



## Legislative Compliance Policy

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### 1. Scope

This policy applies to all Council Officials at the City of Parramatta Council and works in concert with our Governance Framework and the *City of Parramatta Legislative Compliance Procedure*.

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### 2. Purpose

The purpose of this policy is to set in place Council's commitment to a culture of compliance in line with the principles based on the *Australian Standards AS/ISO 19600: 2015 Compliance Management Systems – Guidelines* and Council's Governance Framework to ensure:

1. That the Council complies with all applicable legislative requirements set by the NSW and Commonwealth Governments
  2. That Council has in place a continual improvement system for legislative compliance as advocated by ISO 19600:2015 based around the principles of 'Plan-Do-Check-Act'.
  3. Promotes a culture of good governance and compliance in line with Council's Governance Framework
  4. Prevents, and where necessary, identifies and responds to breaches of laws, regulations, codes, policies and organisational procedures and standards occurring within the Council
  5. Assists the Council in achieving the highest standards of governance, and
  6. Has in place a Compliance Management System which allows for continuous review and improvement for all its business processes
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### 3. Policy

#### 3.1 Our compliance obligations

As a government agency, Council has a higher responsibility to identify and comply with its obligations in law, regulations, industrial and organisational standards, Ministerial Directives,

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Council policies and procedures, principles of good governance as established by our Governance Framework, accepted ethical standards, risk management, community expectations and Council's values.

Council also has an obligation to ensure that staff have a good understanding of their legislative responsibilities. IOSS (Internal Ombudsman Shared Service) in undertaking investigations has noted that Council '*needs to improve ...staff's understanding of legislative compliance within their roles at Council*'. In particular, they have recommended that Council should:

- (a) Provide a thorough training program for relevant staff on the importance and necessity of understanding and interpreting and applying legislation.
- (b) Running an awareness campaign for relevant staff to explain the role of Local Government Legal, and
- (c) Provide training in understanding and applying the Local Government Legal system product within Council to identify legislative changes and how they impact upon their business areas.

AS/ISO 19600:2015 places emphasis on compliance being 'embedded' in the culture of an organisation and that it is integrated with an organisation's financial, risk, quality, environmental health and safety management processes as well as its operational requirements and procedures. This policy is based upon the following general principles:

- Compliance obligations are identified and assessed for mitigation.
- Compliance and risk are managed at the operational level, with accountability through defined reporting structures.
- Staff training needs are identified and addressed.
- Behaviours that create and support compliance are encouraged and behaviours that compromise compliance are not tolerated.
- Controls exist to manage key compliance obligations, particularly through Council's Audit, Risk & Improvement Committee (ARIC) and actively work to achieve desired behaviours.
- Council is able to demonstrate its Compliance Management System through documentation and practice, and
- The Compliance Management System will be regularly reviewed and opportunities for improvement identified as part of Council's Audit Program`.

The consequences of Council breaching its compliance obligations can be either a minimal or a severe (civil and criminal) impact. Both have the ability to damage Council's reputation and foster a loss of confidence in the organisation.

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## 3.2 Our Governance Framework

Council has adopted a Governance Framework based on the Eight Governance Principles recommended by the Audit Office of NSW. The Framework is set across eight key principles and 17 components that underpin the achievement of good governance within the organisation. These principles are:

- Principle 1: Management & Oversight
- Principle 2: Structure
- Principle 3: Ethics
- Principle 4: Corporate Reporting
- Principle 5: Disclosure
- Principle 6: Remuneration
- Principle 7: Risk Management
- Principle 8: Key Stakeholder Rights

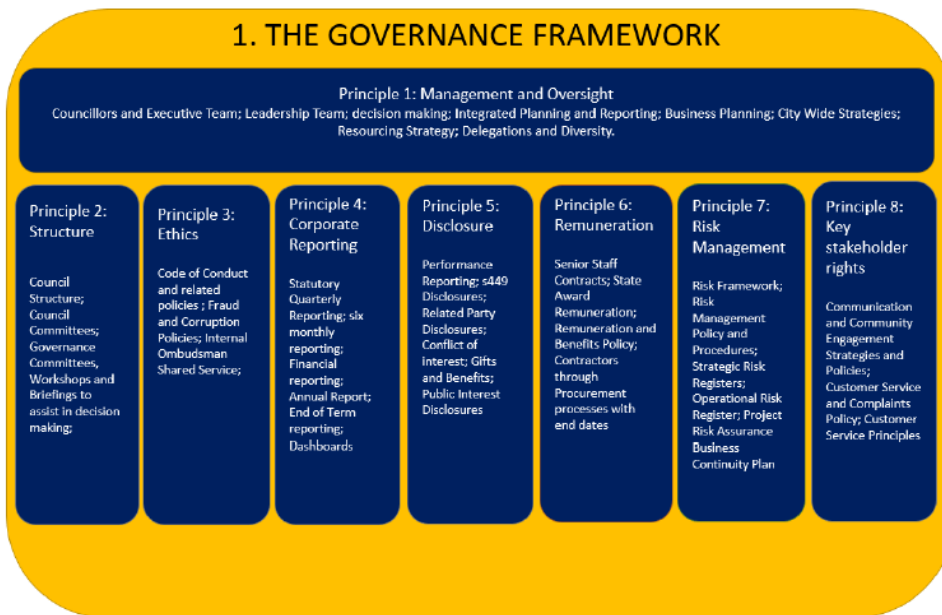
Figure 1 below summarises how the City of Parramatta meets these Eight Key Principles via a range of governance mechanisms. Our Governance Framework notes, *'Governance should be enduring and not something referred to when things are tough. It should be recognised through the implementation of processes and procedures that demonstrate transparency and accountability that is accompanied by a good governance culture whereby attitudes, values, beliefs and behaviours of leaders must set the standard and be reflected in roles and responsibilities.'* (City of Parramatta Governance Framework p.4)

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Figure 1: City of Parramatta’s Governance Framework



### 3.3 The relationship between our Governance Framework and this Legislative Compliance Policy

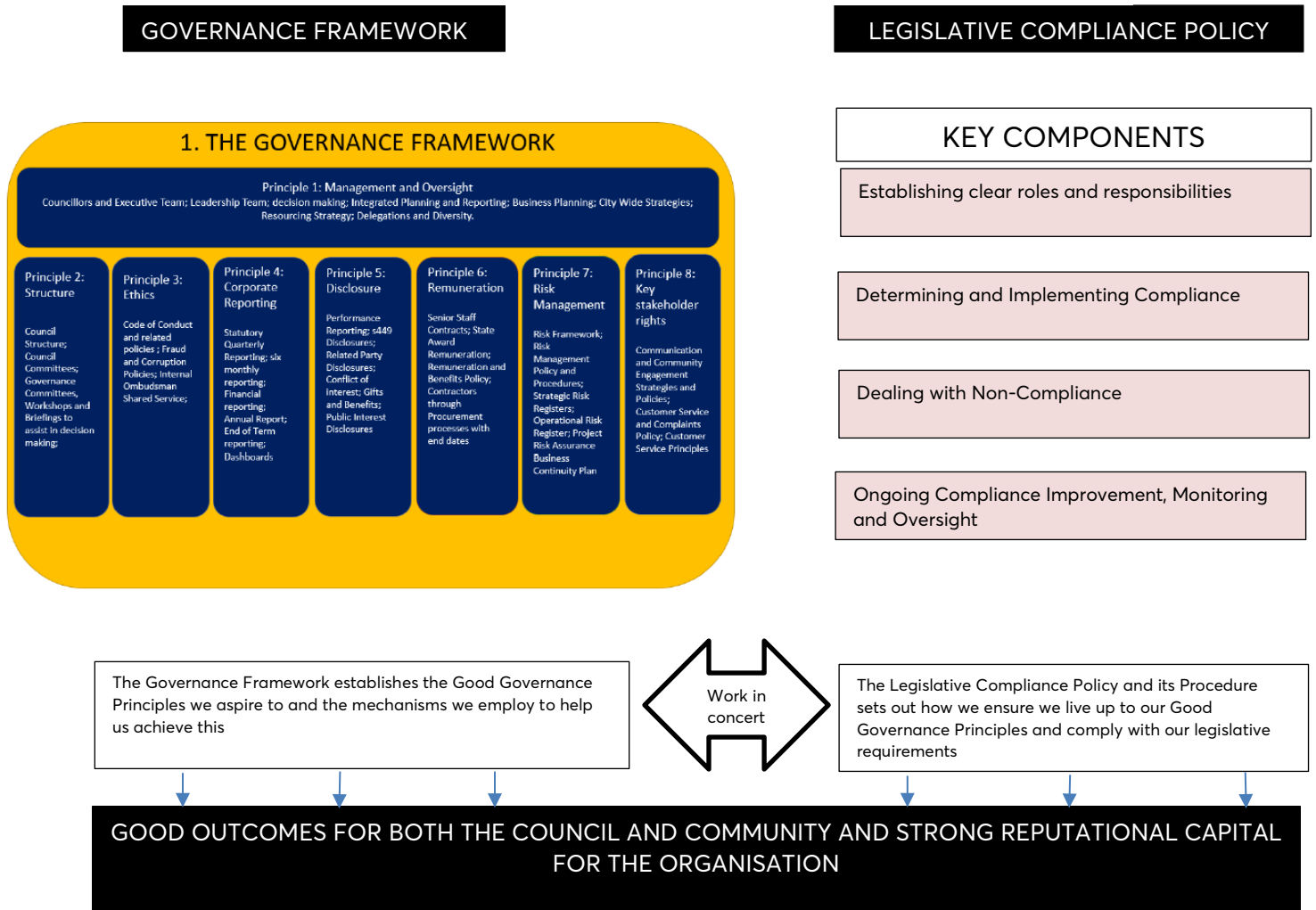
Council’s Legislative Compliance Policy has been developed to complement and work in concert with our Governance Framework. The Governance Framework sets out the principles we aspire to assist in achieving good governance whilst the Legislative Compliance Policy and Procedure sets out our continual improvement system to ensure on-going compliance within our activities to allow us to live up to these broad good governance principles. Figure 2 below sets out how this relationship works.

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Figure 2: The relationship between our Governance Framework and the Legislative Compliance Policy



This Legislative Compliance Policy and its Procedure is structured around four key components consisting of:

- Establishing clear roles and responsibilities
- Determining and implementing compliance
- Dealing with non-compliance, and
- Ongoing compliance improvement, monitoring and oversight

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## 3.4 Establishing clear roles and responsibilities

Legislative compliance is a function that does not apply to specific areas, but rather applies across the entire organisation. Everyone has particular responsibilities to ensure we achieve organisation-wide legislative compliance. The sub-sections below set out the specific responsibilities which apply across the various areas of Council's organisational structure.

### 3.4.1 All Staff

All staff need to be aware of their delegations and the legislative requirements that apply to their position and be conscientious and responsive in seeking to comply with relevant legislation and standards which apply to their positions.

### 3.4.2 The Executive Team (ET)

The ET (including the CEO) is required to lead by example by 'setting the tone from the top' by demonstrating their active commitment to a positive compliance culture within Council.

**3.4.3 The Manager Governance** shall maintain the *Legislative Compliance Obligations Register* and the *Non-Compliance Register* as well as be responsible for reviewing the Legislative Compliance Policy and Procedure on a regular basis.

**3.4.4 The Manager Risk & Audit** is responsible for conducting compliance control effectiveness checks through administering the Council's internal audit program.

### 3.4.5 The Audit, Risk & Improvement Committee (ARIC)

The Audit, Risk & Improvement Committee (ARIC) is responsible for providing independent assurance and assistance to Council on risk management, control, governance, and external accountability responsibilities. The Committee sets Council's annual internal audit program as proposed by the Manager Risk & Audit.

### 3.4.6 Managers and Supervisors

Managers and supervisors are responsible for coordinating compliance and assigning responsibility across the staff in their branches. They have an important leadership role in compliance and should demonstratively abide with compliance requirements including under legislation, policies and procedures.

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### 3.4.7 Other Council Officials

Other Council Officials, such as contractors, consultants, suppliers, community groups and volunteers, are expected to adequately manage and meet compliance requirements when working for and behalf of Council or whenever they are on Council premises.

### 3.5 Determining and implementing compliance

Council must comply with legislation (and delegated statutory instruments including associated regulations) as well as Council codes, policies, procedures, guidelines, delegations or practices that either the elected Council (Governing Body) or the CEO and Executive Team (ET) have adopted as being appropriate standards for administering and delivering Council's functions and services.

#### 3.5.1 Core legislation and compliance standards

As a multi-functional organisation, Council operates under the provisions of a wide range of legislation. A list of core legislation under which the City of Parramatta conducts its activities is provided in Appendix 2 of the Procedure.

Coupled with this Council must also comply with:

- Relevant Ministerial Directions;
- Local Environmental Plans and development control plans;
- Development consents and construction certificates;
- Mandatory codes;
- Binding contracts (including grants);
- Departmental or commissioner guidelines;
- Notices and orders;
- Court orders and judgments;
- Licences and permits; and
- Resolutions of the Council.

Also Council's compliance standards are informed by: Standards (ISO and/or Australian/New Zealand standards); Model policies and guidance documents published by organisations such as the Office of Local Government, Independent Commission Against Corruption, the Office of the Information & Privacy Commissioner or the NSW Audit Office; and Council values, principles and ethics (such as good governance, accountability and transparency).

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As required, the above may be further communicated through Council policies and/or procedures to support compliance by Council officials.

**NOTE:** Triggers for updates can include:

- Changes to legislation or other compliance sources;
- Changes to Council's organisational structure;
- Changes or additions to Council services;
- Reviews, reports or audits highlighting non-compliance or recommending improved compliance; and
- Third-party changes requiring compliance review, such as changes to procurement aggregators or key external government agencies.

Changed requirements should be assessed and prioritised against Council's Risk Management Strategy.

### 3.5.2 Compliance processes and structures

Council will have appropriate processes and structures to ensure that legislative requirements are integrated into its operations. Most compliance administration and management, including policy development, occurs within the respective Directorates and their sections. This structure relies on the expertise of the respective managers to ensure that their staff are appropriately trained and supported. This includes ensuring staff are provided with up-to-date policies and procedures and clearly defined delegations and authorisations.

### 3.5.3 Policy Register and Council's Document Framework

Transparent, appropriate and achievable policies are central to compliance. The Policy Register, including version management, adoption, records and responsibility allocation is managed centrally through Governance. Although the authoring and management responsibility for policy is decentralised, the approval of policies is centralised through the elected Council and ET.

All policies and some corporate procedures must be submitted via Governance to assist with quality control, consultation, implementation and adoption advice. Staff should refer to Council's *Document Framework* as per **Appendix 1** of this policy.

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### 3.5.6 Registers

Council maintains a number of registers that support its legislative compliance. Appendix 3 in the *Legislative Compliance Procedure* sets out the registers which support Council's legislative compliance requirements.

### 3.6 Dealing with Non-compliance

Council may become aware of non-compliance through one or more methods, including but not limited to the following:

- Staff report, notification, grievance or public interest disclosure. This may originate from staff involved or related to the non-compliance, including self-reports, or from staff in a role-related function, such as those in an external enforcement role (see below), a governance or compliance-related role, or audit role;
- Customer service requests, feedback or complaints from members of the public or Councillors, which may result in review of service provision and related documentation;
- Council vendor report of non-compliance;
- Internal or external audit reports or other identification of systemic anomalies;
- Investigations by, or requests for information from the Internal Ombudsman Shared Service (IOSS), other agencies, including the: NSW Ombudsman; SafeWork NSW; Environmental Protection Agency; NSW Police; Independent Commission Against Corruption (ICAC); Information & Privacy Commission; and/or Office of Local Government (OLG).

Any of the above may provide direct information regarding a non-compliance matter, or indirect information by triggering a review of a service provided or associated documentation, which may reveal non-compliance. Systemic non-compliance matters may reveal multiple non-compliance matters requiring separate management. The *City of Parramatta Legislative Compliance Procedure* sets out the processes for reporting non-compliance within the Council.

### 3.7 Compliance improvement, monitoring and oversight

#### 3.7.1 Developing and supporting a compliance culture

Council is committed to an organisational culture in which quality compliance and governance processes are positively valued and promoted. Council acknowledges that embedding compliance values will help develop a self-regulating organisation with fewer

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non-compliance events and results in good outcomes for both the Council and community as well as strong reputational capital for the organisation.

### 3.7.2 Improving Council's compliance

Improvements to compliance may include but are not limited to:

- Providing training to staff in understanding and implementing legislation;
- Providing information to staff to allow them to understand the broad scope of legislation which applies to their role;
- Advising staff of delegations and ensuring delegations are published, widely available and regularly reviewed;
- Timely corrective action to address non-compliances;
- Updating information and training provided to staff;
- Updating policies and processes to ensure that they are actionable and supportive of compliance; and/or
- Adapting reporting lines or structures.

### 3.7.3 Council's Risk Management Strategy

Council's compliance controls are assessed and control effectiveness is monitored through Council's Risk Management Strategy and internal audit program. Council is subject to both internal and external audits, the outcomes of which are reported to the ARIC and ET and key staff as required.

An annual internal audit program is developed by the Manager Risk and Audit in association with the Audit Risk & Improvement Committee (ARIC).

## 4.0 Definitions

### ARIC

Audit, Risk and Improvement Committee

### Code of Conduct

The current Code of Conduct as adopted by the City of Parramatta Council.

### Compliance

A measure of the degree to which requirements of legislation, codes and Council standards and policies are met.

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## Council Official

A Council Official as per the City of Parramatta Code of Conduct which consists of 'councillors, members of staff, administrators, council committee members, delegates of council and for the purposes of Clause 2.16 of the Code of Conduct, council advisors.'

## Council standards

Any code, policy, procedure, guideline or practice that Council's Executive Team (ET) has adopted as an appropriate standard for Council's day-to-day operations.

## Executive Team (ET)

Executive Team consists of Council's Chief Executive Officer and Tier 2 Directors.

## Non-compliance

The failure to take a required action, as well as actual unlawful activities, which results in a deviation from established processes and procedures. Non-compliance may constitute an over-riding of controls or a gap in existing controls.

## Policies

External facing Policies that have been adopted by the Council and Internal facing Protocols that have been adopted by the CEO and/or Executive Team (ET).

## 5.0 Related Resources

### 5.1 Legislation

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*
- *Environmental Planning & Assessment Act 1979*
- *Environmental Planning & Assessment Regulation 2000*

### 5.2 Council Policies, Codes and Procedures

- City of Parramatta Governance Framework
- City of Parramatta Legislative Compliance Procedure
- City of Parramatta Code of Conduct

### 5.3 Publications

- Australian Standards AS/ISO 19600: 2015 Compliance Management Systems – Guidelines

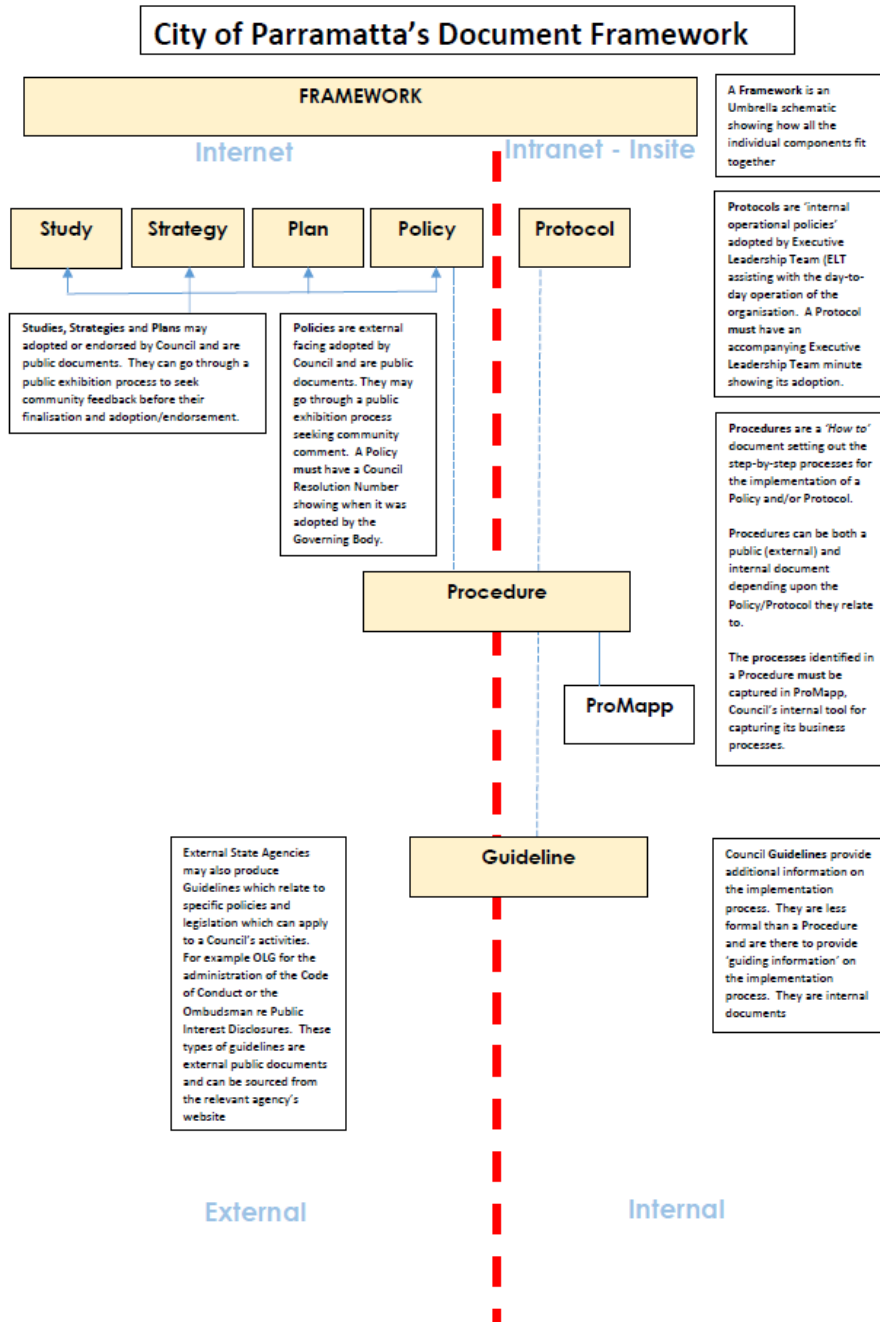
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## 6.0 Appendices:

### Appendix 1: City of Parramatta's Document Framework



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<b>REFERENCES</b>	
<b>POLICIES</b>	
<b>ATTACHMENTS</b>	

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