

**Submission
No 3**

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS FEBRUARY 2019 - JULY 2019**

Organisation: Snowy Monaro Regional Council

Date Received: 24 June 2020



Enquiries David Rawlings
Our Ref ECM 3249603
Cooma Office

24 June 2020

Mr Greg Piper MP
Member for Lake Macquarie
92 Victory Parade
TORONTO NSW 2283

Dear Sir

Auditor General's Performance Audit Report – Workforce Reform in Three Amalgamated Councils

As per Council's letter dated 10 April 2019, the Council accepted all of the recommendations. The benefits identified as potentially resulting from the merger have been tracked and reported to the public.

The audit process was valuable at the time, in that it provided a check for the Council of its progress as well as providing comparative information that the Council could benchmark its progress against. This was useful in determining the forward strategies of the Council.

The Council is now focused on fixing the underlying structural problems inherited as a new entity. The Council was established with significant deficits from each of the three previous councils. This has led to significant financial problems that were never going to be addressed by the merger and not addressed in the administration or transition phase. It has also meant that the capacity to fund change, continue to provide services and meet the expectations given through the merger process has been very constrained.

The lack of understanding of the extent of the problem and unsustainability of the service levels provided among the community will lead to the need for difficult conversations with the community about what can be provided by the new entity. This will be more difficult given the promotion of the merger as a solution for the problems previously in existence.

These issues cannot be specifically linked to the merger, they are issues the previous councils would also have had to address as some stage. The Council now has to address these problems. Such problems should have been addressed and resolved in the establishment of the new entity.

Should you have any queries regarding this application please contact the [REDACTED]
[REDACTED]

Yours faithfully

[REDACTED]

Peter Bascomb
Chief Executive Officer

Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status and Comment	Responsibility
1 Establish future service offerings and service levels and ensure that organisation structures are aligned with service levels and integrated ICT systems.	Accepted	1) Management restructure	31/3/2020	Completed – A new structure has been put into place to align the staffing structure better with service delivery.	Strategy Portfolio
		2) Adopt business excellence framework	28/2/2020	Completed - Council has adopted the Australian Business Excellence Framework as a model to build improved service delivery and community satisfaction.	Executive Management
		3) Implement business excellence framework	Ongoing	Delayed – The recent bushfires and COVID-19 impacted on the available resources.	Strategy Portfolio

Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status and Comment	Responsibility
2 Report against target efficiency and savings outcomes associated with workforce reform and actively monitor progress against milestones.	Accepted	Report against target efficiency and saving outcomes.	31/12/2019	<p>Completed – The only savings identified in the benefits proposal were:</p> <ul style="list-style-type: none"> 1: Streamlining senior management roles. 2: Redeployment of back office and administrative functions. 3: Reduction in councillor numbers. <p>Council undertook a restructure following the merger. That structure has been fully implemented for some time and savings from that identified in the reports undertaken in 2018 and 2019.</p>	Strategy Portfolio