A review may focus on specific areas of council activities that have been identified as a result of an analysis of council's information and data.

Councils are asked to complete a self-assessment of their strategic management and operating practices. An analysis of this will assist the review team to appropriately focus the review. The review team conducts a reality check as part of the on site review. It tests what the review team read, see or hear. The department endeavours to give the council about 4 weeks in which to respond to the self-assessment materials. The on site stage generally occurs a further 3 to 4 weeks after council's response is received.

The council receives a report on the issues identified during the review. The report will include what is working well at council as well as challenges for improvement. The Department of Local Government monitors council's actions in response to the report to ensure that the review recommendations are acted upon.

### **The Five Stages of a Review**

#### **PREPARING:**

This involves council completing a strategic self-assessment and practice checklists, which we call the program tools. The strategic self-assessment examines the adequacy of council's strategic focus. It asks council to explore what it is trying to achieve; how it delivers its priorities; what it has or has not achieved; and what it has learned and plans to do next.

The council practice checklist is a series of 5 checklists that relate to council's assessment of its ability to meet minimum practice standards. The checklist covers the areas of Governance; Regulatory Functions; Asset and Financial Management; Community and Consultation; and Workforce Relations.

Reviewers also request a range of key council documents including plans, policies, procedures and reports across a range of council operational areas.

[Click here to go to the program tools](#)

#### **ASSESSING:**

The review team analyses performance data and local circumstances. The types of information considered by the reviewers before going on site includes; the demographics of the council area, community and social issues, development constraints or pressures, the types of activities council is involved in, council's organisational structure and staffing, management plans and processes, comparative information, council's financial position, seriousness and number of complaints and the results of council's self-assessment.

Reviewers also consult other relevant stakeholders including the NSW Ombudsman, the Independent Commission Against Corruption, the NSW Department of Planning and other relevant NSW Government Agencies and community stakeholders.

The information the reviewers collect and analyse before going on site will help decide where the reviewers spend their time while on site. The focus of the review may vary according to the nature of the council's work and local circumstances. A good understanding of local circumstances may help to explain why a council manages its work in a particular way.

#### **CHECKING:**

Fieldwork provides the opportunity to gather valuable evidence to support the department's analysis of council's performance. Discussing these aspects with staff gives the reviewers an opportunity to "test" what they are seeing or finding.

During the review the reviewers conduct a range of activities such as: meeting with senior officers, talking with individual staff and councillors, observing council or committee meetings, following or auditing council processes and reviewing policies and procedures

#### **ANALYSING:**

As the review progresses, the review team develops and tests hypotheses or preliminary conclusions. Conclusions will be based on evidence – either what the reviewers have seen, discussed or drawn conclusions from data or documents. Conclusions will be based on more than someone simply telling the reviewer this is so – they should be supported by data, documents or other reports.

Conclusions will be based on an assessment of the scale of the problem (or better practice) – how prevalent is the problem? How great is the risk to the organisation? Giving examples assists to understand this. Our conclusions must be balanced, for example, giving a sense of the risk and scale of the practice, good or bad. It may be across the organisation or just isolated to one department or section, but could be a high risk concern for the council.

Conclusions will be based on themes that cut across individual functions in the organisation – while there may be issues that are specific to individual areas of council and these may need to be commented upon, the review team will be looking for themes that are common to a number of areas of council.

#### **REPORTING:**

The reviewers will conduct an exit interview with council's General Manager and/or Mayor at the end of the on site visit. This should inform council of the emerging conclusions and areas likely to be the subject of comment in the report.

A draft report is prepared following the on site review and this is sent to council as a confidential draft for comment. Council's comments are considered and the final report is prepared and issued to council, the Minister and the Director General. Council must table the report so that it becomes a public document. [Click here to go to review reports](#)

Council will be requested to draw up an action plan in response to the recommendations in the final report. The department monitors the implementation of the action plan. [Click here to download a two page handout on the program.](#)

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## **Program Tools - Strategic Framework Assessment and Practice Checklists**

[Strategic Management Assessment Tool](#)

[Promoting Better Practice \(PBP\) Checklist](#)

[Annual Report Checklist](#)

[Management Plan Checklist](#)

[State of Environment Report Checklist](#)

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## **How can my council use the Program Tools?**

The department encourages all councils to use the program tools as a basis for self-assessment of their own operations and performance, and as a basis for identifying and responding to opportunities to improve results and services. It is vital to the sustainability of the sector to encourage and foster a culture of self-assessment and self-improvement.

Councils have a range of options in conducting a self-assessment using the program tools:

Use council's internal auditor to manage the review process, with key senior managers completing the program tools. Using this approach, the internal auditor will report to the general manager and the council on the review findings.

Use a management consultant to oversee the review process and report to the general manager and the council

Request an adjoining or nearby council to conduct a peer review of council using the program tools

Develop a regional approach whereby a review team made up of staff drawn from regional councils undertakes reviews of all participating councils.

Councils undertaking self assessment are encouraged to report to their communities and the department on their findings and on the actions they propose to undertake to address issues identified in the review process.

Councils that participate in the process will inevitably identify areas where they need and/or want to improve on their current practices. There are numerous resources available to assist councils in this process.

Departmental Practice Notes and Guidelines

Publications issued by the Independent Commission Against Corruption, the NSW Ombudsman and the Audit Office of NSW.

Resources produced by the Local Government and Shires Associations and Local Government Managers Australia

Better practices current being used by other councils.

The review process has already identified numerous examples of some excellent practices. Details of these practices are included in the reports available on this website. Councils are encouraged to contact the councils concerned directly for further information on the better practices.

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## **Promoting Better Practice Review Reports**

Following completion, the department's review reports are tabled by the councils concerned and thereby become public documents. Below is a table of completed council reviews, with links to completed reports that have been tabled by the reviewed councils. This table will be updated periodically as

1.92 How does council make information about the complaint process available to the community?

Describe

Complaints handling policy is easily accessible to members of the public

Available:

- on the website
- complaints forms in public areas
- other

  
  

Comments:

#### PROTECTED DISCLOSURES AND INTERNAL REPORTING

1.93 Does council have an internal reporting system under the Protected Disclosures Act 1994?

Internal reporting system sighted

Does internal reporting system:

a. specify it is adopted under the Protected Disclosures Act?

b. provide clear advice on making a protected disclosure?

c. provide clear advice on what to do with a protected disclosure?

d. include unthreatening reporting arrangements given size, nature and location of workforce?

e. provide for management action on issues identified?

f. include clear statement of support from the executive for whistleblowers?

g. is it accessible on intranet or by other open access means?

  
  
  
  
  
  
  

If no, please explain why below:

Comments:

#### AWARDS

1.94 Has council won any awards in the last 3 years?

Verification by review team

If yes, please list:

Comments:

#### STRATEGIC ALLIANCES

1.95 Is council party to any strategic alliances with other councils?

Verification by review team

Strategic approach to alliances

Evaluation of arrangements

Evidence of MoU sighted

  
  

If yes, please list issues and councils involved:

Comments: