

COMPLIANCE RISK POLICY

Purpose

The purpose of this policy is to provide a framework for an effective compliance program, the performance of which can be monitored and assessed. The compliance program is an important element in corporate governance and due diligence of the Council and should aim to:

1. prevent, and where necessary, identify and respond to breaches of laws, regulations, codes or organisational standards occurring in the organisation;
2. promote a culture of compliance within the organisation; and
3. assist the organisation in remaining or becoming a good corporate citizen.

Scope

Legal compliance is part of Council's overall risk management. The Local Government Act 1993, related Regulations and many other pieces of legislation require Council to achieve many different levels of compliance. This policy is based on AS/NZS ISO 31000:2009 Risk Management Principles and guidelines.

General Principles

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

Definitions

Codes

Mandatory industry codes and voluntary industry codes with which the Council chooses to comply.

Compliance

Means measuring that the requirements of laws, regulations, industry codes and Council standards are met.

Compliance failure

A breach, by Council, of applicable laws, regulations, codes, Council standards.

Compliance culture

The promotion of a positive attitude to compliance within the Council.

Legal compliance

Effective control of legal risks in order to ensure that the law is complied with.

Council standards

Any codes of ethics, codes of conduct, policies, procedures and charters that Council may deem to be appropriate standards for its day-to-day operations.

Systemic and recurring problems

Problems that arise from complaints about products or services, Council standards, procedures or methods of operation, or defects in the design of the system which are likely to cause the problem to recur, or problems that are repeated a number of times in respect of any product or aspect of Council operations.

Structure of the Compliance Program

The main structural elements of Council's compliance program are the following:

Commitment

Council is committed to achieving effective compliance in all areas of its operations.

Compliance Policy

This policy represents Council's commitment to compliance with applicable laws, regulations, codes and Council standard.

Management Responsibility

All managers and supervisors need to understand, promote and be responsible for, compliance with relevant laws, regulations, codes and Council standards that apply to activities within their day-to-day responsibilities.

Risk Assessment

Using Council's Risk Matrix, compliance risks must be ranked so as to identify management priorities. If the levels of risk established are low, then risks may fall into an acceptable category and treatment may not be required.

Continuous Improvement

Council will accept and monitor low-priority risks. For other risks, Council will develop and implement a specific management plan which includes consideration of funding.

Operational aspects of the compliance program

Identification of Compliance Issues

All managers are responsible for the effective management of compliance issues and as such, will be required to provide information regarding compliance requirements in their work area for inclusion in Council's *Compliance Register*.

Implementation

The General Manager is responsible for ensuring that a compliance program is established, implemented and maintained in accordance with this policy. Assignment of responsibilities in relation to compliance other than those set out in this policy are the prerogative of the General Manager.

Management Oversight

The Risk Management Committee, chaired by the General Manager or nominee, is responsible for the oversight of the Council's Compliance Program, determining an acceptable level of risk for non compliance and monitoring the effectiveness of the program.

Complaints Handling System

Employee complaints – as per *Grievance Policy*;

Customer complaints – as per *Complaints Management Policy*;

Competitive Neutrality – as per *Code of Business Ethics*;

Regulatory authority complaints – these are usually specified.

Compliance Register

The components and applications of the compliance program need to be systematically recorded in a *Compliance Register*. The maintenance of this register is the responsibility of the Human Resources Manager.

Identification and Rectification

All compliance failures need to be classified and investigated to determine their cause and enable their rectification.

Systemic and Recurring Problems

Compliance failures and complaints should be classified and investigated to identify and rectify systemic and recurring problems that may arise.

Reporting

The Human Resources Manager will report all incidences of compliance failure to the Risk Management Committee. Serious breaches will be reported directly to the General Manager.

Maintaining the compliance program

Education and Training

All employees will receive appropriate education and training as part of induction and ongoing training.

Visibility and Communication

Council's commitment to, and requirements for, compliance will be publicised to all employees, volunteers, contractors and other relevant third parties.

Monitoring and Assessment

Compliance will be promoted and maintained through regular monitoring and assessment. While the relevant Manager is responsible for maintaining the compliance, the Human Resources Manager and the Risk Management Committee will regularly audit compliance processes.

Review

The Compliance Program will be audited annually by the Risk Management Committee to determine its effectiveness.

Liaison

Ongoing liaison with regulatory authorities will be maintained to ensure that Council is aware of current compliance issues and practices.

Accountability

The Compliance Program will be assessed against documented reporting standards.

Responsibilities

General Manager

The General Manager is responsible to:

- ensure that a compliance program is established, implemented and maintained in accordance with this policy;
- Assess instances of serious non-compliance and take relevant action to ensure compliance.

Risk Management Committee

The Risk Management Committee is responsible to:

- Monitor the operation of the Compliance Program;
- Conduct regular audits to ensure compliance;
- Recommend any changes or improvements to the Program;
- Assess incidences of failure to comply and recommend action to the relevant Manager or to the General Manager.

Human Resources Manager

The Human Resources Manager is responsible to:

- maintain the *Compliance Register*;
- report to the Risk Management Committee any incidences of compliance failure;
- conduct regular audits of policy compliance.

Manager/Line Managers

All Managers and Line Managers are responsible to:

- identify all compliance requirements within their areas of responsibility;
- inform the Human Resources Manager of the compliance requirements for inclusion in Council's *Compliance Register*;
- ensure that compliance requirements within their areas of responsibility are met;
- report to the Human Resources Manager any incidences of failures to comply, including a risk analysis of the risks involved in failure to comply.

Associated Policies & Documents

Risk Management Policy

Compliance Register

Risk Management Plan

Code of Business Ethics

Policy Details

Key Direction: 5	Our Leadership
Objective : 2	To provide best practice risk management, quality cost effective Human Resources Management and appropriate quality information technology capability
Function:	Organisational Support
Strategy : 5.22	Implement and maintain a best practice risk management system that provides protection for Council, its employees and the community: and ensure that all employees work in an accessible, safe and productive environment
File Reference No.:	11/369
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Responsible Officer:	General Manager