

MURRAY RIVER COUNCIL
COUNCIL POLICY

**COMPLIANCE
MANAGEMENT
POLICY**

POL-114.V#1



murray river
council

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1. INTRODUCTION

A fundamental principle of good public administration is that public officials comply with both the letter and spirit of the law.

Murray River Council, has an obligation to ensure that all legislative requirements, policy and associated documents are complied with. The community and Council officials have a high expectation that Council will comply with all applicable legislation and Council will take all appropriate measures to ensure that this expectation is met.

Council maintains a high standard of diligence in all areas of public accountability, through its policies, in meeting its legal obligations and in the promotion of a compliance culture.

2. POLICY OBJECTIVES

This policy aims to ensure that Council:

- ▶ is informed of all relevant legislative, industrial and regulatory changes;
- ▶ complies with any relevant legislative, industrial and administrative requirements; and
- ▶ has developed a framework that defines the responsibilities of all Council officials and facilitates the implementation of robust practices for the effective management of compliance obligations.

3. SCOPE

This policy applies to all areas of Council's operations and covers compliance with Commonwealth and State Legislation, Codes, Council policies, contracts, funding agreements and relevant standards.

4. POLICY STATEMENT

Murray River Council will have appropriate processes and structures in place, to ensure that legislative requirements are achievable and are integrated into the everyday running of Council.

These processes and structures aim to:

- ▶ Develop and maintain a system for identifying the legislation that applies to Council's operations;
- ▶ Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented in Council;
- ▶ Provide training for relevant Council officials in the legislative and compliance requirements that affect them;
- ▶ Provide Council officials with the resources to identify and remain up-to-date with new legislation;
- ▶ Conduct internal audits to ensure there is compliance;
- ▶ Establish a mechanism for reporting non-compliance;
- ▶ Review accidents, incidents and other situations where there may have been non-compliance; and
- ▶ Review audit reports, incident reports, complaints and other information to assess how the systems of compliance can be improved.

5. COMPLIANCE MANAGEMENT FRAMEWORK

Implementation:

The various components of Council's Compliance Management Framework, together promote the importance of compliance to all Council officials.

Key components include:

- ▶ Compliance Management Policy;
- ▶ Compliance Management Register – a register of key compliance obligations, responsibilities assigned to each obligation;
- ▶ Policy Register – lists all Murray River Council policies, listing policy owners and policy review dates;
- ▶ Quarterly review and management sign-off to report against the compliance obligations outlined in the Office of Local Government's (OLG) Calendar of Compliance and Reporting Requirements;
- ▶ Assurance activities involving regular compliance risk assessments;
- ▶ An embedded compliance culture that is committed, proactive, visible, consistent and promotes staff awareness;
- ▶ Subscription services to flag changes to compliance obligations;
- ▶ Delegations policies; and
- ▶ Training and awareness program through Code of Conduct training, staff communication of change to or new obligations and targeted training to ensure they meet obligations with the scope of roles.

Monitoring and Evaluating

The key activities of monitoring and evaluating the Compliance Management Framework include:

- ▶ Identifying new or changes to existing compliance obligations through notifications from subscriptions services and reviews of the Compliance Management Register by compliance owners;
- ▶ Conducting regular compliance risk assessments, including identifying new or emerging compliance risks and assessing the effectiveness of and identifying gaps in existing controls;
- ▶ Regular reporting on compliance obligations and/or exceptions;
- ▶ Reviewing and monitoring compliance activities designed to meet compliance obligations within the scope of the reviewer's role;
- ▶ Conducting internal self-assessments and external independent reviews and/or audits based on the Compliance Management Register relating to specific legislation and Murray River Council policies; and
- ▶ Report the results of the review.

Continuous Improvement

Murray River Council is committed to the ongoing improvement of the Compliance Management Framework by:

- ▶ Employees reporting instances where they consider obligations are not be complied with;
- ▶ Management implementing corrective actions that are appropriate when non-compliance is identified;
- ▶ Management regularly reviewing compliance procedures to identify areas for improvement;
- ▶ Timely escalation of any unresolved issues; and
- ▶ Reporting on instances of significant non-compliance, or increases in compliance risk exposures and corrective actions to address them.

6. ROLES & RESPONSIBILITIES

Council

Council, as the governing body, sets the expectations, direction and tone of the Compliance Management Framework. Council has to be satisfied, that the Framework is effectively managing the risk exposures of non-compliance.

Audit and Risk Committee

The Audit & Risk Committee independently reviews the Compliance Management Framework by:

- ▶ determining whether management has appropriately considered compliance risks as part of its governance obligations;
- ▶ reviewing the effectiveness of the Framework for informing and monitoring Council's compliance with applicable laws and regulations and its Policy Register; and
- ▶ reviewing and advising on the Compliance Management Policy to ensure that it contributes to the risk management processes of Council.

General Manager

The General Manager is ultimately operationally responsible for Murray River Council's Compliance Management Policy and Framework and to ensure adequate resources are allocated to meet compliance obligations.

MANEX

MANEX promotes a compliance culture.

Activities include:

- ▶ monitoring compliance with relevant codes, practices, laws and directives;
- ▶ ensuring necessary processes and treatment plans are in place to ensure Murray River Council is complying with its obligations; and
- ▶ supporting continuous improvement of the Compliance Management Framework.

Managers/Supervisors

Managers/Supervisors have responsibility for ensuring compliance with obligations within their teams and within their area of responsibility.

Managers/Supervisors are required to:

- ▶ promote a compliance culture to meet compliance obligations by providing support, communication and training where necessary;
- ▶ identify, understand and respond to new compliance obligations;
- ▶ monitor compliance with current compliance obligations;
- ▶ ensure controls are designed, implemented and are in place to minimise the risk of non-compliance;
- ▶ investigate and respond to incidents of non-compliance; and
- ▶ report back on the fulfilment of compliance obligations and the reviews arising from the Compliance Management Register.

Risk & Governance:

The Risk & Governance functions of Council will:

- ▶ prepare reviews and reports on updates from the Office of Local Government (OLG) and other pronouncements likely to impact Murray River Council;
- ▶ maintain a watching brief on selected legislation and update management of any changes;
- ▶ ensure a relevant subscription service is available to key staff to provide active alerts for changes to legislative and compliance obligations;
- ▶ coordinate compliance risk assessments and update the Risk Register for changed or new obligations;
- ▶ report to the General Manager and MANEX on the effectiveness of the Compliance Management Framework. This includes the results of compliance risk assessments, audits and/or self-assessment outcomes, any non-compliance, and any actions taken to minimise the risk of non-compliance to acceptable levels;
- ▶ coordinate the Policy Register to ensure that policies are monitored and are periodically reviewed and updated; and
- ▶ provide advice to all sections of Council on the Compliance Management Framework.

Employees

All employees must:

- ▶ comply with relevant obligations within the scope of their roles;
- ▶ report to their Manager/Supervisor instances where they consider obligations are not being complied with;
- ▶ actively identify and seek additional support in understanding their compliance obligations; and
- ▶ develop a compliance culture within their teams by promoting opportunities for staff to increase their understanding, apply and continuously improve on compliance obligations relating to their roles.

7. LEGISLATION, REFERENCES AND TERMINOLOGY

Legislation

- ▶ Local Government Act 1993
- ▶ Local Government (General) Regulations 2005
- ▶ Other legislation that is included in the Compliance Management Register, that is deemed relevant to the operations of Murray River Council and therefore Council is required to comply with.

Associated Documents

- ▶ Risk Management Policy & Plan
- ▶ Murray River Council Code of Conduct Policy
- ▶ Murray River Council Internal Reporting Policy
- ▶ Good Conduct and Administrative Practice – Guidelines for State and Local Government (NSW Ombudsman – published May 2017)
- ▶ Guide for Audit & Risk Committees – Compliance Management (NSW Treasury – June 2017)
- ▶ Australian Standard AS3806-2006: Compliance Programs
- ▶ International Standard AS/ISO 19600:2015 – Compliance Management Systems - Guidelines

Terminology

Term	Definition
Compliance	Adherence to the requirements of laws, regulations, government directions, industry & organizational standards and codes, principles of good governance and Council's policies, procedures and frameworks.
Compliance Culture	Refers to the values, ethics and beliefs that exist throughout Council and how they interact with the structures and control systems to produce behavioural norms that are conducive to compliance outcomes.
Compliance Management Register	A list of key compliance obligations. Each obligation is risk assessed and is assigned a responsible manager to ensure compliance to the obligation.
Compliance risk	Is the effect of uncertainty on compliance objectives. It is characterized by the likelihood or occurrence and the consequence of non-compliance.
Council Officials	Includes Councillors, Council employees, Administrators, Council committee members, conduct reviewers and delegates of Council.
Governance	The structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation
Probity	Complete and confirmed integrity, uprightness and honesty in a particular process.

8. DOCUMENT CONTROL

Version No.	Details	Date	Resolution
1	Initial Policy	23 Jul 2019	070719

Council reserves the right to review, vary or revoke this policy at any time
This Policy is scheduled for review in 2 years from the date of final adoption.