City of Cockburn
Cockburn
wetlands to waves

City of Cockburn
Audit & Strategic Finance Committee
Minutes

For Thursday, 18 July 2019

These Minutes are confirmed

Presiding Member's signature

Date: 21 November 2019

CITY OF COCKBURN

SUMMARY OF MINUTES OF THE AUDIT & STRATEGIC FINANCE COMMITTEE MEETING HELD ON THURSDAY, 18 JULY 2019 AT 6:00 PM

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CITY OF COCKBURN

MINUTES OF AUDIT & STRATEGIC FINANCE COMMITTEE HELD ON THURSDAY, 18 JULY 2019 AT 6:00 PM

PRESENT:

ELECTED MEMBERS

Mr K Allen	-	Councillor (Presiding Member)
Mr L Howlett	-	Mayor
Ms L Smith	-	Deputy Mayor
Mr M Separovich	-	Councillor
Ms S Smith	-	External Committee Member

IN ATTENDANCE

Mr D Arndt	-	Acting Chief Executive Officer
Mr D Green	-	Director Governance & Community Services
Mr C Sullivan	-	Director Engineering & Works
Mr N Mauricio	-	Acting Director Finance & Corporate Services
Mrs G Bowman	-	Executive Manager, Strategy & Civic Support
Mr J Fiori	-	Risk & Governance Advisor
Mrs B Pinto	-	Governance & Risk Officer
Mrs V Frankson	-	Executive Assistant to Directors - Fin. & Corp. Serv./Gov. & Comm. Serv.

1.   DECLARATION OF MEETING

The Presiding Member declared the meeting open at 6.03pm.

"Kaya, Wanju Wadjuk Budjar" which means "Hello, Welcome to Wadjuk Land"

The Presiding Member acknowledged the Nyungar People who are the traditional custodians of the land on which the meeting is being held and pay respect to the Elders of the Nyungar Nation, both past and present and extend that respect to Indigenous Australians who are with us tonight.

The Presiding Member, Councillor Allen, made the following announcements and welcomed:

Susan Smith, Independent External Committee Member; Nelson Mauricio, Acting Director Finance & Corporate Services; Joseph Flori, Risk &

Governance Advisor; Mr Tony Brown and Ms Joanne Burges from WALGA; and Mr Greg Godwin, Auditor, Moore Stephens

2. APPOINTMENT OF PRESIDING MEMBER (IF REQUIRED)

Nil

3. DISCLAIMER (TO BE READ ALOUD BY PRESIDING MEMBER)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (BY PRESIDING MEMBER)

Nil

5. APOLOGIES & LEAVE OF ABSENCE

Mr S Cain, CEO	-	Leave of Absence
Mr S Downing, Director Fin & Corp Serv	-	Leave of Absence
Councillor C Reeve-Fowkes	-	Apology

6. PUBLIC QUESTION TIME

Nil

7. CONFIRMATION OF MINUTES

7.1 (2019/MINUTE NO 0010) MINUTES OF THE AUDIT & STRATEGIC FINANCE COMMITTEE MEETING - 21/03/2019

> **RECOMMENDATION**
> That Committee confirms the Minutes of the Audit & Strategic Finance Committee Meeting held on Thursday, 21 March 2019 as a true and accurate record.

COMMITTEE RECOMMENDATION
MOVED Deputy Mayor L Smith SECONDED Cr M Separovich

That the recommendation be adopted.

CARRIED 5/0

8. DEPUTATIONS

Nil

9. BUSINESS LEFT OVER FROM PREVIOUS MEETING (IF ADJOURNED)

Nil

10. DECLARATION BY MEMBERS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

Nil

AT THIS POINT IN THE MEETING, THE TIME BEING 6.06PM THE FOLLOWING ITEMS WERE CARRIED BY 'EN BLOC' RESOLUTION OF COMMITTEE

13.2	15.1

11.   COUNCIL MATTERS

11.1   (2019/MINUTE NO 0011) STRATEGIC RISK REVIEW

Author(s)	B Pinto
Attachments	1. Risk Management Framework Road Map 2019 - 2021 ⇩
	2. Draft Risk Management Framework ⇩
	3. Draft Strategic Risk Register ⇩

RECOMMENDATION
That Council:

(1)   adopt the Draft Risk Management Framework; and

(2)   receive the Draft Strategic Risk Register,

as shown in the attachments to the Agenda.

COMMITTEE RECOMMENDATION
MOVED Deputy Mayor L Smith SECONDED Cr M Separovich

That the recommendation be adopted.

CARRIED 5/0

Background

The City undertook an independent Risk Maturity review between September and November 2018. The results were presented to the November 2018 Audit and Strategic Finance Committee meeting, and subsequently to the December 2018 Council meeting, whereby the Council adopted and committed to undertake activities detailed in the City's 2019-2021 risk management roadmap.

Submission

Nil

Report

This report addresses the following recommendations from the City of Cockburn risk management framework 'road map' action plan (2019-2021)

1.   Risk Governance

Review and agree the specific risk governance role of the Council, particularly in relation to the oversight of "material risks" facing the City, risks which sit outside the risk appetite of the Council, the identification of strategic/external risks and the development of risk appetite. (Ref OI4)

2.   Risk Assessment and Acceptance Criteria Tables

Review the effectiveness of the criteria and implement the recommendations to improve the clarity within the tables. (Ref OI 7)

3.   Risk Appetite

Build on the high-level statements to develop a series of risk acceptance principles, tolerances and limits to further enhance the definition of the risk appetite. (Ref OI 8)

During April 2019, the City's Executive team conducted a series of risk profiling workshops to review its Risk registers and risk appetite statement. As a result of these exercises, the risk management framework has been amended to build on the high-level risk appetite statement expanding risk acceptance principles, tolerances and limits to further enhance the definition of the risk appetite.

Risk appetite and risk tolerance, conceptualises opportunities or risks the City may be presented with over time and shows a theoretical risk appetite in pursuing these opportunities or risks. The risk tolerance represents the 'line in the sand', with the limit of risk indicating the threshold of risk tolerance the City is prepared to bear with that which it has the capacity to accept.

The City's strategic risk profile is focused on the following risk factors:

- Linked to the City's Overall purpose or direction;

- Beyond City's immediate control that can affect long term;

- Organisational survival (Sustainability);

- Elevate discussion of Strategy;

- Enhance the alignment with performance; and

- Link Enterprise Risk Management into decision making.

As part of this process, the City's strategic risk registers were reviewed using the following process:

- Identified through analysis of both the Strategic Community Plan and Corporate Business Plan and what can impede the organisation

from delivering on strategic objectives as well as reviewing past performance and risks to determine future challenges and new priorities; and

- Risks usually identified from the external environment, that affect the decisions made around organisational priorities, resource allocation, tolerance and acceptance of risk.

The review is now complete, both the amended risk register and risk management framework are being presented for adoption as shown in the attachments to this report.

Strategic Plans/Policy Implications

Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Failure to adopt the recommendations will result in the inability to support an integrated and effective approach to risk management and lack of guidance on the arrangements for designing, implementing, monitoring and continually improving risk management process.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil

CITY OF COCKBURN RISK MANAGEMENT FRAMEWORK 'ROAD MAP' ACTION PLAN (2019-2021)

Element	Actions	Responsibility	Timeline
1. Risk Governance	▪ Review and agree the specific risk governance role of the Council, particularly in relation to the oversight of "material risks" facing the City, risks which sit outside the risk appetite of the Council, the identification of strategic/external risks and the development of risk appetite. (Ref OI4)	▪ Council and Executive Management Team	▪ 2019
2. Risk Assessment and Acceptance Criteria Tables	▪ Review the effectiveness of the criteria and implement the recommendations to improve the clarity within the tables. (Ref OI 7)	▪ Governance and Risk Advisor	▪ 2019
3. Risk Appetite	▪ Build on the high-level statements to develop a series of risk acceptance principles, tolerances and limits to further enhance the definition of the risk appetite. ▪ Communicate the risk appetite to all internal and external stakeholders. ▪ Implement mechanisms to ensure that risk-taking is within the defined appetite. This would include the development, aggregation and reporting of key risk indicators to provide an organisational-wide view of the risk exposure. ▪ Ensure there is a mechanism in place whereby any risks which sit outside the defined risk appetite are escalated to the Council for review and decision-making. (Ref OI 8)	▪ Council and Executive Management Team	▪ 2019
4. Risk Management Hierarchy	▪ Review the Strategic Risk Register in the context of the Strategic Planning documentation to ensure that risks associated with the specific and agreed strategies are identified and appropriately managed. (Ref OI 11) ▪ Project and Event Risk Management should be integrated within the overall RMF and risk	▪ Executive Management Team	▪ 2019

CITY OF COCKBURN RISK MANAGEMENT FRAMEWORK 'ROAD MAP' ACTION PLAN (2019-2021)

	registers incorporated into a single risk information repository. (Ref OI12) ■ Clarify how the strategic, operational and project risk registers interface and align with each other (e.g. how the City reports on projects which may have an impact on strategic or operational activities. (Ref OI13)		
5. Risk Monitoring, Reporting and Review	■ Develop a Strategic Plan for the City which is aligned with the high-level Strategic Community Plan and outlines the specific strategies and associated risks. ■ Review these strategies and risks annually to ensure the City remains on track to achieve the 4-year goals defined in the Strategic Community Plan. (Ref OI 20) ■ Ensure that the City's incident management process (*including the type of incidents/losses/near misses recorded, any investigation processes, root cause analysis etc.)* links back to the risk profile to provide valuable insight into the assessment of the perceived risks. Key risk indicators should be established and monitored to give early warning of control failure and emerging risk issues. (Ref OI 23)	■ Executive Management Team	■ 2020
6. Risk Management Culture	■ Ensure options and decision papers across all levels of management within the City are supported by relevant risk information. ■ Embed risk management as a standing agenda item for regular senior management and executive meetings. ■ Review the extent to which the CEO, Directors and Managers are proactive in the driving of risk assessments within each of their areas. Include risk management responsibilities in Job Descriptions and ensure an assessment of risk management performance is included as part of the performance management review. (Ref OI6)	■ Executive Management Team, Senior Managers	■ 2020
7. Capability and Support	■ Develop and implement a structured training program to ensure that all accountable officers have the skills to be able to identify, assess and manage risks within their own areas of	■ Human Resources	■ 2020

CITY OF COCKBURN RISK MANAGEMENT FRAMEWORK 'ROAD MAP' ACTION PLAN (2019-2021)

	responsibility and are held to account for monitoring and reporting risk information in accordance with the RMF. (Ref OI 24)	Manager and Governance, and Risk Advisor	
8. Risk Management Integration	▪ Define the mechanism by which new risks are identified and managed on an ongoing basis (*e.g. any new risks since the development of strategic/operational plans*). ▪ Review the processes for managing contracts, partnership, joint ventures or alliances, to ensure risk allocation is carefully considered and clearly allocated such that all parties accept responsibilities for the allocation and have a clear understand of how the risk sharing arrangement will work. ▪ Review the process by which low probability/ high consequence risks events ("black swan events") are identified and managed and implement scenario testing to ensure that the City can recover quickly from major disruptions /outages and setbacks. (Ref OI9)	▪ Risk Review Group	▪ 2020
9. Controls Assessment and Assurance	▪ Implement a mechanism to highlight those risks with a potential catastrophic impact to ensure that the appropriate level of assurance is in place (such as scenario testing and routine internal/external audits). (OI 16)	▪ Governance and Risk Advisor	▪ 2021
10. Risk Treatment	▪ As part of the implementation of a new Risk Management Information System, incorporate the recommendations noted in OI 18 and OI 19.	▪ Governance and Risk Advisor	▪ 2021
11. Continuous Improvement	▪ The City has developed a set of risk management performance indicators to act as "lead" indicators as to the effectiveness of the RMF. It is important that these indicators are assessed, and the status reported on an annual basis in order for the intended value to be derived. It is recommended that the RMF is reviewed by exception once per year – with a formal review taking place once every 2/3 years. (Ref OI 26)	▪ Governance and Risk Advisor	▪ 2021

RISK MANAGEMENT FRAMEWORK

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Document Control

Document Record			
Document title	Risk Management Framework		
ECM document name	City of Cockburn – Risk Management Framework		
ECM document set ID	6788740		
ECMSubject Code	021/012		
Review and approval			
Maintained by	Governance & Risk Management Coordinator		
Version number	2	Version date	October 2017
Reviewed by	Risk Review Group	Date reviewed	26 October 2017
Approved by	Chief Executive Officer	Date approved	November 2017
Frequency of review	Annually	Next review date	November 2018

NOTE: The City of Cockburn will review this framework on a biennial basis, but will also make incremental changes, modifications, and adjustments as conditions warrant. This framework document goes through continuous ongoing changes based on the risk maturity level of the City of Cockburn.

Record of changes / issues			
Version	Date	Comments / reasons for change	Made by
1	12/18	December Council Meeting	Council
2	5/19		

Distribution	
Name	Position
Executive and Management Team	Directors & Senior Managers
Elected Members	Audit & Strategic Finance Committee Members

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INTRODUCTION

The management of risk is the responsibility of everyone and is an integral part of the culture of the City of Cockburn (the City), and is reflected in the various policies, protocols, systems and processes used to ensure efficient and effective service delivery.

The Risk Management Framework reflects good practice and sound corporate governance and is consistent with the risk management guidelines and principles of AS ISO 31000:2018 *Risk management-Guidelines* (AS ISO 31000).

Sound corporate governance requires integrated risk management processes and strategic planning, reporting and performance measurement. The key to successful integration is streamlining the approach to managing risk by ensuring that everyone uses common language and documents their risks using a consistent approach.

To effectively embed risk management throughout the City, all employees need to be aware of their responsibilities in relation to identifying, managing, communicating and elevating risk.

The City's overall risk appetite is 'risk prudent'.

The City should accept the taking of controlled risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives provided that the risks are properly identified, evaluated and managed to ensure that exposures are acceptable.

The City provides a diverse range of services across a variety of workplaces, which presents opportunities, threats and uncertainties that may have a positive or negative impact on the organisations deliverables and the community. The City seeks to manage these risks in accordance with its Risk Management Policy and Framework.

To guide the City's decision making the risk appetite is defined using terms describing acceptable tolerances such as None (no appetite); **Low; Moderate; High**. The defined risk appetite is the amount of risk to which the City is prepared to accept in pursuit of its objectives and before action is deemed necessary to reduce the risk.

OHS/ Health/Injury/Well being

The safety of employees, contractors and the public is an explicit priority for the City. Safe working practices are continually being improved and refined and there is no appetite for employees not following due process where their or others safety may be at risk. Due to the scale, nature, locations and diversity of City deliverables, it is

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realistic to acknowledge that minor injuries may occur from time to time, however the City has a low tolerance for these.

The City seeks opportunities to develop a multi-skilled workforce that includes employees increasing their skills and knowledge as well as encouraging initiative and enthusiasm. Whilst these are considered positive aspects, the City has no appetite for employees performing duties for which they are not suitably qualified or trained or acting outside of their delegated authority. Where legislative requirements allow and formal qualifications and training are not required to perform duties the City has a low tolerance but appropriate supervision and oversight of activities and outcomes must be in place.

The City has a low appetite for implementing practices and procedures that may result in large scale dissatisfaction within the workforce. The City will, within established guidelines and practices, consult with its workforce but does have a low tolerance for change that impacts its workforce when focused on delivering appropriate, effective and efficient outcomes.

Financial

There is a low appetite for activities that threaten the long term financial stability of the City. It is recognised however that sustainability will require investigation into enhancing and/or diversifying income streams so there is a moderate tolerance for discrete activities or projects that may provide additional income streams or enhances economic diversity.

The City's investment policy stipulates a very low appetite for risks in investments, which is imposed by legislation. There is no appetite for being illiquid with the focus on maintaining liquidity within imposed statutory financial ratios.

Effective management of projects is important to the City and consequently there is a low appetite for project cost or time overruns exceeding 20% variation. Acknowledging that historical legacies, multiple external stakeholders and other complexities exist there is a moderate tolerance towards project cost and time overruns exists but appropriate reporting and escalation are to occur and lessons learnt from these are to be reviewed to prevent reoccurrence

Service Delivery/ Strategic Objectives

The City has no appetite for unplanned service disruptions to critical and core services, including contracted services, as defined by the City's business continuity management process. In reality there exists a low tolerance for disruption to core services which are to be addressed within recovery time objectives established in the City's business continuity plans.

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To support service delivery across all City deliverables there is a low appetite for disruption to other supplementary services which may be relaxed to a moderate tolerance recognising that resources may need to be directed to continuity of critical and core services.

There is a very low appetite for IT systems failures, data loss or security breaches.

The City wishes to encourage innovation and therefore there is a high appetite for considering and implementing service level enhancements and efficiencies when aligned with all other aspects of this risk appetite statement.

Due to their high level nature, internal and external change and relevance to day to day services the City currently has moderate appetite to risks that may result in strategic objectives not being achieved.

Environmental

There is no appetite for not fulfilling its obligations to the built and natural environment including management of contaminated sites, sensitive or high profile sites, waste services or the City's preparation, planning, response and recovery to hazards. The City recognises the multiple stakeholders and responsibilities involved in fulfilling the obligations and needs to accept a low tolerance to those environmental risks.

Reputational

The City has a low appetite for reputational risks that may result in substantiated complaints from the community and/or key stakeholders. It is recognised the City has diverse community and stakeholder needs and expectations and therefore accepts a low tolerance for complaints.

The City has a low appetite for sustained and substantiated negative media coverage. The City has no appetite for the provision of inaccurate qualified advice or unethical actions with a low tolerance for errors in unqualified advice or provision of information.

Compliance

The City has obligations both mandated and recommended through numerous statutory and regulatory requirements and the City has no appetite for non-compliance, breaches of legislation or regulatory requirements or non-reporting of breaches and non-compliance to appropriate authorities. There is recognition that the City must accept a very low tolerance for some non-compliance due to

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competing requirements, changing requirements or minor breaches from time to time.

The City does have a moderate appetite to lead challenges to out of date, restrictive and unnecessarily risk adverse legislation and requirements. The City has no appetite or any tolerance for theft, fraud or misconduct by Elected Members or Officers.

8 December 2017

_____　　　　Date_____

Stephen Cain
Chief Executive Officer

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1.   RISK MANAGEMENT FRAMEWORK OVERVIEW

1.1   Risk Management Policy

The City's Risk Management Policy (the Policy) ~~(SC51)~~ documents the commitment and objectives regarding managing uncertainty that may impact the City's strategies, goals and objectives.

The purpose of this Framework is to provide details of the requirements and processes supporting the City's Policy.

The implementation of the Framework will:
* Ensure a consistent approach to the risk management process across Council;
* Establish a structured process for undertaking the risk management process to identify, assess and control/treat risks;
* Encourage the integration of risk management into the strategic and operational   process across all Business Units of the City.

This Risk Management Framework has been developed with input and review from the Risk Review Group, Executive Team, and Audit & Strategic Finance Committee and adopted by Council.

1.2   Benefits of Risk Management

The management of risk is an ongoing process that provides many benefits which include:

* Greater likelihood of achieving objectives
* Compliance with legislative requirements
* Improve stakeholder trust and confidence
* Encourages decisive leadership rather than management of crisis
* Better information for decision making
* Reduces unexpected and costly surprises
* Better results from projects and activities
* More effective and efficient allocation of resources
* Balancing opportunity and risk
* Enhanced accountability and corporate governance; and
* Assists in obtaining insurance cover.

1.3   Common Risk Definitions and Explanations

Risk:

- The effect of uncertainty on the achievement of set objectives (AS ISO 31000).

Note – an effect is a deviation from the expected – positive and/or negative.

- Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood.

Risk Management:

- Coordinated activities to direct and control an organisation with regard to risk (AS ISO 31000).

Risk Framework:

- Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation (AS ISO 31000).

Risk Assessment:

This is the part of the risk management process that includes the following three components:

- Risk Identification – process of finding, recognising and describing risks;

- Risk Analysis – Involves developing an understanding of the risk including their causes and sources and the likelihood and consequences should the risk occur; and

- Risk Evaluation – Assists in making decisions about risk priorities and treatments following the risk analysis.

Risk Monitoring and Review:

- Involves continually reviewing the overall risk management process to ensure that controls are effective, new information is gathered, latest changes and trends are identified, successes and failures are recorded, lessons are learned, changes in internal and external context are detected and emerging risks are captured.

1.4 Risk Management Principles

Building an integrated and effective Risk Management Framework takes commitment and resources. All components of this document are based on AS ISO 31000. The risk management principles outlined in AS ISO 31000 which guide the City's risk management approach are:
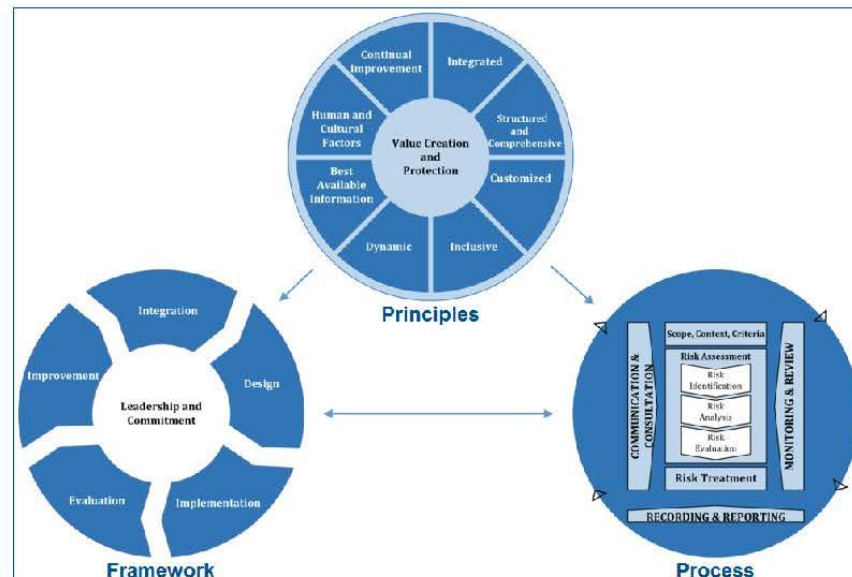
Our Framework is built around the elements identified as risk *culture, governance and accountability, resources and planning, process, and assurance*. A brief description of the five elements is outlined below:

(a) Risk Culture: Risk culture is a sub-set of the City's culture. The risk management behaviour of the people within City can be described as 'the way things are done'.

(b) Risk Governance and Accountability: Governance and Accountability is the approach taken for making decisions about risk and developing, supporting, and embedding the risk framework.

(c) Risk Management Resources and Planning: Resources is the allocation of human and financial resources to oversee risk and planning. It is the thinking and organising of activities that are required to implement an integrated Risk Management Framework.

(d) Risk Management Process: Refers to the process around managing all risks, including strategic, operational and emerging risks. This involves identifying, assessing and monitoring risks through the City's risk management system.

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(e) **Risk Assurance**: Risk assurance is making sure the internal controls are adequately supporting the management of risk and compliance with regulations.

1.5   Risk Management Approach

The City has adopted the "Three Lines of Defence" Assurance model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate and Operational plans.

The Following diagram depicts the **Three Lines of Defence Assurance Model**

Three Lines of Defence Assurance Model

Council		
Executive Team		
First Line of Defence	Second Line of Defence	Third Line of Defence
Senior Management Team & Employees	**Governance Services**	**Internal / External Audit**
• Identify and build risk profile; • Implement and maintain controls; • Consider risk in operation decision-making; and • Report on adequacy of risk mitigation.	• Establish and coordinate risk management processes; • Ensure compliance with framework; • Collect and analyse risk information; and • Monitoring and reporting on risk profile.	• Assess risk environment; • Provide independent assurance on internal control system; • Communicate risk exposure for remediation; and • Reports on adequacy and effectiveness of control processes

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1.6   Legislative Requirements

Risk management is integral to good governance and good management. *Regulation 17, of the Local Government (Audit) Amendment Regulations 2013*, requires the Chief Executive Officer (CEO) to undertake a review which assesses the appropriateness and effectiveness of the City's systems and procedures in relation to:

- risk management;
- internal controls; and
- legislative compliance

D R A F T

2. RISK MANAGEMENT KEY ELEMENTS

The purpose of this section of the Risk Management Framework is to provide an overview of the Framework's five key elements and how they apply to Council.

2.1 Risk Culture

Our organisational culture is the behaviours, values and beliefs that are shared by the people within the organisation.

Risk culture is fundamental to supporting governance, stakeholder confidence, trust and compliance with relevant legal and regulatory requirements for improving the control environment, the operational effectiveness and efficiency and the identification of opportunities and threats.

The management of risk is the responsibility of all staff and this requirement is included in all position descriptions. Risk maturity assessments can be conducted which will inform us about our culture.

The City's values positively encourage a risk culture where understanding, managing and calculating a prudent level of risk is part of the everyday decision-making process. The elements that will contribute to a positive risk culture are:

- leadership, which is articulated in the policy
- communicating the benefits of risk management
- Integrating risk management with other business processes and systems so the task of managing risk is not regarded as an additional burden.

Key risk performance indicators are measures which support our transparent approach to maturing risk management. The risk management performance indicators which we are working towards are provided as Appendix C.

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2.2   Risk Governance and Accountability Structure

Our risk management accountability framework is aligned to our existing accountability requirements and summarised in Appendix D, outlining the roles and responsibilities in relation to risk management.

Our approach to enterprise risk management is aligned to our strategic and business planning frameworks.
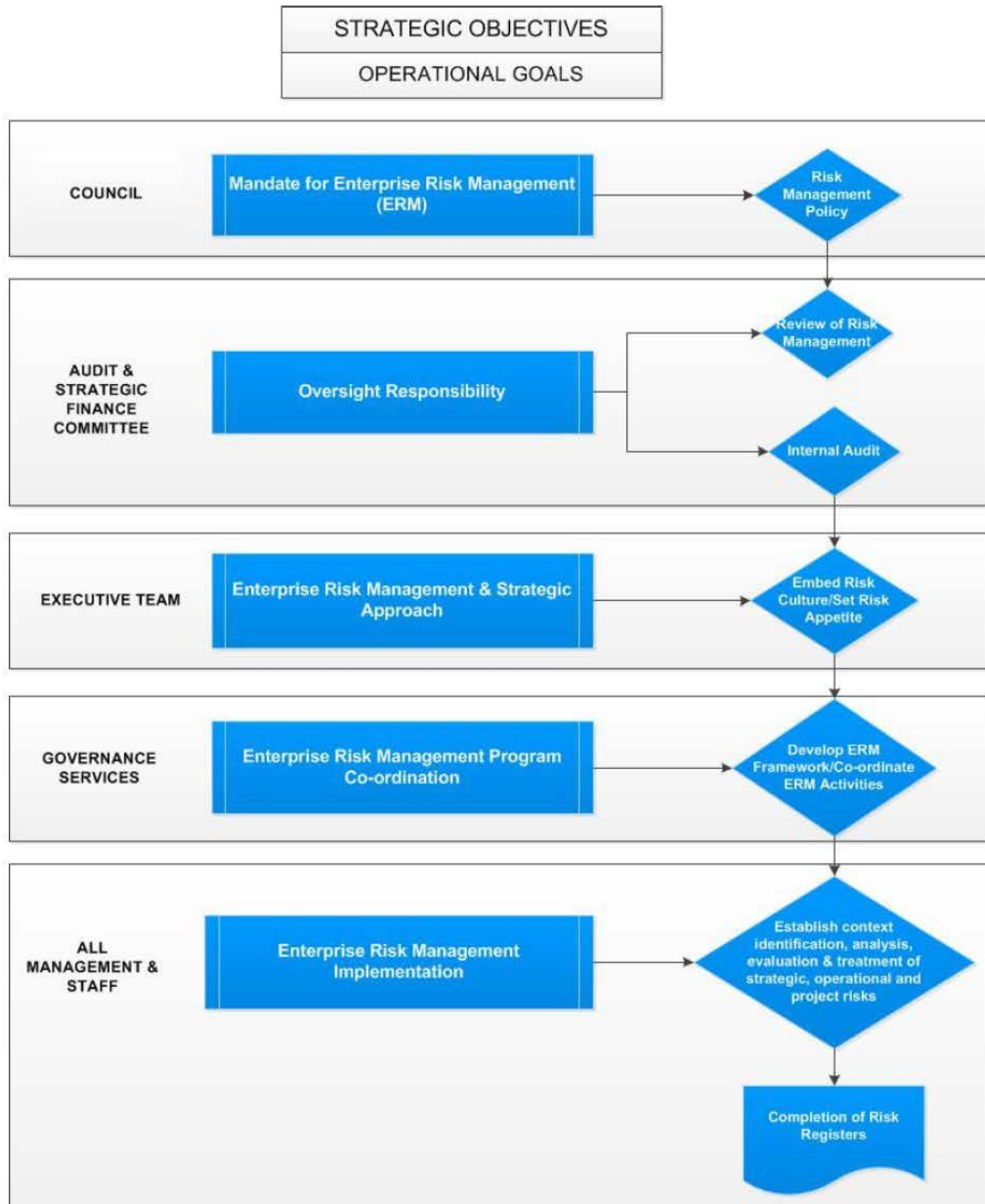
Strategic risks are overseen by the Executive and operational risks are identified and monitored as part of our annual business planning cycle.

Our risk register is enabled by *Risk Management and Safety System* (RMSS), a licensed enterprise risk information system. Our maturity and performance can be measured against our integrated risk management performance indicators.

2.3 Risk Management Resources and Planning

Risk management resources and planning are embedded within existing processes and operates on a number of levels. A summary of our integrated approach to resources and planning is outlined below depicting the components that make up the City's Integrated Planning and Reporting Framework (IPRF):

Elements of Integrated Planning and Reporting Framework
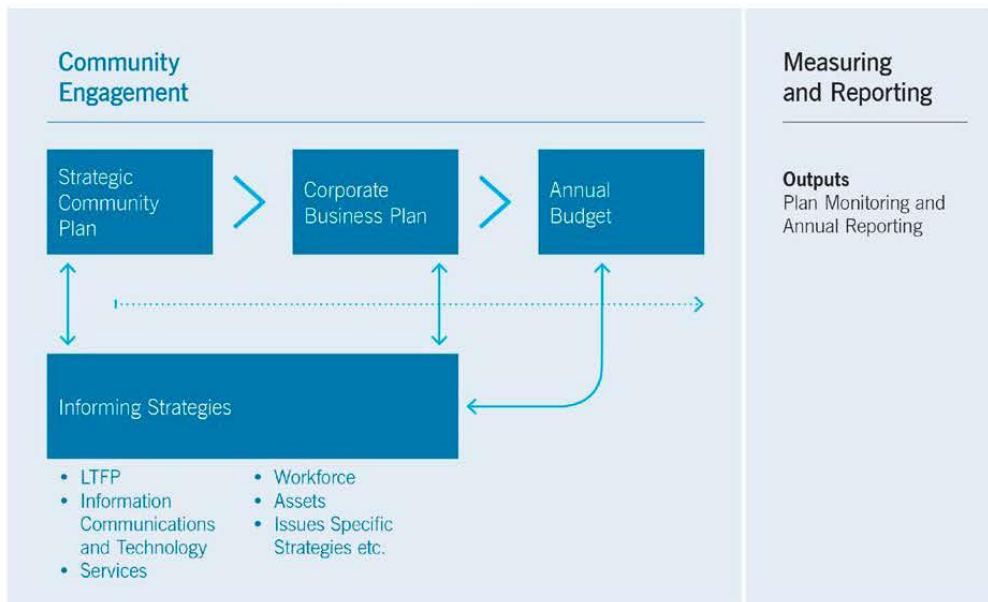
The City's IPRF, as the primary source of guidance for the organisation, provides context to which the risk management process operates. The IPRF is designed to strengthen the linkages between community aspirations, financial capacity and practical service delivery.

The City's risk management approach is embedded into this planning process and assists in the delivery of community needs in a sustainable manner. This planning process operates on a cyclical basis and provides opportunities to undertake analysis of emerging, known or unknown risks that may impact on the purpose and objectives of the City.

The City is required to perform a biennial review of the IPRF elements. The review is designed to test and ratify the City's strategic direction,

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based on community needs. This provides the mandate to ensure the City's risk approach is also reviewed, in line with the legislative requirements of risk management.

Responsibility for risk management is outlined in our Risk Management Accountability Structure (Refer to Appendix D). Risk management resources are embedded within all Departments across all functions.

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2.4   Risk Management Process

The City's risk management process is designed to ensure that risk management decisions are based on a robust approach, assessments are conducted in a structured and consistent manner, and common language is used and understood throughout the organisation. In line with AS ISO 31000, the elements of the City's risk management process are outlined below, with a brief description of each of the process articulated in the below table:

Process Step	Description	Purpose
Communication and Consultation	Involving stakeholders (internal and external) and information sharing throughout the risk management process, across the City.	• Context is appropriately defined; • Staff that are involved throughout the risk process understand the basis for decisions and actions required; and • Lessons learnt are shared and transferred to those who can benefit from them.
Establish Context (explained further in section 2.4.1)	Understanding the City's objectives and defining the external and internal environment within which the City operates.	• Understand the critical success factors influencing the ability to achieve objectives; and • Determine boundaries within which the Risk Management Framework operates using the City's Risk Assessment & Acceptance Criteria (Appendix A).
Risk Identification	Identifying risks, its sources, causes and potential consequences.	• Refer to the City's Risk Assessment & Acceptance Criteria to ensure risks are assessed in a consistent manner; and • Generate a comprehensive list of threats and opportunities based on the critical success factors that might enhance, prevent, degrade, accelerate or delay the achievement of set objectives.
Risk Analysis	Comprehending the nature of the risk and determining the level of risk exposure (likelihood and consequence).	• Provide an understanding of the residual (level of exposure should controls fail) and controlled risk (level of exposure with controls in effect); • Utilise the City's Measures of Existing Controls in identifying ineffective controls; • Determine relevant consequence categories to rate the residual risk; and • Combine the measures of consequence and likelihood to determine the level of risk.
Risk Evaluation	Comparing the risk analysis with the risk criteria to determine whether the risk is acceptable or tolerable.	• Determine whether the controlled risk aligns with the City's risk appetite; • Determine if controlled risks need further treatment; and • Identify priority order in which these risks should be treated.

(Rows Risk Identification, Risk Analysis, Risk Evaluation grouped under "Risk Assessment")

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Process Step	Description	Purpose
Risk Treatment	• Selecting one or more options for treating the risk. • Reassessing the level of risks with controls and treatments in place (residual risk).	• Identify treatments for risks that fall outside the City's risk appetite; • Provide an understanding of the residual risk (level of risk with controls and treatments in place); and • Identify priority order in which individual risks should be treated, monitored and reviewed in line with the City's risk assessment & acceptance criteria.
Monitoring and Review	• Determining whether the risk profile has changed and whether new risks have emerged. • Checking control effectiveness and progress of the treatment plans.	• Identifying emerging risks; • Provide feedback on control effectiveness; • Identify whether any further treatment is required; • Provide a basis to reassess risk priorities; • Capture lessons learnt from event failures, near - misses and success; and • Monitor risk controls and actions through RMSS, the City's risk management software.

D R A F T

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2.4.1　Establishing the Risk Management Context

To ensure adequate alignment and consistency of risk management practices throughout the City, the below provides the context for which risks are defined, identified and managed.

Plans	Risk Definitions	Accountability
Strategic Community Plan The Strategic Community Plan (SCP) articulates the long term strategic direction and guides the City's planning process. It outlines the communities' aspirations and vision as well as identifying the strategies that the City is intending to implement to achieve its objectives. The SCP describes the vision and strategic objectives of the elected Council. In determining the strategic risk profile the City will have to collect information, through environmental scanning, which is broad enough to include a range of trends, influences and time horizons They are usually identified through analysis of environmental factors, stakeholder expectations and strategy development and will likely have a material impact on the City's ability to achieve its mandate and strategic objectives.	**Strategic Risks** ▪ Identified through analysis of both the SCP and Corporate Business Plan (CBP) and what can impede the organisation from delivering on strategic objectives as well as reviewing past performance and risks to determine future challenges and new priorities. ▪ Risks usually identified from the external environment, that affect the decisions made around organisational priorities, resource allocation, tolerance and acceptance of risk. ▪ Strategic risks are the risks that will prevent the City from meeting the objectives outlined in the SCP. ▪ They are the risks of most concern to the City and therefore require direct attention by the CEO.	Executive Team

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Plans	Risk Definitions	Accountability
Business Unit Operational Plans Annual plans that identify the Unit's key accountabilities in implementing the City's strategic plan, key strategies and targets. Plans are developed through a process of environmental scanning and reviewing past performance and risks to determine upcoming challenges and new priorities	**Operational Risks** Risks or opportunities that may affect achieving the objectives of the planned Business Unit outcomes of performance, identified through Business Unit Plans, Specific Purpose Plans, programs of change, or hazard assessments. These risks usually result from inadequate or failed internal processes, people and systems. Operational risks are linked to the Business Plan objectives and take into consideration risks which will prevent Departments from delivering their annual business plans and ongoing services to the community.	Business Unit Managers
Program Plans Plans for implementing business strategies, policies and initiatives, or large-scale change, to achieve a desired outcome and benefits of strategic importance.	Each Department is required to undertake a risk assessment in accordance with this Framework to determine the risks in meeting its delegated statutory obligations and stated objectives. This process is incorporated into the business planning process.	Service Unit Leader
Safety Management System The City's systematic approach to managing safety, including organisational structures, accountabilities, policies and procedures. Officers (persons conducting a business or undertaking) are responsible for protecting workers and other persons against harm to health, safety and welfare through the elimination or minimisation of risks arising from work or from particular types of substances or plant	Operational risk predominantly relates to critical services and functional business processes that support the City's service delivery objectives. This risk type takes a horizontal perspective of risk across the City. Safety risks can cause harm or adverse effects (to individuals as health effects or to the City as property or equipment losses).	All Staff
Project Plans Formal, approved documents used to guide both project execution and project control.	**Project Risks** Uncertain events or set of circumstances that, should they occur, will have an effect on the achievement of one or more project objectives. Project and program risk refers to the risks unique to a specific project/program. The City regularly undertakes significant projects and programs, management of which should be consistent with the City's project management methodology. Projects and programs should maintain a risk register(s) and regularly report the risks to the project/program sponsor/s or steering committee. Any substantial risk that is strategic in nature should also be incorporated in the Operational risk register to ensure visibility across the enterprise.	Project Team/Manager

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Plans	Risk Definitions	Accountability
Specific Risk Functions		
<u>Fraud and corruption</u> - Refer to the Fraud and corruption prevention policy and guidelines.	Fraud and corruption risk management is an important subset of the City's overall risk management framework. The City and constituent business areas are required to conduct a fraud risk assessment on a regular basis, in doing so; the assessment should be consistent with the process prescribed in the framework. Correspondingly, provision for fraud has been integrated into the City risk register to enhance fraud and corruption reporting.	All services units with support from other units and external agencies
<u>Business continuity management</u> -. Refer to the Crisis and *Business continuity framework*.	Some risk is unavoidable and it is not within the ability of the City to completely manage, e.g. natural disasters. A key strategic risk for the City and its business areas is the inability to remain operational and continue delivering Council services. In these instances, the only action that can be taken is the preparation of contingency plans for business continuity. Business continuity management is a key mitigating factor as it increases the department's resilience in, response to and recovery from events that may disrupt business services and operations	
<u>Local Emergency Management Plans</u> Series of plans that identify hazards, risks and their mitigation, response to and recovery from emergency events. Detailed plans for response and recovery are linked to the District & State Emergency Management Plans.	Emergency Management Hazards/Risks & Public Hazards Risks and hazards which: • Would pose a threat to life, property or the environment. • Would require a large scale emergency response. • Would require support / action from the City. • Would require Recovery strategies to be adopted to return the community to normal	

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2.4.2.   Treatment

For risks which fall outside of the City's risk appetite, determine treatment options that may improve existing controls and/or reduce consequence/likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk. The treatment selection and implementation may be based on:

- Cost versus benefit;
- Ease of implementation; and
- Alignment to organisational values and objectives.

The purpose of risk treatment plans is to document how the chosen treatment options will be implemented. A comprehensive risk treatment plan should be prepared for all High and Extreme risks. The information provided in treatment plans should include:

- Risk ID, risk description, risk level
- The reasons for selection of treatment options, including expected benefits to be gained
- Those who are accountable for approving the plan and those responsible for implementing the plan (e.g. Risk owner);
- proposed actions;
- resource requirements including contingencies
- plan to monitor implemented controls;
- reporting requirements (e.g. Council action, Audit and Risk Committee action, Executive Management team action etc.); and
- timing and schedule.

2.4.3.   Monitor & Review

The City will review all Risk Profiles in line with the Risk Assessment & Acceptance Criteria or if triggered by one of the following:

- changes to context;
- a treatment is implemented; and
- an incident occurs or due to audit/regulator findings.

The Governance & Risk Management Coordinator will monitor the status of risk treatment implementation and report on progress, if required.

The CEO and Executive will monitor substantial risks and treatment implementation as part of their normal Directors agenda item with specific attention to be given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme;
- Risks with an Inadequate Existing Control Rating;

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- Risks with a Consequence Rating of Catastrophic; and
- Risks with a Likelihood Rating of Almost Certain.

2.5. Risk Assurance

The risk management validation and assurance program operates on a number of levels from management reviews to internal and external reviews.

Management Control reviews: These annual reviews are initiated by management to inform and to provide another level of insight on the degree to which management and operational levels has a shared understanding of risk management.

This level of scrutiny completes an important aspect of a risk management system. That is to provide assurance that key risks are actively controlled and control mechanisms in place reduce the risk profile of the City

Audit services: The internal audit program is overseen by the Governance & Risk Department. The internal audit plan is developed with consideration to the strategic and operational business risk profile.

The internal audit program is designed as a rolling three year plan based on risk against which Internal Audit is to prepare audit reports for the Audit Committee's consideration. These audit reports are to also include, where applicable, management responses, accountabilities and timelines for corrective actions.

This plan shall detail the nature and timing of reports to be presented to the Audit Committee and to Council and will reflect the priorities and functions of the Audit Committee as detailed in their Charter.

External reviews: These reviews are conducted by an agency external to Council. Typically the agencies which currently conduct independent reviews are the Auditor General's Office and Ombudsman

Risk Maturity review: Governance services conduct a maturity assessment every 2 years, in line with the corporate planning cycle to measure and test staff's perception of Council's risk management culture. The results are reported to the Executive Team and where appropriate incorporated into an action plan.

2.5.1. Risk Tools

The risk register enables staff to document, manage, monitor, review and update strategic, operational, hazard or project risk information. Risk register reporting allows the City to monitor and review risks in alignment with the SCP, CBP, Business Unit Plans, programs and other cascading plans.

Information from the risk management process is to be recorded, reported and monitored using the City's various risk register templates. The City has two ways to record risks as depicted below.

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RMSS risk register – An online risk management tool, to assist the City in recording, monitoring and reporting operational and strategic risk information.

Offline risk registers – These are various risk register templates used for projects, programs, events and hazard assessments. This information is not kept within the RMSS.

3. TRAINING AND EDUCATION

The City has clarified roles, responsibilities, accountabilities and delegations at all levels. The City's Risk Management Framework is to be embedded through a number of communication, training and support systems, including training.

To ensure that adequate risk management competency levels are achieved and maintained, the City provides regular training courses in the risk management process and its application in the City.

Specific risk management training sessions will be held on an annual basis, aimed at providing an overview of the Risk Management Framework. The training will be provided by the Risk and Governance Advisor. Additional ad-hoc training will be provided as required.

This training is designed to increase the knowledge and awareness of staff and management in a number of risk management topics including:

- risk management principles and process;
- fraud and misconduct awareness;
- environmental management;
- events management; and
- Business Continuity and Crisis Management.

Instruments providing training on appropriate controls include job descriptions, inductions, policies, procedures, terms of reference, performance planning and review programs, contracts and delegations.

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APPENDIX A - RISK ASSESSMENT AND ACCEPTANCE CRITERIA

Measures of Consequence					
Risk Category	**Insignificant(1)**	**Minor (2)**	**Major(3)**	**Critical (4)**	**Catastrophic (5)**
Financial Impact	< $50K or 5% of OP / little or no impact on asset	$50K to < $250K or 10% of OP / minor loss or damage to asset	$250K to < $1M or 25% of OP / major damage to asset	$1M to < $5M or 25% of OP / significant loss of asset	>$5M or 50% of OP / complete loss of asset
OHS/Health/Injury/ Well-being	No injuries	First aid treatment	Medical treatment, no lost time injury (LTI)	Partial disablement, or severe injury leading to LTI < 10 days	Death, or permanent disablement leading to LTI ≥ 10 days
Brand/Reputation	Low impact Low profile No complaint	Low impact Low profile Low media attention Possible complaint	Moderate impact Moderate media attention Public complaint	Damage to reputation. Public embarrassment High media attention Several public complaints Third party legal action	Irreversible damage to reputation. Very high level of public embarrassment. Very high media attention Many public complaints
Operations/Service Disruption	Little impact Business-as-usual / < 5% variation against PI	Minor impact Easily dealt with Still business-as-usual / 5 - 10% variation against PI	Some objectives affected Can continue as business-as-usual with minor controls executed / 10 - 25% variation against PI	Some of the major objectives cannot be achieved Business can still deliver but not to expected level / 25 - 50% variation against PI	Most objectives cannot be achieved Business will not operate / > 50% variation against PI
Environmental Health	An insignificant environmental event that can be immediately corrected under the control of the City	A minor environmental event that can be corrected through system improvements within the City	A moderate environmental event that can be remediated but requires multiple stakeholder input	A significant environmental event where rehabilitation involves multiple stakeholders and various levels of the community and government	A severe environmental event requiring multiple stakeholders, all levels of the community and government to remediate.
Compliance	Minor breach of policy / process requiring some response with little impact on other criteria	Compliance Breach of policy / process requiring additional work or minimal damage control	Compliance Breach requiring investigation, mediation or restitution and breach of legislation or regulations	Compliance Breach involving external investigation or third party actions resulting in tangible loss or reputation damage to the City and breach of legislation or regulations	Compliance Breach involving regulatory investigation and / or third party actions resulting in tangible loss or significant reputation damage to the organisation and breach of legislation or regulations

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Risk Category	Insignificant(1)	Minor (2)	Major (3)	Critical (4)	Catastrophic (5)
Project	Majority of milestones and objectives being achieved with minor variation to scope and/or quality reported. Minor impact absorbed through project. Or < than 5% of Project Budget or < than $50k, whichever is lower Or < than 5% of Project Timeline or < than 30 days, whichever is lower	Minor impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Disruptive impact on project deliverables expected. Or Between 5% to 10% of Project Budget or between $50k - $250k, whichever is lower Or Between 5% to 10% of Project Timeline or between 30 – 60 days, whichever is lower	Major impact on milestones and objectives being achieved with minor variation to scope and/or quality reported. Serious impact on project deliverables expected. Or Between 10% to 25% of Project Budget or between $250k - $1m, whichever is lower Or Between 10% to 25% of Project Timeline or between 60 - 90 days, whichever is lower	Major impact on milestones and objectives being achieved with significant variation to scope and/or quality reported. Critical impact on project deliverables expected. Or Between 25% to 50% of Project Budget or between $1m - $5m, whichever is lower Or Between 25% to 50% of Project Timeline or between 90 - 120 days, whichever is lower	Catastrophic impact on milestones resulting in the failure to achieve one or more objectives of the project. Or > than 50% of Project Budget or > than $5m, whichever is lower Or > than 50% of Project Timeline or > than 120 days, whichever is lower

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Measures of Likelihood

Score	Likelihood	Probability / Frequency
5	Almost Certain	Such events are expected to occur routinely during an operation /asset life/project.
4	Likely	Such events may occur frequently during an operation /asset life/project.
3	Possible	Such an event may occur more than twice during an operation /asset life/project.
2	Unlikely	Possible that such an event may occur once during operation /asset life/project.
1	Rare	Theoretically such an event is possible but not expected to occur during an operation /asset life/project.

Risk Matrix

Likelihood	Consequence	Insignificant	Minor	Major	Critical	Catastrophic
		1	2	3	4	5
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Substantial (10)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	Substantial (12)	High (15)
Likely	4	Low (4)	Moderate (8)	Substantial (12)	High (16)	Extreme (20)
Almost Certain	5	Moderate (5)	Substantial (10)	High (15)	Extreme (20)	Extreme (25)

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Risk Acceptance Criteria				
Risk Level	Code	Criteria	Treatment	Responsibility
LOW		Risk acceptable with adequate controls, managed by routine procedures. Subject to annual monitoring or continuous review throughout project lifecycle.	Management through routine operations/project, Risk Registers to be updated.	Service Unit Manager/Project Manager
MODERATE		Risk acceptable with adequate controls, managed by specific procedures. Subject to semi-annual monitoring or continuous review throughout project lifecycle.	Communication and awareness of increasing risk provided to SM, Risk Registers to be updated.	Senior Manager/Project Manager
SUBSTANTIAL		Accepted with detailed review and assessment. Action Plan prepared and continuous review.	Assess impact of competing Service Unit/Business Unit Projects. Potential redirect of Service Unit/Business Unit resources. Risk registers to be updated.	Director/Steering Committee
HIGH		Risk acceptable with effective controls, managed by senior management/executive. Subject to quarterly monitoring or continuous review throughout project lifecycle.	Escalate to CEO, report prepared for Audit & Strategic Finance Committee. Quarterly monitoring and review required. Risk Registers to be updated.	Executive/ Steering Committee/Project Sponsor
EXTREME		Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring.	Escalate to CEO, report prepared for Audit & Strategic Finance Committee. Monthly monitoring and review required. Risk Registers to be updated.	CEO/Council/Project Sponsor

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Existing Controls Ratings		
Rating	**Foreseeable**	**Description**
Effective	Doing more than what is reasonable under the circumstances	1. Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Subject to continuous monitoring and regular testing 3. Any control improvements that can be implemented have minimal impact on operations.
Adequate	Doing what is reasonable under the circumstances	1. Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Subject to continuous monitoring and regular testing 3. Control improvements may be implemented
Inadequate	Not doing some or all things reasonable under the circumstances	1. Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Controls not operating as intended and have not been reviewed or tested 3. Existing Controls need to be improved

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APPENDIX B – RISK MANAGEMENT ACTION PLAN

Action	Description	Responsibility	Timing
Strategic Risk Management Review	Strategic risk workshops with the key deliverable of a strategic risk register for the City, to identify high level key strategic risks associated with the City's external environment, stakeholders, strategic direction and systemic organisational issues.	Executive Team (coordinated by Governance Services)	Every 4 years in conjunction with the SCP review
Risk Maturity Review	Maturity review to measure and test Risk Management culture, and assess the appropriateness and effectiveness of the City's systems and procedures in relation to: • risk management; • internal controls; and • legislative compliance	Executive Team & All Managers (coordinated by Governance Services)	Biennially
Review Risk Management Policy	Review the currency and effectiveness of Council's Risk Management Policy	Council to adopt (review to be coordinated by Governance Services)	Biennially – presented to Delegated Authorities, Policies and Position Statements (DAPPS) Committee
Review Risk Management Framework	Review the currency and effectiveness of Council's Risk Management Framework.	Council to adopt (review to be coordinated by Governance Services)	Biennially
Build robust contingency services to ensure the protection of Council assets and services	Annual test and review of Council Business Continuity & Crisis Management Program	Governance Services	Annually
Review Operational Risk Registers	Review risks and controls contained in Council's corporate risk register and identify new or emerging risks	All Managers (risk owners) to complete review (review to be facilitated by Governance Services)	Annually – presented to Audit & Strategic Finance Committee
Risk Controls Assurance Review	Targeted control review to rate and confirm the effectiveness for controls contained in the operational risk register.	Governance Services	Annually – presented to the November Directors Meeting
Include Risk Treatment Plan (RTP) in Operational Plan	Ensure that actions required by RTP are incorporated into the Operational Plan	All Managers	Every year in conjunction with Operational Plan development/ review

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Action	Description	Responsibility	Timing
Implement RTPs in operational decisions	Implement actions contained in RTPs	Risk Owners	As identified in the RTP
Risk assessments for projects/initiatives in accordance with the project methodology	Conduct risk assessments as required for new or altered activities, processes or events	Relevant Manager/ Risk Owner/ Project Manager/Team	Prior to deciding to proceed with new project/ initiative
Risk Status Report	Identify and review, by exception, any risk issues arising from the Quarterly risk register review and the current status of key risks (high & extreme), RTPs, incidents and other relevant issues	Executive Team (coordinated by Governance Services)	Quarterly report to the Audit and Strategic Finance Committee
Annual Report	Detail risk management activities undertaken during the previous year and any relevant risk management issues.	Governance Services	Annually
Operational Plan	Identify key risks that may impact on objectives as well as strategies and controls in place (or proposed) to manage those risks.	Managers/Risk Owners (overseen by Governance Services)	Annually
Staff Performance Review	Ensure risk management performance of managers is assessed on a regular basis	Manager, Human Resources	Annually
Communication	Ensure staff are aware of relevant risk management issues and have access to risk management tools	Governance Services	Ongoing

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APPENDIX C - RISK MANAGEMENT INDICATORS

Indicators	Measurement
Culture	
• Management are committed to risk management. • Employees 'contributions to risk management are valued. • Practices and values are linked to risk management.	• Risk management included in Job descriptions • Risk management is linked to values and Code of Conduct. • Risk management is included in recognition and reward programs. • All staff is aware of organisation's approach to risk management and the risk management format has been documented.
Risk Governance & Accountability	
• Risk governance is aligned to the organisations governance and accountability framework. • There is an endorsed risk management policy accessible to all staff. • Executive and Audit Committee regularly receive, consider and discuss risk management reports. • There is a process to support risk management attestation. • There is a robust process for ensuring legal and regulatory compliance requirements are met. • Roles and responsibilities for risk management are clearly defined at all levels of the organisation.	• Risk Management Framework (RMF) documented, approved & accessible to staff. • Risk reports distributed and reviewed. • Organisational wide approach to legal and regulatory compliance framework documented and accessible to staff. • Risk roles and responsibilities documented. • Risk meeting agendas and minutes recorded and maintained.
Resource & Planning	
• There are human resources to support risk management system and processes. • Tools and templates are used to support risk management processes and assessments.	• Organisational wide risk policy • Risk management capabilities and training provided. • Risk management skills gap addressed. • Organisational wide risk tools and templates are used • Organisational wide risk management plans documented, approved and accessible to all staff. • Risk information system available and accessible to nominated staff. • User software training made available to nominated staff.

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Process	
There are processes to ensure communication and consultation with internal and external stakeholder groups takes place during each activity of the risk management process • Risk appetite and tolerances has been agreed and is clearly understood • The external and internal context to be considered by staff is clearly defined. • A risk rating criteria is clearly defined and risks are consistently documented and the effectiveness of existing controls is used to determine the estimated level of risk. • Risks are consistently identified and by staff with the required knowledge and skills using an agree risk register format. • There is a process in place to respond to incidents, near misses, incidents, hazards and complaints. • Risks are assessed to determine tolerability & priorities for risk treatment. • RTPs are prepared, implemented and monitored	• Risk management guidelines. • Organisation wide risk appetite and tolerance has been documented, approved and available to all staff. • Documented evidence of risk management forms part of the strategic and operational objectives that specifically takes into account risks which may impact the organisation. • A defined risk criterion is available and consistently applied. • The risk methodology is endorsed and available to all staff. • Risk has been linked to agreed categories which have been documented and reviewed. • System in place for near misses • Risk escalation processed established, clear and complied too. • Risk has been linked to agreed categories which have been documented and reviewed. • System in place for near misses Risk escalation processed established, clear and complied
Assurance	
• Control owners assigned, & layered approach to risk controls • Control effectiveness considered within risk acceptance decision Alignment with audit and assurance programs / activities. The internal validation and assurance activities are aligned to the risk profile.	• There is a clear, documented link between the validation and assurance program • The validation and assurance Program incorporates data analytics such as dashboard reporting, measurements against targets • Assurance mapping

APPENDIX D - RISK MANAGEMENT ACCOUNTABILITY STRUCTURE

Role	Responsibilities
Council	Council's responsibilities are to: ● Adopt a Risk Management Policy that complies with the requirements of AS ISO 31000 and to review and amend Risk Management the Policy in a timely manner and/or as required. ● Adopt the RMF for the Council. ● Be satisfied that risks are identified, managed & controlled appropriately to achieve Council's Strategic Objectives. ● Appoint and resource the Audit & Strategic Finance Committee. ● Provide adequate budgetary provision for the financing of risk management including approved risk mitigation activities. ● Review Council's risk appetite.
Audit & Strategic Finance Committee	On behalf of Council, the purpose of Audit Committee is to oversee that Council carries out its responsibilities for accountable financial management, good corporate governance, fostering an ethical environment and maintains a system of internal control and risk management. They have been constituted to monitor and report on the systems and activities of Council in ensuring: ● Reliable financial reporting and management information. ● High standards of corporate governance. ● Appropriate application of accounting policies. ● Compliance with applicable laws and regulations. ● Effective monitoring and control of all identified risks. ● Effective and efficient internal and external audit functions. ● Measures to provide early warning of any issues affecting the organisation's financial well-being. ● The level and effectiveness of appropriate Crisis Management, Business Continuity and Disaster Recovery planning. ● Maintenance and fostering an ethical environment.
CEO	● The CEO is accountable for the implementation and maintenance of risk management policies and processes across the organisation. ● The CEO is responsible for ensuring that strategic risks are regularly reviewed. ● The CEO is responsible for raising awareness and leading the culture of managing risk responsibly across the organisation.
Executive Team	Promote and champion a strong risk management culture by linking and embedding risk management, and maintaining organisational risk focus across the City: ● Manage and monitor the strategic risks. ● Ensure that an effective risk control environment is implemented and maintained. ● Ensure that risks are considered and integrated into corporate and business planning processes. ● Participate in the review and updating of the organisation's strategic risk profiles. ● Ensure that accountabilities for managing risks are clearly defined.

Role	Responsibilities
Managers	• Managers are accountable for implementing the risk management practices in their area of responsibility. This includes ensuring that risks are identified, managed, reviewed and updated regularly. • Ensure that assets and operations, together with liability risk to the community, are adequately protected through treatment plans and measures. • Provide risk management related information as requested by their Directorate. • Managers are responsible for raising awareness of, and leading the culture of managing risk responsibly across the organisation by ensuring that the Risk Management Policy, procedures, standards, guidelines and RTPs are implemented in everyday businesss practice. • Advising of any risk management matter that should be included in forthcoming budgets.
Risk and Governance Advisor	The Risk and Governance Advisor is responsible for overseeing the development, facilitation and implementation of a risk management culture and framework, including training and awareness across the organisation. They also provide advice to the organisation and are responsible for strategic overview.
All staff	All staff is responsible for applying risk management practices in their business activities. This involves: • Systematically identifying, analysing, evaluating and treating risks. Maintaining awareness of current and potential risks that relate to areas of responsibility. • Risk management practices and treatments are regularly reviewed and monitored. • Risk management reporting is appropriately undertaken. • Advice to Managers of any risk issues believed to require attention, such as property exposures for potential loss or damage and community risk.

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Version 1.0

RISK RATINGS TABLES

Consequence Description
OHS wellbeing
Financial
Service Delivery / Strategic Objectives
Compliance
Reputation and Brand
Environmental

Consequence Score	Consequence Rating
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic

Likelihood Score	Likelihood Rating
1	Rare
2	Unlikely
3	Possible
4	Unlikely
5	Almost Certain

Likelihood	Consequence	Insignificant	Minor	Major	Critical	Catastrophic
		1	2	3	4	5
Rare	1	Low	Low	Low	Low	Moderate
Unlikely	2	Low	Low	Moderate	Moderate	Substantial
Possible	3	Low	Moderate	Moderate	Substantial	High
Likely	4	Low	Moderate	Substantial	High	Extreme
Almost Certain	5	Moderate	Substantial	High	Extreme	Extreme

RISK 1

RISK NAME: Strategic Direction	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Lack of clear and aligned strategic vision, direction and implementation **Strategic Goal Alignment** Leading and Listening - Goals 1-6 1.Deliver sustainable governance through transparent and robust policy and processes 2. Ensure sound long term financial management and deliver value for money 3. Listen to and engage with our residents, business community and ratepayers with greater use of social media 4. Strengthen our regional collaboration to achieve sustainable economic outcomes. 5. Ensure advocacy for funding and promote a unified position on regional strategic projects 6. Provide for community and civic infrastructure in a planned and sustainable manner, including administration, operations and waste management	Strategic Community Plan (including contributions from the Elected Members) Corporate Business Plan (including contributions from the Elected Members) Informing Strategies Business Unit Plans Organisational Capability & Compliance Findings and Status Reporting Elected Member Training Executive Performance Shaping Internal communications Elected Members and Staff Communication Plan External Communications Community Engagement policy and Framework Strategy Consolidation	Adequate	**Substantial** **4 x 3**

Risk Impacts
Misallocation or lack of Resources (Financial, Human, Technical) to implement strategies, Poor Service Delivery, Unclear Organisational Vision Poor Internal Communications, Turnover morale, Community Dissatisfaction

Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
1. Investigate Digital platforms for information and reporting strategies(i.e. Intra Plans software) to increase visibility and alignment	Executive Manager Strategy & Civic Support Services	TBA	TBA
2. Report and itemise individual informing strategies financial implications in the LTFP	Finance & Corporate Services Director	TBA	TBA

RISK 2

RISK NAME: Technology Use and Change	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to identify, manage and capitalise on the effective and efficient use of changing technology	Information Services (IS) strategic plan External Advisory service providers Information and Cyber Security Framework External IS user groups Staff education and training	Adequate	**Substantial** **4x 3**
Strategic Goal Alignment			
Community Lifestyle and Security – Goal 5 5. Advocate for improvements to information technology infrastructure such as the NBN rollout			

Risk Impacts			
Organisational inefficiencies, Difficulty interfacing technology with stakeholders, Missed opportunities, Reduced customer service levels Physical and Cyber Security vulnerability			
Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
Develop and Implement Digital Strategy	Finance & Corporate Services Director	TBA	TBA
Conduct Cyber Security Governance Audits	Governance& Community Services Director	TBA	TBA

RISK 3

RISK NAME: Project Management Planning	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to consistently plan and implement Capital Works projects	Project management Framework and Tools Project Portfolio Management System Staff training Long term financial planning External project management resources for high risk/value	Adequate	**Substantial** **4x3**
Strategic Goal Alignment			
Community , Lifestyle & Security – Goal 2 2. Provide for community facilities and infrastructure in a planned and sustainable manner			
Risk Impacts			
Capital works carry over Silo approach to projects Budget impacts Parachuted project Incomplete projects scoping Reputation impact Litigation			
Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
Project development manager resource	Engineering & Works Director	TBA	2019-2021
Project Portfolio Management phase 2 implementation	Finance & Corporate Services Director	TBA	TBA
Better implementation of Asset management action plans (programming)	Engineering & Works Director	TBA	TBA

RISK 4

RISK NAME: Financial Sustainability	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Erosion of Councils Financial sustainability **Strategic Goal Alignment** Leading and listening – Goal 2 2. Ensure sound long term financial management and deliver value for money	Annual Capital Expenditure & Operational Expenditure Budget processes and sign off (at multiple levels, including Controllable Operational Expenditure Measures) Asset Management Strategy & Framework Long Term Financial Plan Corporate Business Plan prioritisation process Workforce Plan Corporate Asset Management Plan Economic forecasting Procurement Planning Fraud and Misconduct Training for City of Cockburn staff Elected Members / Staff Codes of Conduct Statement of Business Ethics Public Sector Commission assessment of City's fraud and misconduct practices Legislative restrictions on investments	Effective	Moderate 4x2
Risk Impacts			
Inadequate Asset sustainability (renewal) ratio, Inability to deliver core services and future projects, Need for larger rate increases Reputation damage			
Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
1. Implement Strategic Asset management module	Engineering & Works Director	TBA	TBA
2. Review of strategic long term financial plan in accordance with the revised Corporate Business Plan	Finance & Corporate Services Director	**TBA**	Biennial
3. Develop and Implement Fraud control plan	DG/SD	In progress	TBA

RISK 5

RISK NAME: Stakeholder Relationships	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to develop and maintain strategic partnerships and relationships with government agencies and other key stakeholders	Local Planning Strategy Advocacy (through WALGA) External Communications and Key contacts with Ministers & local members Lobbying and communications strategies	**Effective**	**Moderate 3x3**
Strategic Goal Alignment	Joint Initiatives Zone meeting and GAPP Direct engagement with a range of State agencies Limited engagement with targeted Commonwealth agencies		
Leading and Listening – Goal 4 4. Strengthen our regional collaboration to achieve sustainable economic outcomes. Economic, Social and Environmental responsibility – Goal 1 1. Create opportunities for community, business and industry to establish and thrive			
Risk Impacts			
Fail to navigate and effectively respond to changes to State political imperatives and agendas, Reputation damage, Distractions from core services Reduced ability to form partnerships			

Proposed Risk Treatment Action Plans	Allocated Responsibility	Current Progress	Completion Date
Further develop a structural framework for capturing the strategic priorities	Chief Executive Officer	TBA	TBA

STRATEGIC RISK REGISTER REVIEW

RISK 6

RISK NAME: Built and Natural Environment	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to maintain the City's built and natural environment and resources in a sustainable manner	Strategic Community Plan Local Planning Strategy Asset Management Plan Sustainability Action Plans Water management plans/ Water recharge options Informing strategies Long Term Financial Plan Corporate Business Plan City of Cockburn Risk Management Framework Executive Performance Management Environmental Strategies and Action Plans Design review panels	Adequate	**Moderate 4x2**
Strategic Goal Alignment			
Economic, Social and Environmental responsibility – Goal 3, and Goal 6 3. Sustainably manage our environment by protecting, managing and enhancing our unique natural resources and minimising risks to human health 6. Further develop adaptation actions including planning; infrastructure and ecological management to reduce adverse outcomes arising from climate change Community Lifestyle and Security -Goal 2 2. Provide for community facilities and infrastructure in a planned and sustainable manner			
Risk Impacts			
Poor built form and quality of development, Development not aligned to planning guidelines, Increased on-street parking, Urban forest canopy loss Community complaints, Pollution/ environmental degradation, Inadequate Water allocations Coastal vulnerability			
Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
Urban forest plan implementation	Engineering and Works Director		

STRATEGIC RISK REGISTER REVIEW

RISK 7

RISK NAME: Business Continuity and Crisis Management	REVIEW DATE: 16 April 2019		
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to provide business continuity of the City's core services in the event of a major crisis/emergency **Strategic Goal Alignment** City Growth – objective 5 5. Maintain service levels across all programs and areas	Crisis & Business Continuity Framework Emergency Management Strategy & Plans City of Cockburn Risk Management Framework Event Risk Management Regular and ongoing testing of plans, processes, protocols and training for staff External reviews of the City's response plans emergency management plans The City's Emergency Management Committee Local Emergency Management Committee, District Emergency Management Committee Working relationships with hazard management agencies	Effective	Low 3x2
Proposed Risk Treatment Action Plans	**Allocated Responsibility**	**Current Progress**	**Completion Date**
1. On-going testing and review of the City's response plans	Governance & Community Services Director	TBA	TBA
2. On-going testing and review of the City's local emergency management plan	Governance & Community Services Director	TBA	TBA
3. Develop Business Continuity Plans for other identified critical service locations	Governance & Community Services Director	TBA	TBA

11.2 (2019/MINUTE NO 0012) STRATEGIC INTERNAL AUDIT PLAN 2019-2022

Author(s)   N Mauricio

Attachments   1.   Draft Strategic Internal Audit Plan 2019-2022 ⇩

RECOMMENDATION

That Council adopt the Strategic Internal Audit Plan 2019-2022, as shown in the attachments to the Agenda.

COMMITTEE RECOMMENDATION

MOVED Cr M Separovich SECONDED Deputy Mayor L Smith

That Council:

(1) adopt the Strategic Internal Audit Plan 2019-2022, as shown in the attachments to the Agenda; and

(2) receive a report identifying the risks as part of the Strategic Risk Review and be presented to the next Audit and Strategic Finance Committee.

<div align="right"><u>CARRIED 5/0</u></div>

Reason for Decision

The Risk Review comes to the Committee each meeting. It will identify those matters that are to be considered as part of the Internal Audit Plan.

Background

At its July 2016 meeting, the Audit and Strategic Finance Committee adopted a three year Strategic Internal Audit Plan for 2016-2019. This plan contained eight audit focus areas and the following summarises progress to date on completing the plan:

1. Project Management	Completed (reported to March 2017 ASFC meeting)
2. Records Management	Completed (reported to July 2018 ASFC meeting)
3. Rates Modelling	Completed 2016 and 2017 (reported to Council June SCM's)
4. Internal Communications	Completed (reported to July 2019 ASFC meeting)
5. Financial Management	Completed (reported to July 2019

	Systems and Procedures	ASFC meeting)
6.	Land Development & Developer Contributions	Completed (awaiting final report from the auditor)
7.	Resources Allocation	Not completed (carry over into 2019-2022 plan)
8.	Fleet Management	Not completed (carry over into 2019-2022 plan)

During the life of this plan, the Office of Auditor General (OAG) took over auditing responsibilities for local government and has commenced a program of performance audits. The City was included in the audit for the timely payment of suppliers and reported the results to the Audit and Strategic Finance Committee. In addition, other audit reports not directly involving the City have been reviewed with a response to the recommendations brought back to the Audit and Strategic Finance Committee (e.g. corporate credit cards, OAG 2017-18 audit results). Whilst the audit activity of the OAG remains relevant and the City needs to actively participate in its delivery and response, it is also pertinent for the City to continue its own internal audit and review activity based on inherent and individual risks specific to the City. Accordingly, a new three year strategic internal audit plan has been developed.

Submission

N/A

Report

The Institute of Internal Auditor's states that internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

The Risk Review Group (comprising several cross functional managers) carried out the latest review of the internal audit plan during a plan scoping exercise. This included assessment of the City's Operational and Strategic Risk Registers, where assessed risk levels influenced the audit priorities. The draft 2019-2022 internal audit plan was then ratified by the City's Senior Management Team (comprising all business unit managers).

An explanation for each audit area included in the Internal Audit Plan for 2019 to 2022 is provided below:

Fleet Management (carried over)

Moderate risk as identified in the risk registers - The City has a considerable investment in its fleet assets and considerable resources

are consumed in operating and maintaining the fleet to ensure it services the City's business requirements. Independent review will assist determine the effectiveness of the fleet management model.

Strategic Resources Allocation (carried over)

Moderate risk as identified in the risk registers - The Long Term Financial Plan is a critical planning document for ensuring the future financial sustainability of the City in terms of resources allocation. An independent review of the methodology and the basis of underlying assumptions used will support the governance over this exercise.

Privacy of Data and Information

Moderate risk as identified in the risk registers – The objective is to determine what type of personal and sensitive information is held by the City and what are the privacy considerations for the data held? A privacy audit would assess the City's privacy protection posture against any legislative/regulatory requirements or best practices and review compliance with the City's own privacy-related policies.

Contract Management

Significant risk as identified in the risk registers – An evaluation of how the City manages contracts to verify and ensure that systems, policies, and controls (including resourcing capacity) are being met, and that all obligations and stipulations are taking place as agreed upon and scheduled. There is the potential for costs and legal ramifications of contract non-compliance to be significant.

Effectiveness of Service Delivery Planning and Review Processes

High priority under the Strategic Community Plan - The audit objective is to assess the effectiveness of the City's service delivery planning and review processes. The City should have robust and comprehensive processes for service planning and review to ensure all services continue to provide value for money that is in line with community expectations.

Statutory Financial Management Review (Systems and Procedures)

Regulation 5(2) (c) of the Local Government (Financial Management) Regulations requires the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government once in every three financial years and report the results to the Council.

It is envisaged the individual audit and review engagements will be completed by a range of auditors and consultants, depending on their field of expertise and demonstrated experience. This has been the case

with the past few audits delivered and given the continuing wide and varied scope of the internal audit plan, the City should not limit itself to any one provider. However, all supplier selections will need to comply with the City's procurement framework.

The draft Strategic Internal Audit Plan for 2019 to 2022 (as attached) is presented to the Audit and Strategic Finance Committee for its review and approval.

Strategic Plans/Policy Implications

Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

The costs for internal audit engagements are determined at the time of agreeing upon the terms of reference and audit scope. Hourly fees are generally set in accordance with the WALGA supply panel contract for Audit Services. The City has an allocation for internal auditing services included in the annual budget each year.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

The Strategic Internal Audit Plan is a highly effective planning tool enabling the evaluation of the effectiveness and efficiency of operations, reliability of financial and management reporting, compliance with laws and regulations and safeguarding of assets. An internal audit function is recognised and recommended as a measure of good governance. Should the plan not be adopted, this will weaken the effectiveness of the City's compliance and control environment.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil

STRATEGIC INTERNAL AUDIT PLAN

2019 – 2022

JULY 2019

Objective:

To identify the internal audit's objectives, strategies, and the audit work to be undertaken. The Internal auditor should have a long term strategic plan and annual work program to guide their Work. Long term strategic plans that are prepared with input from and approval by the Audit and Strategic Finance committee should be risk based.

Internal audit is an independent, objective assurance and consulting activity that seeks to add value and improve Council's operations. The activity assists Council in accomplishing its objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, financial reporting and governance processes. The internal audit activity provides assurance to Council, executive management and the Audit Committee that key organisational risks are understood and managed appropriately. It also serves as an in-house advisory service providing management with guidance, advice and support in relation to governance, risk and control matters.

Approach:

Internal audit plan will be based on a risk assessment of the council's key strategic and operational areas to determine an appropriate timing and frequency of coverage of each of these areas. Best practice will also include audit judgment of areas that should also be reviewed despite not appearing as a high priority in the council's risk profile

Process:

Internal Audit adopts a risk based approach as mandated by the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing (Standards), and ensures that the priorities of the internal audit activity are consistent with Council's goals and objectives.

The Annual Internal Audit Plan is developed based on Council's audit-risk universe using a risk-based methodology, including input and collaboration with Senior Management, Audit Committee members, and external audit.

In developing the internal audit plan, risks are reviewed along the following organisational contexts. External audit already plays a significant role in reviewing risks and controls within the financial context, allowing for internal audit to have a greater focus on non-financial risk areas. The process takes into consideration compliance requirements under the Local Government (Financial Management) Regulations.

Corporate & Governance Processes
- Corporate Governance Structure
- Risk Management Framework
- Fraud prevention management (to include anti-bribery and corruption)

Core Assurance Functions
- Core Financial Systems (to be scoped yearly but to include): Accounts Payable, Accounts Receivable,
- Budgeting, forecasting and management accounts
- Expenses and company credit cards
- Capital Expenditure, Income, Payroll
- Cash and Bank

[1]

- Fixed Asset Management (including security arrangements) Follow-up of management actions
- Investments Management

Strategic & Operational Emerging Risks
- Capital Works
- Project Management
- Land Development and Developer Contributions
- Procurement and Contract Management
- Fleet Management
- Waste Services
- Human Resources
- Records Management
- Rates Model
- Resources Allocation (Long Term Financial Planning)
- Internal Communications

IT, Specialist and Advisory Audits
- Information Technology Controls
- Business Continuity Management (including Disaster Recovery)
- Data Security/Information Security

Management Activities
- Audit Committee – Preparation, attendance and follow-up
- General liaison (including meetings)
- Annual planning

The Audit plan will generally be developed as follows:
- Review of the most recent version of the council's operational and strategic risk registers
- Review of the council's key objectives and plans;
- Reference to previous audit and assurance work, including follow up of the implementation of previous recommendations
- Reference to weaknesses identified in previous special investigations into fraud and irregularity;
- Reference to compliance framework changes or identified gaps
- Discussions with the Strategic Managers
- Discussions with the Executive
- Discussions with Council's external Auditors
- Review and approval by the Audit & Finance Strategic Committee.

Generally, such a plan assists the Internal Auditor to identify:
- The audit projects that will be carried out during the year and rationale for selecting each
- When each audit project is expected to commence and the time allocated for each
- The performance measures that will be used to evaluate the performance in relation to established goals / objectives and strategies
- Any areas that cannot be covered within existing budgets and additional areas, which in the opinion of the internal auditor, should be reviewed
- Whether the audit projects identified require the use of external expertise

A rolling three year plan of coverage can be proposed so that it can be readily determined what areas will be covered in any given year, and if their area is not covered in a given year, when it is scheduled for review. The ability of the internal auditor to execute this plan over a three year cycle is a useful method to assess whether internal audit is adequately resourced. However the plan should be reviewed at least annually to ensure that it still aligns with the council's risk profile.

[2]

CITY OF COCKBURN STRATEGIC INTERNAL AUDIT PLAN – 2019-2022

Function/Process/Activity	Reason	Audit Scope	Organisational Context	2019/20	2020/21	2021/22
Fleet Management	**This Audit item was identified as part of the 2016-2019 Strategic Audit plan, however was not completed during that period and has been carried over into the draft 2019-2022 Strategic Audit plan.** **Moderate risk as identified in the operational risk register** The city has a considerable investment in its fleet assets and considerable resources are consumed in operating and maintaining the fleet to ensure it services the City's business requirements. Independent review will assist determine the effectiveness of the fleet management model.	The objective of the review is to assess the adequacy of the management control framework and related risk management strategies for the fleet management function, including processes relating to the planning, organizing, controlling, directing, communicating, and the management of vehicle assets. Extent to which the City's is complying with policies, procedures, guidelines, and with laws and regulations pertaining to fleet management.	Emerging Strategic & Operational Risks			√
Strategic Resources Allocation	**This Audit item was identified as part of the 2016-2019 Strategic Audit plan, however was not completed during that period and has been carried over into the draft 2019-2022 Strategic Audit plan.** **Moderate risk as identified in the strategic risk register** The Long Term Financial Plan is a critical planning document for ensuring the future financial sustainability of the City in terms of resources allocation. An independent review of the methodology and the basis of underlying assumptions used will support the governance over this exercise.	The objective for this audit is to assess the level of compliance and alignment of the City's LTFP with the DLGC Strategic Planning Framework. The review will also look at how well the LTFP integrates with and informs the City's other financial planning processes including the corporate business plan, annual business plan and annual budget. Improvement opportunities are to be identified.	Emerging Strategic & Operational Risks	√		
Privacy of Data and Information	Moderate risk as identified in the operational risk register A privacy audit is to assess the City's privacy protection posture against any legislative/regulatory requirements or best practices and to review compliance with the City's own privacy-related policies.	The objective is to determine what type of personal and sensitive information is held by the City and what are the privacy considerations for the data held? Does the City hold any sensitive information? How does the City collect information? In what format is it collected? Does the City provide individuals with a privacy statement? How does the City use personal information? Is there a policy limiting staff access to personal information? Is personal information transferred to contractors or other third parties? Is personal information used for direct marketing? How does the City ensure that personal information is complete, up-to-date, accurate, relevant and not misleading? How is personal information validated? What IT security processes, for example, access codes and other security arrangements are in place? What are the security and access arrangements for paper records? How is personal information in Council, Committee and management papers and minutes made secure? What is the City's policy for deletion of electronic information? How are paper files safely destroyed? Does the City send personal information overseas? Are there mechanisms in place to check the privacy rules in the foreign jurisdiction?	Emerging Operational Risk	√		
Contract Management	Significant risk as identified in the operational risk register Because the potential costs and legal ramifications of contract noncompliance are so significant, it's vital to conduct regular contract audits. To identify potential issues and opportunities within the existing contracts management processes.	An evaluation of how the City manages contracts to verify and ensure that systems, policies, and controls (including resourcing capacity) are being met, and that all obligations and stipulations are taking place as agreed upon and scheduled.	Emerging Operational Risk		√	

[3]

CITY OF COCKBURN STRATEGIC INTERNAL AUDIT PLAN – 2019-2022

Function/Process/Activity	Reason	Audit Scope	Organisational Context	2019/20	2020/21	2021/22
Effectiveness of Service Delivery Planning and Review Processes	Over time, the needs and expectations of communities can change. The City should have robust and comprehensive processes for service planning and review to ensure all services continue to provide value for money that is in line with community expectations. Community engagement is a critical aspect in prioritising resources for service provision against other responsibilities such as asset maintenance and capital works. How does the City ensure it remains focused on the delivery of services at optimal service levels that match community expectations and use the best, most efficient delivery models? Extracted from The Strategic Community Plan – Community, Lifestyle and Security goal 3.1 - Provide residents with a range of high quality accessible programs and services City Growth goal 1.5. Maintain service levels across all programs and areas.	The audit objective is to assess the effectiveness of the City's service delivery planning and review processes, do they: • Determine the viability and sustainability of the City's current service delivery model for services, • Forecast future demand and service needs. • Consider the best type of service delivery model (insource, outsource, mix etc.), • Identify future funding challenges and solutions for controlling financial costs, • Survey and monitor community expectations (industry trends, benchmarking, customer satisfaction levels etc.), • Measure the level and quality of services and require benefit analysis. • Consider and embrace technological changes, • Enable reshaping or repurposing of existing services. To be undertaken in a staged approach with the first stage being a high level review to determine overall current state and identify gaps and improvement opportunities. Second (and future stages if necessary) will be to review specific areas identified and progress of improvement plan delivery).	Operational Service Delivery and Strategic objectives delivery Risk		√	√
Statutory Financial Management Review (Systems and Procedures)	**Obligation under Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 -** requires the Chief Executive Officer to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government regularly (and not less than once in every three financial years) and report to the Local Government the results of those reviews (Last completed in 2018-19).	Review effectiveness and appropriateness of collection, custody and security of all money owing or held by the City. Maintenance and security of the financial records in specific to accounting for municipal or trust, revenue received or receivable, expenses paid or payable, assets and liabilities, and authorisation for the incurring of liabilities and the making of payments. Maintenance of payroll, stock control and costing records, preparation of budgets, budget reviews, accounts and reports required by the Act or the regulations.	Compliance Requirement			√

[4]

12.   PLANNING & DEVELOPMENT DIVISION ISSUES

Nil

13.   FINANCE & CORPORATE SERVICES DIVISION ISSUES

13.1   (2019/MINUTE NO 0013) OFFICE OF THE AUDITOR GENERAL'S REPORT - RECORDS MANAGEMENT IN LOCAL GOVERNMENT

Author(s)	E Machura
Attachments	1. Office of Auditor General Report - Records Management in Local Government ⇩

RECOMMENDATION

That Council receives the City's review and response to the findings and recommendations contained within the Western Australian Office of the Auditor General's report into "Records Management in Local Government", as detailed in the agenda report.

COMMITTEE RECOMMENDATION

MOVED Cr M Separovich SECONDED Deputy Mayor L Smith

That the recommendation be adopted.

CARRIED 5/0

Background

The Western Australian Office of the Auditor General (OAG) recently undertook a narrow scope performance audit into records management in local government. These types of audits generally target compliance with legislation, public sector policies and accepted good practice.

Four local government entities were audited (the City of Cockburn was not one of the four) and the resulting audit report was tabled in Parliament on 9 April 2019.

Submission

N/A

Report

The objective of the OAG audit was "To determine if local government entities effectively manage their records to promote accountable and transparent decision making".

A copy of the OAG report is included in the attachments to this agenda.

The key findings of the audit were:

- Recordkeeping plans are approved but lack supporting policies and procedures.
  - o Recordkeeping plans are current and approved.
  - o Recordkeeping plans are not supported by adequate LG policies and procedures.

- Implementation of recordkeeping plans is poor.
  - o More regular and thorough training is needed.
  - o LGs do limited monitoring of staff records management practice.
  - o Records are often held too long.
- Important records are not properly managed.
  - o Some records were missing or difficult to find.
  - o Records were often stored outside records management systems.

- Protection of records is mixed.
  - o Physical records were generally well managed.
  - o Digital records recovery could be better.

The audit report recommended that all local governments including those that were not audited should review their recordkeeping policies and procedures to ensure they adequately support their Recordkeeping Plans and that local governments should implement:

- Regular and thorough records training;
- Regular reviews of staff recordkeeping practices;
- Timely disposal of records; and
- Adequate protection over digital records

To assist local governments to undertake a review, the OAG provided a "Better practice principles" table as Appendix 1 to the report. The table provides a high level summary of the State Records Commission (SRC) Standard 2 for Recordkeeping Plans and the six principles represent good practice expectations of the SRC and were the basis for the OAG's assessment of recordkeeping practices at the four local governments audited.

The results of the City's self-assessment using the "Better practice principles" are included below:

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
Principle 1 Proper and Adequate Records	Records are created and kept which properly and	Recordkeeping plan approved	The City's amended Recordkeeping Plan was approved by the

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
	adequately record the performance of the organisation's functions Records are consistent with any written law to which the organisation is subject when performing its functions	Records of important business decisions or activities can be easily found	State Records Commission on 24/10/2017 for a period of 5 years. The next review is due by 24/10/2022. Not all records can be easily found due to some being stored outside the recordkeeping system (eg on network drives or in Outlook). The Knowledge Management Project is aiming to address this issue, however, it will take some time to work through all areas of the organisation and achieve the required cultural change.
Principle 2 Policies and Procedures	Recordkeeping programs are supported by policy and procedures	Policy and procedures are up-to-date Policy and procedures are in place for each business area	The Records Management Policy was last reviewed, updated and adopted by Council in December 2018. The policy covers all business areas (there is not a specific policy for each area). Procedures (Employee Recordkeeping Guidelines) are up to date and again cover all business areas. There are some procedures where required for specific business areas (eg ECM Quick Guide 54 for HR/Payroll , Quick

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
			Guide 52 for Planning & Building) Each Business Unit should also incorporate recordkeeping into their own standard operating procedures to ensure compliance with the Records Management Policy.
Principle 3 Language Control	Appropriate controls are in place to identify and name government records	An appropriate tool is used to systematically and consistently identify and name records	The Keywords for Councils Thesaurus is used to structure and title folders in the recordkeeping system Subject index. A corporate standard of What – Where – Who has been implemented for naming records and examples of descriptions for regularly received/created records are included in the Employees Recordkeeping Guidelines for most Business Units. Staff do not always follow the naming conventions. Records Services now audits a sample of documents registered in the recordkeeping system on a fortnightly basis and contacts the registration officer to rectify if the description is poor.

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
Principle 4 Preservation	Records are protected and preserved	Records disaster recovery plans are developed and tested Storage facilities are assessed in line with SRC Recordkeeping Maturity Model	The Records Disaster Recovery Plan is outdated. The Records Manager and Senior Records Officer attended training at the end of May 2019 with the intent to review and update the Plan. The Plan will then be tested regularly and feed into the overarching Business Continuity Plans for the organisation. Digital records are adequately protected through sound back-up processes and an established disaster recovery site. Security classes and groups have also been developed within the recordkeeping system to ensure appropriate access to information. The City has also recently employed a Cyber Security Officer. Onsite storage meets requirements – secure, climate controlled, fire suppressant system. Records are no longer stored in locations such as a storage room at the Depot, self-storage unit or in a sea container. Grace Records is the City's current offsite storage provider and

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
			their facilities meet the SRC requirements - Grace is part of the current Common Use Arrangement (CUA) for the Storage, Retrieval, Destruction and Digitisation of Paper and Electronic Records.
Principle 5 Retention and Disposal	Records are retained and disposed of in accordance with an approved disposal authority	An approved disposal authority is adopted and regularly used	The General Disposal Authority for Local Government Records is the disposal authority used by the City of Cockburn. Destruction of hard copy records should be undertaken twice a year (this has not always been done so needs to be re-implemented). Destruction of electronic records has not yet commenced as disposal triggers were re-set when data was migrated from the previous recordkeeping system (Recfind) into the current system (ECM). Technology One is also currently redeveloping the tool required for destruction of electronic records in ECM. Therefore destruction of electronic records will be implemented once this function becomes available in the software.

Principles	SRC Expectation	OAG Expectation	COC Self-Assessment
Principle 6 Compliance	Employees comply with the recordkeeping plan	Staff receive regular records refresher training Staff receive business area specific records training Staff record keeping practice is monitored	Online recordkeeping awareness training (RAT) has been implemented for all new staff. Staff are now also required to redo the RAT training every 2 years. Online RAT training specifically for Managers/Supervisors has also been implemented. ECM training is run monthly for new staff, with adhoc refresher training also available. Customised business unit specific training is also run upon request or on an as needed basis. The Knowledge Management project is being utilised to monitor staff recordkeeping practices. Due to current resources it would be difficult to monitor all staff and responsibility lies with Managers/Supervisors to ensure their teams are undertaking appropriate recordkeeping. A recordkeeping competency is also included in all staff performance reviews.

Overall the self-assessment shows the City of Cockburn either already meets the expectations of the SRC and OAG, or where opportunities for improvements have been identified, measures are in place to address these.

It should be noted that Elected Members' recordkeeping practices were outside the scope of the OAG audit and therefore have not been included in the City's self-assessment.

Strategic Plans/Policy Implications

Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Audit activities are an important mitigation measure in addressing risk. It is important that any audit findings and recommendations are considered and addressed.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil

Western Australian Auditor General's Report

Records Management in Local Government

Report 17: April 2019
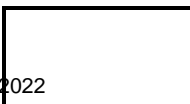
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WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Records Management in Local Government

Report 17
April 2019
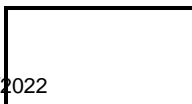
THE PRESIDENT　　　　　　　　　　　　　　　　　　　**THE SPEAKER**
LEGISLATIVE COUNCIL　　　　　　　　　　　　　　　**LEGISLATIVE ASSEMBLY**

Records Management in Local Government

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

This was a narrow scope performance audit, conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Auditing and Assurance Standards. Narrow scope performance audits have a tight focus and generally target compliance with legislation, public sector policies and accepted good practice.

The audit objective was to determine if local government entities effectively manage their records to promote accountable and transparent decision making.

I wish to acknowledge the cooperation of staff at the local government entities included in this audit.

CAROLINE SPENCER
AUDITOR GENERAL
9 April 2019

Contents

Auditor General's overview

During our audit work, my staff and I are constantly reminded of the importance of good recordkeeping for a well-functioning public sector. As Auditor General I am also an ex-officio member of the State Records Commission. This is a role I accept with enthusiasm, as I am eager to support the proper safeguarding and integrity of official records. Good records support good decision-making, effective business practice and improve accountability and efficiency – they are a cornerstone of good governance. For this reason, it is relevant that the implementation of State Records Commission-approved recordkeeping plans was examined as one of our first local government performance audits.

My Office has audited records management by state government entities several times in the last few years. These audits consistently found that entities do not prioritise good recordkeeping. Too often records management is treated as an additional task rather than being integrated into normal business practice. Unfortunately, this audit tells a similar story.

I acknowledge that local government entities can differ significantly in size, complexity and the resources they have available for records management. However, the basic principles of good recordkeeping should not require a resource intensive approach. I encourage all local government entities to read this report and to consider the findings and recommendations in light of their own circumstances, including using Appendix 1 as a guide for self-assessment.

Executive summary

Introduction

The objective of this audit was to determine if local government entities (LGs) effectively manage their records to promote accountable and transparent decision making. Our audit was a snapshot of recordkeeping practice in 4 LGs with a diverse range of characteristics. We reviewed a small number of records at each LG, restricted to important areas where we expected to see good recordkeeping practice.

Background

LGs are involved in a range of activities and make decisions on a daily basis that directly impact their local community. These activities include waste management, recreational facilities, planning approvals, home business and short-term rental applications, health inspections and pet management. In addition, councillors debate, set policy and can make local government rules and resolutions. All of these activities generate records.

> The definition of a government record is:
>
> *'a record created or received by a government organisation or a government organisation employee in the course of the work for the organisation[1].'*

Figure 1: *State Records Act 2000* **definition of a record**

Records can take many forms including letters, memos, emails, photos, videos, recordings and social media posts. They are important because they are the corporate knowledge of an organisation, independent of staff turnover. They may also form important evidence in legal proceedings or have priceless value as an historic record. Most importantly, records and good recordkeeping practice promote accountable and transparent decision making.
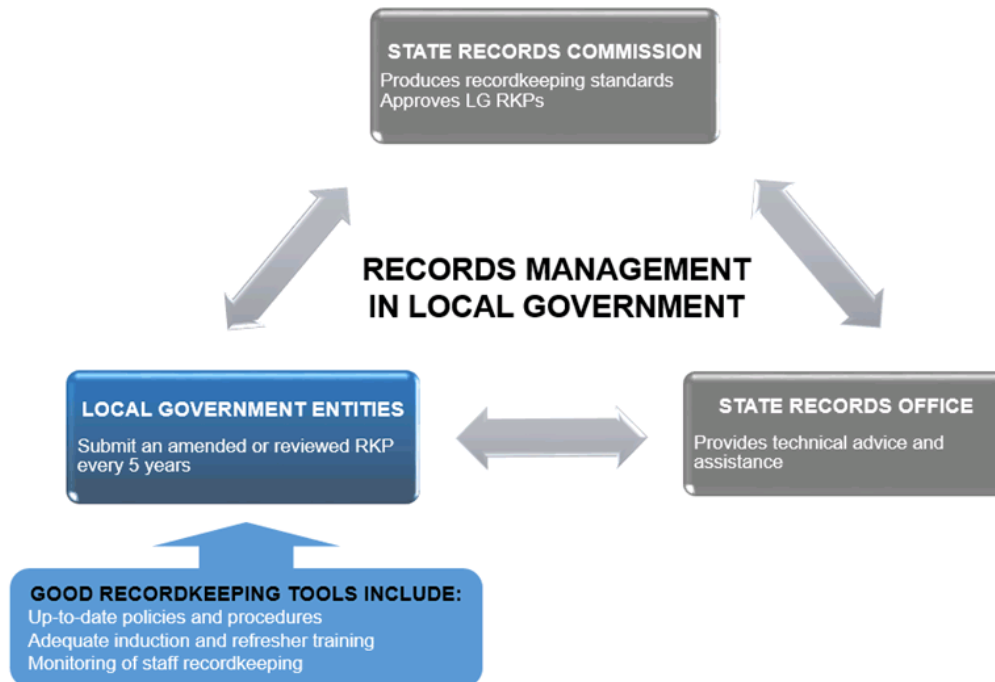
The *State Records Act 2000* (the Act) sets the framework for records management of state and local government entities. Under the Act, the State Records Commission is required to produce standards and principles. The Act also requires all government entities, including LGs, to develop a recordkeeping plan (RKP) outlining how they will comply with the standards and principles. RKPs must be approved by the State Records Commission.

The RKP is used to define key business activities and functions and to demonstrate that recordkeeping tools are in place. These include:

- policies and procedures to support the RKP
- consistent identification and naming of records
- preservation, retention and disposal of records
- compliance activities such as:
  - staff training
  - monitoring and evaluation of records management practice
  - compliance reporting.

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[1] *State Records Act 2000*, Section 3, p.3.

The State Records Office (SRO) provides administrative assistance and technical advice to the State Records Commission. It also provides advice to LGs and other government entities on the development of RKPs and feedback once the RKP has been submitted for approval. Every 5 years, LGs must submit an amended or reviewed RKP for approval. These relationships are shown in Figure 2.

STATE RECORDS COMMISSION
Produces recordkeeping standards
Approves LG RKPs

RECORDS MANAGEMENT IN LOCAL GOVERNMENT

LOCAL GOVERNMENT ENTITIES
Submit an amended or reviewed RKP every 5 years

STATE RECORDS OFFICE
Provides technical advice and assistance

GOOD RECORDKEEPING TOOLS INCLUDE:
Up-to-date policies and procedures
Adequate induction and refresher training
Monitoring of staff recordkeeping

Source: OAG using information from the State Records Commission with blue shading showing areas within this audit scope.

**Figure 2: LG recordkeeping plan relationships**

Audit conclusion

The 137 local governments and 9 regional councils we checked have recordkeeping plans approved by the State Records Commission, as required. However, the 4 LGs we reviewed were not effectively implementing them, or managing their records to promote accountable and transparent decision making. Recordkeeping tools that support implementation, such as policies and procedures, training, and monitoring were not adequately developed. LGs could also do more to better protect their digital records.

Key findings

- Recordkeeping plans are approved but lack supporting policies and procedures.
  - Recordkeeping plans are current and approved.
  - Recordkeeping plans are not supported by adequate LG policies and procedures.
- Implementation of recordkeeping plans is poor.
  - More regular and thorough records training is needed.
  - LGs do limited monitoring of staff records management practice.

- ○ Records are often held too long.
- Important records are not properly managed.
  - ○ Some records were missing or difficult to find.
  - ○ Records were often stored outside records management systems.
- Protection of records is mixed.
  - ○ Physical records were generally well managed.
  - ○ Digital records recovery could be better.
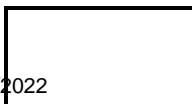
Recommendations

All LGs, including those not sampled in this audit, should review their recordkeeping policies and procedures to ensure they adequately support their RKP. LGs should implement:

- regular and thorough records training

- regular reviews of staff recordkeeping practices

- timely disposal of records

- adequate protection over digital records.

Under section 7.12A of the *Local Government Act 1995*, all sampled LGs are required to prepare an action plan addressing significant matters relevant to their entity for submission to the Minister for Local Government within 3 months of this report being tabled in Parliament and for publication on the entity's website. The action plan for every LG in our sample should address each point above.

Response from audited local government entities

The 4 LGs in our sample have accepted the audit findings and recommendations. They all recognise the importance of continuous improvement in their recordkeeping practices.

Most LGs advised they were planning to address findings in the near future, with some being addressed already.

One LG commented that it is a challenge for smaller sized LGs to find a balance between cost and benefit in relation to records management controls. This LG felt that the findings confirmed they had achieved the right balance.

Audit focus and scope

The audit objective was to determine if Western Australian local government entities (LGs) effectively manage their records to promote accountable and transparent decision making.

The specific lines of inquiry were:

- Do LGs have approved and current recordkeeping plans (RKPs), and supporting policies and procedures?

- Are key business activities and decision making records managed in line with RKPs?

- Do recordkeeping systems appropriately secure physical and electronic records against inappropriate access, alteration or destruction?

We checked to see if 146[2] LGs had approved RKPs in place as required and reviewed the following 4 LGs in detail:

- City of Canning (Canning)

- Eastern Metropolitan Regional Council (EMRC)

- Shire of Toodyay (Toodyay)

- Town of Mosman Park (Mosman Park).

We visited these LGs and interviewed senior management, records management staff and staff in relevant business areas. We assessed whether their RKPs reflected current practice and if planned actions or improvements were being implemented. We also assessed whether policies and procedures were in place and being followed.

Areas we examined included human resource records, planning approval records and health inspection records. At EMRC our sampled records included complaints and waste management issues.

We liaised with the State Records Office to discuss interpretation and expectations around compliance with recordkeeping standards and principles. We also spoke with the Director General, National Archives of Australia, about emerging issues and good practice.

This was a narrow scope performance audit, conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Assurance Standards ASAE 3500 Performance Engagements. We complied with the independence and other relevant ethical requirements related to assurance engagements. Performance audits primarily focus on the effective management of agency and LG programs and activities. The approximate cost of undertaking the audit and reporting is $198,000.

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[2] This includes WA's 137 local governments and 9 regional councils, but excludes the 2 Indian Ocean Territories.

Findings

Recordkeeping plans are approved but lack supporting policies and procedures

We found all 146 LGs have had their RKPs approved by the State Records Commission as required by the *State Records Act 2000* (the Act). However, we found that the 4 LGs in our sample had RKPs that were not supported by appropriate policies and procedures.

Consequently, the responsibility for good recordkeeping is left to individual staff and is not embedded into business practice. This can lead to inefficiencies and risks such as:

- double handling of records

- poor controls over identification, naming, and location of records affecting retrieval processes

- failure to plan for and test records disaster recovery.

Recordkeeping plans are current and approved

At 30 June 2018, all 146 LGs had approved RKPs as required by the Act. We found that 78% of LGs submitted an amended or reviewed RKP on time, in the 5 years to 30 June 2018. A further 21% had submitted their RKPs within 3 months of the target, with only 1% failing to submit within 6 months. While there is room for LGs to improve the timeliness of RKP approval, most LGs demonstrate a timely commitment to meet good recordkeeping standards. RKPs demonstrate compliance with the State Records Commission's recordkeeping standards and principles.

Recordkeeping plans are not supported by adequate policies and procedures

We found the 4 LGs we sampled had records management policies. However, they were inadequate and often had not been reviewed, updated and approved to reflect current management expectations for recordkeeping.

The State Records Commission requires the recordkeeping policies and procedures of an entity to clearly set out roles and responsibilities for staff, and to cover all aspects of an organisation's business operations. We expected to see policies and procedures that provided guidance and support for individual business area recordkeeping and management of sensitive records. LGs, like many organisations, are using social media to engage with their community, they are also faced with the challenge of transitioning from paper-based to digital records. We therefore expected to see appropriate guidance around both of these areas of operation. Table 1 shows these areas were rarely covered.

	Canning	Mosman Park	Toodyay	EMRC
Business area roles and responsibilities	🔴	🔴	🔴	🔴
Management of sensitive records	🔴	🔴	🔴	🔴
Digitisation of records	🟢	🔴	🟡	🔴
Social media	🔴	🔴	🔴	Does not have social media

Source: OAG using information from LGs reviewed

🔴 Did not meet expectations　🟡 Partially met expectations*　🟢 Met expectations

*Policy developed but not yet approved or implemented.

Table 1: LG coverage of key recordkeeping roles and responsibilities in policy and procedure

Implementation of recordkeeping plans is poor

Across the LGs we sampled, we found weaknesses in:

- regular and thorough records training

- monitoring of staff recordkeeping practice

- timely disposal of records.

This demonstrates that LGs are not using key tools effectively to support the implementation of RKPs.

More regular and thorough records training is needed

All of the LGs we reviewed provided some records management training to their staff. However, only EMRC included it as part of a formal induction process, with the rest providing training within a few months of starting the job. None of them regularly provided refresher training, and 3 of the 4 LGs did not deliver job-specific records training. Job-specific records training is important because different areas of the LG will have different records management requirements. For example, property planning records will be managed differently to human resource records. Table 2 illustrates training provided by the sampled LGs.

	Canning	Mosman Park	Toodyay	EMRC
Records management training for new staff	🟢	🟢	🟢	🟢
Refresher training	🔴	🔴	🔴	🔴
Job-specific	🔴	🟢	🔴	🔴

Source: OAG using information from LGs reviewed

🔴 Not done　🟢 Done

Table 2: LGs records management training

We noted the 4 LGs had poor records of which staff had completed records management training. Without regular and sufficiently detailed training, staff may not fully understand their record keeping responsibilities or how to meet them. This may lead to records being inadvertently lost, altered or destroyed.

LGs do limited monitoring of staff records management practices

None of the LGs were periodically reviewing their recordkeeping practice. Canning, Mosman Park and Toodyay performed limited monitoring of the records management practices of their staff. EMRC was not doing any monitoring. The State Records Commission requires regular review of the efficiency and effectiveness of the recordkeeping training program to highlight any areas of records management that need attention or improvement. A practical way to review the effectiveness of training is by monitoring recordkeeping practices. When we spoke to LGs they hadn't considered regular review as an important tool to assess good recordkeeping. Regular review could include:

- checking location of physical records

- monitoring that key business records have been captured

- checking for storage of digital records outside approved records management systems

- checking contractor records management practices.

Records are often held too long

The SRO's publication *General Disposal Authority for Local Government Records* sets out the minimum times for retention of various types of records. Each of our sampled LGs had recognised this disposal authority in their RKPs but none were effectively implementing it. None were disposing of digital records and only Toodyay and Mosman Park were disposing of physical records in accordance with the disposal authority.

Canning had placed its disposal program on hold at the time of our audit and advised they were behind in conducting retention and disposal activities. Canning stores the bulk of its physical records in contracted offsite storage facilities. Keeping records for too long creates unnecessary storage costs, especially for physical records but also for digital records.

> The SRO found in a recent survey that 66% of state and local government entities do not conduct authorised destruction of their digital records. They warned of an impending "digital landfill"[3].

Figure 3: SRO finding from its publication 'Born Digital: Managing Government Information and Data'

If records are held too long, record searches can become inefficient and agencies can potentially expose themselves to incidents of personal data breaches if they store sensitive records beyond prescribed periods. To avoid unnecessary storage costs, LGs should regularly review onsite and offsite physical and digital records in line with the disposal authority.

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[3] State Records Office, 2018, *Born Digital: Managing Government Information and Data*, p.9.

Important records are not properly managed

EMRC, Mosman Park and Toodyay had records that were missing or not available on request. All 4 LGs reviewed had important records stored outside their approved records management systems.

Some records were missing or difficult to find

We sampled a small number of important records at each LG. Records that were missing or difficult to find at 3 out of the 4 LGs included:

- contract documents

- human resource records such as required police clearances, reference checks, job position descriptions and staff qualifications

- property planning approvals including assessment sheets and copies of certificates of title

- complaint correspondence.

For example, at Toodyay we were unable to find reference checks for 5 of the 6 human resource files we reviewed, including for a senior management position. We have previously recommended state government entities keep sufficient evidence to demonstrate that an employee's identity, professional qualifications, and right to work in Australia were checked before employment[4]. The same would apply to LGs.

We were also unable to find within a reasonable time, 2 out of 5 property planning assessment sheets at Mosman Park and a signed acceptance and agreement document for an important contract at EMRC.

Missing or difficult to find records indicate failings in the way records are managed. Timely access to records supports good decision making and efficient and effective use of limited staff resources.

Importance of good records management – Mosman Park

We noted during the audit that Mosman Park retrieved building and engineering works approval documents as part of an external investigation. It was able to do so quickly and this gave us some confidence in the records management processes for the building services area. It also provided a timely reminder of the importance of records being appropriately created and easily retrievable.

Figure 4: Example of good records management

Records were often stored outside records management systems

We found all 4 LGs stored some finalised records outside of their approved records management systems. Specifically:

- All LGs stored records on network drives that were not captured by or linked to the approved records management system. One of the LGs had a large number of records stored in this way and another had some sensitive human resource records stored without appropriate access security.

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[4] Office of the Auditor General, 2015, Verifying Employee Identity and Credentials, p.11.

- Canning kept records on business systems that were not identified in its RKP. None of these systems had sufficient records management functionality so they were linked into the record management system. However improper links caused dumping of thousands of records into the records management system without retaining or setting meta-data to allow easy searching, retrieval, retention and disposal.

Business systems can be, and often are, used as records management systems. But they must either have records management functionality or final records must be captured in a records management system to allow records to be efficiently and effectively managed. Records management systems typically allow users to:

- create and capture records

- apply meta-data to allow for easy retrieval such as standardised classification and thesaurus, title, author, creation date and custodian

- apply timeframes and triggers for retention, disposal and archiving

- apply appropriate security and access controls for records.

Storing records outside approved systems increases the risk they will be lost, altered, or destroyed. It can also make records processing for retention, disposal or archiving far more difficult and time consuming.

Protection of records is mixed

We found the 4 sampled LGs were generally managing the preservation and security of physical records well. However, the preservation and security of digital records could be improved.

Physical records were generally well managed

All of the sampled LGs stored physical records on site, with Canning and Mosman Park also using contracted offsite storage facilities to manage records. Security of on-site storage was generally well managed in the following areas:

- access restriction through logged card or key entry

- temperature and humidity controls

- fire alarms and suppression equipment

- disaster recovery kits.

However, EMRC had poor controls over who had access to keys to storage facilities and none of the LGs were meeting their RKP commitments to regularly inspect on-site storage facilities to ensure conditions were appropriate for their records. Mosman Park advised they no longer needed to regularly inspect because they had moved many of the records offsite. We noted they had not documented the decision that this RKP commitment was no longer relevant. When management considers RKP commitments are no longer relevant they should document those decisions and where necessary update the RKP and supporting policies and procedures.

We did not audit contracted offsite records storage facilities but we did visit one of the providers and observed good security and preservation arrangements. It is good practice for LGs to embed sound security, preservation and destruction arrangements into their contracts and satisfy themselves that they are being met.

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Version: 3, Version Date: 20/04/2022

Taking action to improve preservation of records – Toodyay

In 2013, Toodyay decided to build a dedicated fire retardant records room to improve its records storage facility as part of its commitment to better preserve its records. In 2016, Toodyay repurposed an old depot facility for storage of records. The new storage facility now helps to preserve records in the event of a disaster and also creates a more organised space to allow for the efficient access and disposal of physical records.

Figure 5: Case study showing the shipping container previously used by Toodyay and the current records storage facility

Digital records recovery could be better

The 4 LGs we reviewed were at varying stages of maturity in planning for and implementing disaster recovery processes for their records. We found that 3 of the 4 LGs had a records disaster recovery plan, but 1 did not. None had tested their disaster recovery plans to check they met required timeframes for recovery of digital records. Results of our testing are summarised in Table 3.

	Canning	Mosman Park	Toodyay	EMRC
Records Disaster Recovery Plan (RDRP)	🔴	🟢	🟢	🟢
Digital records adequately covered in RDRP	🔴	🔴	🔴	🔴
Regular back-up of digital records	🟢	🟢	🔴	🟢
Testing of digital back-ups	🔴	🔴	🔴	🔴

Source: OAG using information from LGs reviewed

🔴 Did not meet expectations   🟢 Met expectations

Table 3: Status of disaster recovery planning for digital records

We have previously reported on the importance of periodically testing disaster recovery plans, including for digital records[5]. Such planning and testing is vital as it provides for the rapid recovery of important records in the event of an unplanned disruption affecting business operations and services. LG management should develop and regularly test disaster recovery plans.

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[5]Office of the Auditor General, 2018-19, Report 1 Information Systems Audit Report, p.47.

Appendix 1: Better practice principles

The following table provides a high level summary of the State Records Commission (SRC) Standard 2 for Recordkeeping Plans. The 6 principles represent good practice expectations of the SRC. They were also the basis for our assessment of recordkeeping practice at the LGs we reviewed. Our listed expectations are not exhaustive and do not cover all of the SRC minimum compliance requirements in Standard 2.

Recordkeeping plans		
Principles	**SRC expectation**	**Our expectation**
Principle 1 Proper and Adequate Records	• records are created and kept which properly and adequately record the performance of the organisation's functions • records are consistent with any written law to which the organisation is subject when performing its functions	• recordkeeping plan approved • records of important business decisions or activities can be easily found
Principle 2 Policies and Procedures	• recordkeeping programs are supported by policy and procedures	• policy and procedures are up-to-date • policy and procedures are in place for each business area
Principle 3 Language Control	• appropriate controls are in place to identify and name government records	• an appropriate tool is used to systematically and consistently identify and name records
Principle 4 Preservation	• records are protected and preserved	• Records disaster recovery plans are developed and tested • storage facilities are assessed in line with SRC Recordkeeping Maturity Model
Principle 5 Retention and Disposal	• records are retained and disposed of in accordance with an approved disposal authority	• an approved disposal authority is adopted and regularly used
Principle 6 Compliance	• employees comply with the recordkeeping plan	• staff receive regular records refresher training • staff receive business area specific records training • staff record keeping practice is monitored

The SRC Policies and Standards are available on the SRO website: Recordkeeping Policies and Standards.

Auditor General's Reports

Report number	Reports	Date tabled
16	Management of Supplier Master Files	7 March 2019
15	Audit Results Report Annual 2017-18 Financial Audits of Local Government Entities	7 March 2019
14	Opinions on Ministerial Notifications	13 February 2019
13	Opinion on Ministerial Notification	23 January 2019
12	Managing Disruptive Behaviour in Public Housing	20 December 2018
11	Opinions on Ministerial Notifications	20 December 2018
10	Opinions on Ministerial Notifications	18 December 2018
9	Treatment Services for People with Methamphetamine Dependence	18 December 2018
8	Opinions on Ministerial Notifications	10 December 2018
7	Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities	8 November 2018
6	Opinion on Ministerial Notification	31 October 2018
5	Local Government Procurement	11 October 2018
4	Opinions on Ministerial Notifications	30 August 2018
3	Implementation of the GovNext-ICT Program	30 August 2018
2	Young People Leaving Care	22 August 2018
1	Information Systems Audit Report 2018	21 August 2018

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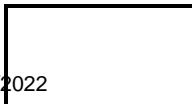T: 08 6557 7500

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13.2   (2019/MINUTE NO 0014) ANNUAL BAD DEBTS REVIEW AND WRITE-OFF

Author(s)	N Mauricio	
Attachments	1.	Sundry Debt Write-offs 2018-19 **(CONFIDENTIAL)**
	2.	Infringements/Legal Costs Write-offs 2018-19 **(CONFIDENTIAL)**

RECOMMENDATION

That Council write off bad debts totalling $17,342.57 (inc. GST), as shown in the attachments to the Agenda.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COMMITTEE RECOMMENDATION

MOVED Cr M Separovich SECONDED Susan Smith

That the recommendation be adopted.

CARRIED 5/0

TO BE CARRIED BY ABSOLUTE MAJORITY OF COUNCIL

Background

Section 6.12 (1)(c) of the Local Government Act allows local governments to write off any amount of money owing to it (other than rates and service charges). This action is necessary where delinquent debts become uncollectible.

The City's administrative policy AFCS9 Debtors Management states that bad debt write offs should only occur where all avenues for recovery have been exhausted or it is unviable to keep pursuing the debt.

Council has delegated the authority to write off bad debts (other than rates and service charges) up to an individual value of $300 under delegated authority code AFCS9. Those bad debts over $300 are required to be brought to Council for write off.

Submission

N/A

Report

Whilst the City has a good track record in managing and collecting its outstanding debts, it is unavoidable for some to become uncollectible for a variety of reasons.

The City's debtors mix comprises commercial debtors (mainly landfill trade debtors) and community based debtors (hall and reserve hire and provision of community related services). Bad debts are usually attributable to failed businesses or untraceable companies and individuals. Some debts are also not worth pursuing due to the cost of formal debt recovery processes.

The revenue team conduct an annual review of the 90 days overdue debtors and identify those debts where they have exhausted all administrative and legal avenues to recover these debts, or where further recovery attempts would prove futile and cost ineffective. A list of these is prepared for review by senior management before being recommended for write-off.

Attached to the Agenda are the detailed listings of the bad debts recommended for write off by Council this year. These have been categorised by their debt type and include relevant commentary on their status and the recovery efforts made where applicable. A consolidated summary of the write offs requested is provided below:

Debt category	No. of debts	Amount to be written-of $ (ex gst)	Amount to be written-off $ (inc gst)
Community (hall/reserve hire, services)	6	4,760.08	5,236.08
Commercial (tip fees)	1	1,695.49	1,865.04
Naval Base shack lease	1	4,166.60	4,583.26
Regulatory related (licences, Health Act, fire breaks)	3	2,499.99	2,749.99
Sundry Debts Sub-Total	**10**	**13,122.16**	**14,434.37**
Recovery of Court Costs (Health Act)	1	2,908.20	2,908.20
Infringements/Legal Costs Sub-Total		**2908.20**	**2908.20**
Total Debt write off Total		**16,030.36**	**17,342.57**

It should be noted that the impact on Council's closing financial position will be $16,030.36, being the GST exclusive value of the debts to be written off.

Generally, debts proposed for write off this year are due to either being uneconomical to continue pursuing, the debtor is unable to be located or the likelihood of success through legal avenues is remote.

It is worth noting that there is only a minor debt write-off for the Henderson Waste Recovery Park of $1,865, which has resulted from a negotiated settlement on a long outstanding debt that was significantly larger ($21,000 in 2013) and since debt managed downwards. This result demonstrates that current debt management and recovery practices are operating effectively in the City's largest commercial risk area.

Debt write-offs under delegation

Council delegation AFCS9 allows for small debts owing to the City to be written off up to a maximum individual value of $300 (other than for rates levied or prescribed service charges). The following table summarises the debts written off under delegation for 2018-19:

Debt category	No. of debts	Amount to be written-off
Firebreak construction	1	294.99
Miscellaneous items (uneconomical to pursue)	3	162.00
Community (hall/reserve hire, services)	11	999.81
Health Act permits (uncollectible - 4 years old)	9	826.00
Infringements (FER recommended, interstate plates, statute of limitations	34	4,502.00
Small balance write-offs	95	161.27
Debt write off under delegation Total	**153**	**6,946.07**

Strategic Plans/Policy Implications

Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

Bad debts written off totalling $16,030.36 (ex GST) will marginally reduce the operating revenue reported for the 2018-19 financial year as

the City does not maintain a provision for doubtful debts due to the immaterial nature and history of past write-offs.

Legal Implications

Uncollectable sundry debts require Council authorisation in order to be written off under the provisions of the Local Government Act Section 6.12 (1)(c).

Community Consultation

N/A

Risk Management Implications

It is considered good risk and financial management to annually assess overdue debts and determine their collectability. Those that are uncollectible should be written off to increase the accuracy of the debtors value reported in the balance sheet and is expected by audit. Further, this ensures debt collection efforts and resources are focused on collectible debts.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil

AT THIS POINT IN THE MEETING, THE TIME BEING 6.53PM, THE PRESIDING MEMBER INVITED MR GREG GODWIN, AUDITOR, MOORE STEPHENS TO BRIEF THE COMMITTEE ON THE FINANCIAL MANAGEMENT REVIEW REPORT.

13.3   (2019/MINUTE NO 0015) **FINANCIAL MANAGEMENT REVIEW**

Author(s)	N Mauricio
Attachments	1. Financial Management Review report ⇓
	2. OAG Position Paper - Accounting for Bonds ⇓

RECOMMENDATION

That Council:

(1)   receive the Financial Management Review (FMR) report as shown in attachments to the Agenda); and

(2)   require a progress report to be brought to Council via the November Audit & Strategic Finance Committee meeting on the completion of the outstanding actions agreed to by management as a result of the review.

COMMITTEE RECOMMENDATION

MOVED Cr M Separovich SECONDED Cr K Allen

That the recommendation be adopted.

CARRIED 5/0

Background

At its July 2016 meeting, the Audit and Strategic Finance Committee (AFSC) adopted a three year Strategic Internal Audit Plan. The Internal Audit Plan was developed through the City's Risk Review Group (comprising cross functional Managers), with input from the internal auditor. The audit planning was informed by the City's Operational and Strategic Risk Registers, where assessed risk levels influenced audit priorities.

The internal audit assignments due for completion in the 2018-19 financial year were:

1.   Financial Management Review (completed and the subject of this agenda item); and

2.   Land Development and Developer Contributions (field work completed and awaiting final delivery of the report by the auditor).

This year marks the completion of the current three year Strategic Internal Audit Plan with a new plan being brought to ASFC via a separate agenda report.

Submission

N/A

Report

Under Local Government (Financial Management) Regulations 5(2)(c), the CEO is required to undertake an FMR once in every three years.

The main purpose of a Financial Management Review (FMR) is to examine the appropriateness and effectiveness of the financial management systems and procedures of the City on behalf of the CEO.

Previous reviews (required every 4 years before recent legislative amendment to every 3 years) were completed in an ad hoc and indirect manner via a mix of internal audit engagements and internal assessments. Whilst this approach sufficed audit requirements in the past, it became clear that a solely focused and independent review was needed to properly meet the legislative requirement going forward. For this purpose, and FMR review was included in the 2016-2019 Strategic Internal Audit Plan.

The City engaged Moore Stephens to undertake the FMR engagement, given they are considered the pre-eminent accounting firm for local government in WA and a WALGA listed supplier for audit services. Moore Stephens have completed FMR engagements for a significant number of other metropolitan Councils including Melville, Stirling, Perth, Fremantle and Kwinana.

The internal audit scope agreed to had the primary objective to provide the CEO with a report designed to enhance his confidence in the performance of the control environment for the financial management system of the City (as administered by staff), for which the CEO is ultimately responsible in accordance with the Local Government Act and associated Regulations.

Key Audit Results

22 areas were examined in total:

- 13 were deemed as having effective controls and procedures appropriate for the City's current scope of operations (there were no issues raised for these areas); and

- 9 areas had 16 specific matters identified and noted.

The 16 matters noted were risk assessed as follows:

- 9 matters were deemed minor;

- 5 matters were deemed moderate; and

- 2 matters were deemed significant.

The 2 significant matters pertained to security over the location of data files used for processing AP and payroll payments. These are relatively straight forward to address and the City has seen no evidence of any breaches of the existing controls.

The 13 areas found to have effective and appropriate controls and procedures were:

- Bank Reconciliations;

- Fees and Charges;

- Cost and Administration Allocations;

- Minutes and Meetings;

- Financial Reports;

- Plan for the Future;

- Registers;

- Delegations;

- Audit Committee;

- Insurance;

- Storage of Documents / Record Keeping;

- Investments; and

- General Journals.

This result is extremely reassuring for the City and the CEO, reflecting a high standard of oversight and scrutiny over the financial management activities of the City. The audit manager commented during the exit meeting that the City's FMR report was going to contain one of the lowest numbers of findings of those he had completed to date. However, the real value in this type of review exercise comes from identifying improvement opportunities and tightening any control weaknesses. The following table lists the 16 matters noted and any management actions agreed to address them. Detailed management comments are included in the attached report, which explain and provide context to the agreed actions.

1. Purchases, Payments and Payables	
Matter raised (1): Purchase orders raised after services rendered	**Rating:** Minor
Action: The City will use this review finding to further reinforce procurement compliance **(ETA: by Sep 2019)**	
Matter raised (2): the City's current process of changing supplier banking details whilst adequate, are not formally documented.	**Rating:** Minor
Action: The City's existing procedures will be documented within an operational quick guide for future reference and training **(Completed June 2019).**	
Matter raised (3): The creditor's ABA files are saved on a Drive which is accessible by all staff members of the City.	**Rating:** Significant
Action: The City will lock down the file location to only authorised staff, thereby eliminating the risk **(Completed July 2019).**	
2. Receipts and Receivables	
Matter raised (4): Whilst the City's current process of following up outstanding sundry debtors is adequate, there are no formal documented procedures.	**Rating:** Minor
Management Comment: Agreed	
Action: The current process will be documented within the City's procedure template and approved. **(ETA: by 30 September 2019)**	
Matter raised (5): Re-Use Shop at Henderson Waste Recovery Park a) The cash receipting reconciliations should be reviewed by another staff member independent of preparation. b) Installation of security cameras positioned over the POS systems should be considered to help ensure cash collections are adequately safeguarded and secured.	**Rating:** Moderate

c) All cancelled receipt transactions should be supported by appropriate documentary evidence.	

a) **Action:** The end of day reconciliation will now be completed by one staff member and verified by the other with signatures **(Completed July 2019)**
b) Accept the risk – there is a plan to install EFTPOS at the Re-Use Shop in 2019-20, which will significantly reduce cash handling. The EFTPOS will be integrated with the cash receipting system, making reconciliations easier and more visible **(ETA: by March 2020).**
c) Staff at the Reuse Shop were reminded of the requirement to attach documentary evidence to cancelled transactions **(Completed June 2019)**.

Matter raised (6): No security cameras installed at the Henderson Waste Recovery Park weighbridge	**Rating:** Minor

Action: Accept the risk - cash transactions are minimal as most now opt for credit or account transaction. No further action required **(Completed June 2019)**

3. Payroll

Matter raised (7): Requested changes to employee details should be verbally confirmed with the employee before the change is processed and the required process should be documented.	**Rating:** Moderate

Action: Changes are now verbally confirmed and the documented procedure will be put in place **(Completed June 2019).**

Matter raised (8): The payroll ABA files are saved on a Drive which is accessible by all staff members of the City.	**Rating:** Significant

Action: The City will lock down the file location to only authorised staff, thereby eliminating the risk **(Completed July 2019).**

4. Rates

Matter raised (9): A review of the City's rate notices noted various (minor) disclosures required by the Local Government (Financial	**Rating:** Minor

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Management) Regulations were missing.	
Action: The City will amend its rates brochure that accompanies every rates notice to include the necessary details of the objects/reasons for imposing differential rates**. (Completed Jul 2019).** Whilst the rates notice does state that any arrears must be paid with the first instalment, it will be made clearer that the instalment method will be cancelled if any arrears are not paid. **(Completed Jul 2019).** City will modify the interim rates notice template to include the rate in the dollar used for the rates levied. **(ETA: by Sep 2019).**	

5.	Trust Funds

Matter raised (10): All bona fide trust money should be transferred from the municipal bank account into the trust bank account in a timely manner after receipt to ensure compliance with the Local Government Act	**Rating:** Moderate
Action: The City will however explore options for a more timely transfer of cash between bank accounts e.g. review daily transaction reports for any material Trust receipts or payments **(ETA: by August 2019).**	

Matter raised (11): Interest earnings on short term bonds or deposits (trust fund moneys) are not retained in trust or provided back to the entitled recipient on return of their moneys. The City keeps these earnings as their own in line with the legal advice they have obtained.	**Rating:** Moderate
Action: No further action required. The City has confidence in following its legal advice as this was provided to the City's previous auditor and the City implemented changes to its accounting and banking practices in accordance with the advice. The City has since been audited twice (including once under the auspices of the OAG) and has satisfied audit requirements both years receiving unqualified audit opinions **(Completed June 2019).**	

6.	Budgets

Matter raised (12): The City's 2018/2019 Statutory Budget document did not include the due dates of each rate instalment under each option as required by Local Government	**Rating:** Minor

(Financial Management) Regulations	
Action: This matter will be rectified when preparing future budget documents **(Completed June 2019).**	

7.	**Fixed Assets**

Matter raised (13): Fixed asset reconciliations were not prepared from July to September 2018 and December 2018. Also, a $2,000 discrepancy between the fixed asset register and general ledger control accounts has existed since 2013.	**Rating:** Minor
Action: The $2,000 discrepancy is a known issue where previous efforts to resolve haven't been successful. This discrepancy has now be resolved. **(Completed June 2019).**	

Matter raised (14): The City's artwork were grouped together and capitalised on the City's fixed asset register as one item. However as the individual art pieces are worth less than $5,000 they should be expensed as required by the Local Government (Financial Management) Regulations.	**Rating:** Moderate
Action: The City will individually capitalise those artworks valued at least $5,000 and expense the remainder. A separate inventory of the City's artworks will be maintained and reviewed by the Arts & Cultural coordinator in order to satisfy legislative requirements to prevent theft or loss of portable and attractive assets **(Completed July 2019).**	

8.	**Credit Card Procedures**

Matter raised (15): Whilst reviewing the City's credit card policy and credit card guidelines it was noted they are inconsistent regarding the time allowed for submission of monthly credit card reconciliations.	**Rating:** Minor
Action: The operational guidelines will be reviewed and where necessary, updated to align with current practice**. (Completed June 2019).**	

9.	**IT Controls**

Matter raised (16): The City's documented Information Services Disaster Recovery Plan specifies a review of the plan should be carried	**Rating:** Minor

out annually but last occurred in 2017.	
Action: The City is planning a full disaster recovery plan test during 2019-20 and will review the plan beforehand. A full test is a big exercise for the City to coordinate, as it requires shutting down some services and operations. Timing is therefore a critical consideration. An annual review of the plan will be made a priority going forward. **(ETA: by Dec 2019).**	

The above table shows 10 of the 16 matters having been actioned and completed, with outstanding actions remaining for the other 6 matters. The progress in completing these will be reported to the November AFSC meeting.

Trust Fund

Since the completion of the FMR review, the City has received correspondence from the Office of the Auditor General (OAG) regarding the treatment of bond moneys (see the attached position paper). This relates to audit area number 5 in the above table and matter number 11 specifically. In summary, the position paper states:

- Since assuming responsibility for the annual financial audits of local government entities, the OAG has noted significant variation in the accounting treatment for bond moneys by local governments.

- The OAG obtained independent legal advice, that, unless agreements between developers/hirers and the entity require bond moneys to be held in the Trust Fund, they should not be held in the Trust Fund.

- There are no provisions in the Act or any other written law that specify that work bonds, building bonds and hire bonds are to be credited to, or held in, the Trust Fund, and these moneys are not held in trust.

- Consequently, section 6.9 of the Act is not applicable to these funds, and they should be held in the Municipal Fund.

- As section 6.9(3)(a) of the Act is only applicable to moneys held in the Trust Fund, any interest earned while the moneys are in the Municipal Fund, can be retained by the entity.

- However, if entities have in the past held bond moneys (or any other moneys) in the Trust Fund, section 6.9(3)(a) of the Act applies.

- If an entity has held moneys in the Trust Fund, **invested it** and not paid interest to the person entitled to it, the entity should assess:

  - whether it can practically identify past interest earned on the moneys, and who is owed that interest

  - whether it can practically pay those persons entitled to the interest, as required by section 6.9(3)(a) of the Act.

As a result of this guidance and the position paper provided by the OAG, the City will now transfer bond moneys back into its Municipal Fund. In respect to any liability to any person for any interest earned on these bond moneys, as the City did not invest any of these moneys (which it had the discretion to), it is not liable to anyone for any residual interest it may have earned whilst sitting in a transactional bank account. This view remains consistent with the City's legal advice with respect to interest on Trust Funds and nothing contained in the OAG's position paper contradicts this piece of the advice (last dot point above).

Cash in Lieu of Public Open Space moneys will continue to be held in the Trust Fund and be invested in order to receive the interest earned in accordance with legislative requirements.

Strategic Plans/Policy Implications

Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

The cost of the internal audit was covered by the City's budget for these services. Hourly fees are set in accordance with the WALGA supply panel contract for audit services.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is an obligation under Section 5(2) (c) of the Local Government (Financial Management) Regulations 1996 for the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government at least once in every three financial years and report to Council the results of

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those reviews. The completed review ensures statutory compliance and assists the CEO to mitigate risks associated with the financial management of the City, as identified and reported.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil
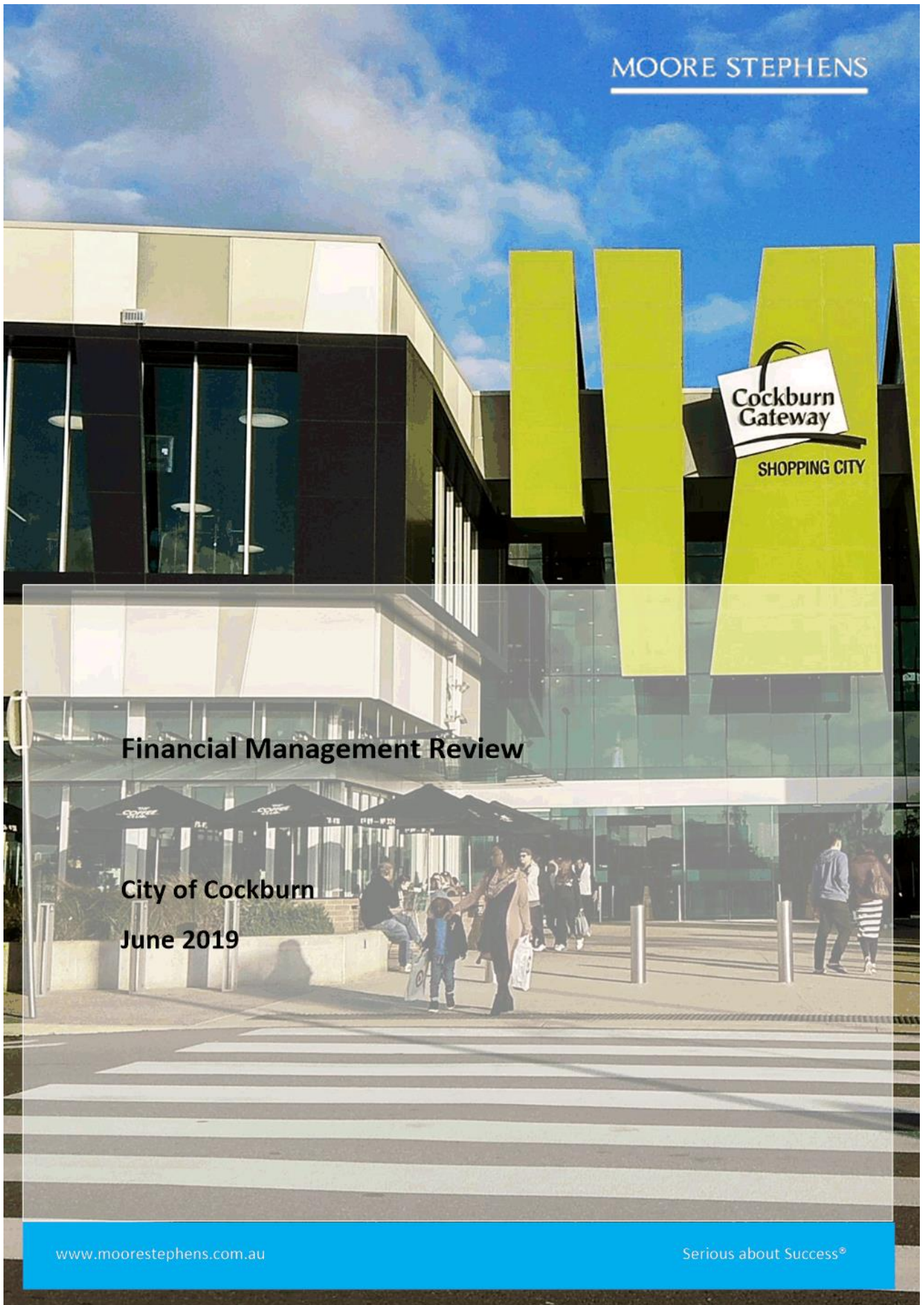
MOORE STEPHENS

Financial Management Review

City of Cockburn

June 2019

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Disclaimer

The objective of this review as outlined in greater detail in Part 1.0 of this report as presented, is to assist the Chief Executive Officer of the City of Cockburn discharge responsibilities in respect to Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 (as amended).

It has been prepared by Moore Stephens (WA) Pty Ltd for this sole purpose.

It is not intended to be used by any other individual or organisation.

Confidential – this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

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1.0   Executive Summary

The objective of our review as outlined in our engagement letter dated 29 April 2019 is to provide a report, based on our understanding of the City and associated risks, to assist the CEO to report to the local government on the appropriateness and effectiveness of the City's financial management systems and procedures as required by local government(Financial Management) Regulation 5(2)(c).

The review covered the period 1 July 2018 to 31 March 2019.

Financial systems and processes examined

Areas where controls and procedures are effective and appropriate for the City's current scope of operations

- Bank Reconciliations
- Fees and Charges
- Cost and Administration Allocations
- Minutes and Meetings
- Financial Reports
- Plan for the Future
- Registers
- Delegations
- Audit Committee
- Insurance
- Storage of Documents / Record Keeping
- Investments
- General Journals

Areas where matters were noted

- Purchases, Payments and Payables
- Receipts and Receivables
- Payroll
- Rates
- Trust Funds
- Budget
- Fixed Assets
- Credit Card Procedures
- IT Controls

Total Areas Examined - 22   (9 / 13)

Our review included a high-level understanding of the key financial systems that support the financial processes undertaken by the City and the performance of review procedures designed to evaluate the appropriateness and effectiveness of the control environment of the City's financial management system.

The procedures performed for each area in respect of the review have been included in **Appendix A.**

We did not necessarily examine compliance with provisions of the Act or Regulations which were not financial in nature.

The review constitutes an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance, either expressed or implied.

1.0   Executive Summary (continued)

Matters noted summarised by risk rating

Details of the specific areas with matters noted, together with our risk ratings, recommendations and management comments can be found in part 2 commencing on page 6.
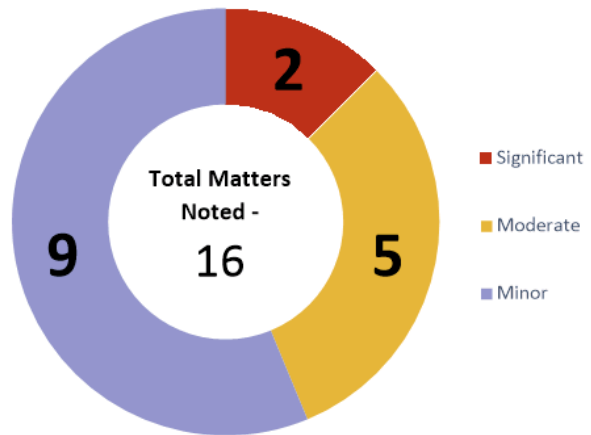
Addressing the issues highlighted will help to ensure the controls and procedures established are not compromised in the future and the integrity of the financial management system is maintained.

We trust this report will assist in the ongoing review and improvement of the City's financial management practices and procedures.

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2.0   Matters Noted

Please Note: The rating assessment as detailed below is our assessment based on the circumstances surrounding the procedures performed. They are intended to be read in the context of our rating assessment to the organisation as a whole. They are provided solely to assist you understand the nature of the matters raised and to prioritise any remedial action.

Key for Rating Assessment:

Significant Issue represents a weakness which may have an adverse effect on the ability to achieve business objectives. Requires immediate management action.	🔴
Moderate Issue represents a weakness which may become more serious if not addressed. Requires management action within a reasonable time period.	🟡
Minor Issue represents an opportunity for improvement. Management should consider cost benefit analysis within a reasonable time period.	🟣

Area	Rating	Matters Identified / Recommendations / Management Comments
Purchases, Payments and Payables	🟣	During our testing of purchases we noted one instance where a purchase order was raised after the supplier invoice and one instance where a purchase order was raised after the service had been rendered.

Recommendation:

Whilst we note the City has detected and managed the above mentioned instances, to help prevent further occurrences, all authorising officers should be reminded that purchasing delegations are lawful instructions under their contract of employment and therefore the importance of the need to ensure purchase orders are raised and authorised prior to goods being received or the services rendered. This will help to ensure goods/services have been appropriately ordered and authorised and also helps ensure budget responsibility.

Management Comments:

The City has developed a comprehensive compliance and training framework around procurement activities, which specifically identifies and targets these types of non-compliance occurrences.

In the two instances identified by the review, one of the officers no longer works at the City following previous procurement breaches. The other one involves an officer with a high volume of procurement transactions, who has previously been detected by the City's non-compliance reporting process and escalated to senior management for a response and action. As a consequence, additional training and resources have been provided to this officer to assist them with the high workload.

Additionally, all of the City's officers' assigned delegated financial authority must first successfully complete a procurement training induction course developed by the City. For more senior, high responsibility roles, this training is provided one on one by the procurement manager.

2.0　Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Purchases, Payments and Payables		**Management Comments (continued):** The City acknowledges that the best monitoring and compliance systems can never totally eliminate this risk, just manage and control it better (speeding on our roads is a case in point). The City believes it has sufficiently strong controls in place for this risk but will use this review finding to further reinforce procurement compliance.
Purchases, Payments and Payables	(purple)	Whilst we found the City's current process of changing supplier banking details to be adequate, there are no formal documented procedures in place. **Recommendation:** To assist relief or new officers with verifying changes of supplier details the required process should be documented and provided to officers. **Management Comments:** The Manager Financial Services previously issued a directive by email to the AP Coordinator, requiring all supplier bank account changes to be followed up with phone calls and other checks. These checks and evidentiary documentation are recorded within the AP system against the supplier record. Additionally, a monthly exception report was put in place showing all supplier bank detail changes and acknowledged (in writing) by the AP Coordinator that all are in compliance with the established verification procedure. This report is provided to the City's delegated officers as part of the process to approve and transmit monthly supplier bank payment files. This procedure will be documented within an operational quick guide for future reference and training (ETA: June 2019).
Purchases, Payments and Payables	(red)	The creditor's ABA files are saved on a Drive which is accessible by all staff members of the City. **Recommendation:** To help ensure the ABA files are not tampered with after their creation, they should be kept in a secure location and access to these files should be limited to authorised personnel. **Management Comments:** The City acknowledges the ABA files are currently saved in a location accessible by all staff. Mitigating the risk of other staff tampering with or altering payment details, is the timely uploading of ABA files by AP staff into the banking system and verification of the amount being paid. The risk that other staff could access the file and make changes (without being detected) within a limited time window is considered relatively remote. The zero incidences during the 17 year period this payment procedure has been in operation supports this risk assessment. However, the City will lock down the file location to only authorised staff, thereby eliminating the risk (ETA: June 2019).

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Receipts and Receivables	(purple)	Whilst we found the City's current process of following up outstanding sundry debtors to be adequate, there are no formal documented procedures in place.
		Recommendation: To assist relief or new officers with following up outstanding debtors the required process should be documented and provided to officers.
		Management Comments: The current process will be documented within the City's procedure template and approved. (ETA: by 30 September 2019).
Receipts and Receivables (Henderson Waste Recovery Park)	(yellow)	From our review of the cash handling procedures at the "Re-Use Shop" at the Henderson Waste Recovery Park we noted the following: a) No evidence that the end of day cash receipting reconciliation between the physical cash collected and the system receipting reports was verified and reviewed by a staff member independent of preparation; b) No security cameras are installed; and c) Whilst reviewing the end of day receipting report for the "Re-Use Shop" we noted that there was no supporting system receipt or documentation for two cancelled transactions.
		Recommendations: To help ensure the completeness and accuracy of cash receipts at the "Re-Use Shop" we recommend the following: a) The receipting reconciliations should be reviewed by another staff member independent of preparation. This review should be evidenced accordingly; b) Installation of security cameras positioned over the POS systems should be considered to help ensure cash collections are adequately safeguarded and secured. This will also help ensure all receipts are accounted for in the system; and c) To help ensure the integrity of cancelled receipts and hence refunds are bona fide, all cancelled transactions should be supported by appropriate documentary evidence. Alternatively an EFTPOS system could be implemented.
		Management Comments: a) The Reuse Shop "end of day" reconciliation is completed by the two employees working in that area. The end of day reconciliation will be completed by one staff member and verified by the other. The form will be amended to indicate "Prepared by;" and "Checked by:" with corresponding spaces for signatures.

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
		Management Comments (continued): b) The issue of CCTV cameras has been reviewed previously and deemed to be ineffective. The City is willing to accept this risk of unauthorised activity at the cashier counter, as any potential dishonest, illegal or criminal acts would merely be completed away from the POS and the view of the camera. In addition, it would indicate that we do not trust our employees. Only one of the transactions at the time did not have the supporting documentation. It has since been attached and staff at the Reuse Shop has been reminded of the requirement. Cancelled transactions in the shop are extremely rare and are authorised by a Supervisor. c) Only one of the transactions at the time did not have the supporting documentation. It has since been attached and staff at the Reuse Shop has been reminded of the requirement. Cancelled transactions in the shop are extremely rare and are authorised by a Supervisor. A previous attempt to install an EFTPOS machine failed due to the expense and concerns the EFTPOS terminal could not operate effectively within the dusty environment. The City has existing plans to install EFTPOS at the Re-Use Shop in 2019-20 (included in budget), which will significantly reduce cash handling at this site. Additionally, the EFTPOS will be integrated with the City's online Enterprise Cash Receipting System (ECR), making reconciliations easier and more visible. Testing will occur to ensure reliability of operation. (ETA: by March 2020).
Receipts and Receivables (Henderson Waste Recovery Park)	●	No security cameras are installed at the weighbridge. **Recommendation:** Installation of security cameras positioned over the POS systems should be considered to help ensure cash collections are adequately safeguarded and secured. This will also help ensure all receipts are accounted for in the system. **Management Comments:** The City has previously accepted the risk of no CCTV cameras at the Weighbridge and will continue to do so. The City is willing to accept this risk of unauthorised activity at the cashier counter, as any potential dishonest, illegal or criminal acts would merely be completed away from the POS and the view of the camera. In addition, it would indicate that we do not trust our employees. We accept that the weighbridge operator works alone and undertakes the end of day transactions without direction supervision.

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
		Management Comments (continued): The cash transactions are minimal now as most now opt for credit or account transaction. This is supported by the fact that there is now only one armed security collection per week, when previously there were two.
Payroll	🟡	We noted instances were changes to employee details were accepted via email without verbal confirmation with the employee before the change was processed, one instance resulted in a fraudulent payment being made. We also noted changes to the payroll Masterfile had not been independently reviewed. Whilst we found the City's revised process of changing employee banking details to be adequate, there was no formal documented procedures in place.
		Recommendation: Whilst we agree the City has changed its processes in light of the above instances, we emphasise to help ensure that changes to employee details are authentic, any requested changes should be verbally confirmed with the employee before the change is processed. To assist relief or new officers with verifying changes of employee details the required process should be documented and provided to officers.
		Management Comments: Changes are now verbally confirmed and the documented procedure will be put in place (ETA: by end of June 2019).
Payroll	🔴	The payroll ABA files are saved on a Drive which is accessible by all staff members of the City.
		Recommendation: To help ensure the ABA files are not tampered with after their creation, they should be kept in a secure location and access to these files should be limited to authorised personnel.
		Management Comments: The City acknowledges the ABA files are currently saved in a location accessible by all staff. Mitigating the risk of other staff tampering with or altering payment details, is the timely uploading of ABA files by payroll staff into the banking system and verification of the total amount being paid. The risk that other staff could access the file and make changes (without being detected) within a limited time window is considered relatively remote. The zero incidences during the 17 year period this payment procedure has been in operation supports this risk assessment. However, the City will lock down the file location to only authorised staff, thereby eliminating the risk (ETA: June 2019).

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Rates	●	From review of the City's rate notices we noted the following: a) Interim rate notices did not include the rate in the dollar as required by *Local Government (Financial Management) Regulation 56(3)(c)*; b) A brief statement of the objects/reasons for imposing differential rates was not included on the rate notice or information accompanying as required by *Local Government (Financial Management) Regulation 56(4)(a)*; and c) A brief statement advising that payment may not be made by instalments if at the date of payment of the first instalment any part of a rate or service charge imposed in a previous financial year remains unpaid was not included on the rate notice or information accompanying as required by *Local Government (Financial Management) Regulation 56(4)(i)*. **Recommendation:** To help ensure compliance with statutory provisions, these requirements should be correctly addressed in the future. **Management Comments:** a) Whilst the City always includes a copy of its annual rates brochure with the mail out of the interim notice (that shows the various rate in the dollars for the rating year), the City will modify the interim rates notice template to include the rate in the dollar used for the rates levied. (ETA: by Sep 2019). b) The City will amend its rates brochure that accompanies every rates notice to include the necessary details of the objects/reasons for imposing differential rates. (ETA: by Jul 2019). c) The City's rates notice does state that any arrears must be paid with the first instalment. It will be made clearer that the instalment method will be cancelled if any arrears are not paid. (ETA: by Jul 2019).
Trust Funds	●	We noted trust transactions are processed through the municipal bank account with journals being processed to transfer the funds to the trust bank account monthly. The *Local Government Act Section 6.6(2)* requires the municipal fund to be kept separate and distinct from the trust fund. In processing trust transactions through the municipal bank account there is increased risk that the City may be utilising trust moneys as part of the municipal fund or earning interest on funds that the City is not entitled to do so. **Recommendation:** To help ensure compliance with the *Local Government Act,* all bona fide trust money should be transferred from the municipal bank account into the trust bank account in a timely manner after receipt.

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Trust Funds		**Management Comments:** The CEO's duties as to financial management under FM Reg 5.1 calls for efficient systems and procedures for the proper collection of all money owing, the safe custody and security of all money collected, maintenance and security of financial records and accounting for municipal or trust. Efficiency of systems is a key consideration for the City. 1. The City accounts for municipal and trust fund monies separately within its accounting system. 2. The City has separate bank accounts for each fund. 3. Trust funds pass through the municipal bank account on the way to the trust bank account and vice versa. 4. The amount required to be held in Trust is reconciled monthly based on net transactions and funds at bank are adjusted accordingly. 5. Payments received are often a mixture of both trust and municipal funds. Trust deposits account for a very minor proportion of the City's financial transactions and the existing banking arrangements are considered to be very efficient. Given the disparity in the City's municipal and trust cash holdings, there is minimal risk of utilising trust monies for municipal purposes. The City will however explore options for a more timely transfer of cash between bank accounts (e.g. review daily transaction reports for any material Trust receipts or payments) (ETA: by August 2019).
Trust Funds	●	We noted that interest earnings on short term bonds or deposits (trust fund moneys) are not retained in trust or provided back to the entitled recipient on return of their moneys. Rather the City keeps these earnings as their own in line with the legal advice they have obtained. The *Local Government Act Section 6.9(3)* specifies that where money is held in the trust fund, the local government is to pay it to the person entitled to it together with, if the money has been invested, any interest earned from that investment. In our opinion, in retaining interest earned on trust fund moneys, the City is keeping and utilising moneys that it is not entitled to under the Act.
		Recommendation: The City needs to account and manage trust fund moneys in accordance with the Local Government Act. The City should also undertake the necessary steps to identify any obligations it has to return moneys that it has incorrectly retained from the current and previous years.

2.0   Matters Noted (continued)

| Area	Rating	Matters Identified / Recommendations / Management Comments
Trust Funds		**Management Comments:** The City disputes the premise of this finding on a number of fronts. In 2016, the City's previous auditor used their powers under S 7.10(1)(c) of the LG Act to obtain from the City's solicitors a legal opinion on the treatment of various bonds and deposits and any requirements for holding these in trust. The City previously held these as liabilities in the municipal balance sheet. The City engaged Neil Douglas, Partner at McLeods being the City's solicitors. The legal opinion received was that the various bonds and deposits paid to the City must be held in the City's trust fund and unless the bond money is invested, the person entitled to the bond is not entitled to any interest. The City has discretion whether to invest all or part of the money held in trust where that money is not required for any other purpose at the time (S6.14 of LG Act). Indeed, the City chooses to invest POS cash in lieu monies in a term deposit, as these are long term funds not needed for any other purpose at the time. The legal opinion clearly stipulates that no interest is required to be paid on the bond when the funds are simply held in a bank account that is not properly classified as an investment (even though it may be interest bearing). The City's trust funds for short term bonds and deposits are held in a transactional bank account that allows immediate withdrawal when required. That this account earns some nominal interest on the daily balance is irrelevant as per the legal advice. This legal advice was provided to the City's previous auditor and the City implemented changes to its accounting and banking practices in accordance with the advice. The City has since been audited twice (including once under the auspices of the OAG) and has satisfied audit requirements both years with unqualified audit opinions. Given this finding appears to be based on opinion, and in the absence of any contrary legal advice, the City has confidence in continuing to follow its own legal advice. Accordingly, the City doesn't believe it has any obligation to return monies as it has not illegally retained any from the current or previous years.
Budgets	●	Whilst reviewing the City's 2018/2019 Statutory Budget we noted the document did not include the due dates of each rate instalment under each option as required by *Local Government (Financial Management) Regulation 27(c)(i)*.
		Recommendation: To help ensure compliance with statutory provisions, these requirements should be correctly addressed in the future.
		Management Comments: Council's decision to adopt the 2018-19 annual budget included the instalment dates. However, whilst some information on the instalment option is included in the statutory budget document, this does not show the instalment due dates adopted by Council. This will be rectified when preparing future budget documents (ETA: June 2019).

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Fixed Assets	●	Fixed asset reconciliations were not prepared from July to September 2018 and December 2018. We also noted that a $2,000 discrepancy between the fixed asset register and general ledger control accounts has existed since 2013.

Recommendation:

To help ensure fixed assets are completely and correctly posted in the general ledger, the corresponding general ledger control accounts should be reconciled on a monthly basis to the fixed asset register and reviewed by a senior staff member independent of preparation. Any variances should be investigated and rectified.

Management Comments:

The period July to September each year is focused on end of financial year processing and audit for the fixed assets register. This includes final asset capitalisations and adjustments for the prior year (once accounting numbers are finalised), completing asset revaluation exercises and attaining audit approval. The City's fixed asset register is a perpetual register, meaning it cannot commence processing new year transactions until the prior year is completed.

Once the asset register is rollover into the new financial year, it makes sense to reconcile it to the general ledger in one exercise for the whole period, rather than performing 3 separate exercises (for obvious efficiency reasons).

The City's fixed asset reconciliations are indeed reviewed by a senior staff member, with the service unit manager signing these off each time.

The $2,000 discrepancy noted by audit is a known issue in reconciling the parks infrastructure assets between the general ledger and fixed asset register. This relates to a revaluation depreciation transaction that didn't post properly in 2013. Previous efforts to resolve this haven't been successful but it hasn't received any priority from the City or its auditors (given the parks assets have a gross value of $71.5m, accumulated depreciation of $29.0m and annual depreciation expense of $3.77m). This discrepancy will now be resolved. (ETA: Jun 2019).

Area	Rating	Matters Identified / Recommendations / Management Comments
Fixed Assets	●	We noted the City's artwork had been grouped together and capitalised on the City's fixed asset register. The City does not currently have an asset policy encompassing group capitalisation of assets. If treated as individual assets, these artwork assets are worth less than $5,000 and therefore should be expensed rather than capitalised as required by *Local Government (Financial Management) Regulation 17A(5)*.

Recommendation:

The City should develop a policy regarding capitalisation of assets, including how grouped assets should be accounted for. To help ensure compliance with statutory provisions, any assets capitalised under the $5,000 threshold should be expensed.

Document Set ID: 8570632
Version: 3, Version Date: 20/04/2022

2.0   Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
Fixed Assets		**Management Comments:** Council adopts Significant Accounting Policies within its annual budget and annual financial report. These include guidance on capitalisation thresholds and set a minimum of at least $5,000 for all asset classes in accordance with FM Reg 17A(5). The City has applied a $5,000 capitalisation threshold to its assets for a number of years now (well ahead of the regulatory requirement gazetted in June 2018), deeming this to be best practice. The City does not usually group assets for capitalisation purposes and this is not part of the accounting policy. However, as the City's artworks were previously not recognised in the asset register, with agreement from its auditors, these were brought in as a grouped asset due to the high number of individual items (296 pieces with total value of $204k). It is worth noting that this strategy was developed before the FM regulations were amended and that end of year audit did not raise an issue with it. The City will now individually capitalise those artworks valued at least $5,000 and expense the remainder. A separate inventory of the City's artworks will be maintained and reviewed by the Arts & Cultural coordinator in order to satisfy the requirements of FM Reg 17B, being to prevent theft or loss of portable and attractive assets. (ETA: June 2019).
Credit Card Procedures	●	Whilst reviewing the City's credit card policy and credit card guidelines we noted they are inconsistent regarding the time allowed for submission of monthly credit card reconciliations.
		Recommendation: To help ensure the City's policy and procedures relating to credit cards are adhered to, the documents should be reviewed and any inconsistencies should be rectified.
		Management Comments: The City reported to its audit committee in March a review of the Office of Auditor General's audit on "Controls over Corporate Credit Cards" against the City's policies and practices. This found the City's credit card practices to be at a highly compliant and effective level, with monthly non-compliance reporting in place and measures dealing with non-compliance. An outcome of the review was to streamline and update the Council policy on credit cards, resulting in a new administrative policy being proposed and subsequently adopted by Council (June 2019). The new administrative policy requires the acquittal of credit card transactions within a reasonable time, being no longer than one month after statement issue. The City's existing operational guideline (which continues to be used with the new policy) asks cardholders to ensure their acquittals are processed within 5 working days of statement upload. This aims to allow them enough time to follow up any missing receipts and for line managers to complete their approvals within the one month policy limit. The operational guidelines will be reviewed and where necessary, updated to align with current practice. (ETA: June 2019).

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Recommendations / Management Comments
IT Controls	🟣	The City's documented Information Services Disaster Recovery Plan specifies a review of the plan should be carried out annually. We noted this review last occurred in 2017.
		Recommendation: To help ensure the City's disaster recovery plan remains relevant to current circumstances, it should be reviewed on an annual basis.
		Management Comments: The City is planning a full disaster recovery plan test during 2019-20 and will review the plan beforehand. A full test is a big exercise for the City to coordinate, as it requires shutting down some services and operations. Timing is therefore a critical consideration. An annual review of the plan will be made a priority going forward. (ETA: by Dec 2019).

Document Set ID: 8570632
Version: 3, Version Date: 20/04/2022
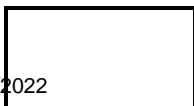
Appendix A – Review Procedures

The following procedures were undertaken in our evaluation of the financial management system controls:

System	Description of Procedures Performed
Purchases, payments and payables (including purchase orders)	A sample of payment transactions was selected and tested to determine whether purchases were authorised/budgeted, and payments were supported, certified/authorised and correctly allocated. The City's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.
Receipts and Receivables	The City's end of day banking procedures were examined to determine if they are adequate in ensuring cash collections are being recorded and allocated properly to the general ledger. Detailed testing of a sample of receipts was performed. This included tracing to individual receipt detail, bank deposits, general ledger and bank statements to ensure banking was correctly performed.
Payroll	Detailed testing of a sample of individual employees was selected from different pay runs and for each employee's pay the following tests were performed to help ensure: - the employee existed; - the correct rate of pay was used; - non-statutory deduction authorities are on hand; - time sheets were properly completed and authorised; - hours worked were properly authorised; and - allocations were reasonable and correctly posted. We also tested the first pay of a sample of new employees and the last pay of a sample of terminated employee. The City's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled.
Rates	The City's rating procedures were examined to determine if they are adequate in ensuring rates are being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger. We selected a sample of rate notices, instalment rate notices and interim rate notices for the period under review. This included: - re-performing the calculations on the rate notices; - ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rate in the dollar imposed are as per adopted budget; - ensuring the rate system is properly updated; and - checking proper posting to the general ledger.
Bank Reconciliations	An examination of bank reconciliations and procedures was performed for the period under review to ensure they are up to date as well as being prepared regularly and promptly for all bank accounts. We also checked the bank reconciliations were reviewed by a senior staff member independent of preparation.

City of Cockburn
Financial Management Review
June 2019

Moore Stephens (WA) Pty Ltd | 17

Appendix A –Review Procedures (continued)

System	Description of Procedures Performed
Trust Funds	Trust funds held by the City were examined through testing a sample of receipts and refunds to determine proper accountability in the City's financial management system and compliance with regulatory requirements.
Fees and Charges	Fees and Charges imposed at the time of budget adoption were found to be in accordance with legislative requirements. Detailed testing of a sample of fees and charges was performed. This included tracing to receipts, the adopted fees and charges schedule and the general ledger to ensure they were correctly charged, and their allocation/posting was correctly performed.
Cost and Administration Allocations	The City's cost and administration allocations system was examined to determine if indirect costs have been properly allocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed.
Minutes and Meetings	Council and Committee meeting minutes were reviewed to ensure compliance with procedures and protocols.
Financial Reports	A review of the City's systems and procedures over the annual financial report and monthly financial reports was performed to determine if: - Structured reporting processes are in place and being properly managed; - Reports are properly constructed based balanced trial balances; - Reports include all relevant and necessary details as required for proper financial/management reporting purposes; - Monthly reports with variance analysis are presented to Council for adoption in a timely manner; and - The annual financial report has been prepared in accordance with the Local Government Act 1995. We also checked to ensure the annual financial report has been adopted by Council and lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframes.
Budget	The City's budgetary system and procedures was examined to determine if: - A structured process is in place and being managed properly; - The Budget includes all relevant and necessary details and was properly adopted; and - The Budget is subject to proper half yearly review and variances are properly dealt with. We also checked to ensure the annual budget and the budget review documents have been lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframe.

Appendix A – Review Procedures (continued)

System	Description of Procedures Performed
Plan for the Future	Reviewed the Strategic Community Plan and Corporate Business Plan, which together comprise the Plan for the Future, to ensure they up to date and complied with legislative requirements.
Fixed assets (including depreciation, acquisition, and disposal of property)	The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined. A sample of asset additions and disposals was selected and testing performed to ensure: - tax invoices existed; - correct posting to the general ledger; - fixed assets register was promptly updated; and - classification of assets was correct. In addition, a sample of assets was selected and testing performed to ensure the depreciation rates used are in line with the City's accounting policy. The City's asset register was also reviewed for assets acquired for less than $5,000 due to the addition of Regulation 17A(5) to the Local Government (Financial Management) Regulations as of 1 July 2018.
Registers	**Financial Interest Register** The register was examined to ensure compliance with regulatory requirements. **Tender Register** The City's tender register was examined to ensure compliance with regulatory requirements. We also reviewed the City's tender process to determine if adequate controls were in place to ensure the tendering of goods and services is being managed properly. This included walking through a sample of tenders selected for review from inception through to award of tender against the tender register, minutes and relevant supporting documentation.
Delegations	The register was examined to ensure compliance with regulatory requirements, including whether the register has been reviewed on an annual basis as required.
Audit Committee	The City's establishment of its audit committee and the constituted membership was examined by us and considered satisfactory.
Insurance	Discussions with staff and review of policy documents to ensure cover is current and is reviewed annually.
Storage of Documents / Record keeping and IT Controls	The City's record keeping / storage system and IT general control environment surrounding its information systems (such as access to the computer system, regular changes to passwords and data backup) were examined to determine if adequate controls and safeguards are in place.

Appendix A –Review Procedures (continued)

System	Description of Procedures Performed
Credit Card Procedures	A review of the City's credit card procedures was performed to determine if adequate controls are in place.
	We selected a sample of credit card transactions from 1 July 2018 to 31 March 2019 across all credit cards to determine whether they are legitimate and usual in the context of the City's operations. This included: - Sighting tax invoices; - Ascertaining whether the transactions are for bona fide City business, and - Determining whether transactions are in line with the credit card policy.
Investments	A review of the City's controls and procedures over investments was performed to determine if investments were properly recorded and managed in line with Local Government (Financial Management) Regulations.
General Journals	The City's journal procedures were examined to determine if they were sufficiently reviewed / approved at each relevant staff level before and after processing.

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Accounting for work bonds, building bonds and hire bonds

OAG
Office of the Auditor General
Serving the Public Interest

Western Australia local government position paper 1
1 July 2019

The purpose of this OAG position paper is to inform local government entities that moneys held as bonds, such as work bonds, building bonds and hire bonds should not, for accounting purposes, be regarded as Trust Fund moneys in terms of the *Local Government Act 1995* (Act). Consequently, these moneys should be held in the Municipal Fund, recognised on the statement of financial position in the annual financial report and interest, if any, earned on those moneys would therefore not need to be paid to the person entitled to the moneys in accordance with section 6.9(3)(a) of the Act.

Summary of the issue

Since assuming responsibility for the annual financial audits of local government entities in accordance with the Local Government Amendment (Auditing) Act 2017, we have noted significant variation in the accounting treatment for bond moneys. These include:

- Some entities hold bond moneys in the Municipal Fund and therefore retain any interest income on those moneys.

- A small number of entities hold bond moneys in the Trust Fund and, in accordance with section 6.9(3)(a) of the Act, repay interest together with the principal amount to the developer/hirer.

- Some entities hold bond moneys in the Trust Fund but retain any interest earnings as revenue of the entity.

- Some entities hold bond moneys in the Trust Fund, and in a non-interest bearing account.

Section 6.9(1) of the Act states:
A local government is to hold in the trust fund all money or the value of assets —
(a)   that are required by this Act or any other written law to be credited to that fund; and
(b)   held by the local government in trust.

Section 6.9(3)(a) states:
Where money or other property is held in the trust fund, the local government is to —
(a)   in the case of money, pay it to the person entitled to it together with, if the money has been invested, any interest earned from that investment.

OAG position

We have obtained independent legal advice that, unless agreements between developers/hirers and the entity require bond moneys to be held in the Trust Fund, they should not be held in the Trust Fund.

There are no provisions in the Act or any other written law that specify that work bonds, building bonds and hire bonds are to be credited to, or held in, the Trust Fund, and these moneys are not held in trust. Consequently, section 6.9 of the Act is not applicable to these funds, and they should be held in the Municipal Fund.

We recommend however that separate accounting records should be maintained for these moneys, as one of the control measures to ensure they are used for the correct purpose.

As section 6.9(3)(a) of the Act is only applicable to moneys held in the Trust Fund, any interest earned while the moneys are in the Municipal Fund, can be retained by the entity.

Office of the Auditor General Western Australia

However, if entities have in the past held bond moneys (or any other moneys) in the Trust Fund, section 6.9(3)(a) of the Act applies. Therefore, if an entity has held moneys in the Trust Fund, invested it and not paid interest to the person entitled to it, the entity should assess:

1.   whether it can practically identify past interest earned on the moneys, and who is owed that interest

2.   whether it can practically pay those persons entitled to the interest, as required by section 6.9(3)(a) of the Act.

Cash in Lieu of Public Open Space

By contrast to bonds, we have noted for example that section 154 of the *Planning and Development Act 2005* requires Cash in Lieu of Public Open Space to be held in the Trust Fund. Consequently, section 6.9 of the Act is applicable to any such moneys held by a local government. As a result, any interest earned on those moneys should be paid to the person entitled to it, in accordance with section 6.9(3)(a) of the Act.

Recognition in the annual financial report

Because moneys held as bonds, such as work bonds, building bonds and hire bonds should be held in the Municipal Fund, they should be recognised as an asset (Cash and Cash Equivalents) in the Statement of Financial Position, with a corresponding liability to recognise that the moneys are owed to developers/hirers.

Interest earned on the work bonds, building bonds and hire bonds while the moneys are in the Municipal Fund, should be recognised as revenue in the Statement of Comprehensive Income.

Office of the Auditor General Western Australia

AT THIS POINT OF THE MEETING, THE TIME BEING 6.53PM, GREG GODWIN
OF MOORE STEPHENS PRESENTED TO THE AUDIT COMMITTEE.

14.   ENGINEERING & WORKS DIVISION ISSUES

Nil

15.   COMMUNITY SERVICES DIVISION ISSUES

15.1   (2019/MINUTE NO 0016) INTERNAL COMMUNICATIONS AUDIT

Author(s)	S Seymour-Eyles and N Mauricio
Attachments	1. Internal Communications Discovery Report (Catalyse) ⇩
	2. Internal Communication Plan 2018-2023 ⇩

RECOMMENDATION

That Council receives the findings of the Internal Communications report and the resultant Internal Communications Plan.

COMMITTEE RECOMMENDATION

MOVED Cr M Separovich SECONDED Susan Smith

That the recommendation be adopted.

CARRIED 5/0

Background

At its July 2016 meeting, the Audit and Strategic Finance Committee (ASFC) adopted a three year Strategic Internal Audit Plan. The Internal Audit Plan was developed through the City's Risk Review Group (comprising cross functional Managers), with input from the internal auditor. The audit planning was informed by the City's operational and strategic risk registers, where assessed risk levels influenced audit priorities.

Internal communications was included in the 2016-2019 Strategic Internal Audit Plan as it has often been raised as an issue across the organisation. This has been highlighted in previous organisational reviews and various employee surveys, also in that the City was lacking any internal communication plan or policy. It was assigned a Moderate risk rating within the City's strategic risk register with associated negative consequences such as:

- Reputation damage;

- Inconsistent leadership;

- Ineffective decision making;

- Silos and poor inter-team communication; and

- Low staff morale and higher staff turnover.

Given the unique nature of the topic for this audit area, a consultancy firm skilled in research, employee engagement, organisational development and communications was sought (rather than traditional internal audit providers). The City commissioned Catalyse to undertake the research and assist develop an internal communications plan to mitigate the identified risks. Catalyse has a good understanding of the City and has assisted previously with community consultation and strategic planning activities.

The reporting of this information to ASFC at this time provides feedback to Council on the completion of this audit objective, as listed in the adopted strategic internal audit plan and what measures have or will be taken to address the identified risks to the City.

Submission

N/A

Report

<u>Audit scope</u>

The brief provided to Catalyse included the following review areas:

- Review of the top down communication from the Executive to their direct reports and heads of departments, and the cascade of information by Strategic Managers to their direct reports and then on to all staff across their departments.

- Lateral communication across departments.

- The interface for staff who wish to communicate internally or seek advice on internal communication.

- Communication around change programs and new initiatives.

- The appropriate use of email and the storing of information electronically.

- Information sharing across the whole organisation inclusive of Elected Members.

- The communication skills and practices of managers and key communicators.

- The effectiveness of the current main communication channels.

The engagement was undertaken via the following phases in order to develop the Internal Communication Plan 2018-2023 (as attached):

Phase	Engagement Approach
Scoping Meeting	Held with the City's Project Team to map the audience, critical messages and information channels.
Literature Review	Reviewed academic papers, published journals, blogs written by opinion leaders, etc to provide an overview on the future of internal communications.
Benchmarking	Identified leading councils and reviewed their internal communications strategies.
IC Internal Audit	Reviewed current IC practices and performance KPIs at the City of Cockburn, including the CULTYR® Employee Scorecard, Employee Exit Surveys and Internal Customer Service Pulse.
Employee Interviews	Facilitated a series of 10 in depth interviews with a cross section of employees across the organisation to explore internal communication gaps and suggested improvements.
Employee Survey	190 employees completed a survey to share their views and opinions about internal communication. The survey attracted participation from a cross section of employees from across the organisation, vertically and horizontally.
Employee Workshop	A 2.5 hour workshop was facilitated with 23 employees, mainly members of the Employee Engagement Working Group. Participants represented a cross section of the organisation, vertically and horizontally. The purpose of this workshop was to review internal communication insights and develop suggested strategies for the Executive's consideration.
Articulation of the Internal Communications Plan	A draft Internal Communication Plan was developed and circulated to the City's Project Team for review.
Executive Strategic Planning Workshop	The CEO and Directors were presented with a draft Internal Communication Plan for review, consideration and adoption.

The developed internal communications plan aims to address six key objectives with the following outcomes and provides detailed actions to achieve these:

Objective	Desired Outcomes
Strengthen City of Cockburn Ideology	The City has developed and communicated a clear vision that is regarded as relevant, believable and inspiring, employees connect with a meaningful purpose, and there is strong alignment between the City's values and employees' attitudes, decisions and behaviour. This contributes to higher levels of employee engagement and improved business efficiencies.
2. Embrace Internal Communication Resources	Employees are aware of and comply with key internal communication resources, including the City of Cockburn's Strategic Community Plan, Project Management Framework, Community Engagement Framework, Internal Customer Service Charter and Brand Style Guide.
3. Improve Vertical Communication	The City has open and positive channels of vertical communication. Information cascades freely down the organisation. Employees feel well informed with access to clear, timely and relevant information from the CEO, Directors, Managers and Supervisors.
4. Improve Horizontal Communication	Silos are extinct. Employees communicate effectively and openly with colleagues across the organisation to address shared objectives. Technology innovations are embraced to support improved information flow between divisions, teams and individuals.
5. Strengthen Employee Voices	Employees feel heard, valued and respected with opportunities to express their opinions, concerns and suggestions freely, either directly to the CEO, Directors, Managers, Supervisors and colleagues, or anonymously through feedback channels.
6. Encourage Informal Communication	The City recognises the value and importance building personal relationships to strengthen the social fabric. Stronger relationships and understanding between peers drives higher levels of trust, compassion, positive communication and employee engagement.

Resourcing the plan

Ideally, there would be one FTE position dedicated to coordinating the requirements of the plan; however, there were higher budgeting priorities under the City's workforce plan. The funding strategy has been to re-allocate monies from existing marketing and media budgets to fund a part time casual position for two years. The delivery of actions in the plan will be concentrated in the first two years, enabling this position to develop materials, processes and procedures with a view to putting enough in place for HR and Corporate Communications to potentially manage future actions within existing resource provisions.

Measurement will be against KPIs, results of which can be extracted from the CULTYR® Employee scorecard, the Internal Communications Survey and the Internal Customer Service Pulse which are undertaken as per below.

Source	Leader	Budget	Timing	2018/19	2019/20	2020/21	2021/22	2022/23
CULTYR® Employee Scorecard	HR Team	Existing	2 yearly	✓		✓		✓
Internal Customer Service Pulse	Comms Team	Existing	2 yearly		✓		✓	
Internal Communication (IC) Survey	Comms Team	Existing	5 yearly					✓

The recognised benefits of improving internal communications for the City will be:

- Strengthened employee engagement;

- Improved employee commitment including greater discretionary effort;

- Business efficiencies; and

- Lower staff turnover.

The City's strategic risk registers have been reviewed and updated as presented in a separate report to this ASFC meeting. Internal communications is no longer recognised as a strategic risk under the new framework and will be managed via the operational risk framework going forward.

Strategic Plans/Policy Implications

Leading & Listening

Attract, engage, develop and retain our employees in accordance with the Workforce and Long Term Financial Plan.

Deliver sustainable governance through transparent and robust policy and processes.

Budget/Financial Implications

$120,000 from existing marketing and media budget over two years to engage a part time casual officer for two years to establish the materials, processes and procedures with a view to enabling HR and Corporate Communications to manage the plan within existing resources in the future. $10k of the $120k will be used to develop materials.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Not properly implementing the plan could lead to increased risks to the City from working in silos and poor inter-team communication, which in turn result in reduced efficiencies, less effective decision making, lower staff morale and higher staff turnover.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act, 1995*

Nil

Internal Communications Discovery Report

Prepared for: City of Cockburn

Prepared by: Catalyse Pty Ltd

6 November 2017

CATALYSE ◆

Table of contents

1 Executive Summary

Effective internal communication (IC) is essential for success in local government. This is the key message coming from opinion leaders, academics and practitioners across local government. This report provides an overview of key IC insights from desk research, interviews with employees and observations of the activities of leading councils.

1.1 IC Objectives

IC involves informing employees and facilitating the sharing of ideas and feedback, horizontally and vertically, to achieve an organisation's objectives. Suggested objectives are provided below:

> ### IC Objectives
> - strengthen culture: fostering trust, belonging, pride and deeper employee engagement
> - build awareness, knowledge and shared understanding
> - embrace a strong and common sense of purpose
> - agree on objectives
> - work together to effectively deliver outcomes and achieve the City's vision
> - embrace organisational change

1.2 Audience

Identifying and considering the unique needs of the target audience is beneficial for effective communication. When delivering a message, consider influencing factors such as age, gender, ethnicity, education, work environment, access to technology, and personal preferences.

The City will benefit from greater use of segmentation, targeted messaging, and enabling receivers to customise how they receive information to meet personal needs and preferences.

1.3 Key Messages

A dedicated *IC Strategy* helps to effectively communicate key messages that matter most to your key stakeholders and will help to drive attainment of the vision. The City's vision seeks to communicate that the City has **solid historical foundations** and that it is the **most attractive place** to live, work, visit and invest in.

To be believable and persuasive when conveying key messages to employees, the City must first establish credibility. Credibility is established by demonstrating expertise and building relationships. The City can enhance delivery of key messages by including supporting 'evidence':

> ### Key Messages
> - We have solid historical foundations, **such as ….**
> - The City of Cockburn is the most attractive place to live, work, visit and invest in, **evidenced by….**

Key messages may be classified as proactive (i.e. reputation building, change management or nurturing culture) or reactive (i.e. recent events or crisis communications). Messages may be downward (i.e. vision, values, strategies, policies, news, events and achievements), upward (i.e. feedback and inviting employee engagement) or horizontal (i.e. project management and cross-team communication).

> *"The importance of developing key messages is to ensure both **consistency** (the same message through different mediums) and **clarity** (a clear and succinct message)."* [1]

There is little evidence that the City has adopted a strategic approach to message selection. However, an organic approach appears to be the norm in local government. A stronger strategic focus is recommended.

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[1] Burnie City Council Communications Strategy

3

1.4 Channel

"How well a message is communicated is as important as the message itself."[2]

Using multiple channels is vital because different people have different ways of learning and absorbing information and because employing diverse channels increases the number of people likely to receive the message. In addition, repetition increases the chance of the information being absorbed.[3]

In general, **written channels** are acceptable for simple messages that are easy to convey, messages that require extensive dissemination quickly, formal policy or authoritative directives, and presenting technical detail. **Oral channels** are preferred for persuasive messages, messages that are complex or difficult to convey, situations when immediate feedback is valuable, and situations when a supportive, even inspirational, emotional climate needs to be established.

Councils are beginning to experiment with innovative electronic channels such as **Yammer** and **Online News**.

Yammer is a social networking service used for internal communication. Brent Council in the UK successfully implemented Yammer to free the IC Officer to dedicate more time to strategic projects, speed up communications and facilitate more opportunities for praise and recognition.[4]

Hampshire Fire and Rescue Service (HFRS) is jointly governed by three local councils. In need of a quick and effective way to send messages to their dispersed and largely on call workforce, they decided to combine news and video technology to create FireFlash, a monthly TV style news bulletin.

1.5 Measuring Success

IC can be evaluated against various KPIs, including overall employee engagement, awareness and understanding of key messages, shifts in attitudes and behaviours, and usage and satisfaction with communication channels.

Unfortunately, there tends to be an over-emphasis on evaluating process (i.e. channel) at the expense of evaluating outcomes (i.e. awareness of key messages and shifts in attitudes and behaviour).

1.6 The future of IC | key lessons from thought leaders

It is important to recognise that IC is the building block of an organisation's culture[5] and that, as evidenced by many studies, IC improvements drive deeper employee engagement.

IC encompasses all interactions within an organisation that convey meaning from overt communication such as meetings and newsletters to more casual communication including pleasantries and body language. To improve engagement, opinion leaders recommend a number of communication methods, including:[6][7][8]

- Lead by example - share ideas, be receptive to feedback, and demonstrate an ability to change.
- Transparency - powerful for building trust and avoiding miscommunication. This involves conveying clear strategic intent, and consistent and regular reinforcement of what the organisation stands for.
- Embrace an open-door policy with active listening, constructive feedback and positive reinforcement.
- Understand and embrace sub-culture differences based on gender, age, ethnicity, race, profession and other factors.
- Use multiple and appropriate communication channels to respond to individual preferences.
- Encourage social occasions and informal interactions to strengthen personal relationships and likeability.

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[2] https://blog.enplug.com/internal-communications-best-practices-2017
[3] "Improving Internal Communication", MassTransitmag.com, February 2016
[4] https://products.office.com/en-US/yammer
[5] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences,* vol. 191, 2015, 976-977.
[6] "Improving Internal Communication", MassTransitmag.com, February 2016
[7] Schermerhorn, et al., 2014, Management Foundations and Applications, 2nd Asia-Pacific Edition
[8] McShane, S.L., 2013, Organisational Behaviour: Emerging Knowledge. Global Insights.

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Leading organisations are adopting an integrated approach to IC. Some employ a dedicated IC role who sits across the Communications and HR teams. Others have extended the Communications and HR roles to have joint responsibility for IC. A key message is to avoid a 'silo mentality' by having IC sit separately in either the Communications Team or HR Team.

The CEO and Executive Management Team are considered to be essential to the process. While some managers are reluctant to share information with employees because information is power and they are unwilling to relinquish it[9], at the same time, employees desire more open and closer relationships with top management. The 2014 Edelman Trust Barometer first coined the term "Chief Engagement Officer", highlighting the need for CEOs to step out of their offices, communicate with internal communities and build personal relationships.[10]

> *"Employee engagement is unlikely to improve until managers*
> *start to believe in the importance of internal communications."[11]*

Electronic, web-based and social media communication channels can play a valuable role in IC. Studies have found that satisfaction, productivity and sharing of information are improved among employees whose leaders utilise social media.[12]

However, over-engagement can be potentially damaging to interpersonal interactions and can add to workplace stress.[11] Before introducing a social media plan, it is worth asking, can the CEO manage this direct flow of information and if so, what processes will be put in place to manage it? It is also important to consider that a side effect of the growing use of email and other communication technologies is that non-verbal signals that may add important meaning to the communication event are lost[13]. Investing in communication training can help.

1.7 Best Practice in Local Government | key lessons from practitioners

IC appears to be growing in importance across local councils. Increasingly, councils are incorporating IC within their Marketing and Communications Strategy. Industry leaders are taking this one step further by developing a dedicated IC Strategy. One example is the City of Yarra who received an award for internal communication and engagement from Government Communications Australia.

The City of Yarra's reasons for developing an IC Strategy included setting an overall direction for IC at Yarra, improving practices, systems and processes that support good IC, enabling consistent messaging and information sharing, improving collaboration, co-operation and dialogue with one another, and building staff confidence and capability, strengthening decision making and fostering positive relationships.

The City of Yarra does not describe its target audience or outline the key messages it intends to communicate, however, it does highlight four outcomes relating to awareness, understanding, acceptance (changing attitudes) and ownership (changing behaviour).

Communication is delivered by a range of preferred channels, including a CEO Monday Musings email for all employees, Intranet News Rotator (online news channel), Intranet Kelvinator (a digital notice board for non-work information), Yammer, Lync webcams and various cross-organisational groups.

Performance is evaluated against a set of KPIs, including channel access and usage, content, opportunities for employees to have their say, understanding and belief in strategy and values, and degree of change.

Case studies have also been provided for the City of Wanneroo, City of Melville and various other organisations in the main body of this report.

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[9] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences,* vol. 191, 2015, 977
[10] Men, L.R., Public Relations Review (2015), http://dx.doi.org/10.1016/j.pubrev.2015.06.021
[11] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[12] Lee, C.E., 'The use of social media in leadership communication: benefits, challenges and leaders' perspectives', *International Journal of Arts & Sciences,* vol. 8, 2015, 515
[13] Schermerhorn, et al., 2014, Management Foundations and Applications, 2nd Asia-Pacific Edition

1.8 The City of Cockburn's Current Performance

A number of internal studies, plans and frameworks were reviewed to identify the City of Cockburn's IC strengths and challenges.

Evidence of strong investment in evaluating and improving IC

The City has conducted numerous studies that address elements of IC. These include Annual Exit Interviews, 2017 Project Management Internal Audit, 2017 Internal Customer Pulse, 2016 Employee Engagement Working Group, 2016 Staff Splash! Survey, 2015 CULTYR® Employee Scorecard, 2015 Internal Customer Service Survey and 2012 Internal Communications Survey. A review of these studies reveals that many insights are repeated, providing a sound basis for identifying the City's strengths and weaknesses.

The City has also developed various plans and frameworks to improve IC, including the Internal Customer Service Charter, Internal Communications Plan 2016-2017, Stakeholder Engagement Framework and Project Governance Framework. These documents appear to be sound and well written. As the analysis below indicates, the issue does not appear to be with the content of these plans or frameworks; concerns are more related to compliance and being held accountable for non-compliance.

From a review of these reports and in-depth interviews with employees, the following key strengths and challenges have been reported or are emerging.

Please note: as some reports were dated from 2012, findings may not reflect the current situation. An IC Survey is planned in 2017 to quantify current performance.

Strengths

- Clearly communicated vision - CULTYR® industry leader
- Inspirational leadership - CULTYR® industry leader
- CEO seen to focus on key strategic issues and IC
- Values - high employee awareness
- Role and goal clarity
- Internal customer service is improving
- Key people - Communications Team, Community Engagement Officer and Wellness Committee
- Employee confidence that they will not be penalised for raising risk or compliance concerns
- Engineering Updates
- Splash! - high readership

Challenges

- Communication of the vision post amalgamation threat
- Lack of dedicated IC role or IC champion
- Compliance - holding people accountable if they do not follow the Internal Customer Service Charter or conduct Stakeholder Analysis as part of Project Management Framework or Stakeholder Engagement Framework
- Top-down communication - us vs them divide
- Inter-unit communication - concerns with silo mentality, 'it's mine' culture and inconsistent messages
- Communication barriers - especially distance (i.e. Engineering and Communications, though it is understood that Communications is re-locating back to the Administration building)
- Awareness of key messages - valuable information is missed; lack of targeted or segmented messages
- Workplace design - insufficient meeting rooms, quiet spaces and places to gather informally
- Communicating with shift and remote workers (Depot, ARC, etc)
- Lack of social club activities at the Depot - club activities are seen to be targeted for office staff

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1.9 Suggested Actions

The following actions have been suggested in various reports and by employees during in-depth interviews:

- Create a dedicated IC role or delegate responsibility to a project team that sits across Communications and Human Resources.
- Relocate Communications Team back into the main administration building.
- Appoint an IC Champion in each team.
- Ask each team to develop an annual Internal Communication Plan to consider internal customer needs.
- Develop a digital news channel to inform employees about the City's vision and progress (may be extended to communicate with external stakeholders).
- CEO and Directors to produce regular blogs and walk the floor to improve vertical communication between executives and employees. CEO Blog to include new appointments, promotions and vacancies.
- Teams to have a better digital presence on the Intranet linked to team profiles (name, role, contact details, etc) and team blog with personal stories and updates on current projects and achievements.
- Evaluate the option to introduce Yammer.
- Review communication with remote and casual employees (allocation of City email addresses, remote access to the Intranet, use of Facebook groups, Yammer, etc).
- Facilitate IC workshops to increase awareness and understanding of IC tools, such as the Internal Customer Service Charter, Stakeholder Engagement Framework and Project Governance Framework.
- Since "what gets measured gets managed", develop an IC Scorecard to track and report on KPIs.
- Give positive reinforcement for compliance with IC standards / tools through news stories, awards, etc.
- Hold Directors and employees accountable for non-compliance with IC standards / tools.
- Develop an iCRM, an internal customer relationship management system, to support internal customer segmentation, targeted messaging and customisation of preferences.
- Clarify when to use 'all staff emails', Intranet notifications, CEO Updates, Splash! etc to communicate different types of organisation-wide messages.
- Create an organisation-wide internal customer request/action system.
- Break down silos – address organisation culture barriers to encourage and empower staff to engage directly with staff in other teams and divisions. Consider how to transition from a Hierarchical Communication Model to a Plexus Communication Model.

Hierarchical Communications   vs   Plexus Communications
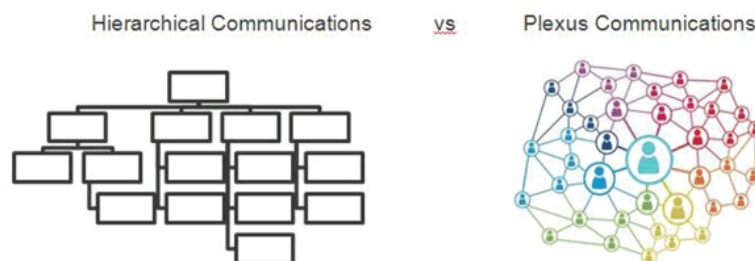
- Encourage Project Managers to facilitate regular Cross-Team Project Meetings to keep key stakeholders informed and up-to-date on the progress of projects and to consider and respond to the needs of others.
- Rotate Administrative Assistants through different teams (i.e. Engineering, Customer Service, Planning and Building, etc) to gain a broad understanding of the needs of different teams.
- Increase frequency of toolbox meetings to once per month and include an agenda item for 'upcoming events' to give teams advance notice about festivals, sporting fixtures, etc so they can plan accordingly.
- Provide permanent WiFi for outdoor workers for live reporting, reminders and communication.
- Provide IC training in the art of effective workplace conversations (in person, email and social media)
- Create a virtual tour of the City of Cockburn to introduce each business team, including its role, areas of responsibility and who they can contact for further information.
- Review workplace design to provide more meeting rooms for private conversations and quiet rooms for uninterrupted, head-down concentration.
- Identify or create spaces and initiatives to enhance informal communication.
- Encourage adoption of personal actions such as wearing name badges, being civil (saying good morning to others and starting the day with a smile) and updating personal profiles on the intranet.
- Provide a coordinated approach for employee engagement to reduce survey fatigue and confusion.
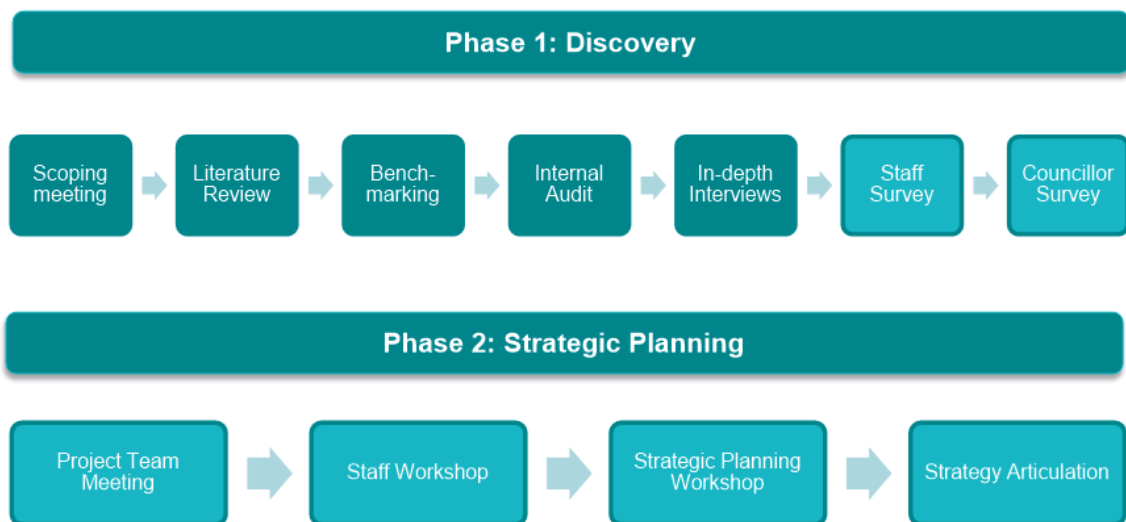
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2   The Study

The City of Cockburn would like to improve the planning and delivery of communications across the organisation.

The purpose of this study was to:

- Assess the effectiveness of current internal communication practices, identifying current strengths and weaknesses

- Develop baseline performance measures that can be used to measure the effectiveness of the proposed Internal Communications Strategy

- Benchmark performance against other middle sized local governments

- Develop a strategy to improve the effectiveness of internal communication

The study is being conducted in two phases. Phase 1 is a process of discovery. Phase 2 involves strategy planning and articulation of the strategy. Stages that have been completed to date are shaded.

Phase 1: Discovery

Scoping meeting → Literature Review → Bench-marking → Internal Audit → In-depth Interviews → Staff Survey → Councillor Survey

Phase 2: Strategic Planning

Project Team Meeting → Staff Workshop → Strategic Planning Workshop → Strategy Articulation

This report provides a summary of key insights from the Literature Review, Benchmarking, Internal Audit and In-depth Interviews. In-depth interviews were conducted with a cross section of ten employees. Names and roles of participants have not been included in this report to ensure all comments provided during the interviews remain anonymous.

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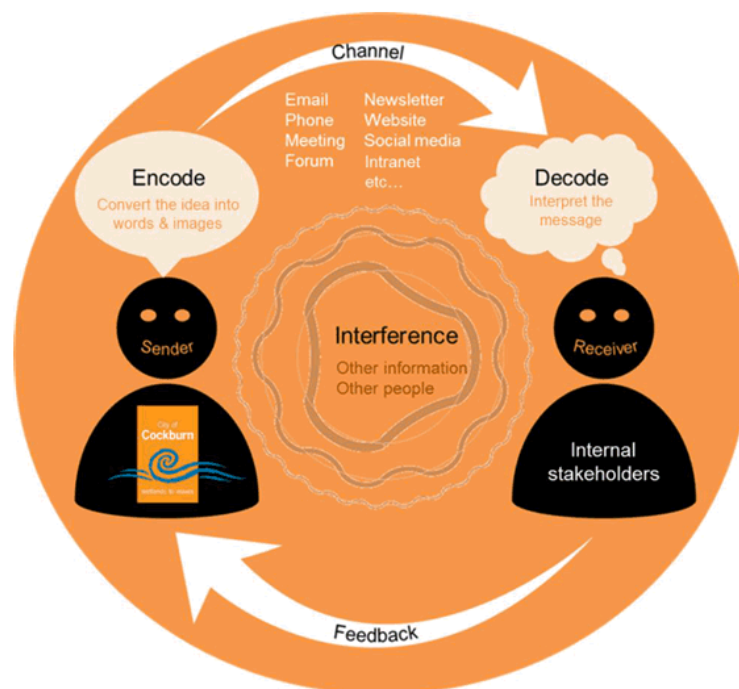## 3　Internal Communications

What is IC?

"Internal Communication is the term used to describe an organisation's managed communication system, where employees are regarded as an internal public or stakeholder group."[14]

Internal communication is linked to the need for organisations to effectively communicate information about important changes. During organisational change, internal stakeholders should be among the first to know in order for them to see their role in the 'bigger picture'.

Internal communications is about informing stakeholders and facilitating two-way communication. This changing form of employee engagement has been motivated by factors such as a lack of trust in management, changing labour practices and the transformation of communication technologies.[15]

Model of Internal Communication

Channel

Email　Newsletter
Phone　Website
Meeting　Social media
Forum　Intranet
　　　etc...

Encode
Convert the idea into words & images

Decode
Interpret the message

Sender

Interference
Other information
Other people

Receiver

Internal stakeholders

Feedback

Communication is something we do reflexively – like breathing. However, communicating **effectively** takes quite a bit of finesse. Choosing the right words, listening with our minds instead of just our ears, and getting our message across are skills that we all need to work on. The consequences for miscommunication in the workplace can be poor productivity, unmotivated employees and lawsuits.[16]

Conversely, improving communications assists to define the collective role of a group of people working together in an organisation. The process of successful workplace communication helps organisations (and the individuals operating within them) to find a common purpose, agree on objectives and work together.

"The tone or culture of an organisation is expressed through communication."[15]

What are the drivers for having effective communication?

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[14] Vercic et al. cited in L. Yeomans & L. FitzPatrick, "Internal Communication" Chapter 15 of *Exploring Public Relations*, 4th Edition, April 2017
[15] L. Yeomans & L. FitzPatrick, "Internal Communication" Chapter 15 of *Exploring Public Relations*, 4th Edition, April 2017
[16] http://money.howstuffworks.com/business/starting-a-job/10-tips-for-effective-workplace-communication3.htm

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Employees across the City of Cockburn were asked to discuss *"why is internal communication important at the City of Cockburn?"* The following table summarises key drivers for having good internal communications at the City of Cockburn.

Drivers for good internal communications at the City of Cockburn	
Develops a strong sense of purpose	• Communicates a common and shared purpose; a reason for being. • Shares our history. Builds a reputation. • Develops a strong brand. • Good internal communication equals good external communication.
Ensures effective delivery of outcomes	• Essential ingredient to deliver good outcomes for ratepayers. • Important to know what the right and left hands are doing. • Builds consistency. • Clear instructions. • Avoids doubling up or double handling. • Improve efficiency with less time wasted. • Things won't get missed
Builds knowledge and understanding	• Keeps us up to date. • Knowledge and understanding of what is going on. • Knowledge of the timescale and how you can manage or adjust your timing to fit in and meet others' needs. • The more you know, the more you enjoy your job.
Improves the quality of customer service	• Understanding and assisting each other. • Enables customer facing staff to be well informed and to provide a solution at first point of contact.
Strengthens culture *"Connected. Oneness. Commitment. Sense of belonging. Encompassed. Involved."* *"We need to get this right."*	• Builds a stronger sense of pride, ownership and connection. • Feels like family. • Fosters trust. • Breaks down silos. • Helps to make the change management process smoother. • Feels like I'm being heard and my ideas are valued. • Makes work and the workplace enjoyable; I want to be here. • Adds to job satisfaction. • Guides and empowers employees; enables employees to think for themselves; to make their own decisions. • Supports employees through the 'journey of change'.

Why does the City of Cockburn need an IC Strategy?

An internal communications strategy is an effective way to streamline the process of improving communication, bringing the entire organisation along with the change and having an easily accessible reference outlining key strategies, tasks and objectives.

According to the UK's Local Government Council, a dedicated internal communications strategy is a helpful way of ensuring that your activities remain focused on the issues that matter most to your staff and your organisation as a whole. It is also a valuable tool for prioritising work, balancing competing demands and ensuring that your teams do not get too distracted by day-to-day demands.

In order to be effective it is essential that an internal communications strategy is clearly linked to the organisation's objectives and corporate plan and outlines how internal communications and employee engagement will help achieve these objectives. Objectives should be compatible with desired, measurable outcomes from across the whole organisation.[17]

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[17] https://www.local.gov.uk/our-support/guidance-and-resources/communications-support/internal-communications/developing-your

4   The future of IC | key lessons from thought leaders

"From bespoke applications to mobile technology and social media platforms, internal communications in 2016 and beyond is about embracing the shift in workforce behaviour and putting the power to communicate in everyone's hands. As consumers, people are so used to information at their fingertips, so when it comes to the work environment, the demand is for the latest news and to feel connected wherever they are".[18]

IC strengthens employee engagement

Engagement is a multifaceted construct but can be defined simply as *"passion for work".[19]*

Employee engagement is seen to be influenced by positive internal communication. This is supported by a study that found that organisations that communicate effectively with their employees are four times more likely to have high levels of employee engagement.[19]

Engagement can also be described as *"motivating the discretionary effort exhibited by employees"* or to go beyond the minimal efforts to keep their jobs. Therefore, if engagement is improved by positive communication, then poor communication can be detrimental to productivity. The cost associated with poor employee relations is estimated at US$450-550 billion a year due to absenteeism, labour issues, production interruptions, repair and warranty expenses and employees who are unengaged and underperforming.[20]

Conversely, positive internal communications has the potential to effectively transfer values of the organisation onto all employees and involve them in organisational goals.[19] It has been argued that if employees have experienced positive long-term relationships with an organisation they are likely to view the problems of the organisation as their own, making them more active in solving problems and sharing information.[21]

Internal communications is not simply keeping employees informed but allowing the sharing of ideas and feedback horizontally and vertically. Studies have shown that companies that provide the opportunity for their workforce to have their say and to voice their dissatisfaction have lower staff turnover.

Allowing people the opportunity to feed their views and opinions upwards is the single most important driver of engagement.[22]

Positive IC is multifaceted

It is important to recognise that internal communications is the building block of an organisation's culture and it goes beyond newsletters, notice boards and staff meetings because it encompasses all interactions within an organisation that convey meaning from overt communication such as meetings and memos to more casual communication including pleasantries and body language. Sending information is not the same as communicating.[22]

There are a number of informal communication methods recommended by opinion leaders as to how to improve engagement on a day-to-day basis:[23]

- Leading by example is vital
    - Regularly sharing ideas and dialogue, being receptive to feedback.
    - Listening is the most vital component to communication.
    - Demonstrating the ability to change as a result of listening to others.

- Transparency
    - Maintaining transparency is immensely powerful to foster strong communication and unity. It builds trust and positive relationships while avoiding possible miscommunication.

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[18] http://www.information-age.com/how-digital-technology-transforming-internal-communication-123461500/
[19] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[20] Neill, M.S., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.06.009
[21] Men, L.R., Public Relations Review (2015), http://dx.doi.org/10.1016/j.pubrev.2015.06.021
[22] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences*, vol. 191, 2015, 976-977.
[23] "Improving Internal Communication", MassTransitmag.com, February 2016

- Conveying a clear vision for the organisation with defined goals, expectations and roles puts all members on a level playing field. These objectives should be laid out for new employees and reiterated for existing ones.
- Ensure all team members are aware of each other's' roles and current tasks. This is vital within departments and horizontally across divisions.
- Consistent and regular reinforcement of what the organisation stands for, what people can expect, service guarantees and accountabilities helps to set expectations and sets the internal brand identity.

- Open-door policy
  - Promotes positive communication habits among employees, especially on a multi-level basis.

- Positive reinforcement
  - Employees want to feel appreciated. Taking time to remind employees that their contributions and ideas are valued will rarely go unnoticed. This empowers them not only to work harder, but to feel more comfortable communicating with managers and executives.
  - Utilising suggestion boxes and surveys provides a discreet outlet for idea sharing. This is especially helpful for timid employees who are more likely to respond to these methods.

- Social occasions
  - Getting employees together in a social environment allows them to bond on a more personal level in a more casual setting, developing a deeper level of comfort.

Organisations are adopting an integrated approach to IC

A silo mentality has an adverse impact on effective internal communication. Ideally, the IC role should be incorporated across divisions including marketing, public relations, communications and human resources. Key functions of proper collaboration should be exchanging information, sharing ideas and resources, being responsive to each other and maintaining open discussions. However, barriers to these goals include miscommunication, distrust and possessive grasp of each division's own domain, budget and ideas, leading to operational silos without positive engagement.[24]

Different organisations employ different methods to carry out internal communication. Some have dedicated IC departments that report to the communications executive, while others have divisions such as marketing, human resources and public relations manage the IC space.[24]

There is a push, however, towards more integrated approaches to communication entirely, where dual oversight of internal and external communication is incorporated into the one division with a senior communication officer. One challenge with this method is that external communication can been viewed as a higher priority than internal and therefore, employees become an afterthought. If this becomes the ethos of the relevant division, there is the risk that employees hear about major announcements through external media and not through internal channels, leading to disengagement.[24]

The CEO and executive are essential to the process

> *"Employee engagement is unlikely to improve until managers start to believe in the importance of internal communications."*[25]

Some managers are reluctant to share information with employees because information is power and they are unwilling to relinquish it.[26] However, employees desire more open and closer relationships with top management. Usually, an employee's overall perception of the organisation as a place to work is closely linked with their perceptions of the top management.[27]

The 2014 Edelman Trust Barometer first coined the term "Chief Engagement Officer", highlighting the need for CEOs to step out of their offices, communicate with their internal and external communities and build personal relationships.[27] Internal communication elements critical to building engagement are satisfaction with feedback, informal communication and communication during meetings. Therefore, open channels of

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[24] Neill, M.S., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.06.009
[25] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[26] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences*, vol. 191, 2015, 977
[27] Men, L.R., Public Relations Review (2015), http://dx.doi.org/10.1016/j.pubrev.2015.06.021

communication, vertical communication between staff and managers and sharing information are vital to generate positive engagement.[28]

Managers are required to lead by example and it is recommended that the CEO actively participates in this approach to improve engagement. In order to enact the role of "Chief Engagement Officer" to cultivate positive employee-organisation relationships, the CEO must demonstrate responsive communication by being empathetic, warm, compassionate, understanding, sincere and interested. However, it is acknowledged that demonstrating forceful and assertive communication is also sometimes necessary.[29]

Use social media to build positive engagement

The shift in perceptions regarding the CEO appears to have been influenced by the development of social media. The interactive, personal and empowering features of social media have blurred hierarchical structures and the distance between top management and operational staff has been reduced. The empowering nature of social media encourages employees to articulate opinions, concerns and feedback, which can be heard by the CEO. This leads to dialogue between staff and the CEO, facilitates upward communication and promotes two-way information flow, improving connection with top management and engagement with the organisation.[29]

In support of this, studies have found that levels of satisfaction, productivity and sharing of information are improved among employees whose leaders utilise social media as a communication channel.[30]

Definitions of social media vary across scholars, papers and articles. However, one scholar defines social media as *"new electronic and web-based communication channels such as blogs, podcasts, wikis, chat rooms, discussion forums, websites, social networks and other dialogue-creating media."*[30]

The benefits of using social media as part of internal communication efforts are[30]:

- many people already use social media platforms and therefore know how to use them
- there is little or no cost
- the information is always up-to-date
- any individual can create an online forum to receive feedback without having to arrange a meeting

The blurring of hierarchical communication and the involvement of all employees in the process of generating content and information contrasts with content generated centrally by a small team to communicate with the rest of the organisation. In theory, social media should support both forms of communication within an organisation, yet the introduction of social media for internal communications can pose challenges. The first is that both forms require different organisational support and involvement and second, central information is usually generated from the managerial level and filtered downwards, thus being a source of power. Therefore, introducing social media to allow more communication directly from employees to managers and the CEO and vice versa can be a daunting transition for management.[31]

In addition, extreme engagement (over-engagement) can be potentially damaging to interpersonal interactions and can add to workplace stress.[28] Therefore, before introducing a social media plan, it is potentially worth asking, can a CEO manage this direct flow of information and if so, what processes will be put in place to manage it?

It is also important to consider the impacts of 'mixed messages'. A mixed message occurs when a person's words communicate one message but their actions, body language, appearance or use of interpersonal space communicates something else. One researcher indicates that gestures alone may make up as much as 70 per cent of communication. A side effect of the growing use of email, computer networking and other communication technologies is that gestures and other non-verbal signals that may add important meaning to the communication event are lost[32].

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[28] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[29] Men, L.R., Public Relations Review (2015), http://dx.doi.org/10.1016/j.pubrev.2015.06.021
[30] Lee, C.E., 'The use of social media in leadership communication: benefits, challenges and leaders' perspectives', *International Journal of Arts & Sciences*, vol. 8, 2015, 515
[31] Huang, J. et al., "Communicational ambidexterity as a new capability to manage social media communication within organizations", *Journal of Strategic Information Systems*, vol.24, 2015, 49-64
[32] Schermerhorn, et al., 2014, Management Foundations and Applications, 2nd Asia-Pacific Edition

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Overall, however, the positives appear to outweigh the negatives when considering introducing social media into internal communications because it shifts the mindset to "*everyone is both a user and a publisher*", enabling individuals to take responsibility and develop a new sense of self-ownership, service, self-orientation and self-regulation. These attributes nurture a participative, open and interactive communication culture. However, it is vital that careful adoption will be required to ensure social media can "*support multiple voices without drowning out a unified corporate message*".[33]

Overcoming barriers to effective communications

Some of the main barriers for effective communication[34] include:

- Poor choice of channels
- Poor written or verbal expression
- Failure to recognise non-verbal signals
- Physical distractions, such as telephone disruptions, drop-in visitors and lack of privacy
- Status effects, such as filtering when information is intentionally distorted to make it appear favourable to the recipient.

Suggestions for overcoming barriers such as these include[34] [35]:

- Transparency and openness – being open and sharing accurate and complete information
- Active listening – there are five rules for being an active listener:
    1. Listen for message content. Try to hear exactly what content is being conveyed in the message.
    2. Listen for feelings. Try to identify how the source feels about the content in the message.
    3. Respond to feelings. Let the source know that the feelings are being recognised.
    4. Note all cues. Be sensitive to non-verbal and verbal messages
    5. Paraphrase and restate. State back to the source what you think you are hearing
- Invest in communication training - the Australian Tax Office recently spent $250,000 on training to improve the writing skills of its employees after found that the three million tax instalment letters it mailed each year resulted in 190,000 phone calls from taxpayers confused by the meaning of these letters.
- Work to ensure your body language reinforces your message and remains consistent with that message
- Provide constructive feedback
    1. Give feedback directly and with real feeling, based on trust between you and the receiver
    2. Make sure that feedback is specific rather than general – use good, clear and preferably recent examples to make your points
    3. Give feedback at a time when the receiver seems most willing or able to accept it
    4. Make sure the feedback is valid and limit to things the receiver can be expected to do something about
    5. Give feedback in small doses – never give more than the receiver can handle at a particular time
- Use multiple and appropriate communication channels – people differ in how they like to receive information.
- Use timing effectively – find a time to communicate when the receiver is less likely to be distracted
- Improve *multi-tasking skills* to respond to a world of constant interruptions and demands for our attention from technology.
- Build cross-cultural communication skills - reach out to understand sub-culture differences based on gender, age, ethnicity, race and other factors, and embrace differences.
- Address *attribution errors* – where internal factors (such as a lack of skills or poor attitude) are overestimated and external factors (such as time pressures or substandard technology) are underestimated as influences in someone's behaviour.
- Address *self-serving bias* – where personal success is attributed to internal causes and failures are attributed to external causes.
- Consider the impacts of perceptual tendencies and distortions, such as stereotypes, halo effects (where one attribute is used to develop an overall impression of a person), selective perceptions (where people tend to see things from their own point of view and tend not to recognise other points of view), and projection (the assignment of personal attributes to other individuals).

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[33] Huang, J. et al., "Communicational ambidexterity as a new capability to manage social media communication within organizations", *Journal of Strategic Information Systems*, vol.24, 2015, 49-64
[34] Schermerhorn, et al., 2014, Management Foundations and Applications, 2nd Asia-Pacific Edition
[35] McShane, S.L., 2013, Organisational Behaviour: Emerging Knowledge. Global Insights.

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More tips for effective internal communications

The table below summarises key tips to achieve effective internal communications:[36]

Tips	Action
Envision, strategise and plan first	Create an internal communications strategy in order to clarify the purpose and intent of internal communication for the organisation.
Use the right tools	Employ simple systems and software programs that do not bother or disrupt staff but make information sharing easy.
Be visual	Visuals convey information in an easy-to-digest manner and provide a more lasting impression, especially as it is thought that 65% of the population are visual learners. Digital signage enables a series of rotating visual messages to be conveyed to the entire team.
Make it entertaining	Work can be fun and productive and so can internal communications.
Include metrics whenever possible	Being able to see how the company is performing can assist a team's work ethic. Metrics should inform staff of the company's current and past performance trends, goals to reach and progress made towards those goals.
Don't lose sight of the big picture	Make sure to communicate and circulate the overarching goals, missions and culture so that the team is reminded of them.
Provide channels for feedback and ideas	Provide channels for staff to provide feedback and share ideas on anything relevant to the organisation. A company forum, designated channel within the company chat software, an office whiteboard or cloud-based service are some channels that can be considered. Without these, staff may feel that there is no opportunity to give ideas and provide constructive criticism.
Encourage cross-departmental communication and collaboration	Hold a Q&A session or a special meeting between different departments to get them communicating, collaborating and sharing insight. These encourage staff to ask questions of other teams, learn from each other and to feel less isolated from one another.
Avoid communication overload	Keep things simple, brief and to the point. Consider sending out your internal newsletter less frequently or showing fewer metrics. Focus on sending the right information to the right people at the right time.
Don't just inform – inspire action	Internal communications should involve, motivate and inspire the team to go above and beyond.
Open the lines of communication	Having an "open door policy" is not limited to the physical space. It should be easy for anyone to contact anyone in the company, including upper management, through your internal communications system. By opening the lines of communication in this way, team members will feel welcome to talk with each other rather than feel intimidated.
Maintain transparency	Not all information can be made available to everyone, but maintaining at least some transparency can have tremendous effects on the harmony and rapport within an organisation.
Encourage company-related use of social media	Encouraging team members to share what they are doing at work can improve employee engagement, increase exposure and put a face to who the organisation is and what it does.
Share industry news, trends and insights	All team members should stay up-to-date on the latest industry information and be encouraged to share news, trends, opinion pieces etc. This assists them to feel a part of the 'bigger picture'.
Use internal communication to recognise and praise success	Recognising individuals or teams is beneficial to building staff morale and thus improving productivity and growth.
Create a customer-centric team with personas	Use IC to align staff with clients and customers. Create profiles for typical customers and share their personas so that customers become vivid, tangible, relatable and top of mind.
Promote employee resources and training	Internal communications should consistently relay which benefits and resources are available to staff. Encouraging employees to invest in their personal or professional development through the organisation is beneficial to everyone in the lone run.

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[36] https://blog.enplug.com/internal-communications-best-practices-2017

15

5   Best Practice in Local Government | key lessons from practitioners

A benchmarking exercise was undertaken to identify councils that are considered to be leading in internal communications with a best practice Internal Communications Strategy. To identify leading councils we consulted industry experts, considered results from the CULTYR® Employee Scorecard benchmarking study, and searched online for industry awards and case studies.

WALGA recommended we look at some of the larger councils with more resources, such as the cities of Wanneroo and Melville. When contacted, the cities of Wanneroo and Melville indicated that, while they do have a focus on improving internal communication, they do not have a formally documented *Internal Communications Strategy*. The cities of Wanneroo and Meville were willing to share their key strategies verbally. Key insights are summarised below.

The CULTYR® Employee Scorecard (conducted by councils ranging from large metropolitan councils, such as the City of Perth, to smaller regional councils) suggests that it is a smaller council, the Shire of Irwin, that is excelling in vertical, horizontal and in-team communication and that the City of Cockburn is excelling in providing inspirational leadership and communicating a clear vision for the future.

Overall, few councils appear to have a dedicated Internal Communications Strategy. One award winning council with an *Internal Communications Strategy* is the City of Yarra. In 2015, the City of Yarra was recognised by Government Communications Australia (who promote themselves as Australia's peak body for public sector communications and marketing) with an award for internal communications and engagement. A summary of the contents of their IC Strategy is provided below. We also discovered an example of an Internal Communications Strategy that was considered to be best practice by IC Space in the UK.

We observed that councils tend to have a stronger focus on external communications. Many have a *Marketing and Communications Strategy* (or similarly named document). Within these documents, some include a section on internal communications. We provide some case studies below.

From our discussions, it seems that a growing number of councils are recognising a need for an internal communications strategy and, similar to the City of Cockburn, are in the process of developing such a strategy. The City of Boroondara, recognised by peers as a leader in internal communication, is currently developing their Internal Communication Strategy.

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City of Yarra

The City of Yarra's *Internal Community Strategy 2015-2018* is a 16 page document covering the following areas:

- Introduction from the Executive Group
- Purpose and development of the Internal Communications Strategy and Action Plan
- Vision and strategic intent
- Working at Yarra (a description of the current situation)
- Current internal communication methods
- Internal Communications Framework at Yarra
- Monitoring, reporting and evaluation
- Internal Communications Action Plan
- Conclusion

The objectives of this strategy are:

- Set an overall direction for internal communications at Yarra (aligned with other key workforce plans including People and Culture, Gender Equity, Service Planning, Innovation, Information Services, Customer Responsiveness Strategy and Consultation and Engagement Policy review).
- Better understand and respond to issues relating to internal communications.
- Develop and implement actions to improve practices, systems and processes that support good internal communications.
- Enable consistent messaging and information sharing across the organisation.
- Improve collaboration, co-operation and dialogue with one another.
- Build staff confidence and capability, strengthen decision making and foster positive relationships.

Key consultation findings at the City of Yarra

Strengths	Opportunities
- Staff meetings, corporate inductions, CEO briefings, the Intranet, Staff Matters newsletter and Monday Musings are highly valued. - Direct contact with the CEO through the CEO Briefings are important. - Face to face contact with Executive Group is sought after and highly valued. - Individual communication skills training and professional development are sought after. - There is a need to introduce a more forward focussed agenda, with greater scope for strategic discussion and informed decision making and formal tracking of actions for internal meetings. - Informal networking, team building and socialisation are highly valued.	- Strengthening communication within and across teams. - Modernising communication channels. - Introducing consistent policies and practices. - Supporting integration of information systems. - Enabling transparent decision making. - Encouraging consultation, collaboration and innovative thinking.

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The City of Yarra's current internal communication methods are tabled below:

CURRENT INTERNAL COMMUNICATION METHODS

CHANNEL	COMMENT	FORMAT
Staff Matters	Distributed monthly by Human Resources. Good avenue for mix of corporate and social staff news.	Email
CEO Monday Musings	Distributed every Monday and widely respected as a key internal communication method.	Email
Intranet news rotator	New channel introduced in 2013 to provide organisation wide updates and promote internal events and activities.	Online
Intranet Kelvinator	Ongoing opportunity for all people to share non-work related information in a digital noticeboard format.	Online
CEO briefings	Held quarterly. Good opportunity to discuss major projects, discussion, questions and meet the CEO.	In person
Executive meetings	Held weekly with CEO, Directors and Executive Managers. Opportunities for officers to present reports and issues to Executive.	By appointment
SMT	Senior Management Team Meetings held monthly.	In person
SMT+	Senior Management Team, Coordinators and Team Leaders network meetings held every three months to share important information for leaders.	In person
Divisional meetings	Forum for Directors to provide department specific updates and advice on organisational priorities.	In person
Manager/Leadership meetings	Forum for Directors/Executive Managers to provide specific updates and advice to people leaders on organisational priorities.	In person
Branch meetings	Forum for Managers to provide specific updates and advice to team members.	In person
Team meetings	Forum for Coordinators/Team Leaders to provide specific updates and advice to team members.	In person
Email	Currently used as a primary communication channel.	Online
eBulletin	Although designed for Councillors it is also provided to Executive and some senior staff. It also contains information that is then included in the CEO's Monday Musings.	Online
Yammer	Yammer was introduced organically at Yarra and is slowly attracting users/members. Recently the Senior Leadership Team (Exec, Managers, TL and Co-ordinators) has initiated a secure Yammer group.	Online
Lync	Webcams partially rolled out across desktop locations. Presence indicators enabled on intranet (staff directory) and Outlook. Webcams installed in selected meeting rooms.	Online
Cross Organisational Groups	CORE Groups, Green Team, Social Club, Christmas Program Event Group and Staff Consultative Committee are all good examples of collaboration and team work.	In person

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The City of Yarra has developed the following framework for internal communication:
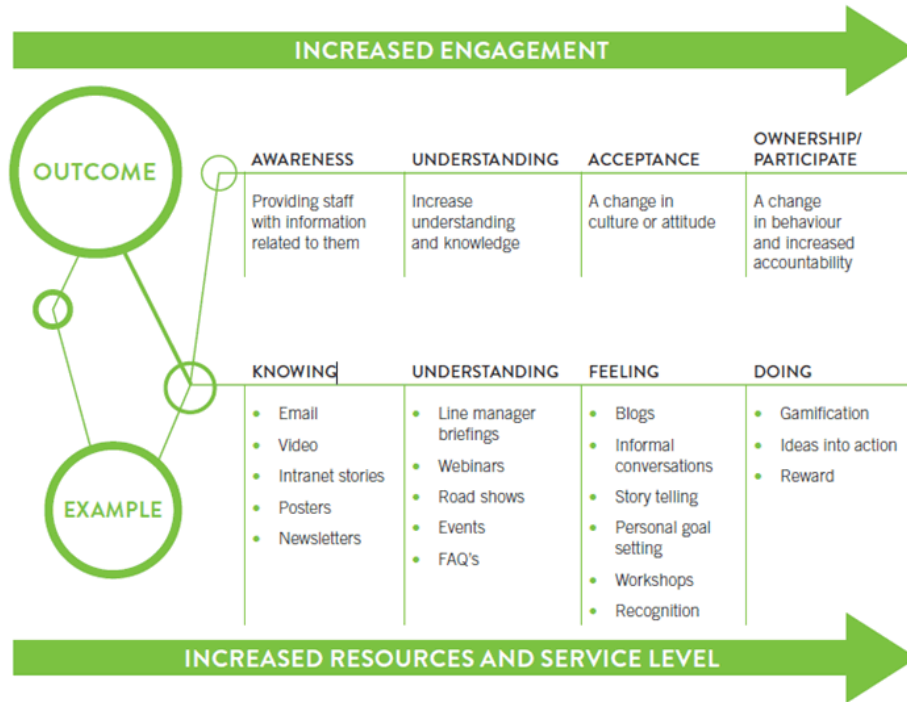
The City is working towards achievement of 11 key objectives to meet its IC vision:

1. Develop and implement a consistent approach to internal communications at Yarra.

2. Highlight and embed internal communications as a central Yarra principle into policies, procedures, practice and projects.

3. Support, promote and resource digital internal communications platforms.

4. Improve connectivity to the Intranet to support internal communications and access to information.

5. Support the celebration of our people, culture and events.

6. Support the development of an organisational position on the use of email.

7. Improve the pathways for CEO and Executive communications and updates to organisation linked to organisational priorities and projects of interest.

8. Review the eBulletin to improve communication between Officers and Councillors.

9. Develop Internal Meeting Guidelines and templates to support a more consistent, collaborative and productive workplace.

10. Enhance understanding of Council meeting outcomes and business to strengthen corporate knowledge.

11. Develop, resource and implement internal noticeboards mapping and programming.

The City is evaluating its IC performance against the following indicators:

WHAT TO MONITOR	EVALUATION POINTS	OTHER EVALUATION OPPORTUNITIES
Internal communications channels – Are they working? Are they effective? Is the channel appropriate to the content?	Access, usefulness, frequency, volume, preference.	Content analysis. Ease of reading. Interviews.
Content – Are employees getting the information they want and need? How well and how often is information provided? What are employees interested in?	Timeliness, relevance, accuracy, consistency.	Message recall. Content analysis. Interviews.
Conversations – Are people communicating effectively? How well do our leaders and people managers communicate, both formally and informally?	Frequency that people communicate at the level expected.	Content analysis. Interviews. Network analysis.
Voice – Are there opportunities for staff to have their say? Are responses provided? Can staff get involved and contribute to decision making?	Frequency of opportunities. Frequency and quality of responses made.	Content analysis. Interviews. Focus groups.
Sentiment – What do employees think and feel about the organisation? Is communication contributing to positive engagement?	Understanding and belief in strategy, values and plans.	Interviews. Focus groups.
Behaviour – Has employee behaviour been influenced by communication?	Change, influence.	Pilot or control groups. Network analysis.
Return on investment (ROI) – Have benefits been identified and what was the return?	Realised benefits.	Cost and direct return analysis.

At the Shire of Yarra, internal communications is the responsibility of the *Digital and Internal Communications Advisor*. This role is within the CEO's Directorate. The CEO's Directorate covers governance, engagement and human resources. The *Digital and Internal Communications Advisor* reported that they work closely with colleagues who manage external communications and human resources.

To improve internal communication moving forward, the City of Yarra recommends that councils give greater consideration to the 'objectives'. People need to answer the question "why are we communicating?" first and foremost, then to formulate the supporting messages for the target audience. This should be done before considering the channel. The City of Yarra's internal communication strategy has a strong focus on channel, however, it does not address message or audience. This is regarded as a weakness and opportunity to improve.

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City of Wanneroo

The City of Wanneroo places a strong emphasis on internal communications; however, the strategies are not captured in one document.

Some key insights from discussions with the Coordinator Capability & Culture include:

- The City is currently 'teasing out' how it will address the function of internal communications.
- An *Internal Communications Advisor* is employed three days per week and reports directly to the CEO.
- The City is aiming to encourage more face to face communication over email.
- The staff newsletter is moving away from social news towards stories that are aligned with the City's corporate messages, but still with human interest elements to keep the newsletter fun, interesting and relevant.
- The CEO produces WannaKnow, a regular newsletter that is circulated electronically, ideally once a fortnight. Supervisors are asked to print the newsletter and put it up on noticeboards.
- The CEO conducts road shows to meet with operational staff twice a year.
- Conduct a two-yearly Employee Forum split over two days so all staff can attend.
- Use scrolling messages on computers / laptops.
- Use TV monitors in meeting rooms to communicate key messages.
- The Executive Meeting Report Template includes the following reference to internal communication:

Dissemination of **Agreed Key Messages** from **Regular ELM** Meetings:

- ☐ *Not for Communication* at this time- Business in Confidence
- ☐ *Low Communication Impact* – **Building awareness** –One way information sharing, requiring limited explanation. Communication Channel e.g CEO Newsletter via competition of the Story Starter Template and posting to the Internal Communications Mailbox within 10 working days. Key Messages recommended by report owners below for ELM agreement.
- ☐ *Medium Communication Impact* – **Building understanding & action** – Two way communication to discuss the context, process or service implications. Communication Channel e.g. Presentation, Leader discussions, Pre-start meetings, within 20 working days. Key Messages recommended by report owners below for ELM agreement. Internal Communications Advisor will distribute to Managers.
- ☐ *High Communication Impact*- **Building alignment & commitment** - Interactive multi-channel knowledge building, collaboration & action. Typically requiring a specific communications and potential change management action planning due to major impacts to process, service or people. Plan developed in by or consultation with report writer and agreed by Director/Executive for sharing with Senior Leadership Team prior to deployment.

Key Messages
1.
2.
3.

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City of Melville

The City of Melville does not currently have an Internal Communications Strategy or a role dedicated to internal communications. Responsibility for internal communication is shared between communications and human resources. Five years ago, the Marketing & Communications Coordinator worked with Human Resources to review internal communications. This involved a series of focus groups with staff. While a list of actions resulted, a formal strategy was not developed or adopted.

Some key insights from discussions with the Marketing & Communications Coordinator include:

- The Mayor is very approachable and happy to chat with staff on an informal basis.
- To improve relations between teams and overcome a silo mindset, the City uses cross-organisation project groups. Representatives from across the organisation sit on the Process Improvement Team and Continuous Improvement Team.
- A staff newsletter is circulated electronically via the Intranet and email. Supervisors are asked to print the newsletter for staff.
- The staff newsletter has two key focus areas:
    - Crucial, corporate information
    - Fun, general news about new employees, social club activities, etc.
- In the past, the City has held Town Hall meetings with all staff. Town Hall meetings are held on an ad hoc basis, as required. A Town Hall meeting may be called by the CEO when information is time critical.
- Organisation-wide Team Meetings are held on a quarterly basis. These meetings are pre-planned to cover three topics:
    - Topic 1: decided by the staff using feedback boxes
    - Topic 2: decided by the Executive Management Group
    - Topic 3: service area update (rotated through the organisation)
- Facilitation of Organisation-wide Team Meetings is delegated to officers to provide staff with professional development opportunities. The location of these meetings alternates between the Civic Centre and the Op Centre. Two sessions are held on each occasion to enable all staff to participate.
- There is interest in using video for weekly updates from the CEO and Directors (though only 'dabbling' in the use of video at this point in time). The City needs to redesign the Intranet site to house video messages.
- The City dabbled in the use of social media for internal communication during reform.
- Yammer is being explored to support internal communication.
- There is concern that work-related messages will increasingly intrude into private time with greater use of mobile communication channels at work.
- Face to face communication is being encouraged to build and strengthen relationships. However, social media and other digital channels are favoured for delivering messages in a timely and efficient way. The selection of channel must be fit for purpose.
- The City has successfully used 'speed dating' style workshops on two occasions to facilitate and improve cross-team communications across the organisation.
- Team road shows are recommended to 'sell' key messages into other teams. This may involve a 5-minute update at the end of a team's usual Team Meeting.

Other Councils

A review of communication strategies across a number of organisations suggests common coverage of the following components:

- Overview
- Supporting documents
- Current performance
- Key drivers for having an Communications Strategy
- Guiding principles
- Aims
- Objectives
- Target audiences
- Key messages
- Channels
- Communication process
- Measuring success (KPIs)

The following table describes the contents in a selection of communication strategies.

Key components	Case Study A IC Strategy (IC Space)	Case Study B IC Plan (DMU)	Case Study C Communications Strategy (Leichardt)	Case Study D Communications Strategy (Bundaberg)	Case Study E Communications Strategy (Bedford Borough)
Overview	Introduces the need for improved internal communications to manage upcoming organisational change.	Introduces the need for consistent, regular and robust communications to stakeholders in order to enhance satisfaction and engagement.	Lists reasons why Council requires a strategy to coordinate communications.	Provides a brief introduction and background of current communications and their need to improve.	Introduces the need to better engage the community and adapt to the changing communication landscape.
Supporting documents	Corporate Plan Communications Strategy People Strategy	Corporate Communication Policy	Community Engagement Framework	Visual Identity Guidelines	Corporate Identity Guidelines
Current performance	Discusses areas to improve based on findings from an internal communications survey. These key areas are raised as: • Leadership • Manager performance • Employee engagement • Internal communications channels • Intranet • Team briefing This section also outlines actions currently being taken	-	An explanation of the City's current communication landscape in the introduction plus reference to a previous Community Perception Survey.	Brief explanation of the City's current approach to communications being described as ad hoc and fragmented.	-
Key drivers for having an IC / Comms Strategy	• Our visions and values • Corporate plan and annual business plan • Leadership • Employee engagement • People strategy • Corporate communications strategy	-	• Our vision and values.	Fragmented approach to communications exposes the Council to risks and issues and recognises that communication *"is an important, central element in the delivery of local government services."*	Refers to the internal communications section of the strategy, the goal is to ensure that staff are informed, involved and engaged in achieving the Council's objectives.

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Key components	Case Study A IC Strategy (IC Space)	Case Study B IC Plan (DMU)	Case Study C Communications Strategy (Leichardt)	Case Study D Communications Strategy (Bundaberg)	Case Study E Communications Strategy (Bedford Borough)
Guiding principles	• Provide targeted and timely communications to our employees - ensuring they hear about big news items from us and not the grapevine or the media • Provide important messages face-to-face via line managers or via senior leaders at all-staff meetings • Always communicate in plain English • Always look for opportunities to create dialogue and engagement with employees and managers.	• Be open about important messages and changes that need communicating to main our stakeholders • Offer stakeholders the chance to feedback through a variety of methods and the opportunity to get involved in the development of internal initiatives • Be proactive in our approach and tell people information before we are asked for it	-	-	• Honest, open and accurate • Accessible to all members of the community • Clear, simple and user-friendly • Timely and current • Up to date and relevant • Legitimate - in accordance with relevant legislation, national Codes of Practice and with the council's own protocols and guidelines • Cost-effective
Aims	• Make sure employees know what's going on and are engaged in the organisation and where it's heading	-	• Lead communications improvements across the organisation	• Promote services and activities in a professional and consistent manner through strategic, wide-reaching communications initiatives • Deliver better, coordinated media and marketing outcomes • Enhance Council's reputation as an open, transparent and effective communicator • Better inform the community by utilising technological advances and the corporate website	• Inform residents, businesses and visitors about the work of the council, the services it provides and how they can get involved in shaping decisions • Maintain a strong and recognisable council identity • Promote and uphold Council's reputation • Ensure that our workforce is involved and engaged in the work of the council through good internal communications, so that they can represent and champion the council in the community

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Key components	Case Study A IC Strategy (IC Space)	Case Study B IC Plan (DMU)	Case Study C Communications Strategy (Leichardt)	Case Study D Communications Strategy (Bundaberg)	Case Study E Communications Strategy (Bedford Borough)
Objectives	• Help employees see the connection between their job and the organisation's new aims and vision • Contribute to employees feeling better informed by helping them understand why changes are happening, including the merger • Improve employee engagement by creating a climate of listening and feedback, up, down and across the organisation • Improve levels of trust between leaders, managers and staff • Help managers communicate better with their teams, stakeholders and customers	-	• Improve the coordination of communication across the organisation • Improve internal communication channels for staff and management. • Review communications procedures to assist in the provision of proactive, planned, coordinated communications • Consolidate and build upon the Council's corporate identity • Raise awareness of the role of the Communications Unit across the organisation • Improve Communication Skills of Employees • Improved teamwork and further breakdown of 'silos'	• Ensure clear, consistent communication • Encourage greater two-way communication and interaction • Drive community engagement and participation • Enhance quality of media and marketing outcomes and bolster output • Improve internal communication and stakeholder engagement	• Communication to be seen as a strategic part of the planning and management processes. • The communications team to be involved at an early stage when communications are planned, to ensure an effective and consistent approach. • All service areas to think about the messages they need to communicate and the opportunities to showcase success and good practice. • All employees to see that they have a role to play in communication – effective communication is not the preserve of the communications team alone. • Methods and channels of communication to be reviewed regularly to ensure that communications reach their target audiences and that communications channels are cost effective so that an appropriate approach and focus can be taken. The website and intranet should play a fundamental role and appropriate alternative or new methods should always be considered – particularly developments in the area of electronic technology. • Messages to be consistent across the whole of the authority.

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Key components	Case Study A IC Strategy (IC Space)	Case Study B IC Plan (DMU)	Case Study C Communications Strategy (Leichardt)	Case Study D Communications Strategy (Bundaberg)	Case Study E Communications Strategy (Bedford Borough)
Target audiences	Management and employees.	Provides an audience/stakeholder map including names of the Executive Board, Governing Body and Partners.	Lists internal and external target markets	Outlines 7 target audience groups	Outlines 9 key audience groups
Key messages	–	• The organisation's mission, visions and values • The organisation is the best place to engage with • The organisation welcomes and listens to stakeholder feedback	Issues currently relevant to Council and within its scope of influence: • Constitutional recognition • Waste and recycling • Popular density • Planning system reform • Harbour foreshore development • Heritage protection • Sustainability • Environmental protection and control • Public transport • Raising the image of Local Government	This Local Council: • Is a community-minded, inclusive organisation, delivering a range of services and programs for all members of the community • Is a great place to live, work, play and invest • Collaborates with a wide range of partners and supports initiatives which help deliver a positive, healthy lifestyle and a cohesive community • Listens and engages with issues identified by the wider community • Is committed to openness, transparency and two-way communication with the community • Practices two-way communication between all members of the community, council employees and elected representatives • Collaborates with all levels of government, creating partnerships to ensure the best outcomes for the region	• Corporate communications about issues that affect council staff as a whole • Information about the wider work of the Council, including the reasons behind strategy and policy decisions, and progress on our key objectives • Service specific communications designed to ensure that staff working in a particular service area have the information they need to do their jobs effectively

Key components	Case Study A IC Strategy (IC Space)	Case Study B IC Plan (DMU)	Case Study C Communications Strategy (Leichardt)	Case Study D Communications Strategy (Bundaberg)	Case Study E Communications Strategy (Bedford Borough)
Channels	Stresses the importance of effective channels to deliver information in the way staff want to receive it. Highlights that, while current communications channels work well, there is evidence that refreshing or changing them would improve employee communication. This section refers to a separate report outlining how the intranet will be upgraded.	The strategy includes a Communications methods and timeline table, which outlines: • Channel and explanation • Which stakeholder group it targets • The cost and actions required to implement channel • The date by which it must be implemented The strategy also includes a table outlining channels already in existence but that require closer attention to improve their effectiveness	A table of communications functions/tools for both external and internal stakeholders as well as the currency of those mediums.	Identifies 12 channels, tools and tactics to communicate key messages and provides a brief explanation on each one. These channels include: • News media • Corporate social media sites • Corporate website and intranet • Community engagement • Newsletters/E-newsletters • Databases • Sponsorship • Council smartphone apps • Campaigns • Signage and marketing collateral • Advertising • CBD pole banners	Outlines channels for both external and internal communication. Internal channels include: • Weekly staff bulletin • Monthly newsletter • Poster campaigns • Monthly directorate newsletters • Intranet • Staff briefings and roadshows
Comms process	-	A table outlining communication guidelines based on the nature of the message. The table includes: • What are we communicating? • How will we communicate? • How will we use the channels?	An action plan detailing the means of achieving each objective set out in the strategy. Each item is given a priority rating out of 5, a timeline, the team responsible, the budget and the current status.	Outlines 9 key actions to achieve strategic communication objectives	A description of key targets over the two-year life of the strategy against each strategic aim set out in the document
Measuring success (KPIs)	Follow up of internal communications survey	Evaluation is to be observed through: • Up-take of two-way communications via designated feedback channels • Results from internal stakeholder surveys • Response to calls for action – increased take up of information	Measures and evaluation items are detailed including an Internal Communications Survey	-	-

6   Key Components of an IC Plan

Communication Principles and Objectives

Formulating and articulating communication principles assists organisations to effectively implement an IC Strategy. These principles are essential in order to guide all communications within an organisation and are sometimes coupled with aims or objectives that provide clear guidance for upholding these principles throughout the organisation's communications.

When setting these objectives, one useful question to consider is:

What steps do we want people to take as a result of our communication?

For internal communication, these might include:

- remaining loyal to the organisation
- following specific instruction
- being ambassadors
- embracing organisational change

Setting out objectives can begin with answering three planning questions that reflect the organisation's interest in messages that: *"elicit conative (doing), affective (emotional) and cognitive (thinking/knowing) responses. The approach suggests that we do things because we feel that they are a good idea because of what we know."* [37]

CONATIVE	AFFECTIVE	COGNITIVE
What should people **DO** as a result of our communication?	What should people **FEEL** or believe as a result of our communication?	What should people **KNOW** as a result of our communication?
Are there specific behaviours we need to promote? e.g. good customer service	What do people need to believe in order to prompt desired behaviours? e.g. good customer service matters	What information do people need in order to shape their beliefs? e.g. customer satisfaction data

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[37] L. Yeomans & L. FitzPatrick, "Internal Communication" Chapter 15 of *Exploring Public Relations*, 4th Edition, April 2017

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Audience

Identifying and considering the unique needs of the target audience is essential for effective communication. This enables the communicator to establish the required message and the most appropriate channel of delivery.

The City of Cockburn's target audience groups are defined below:
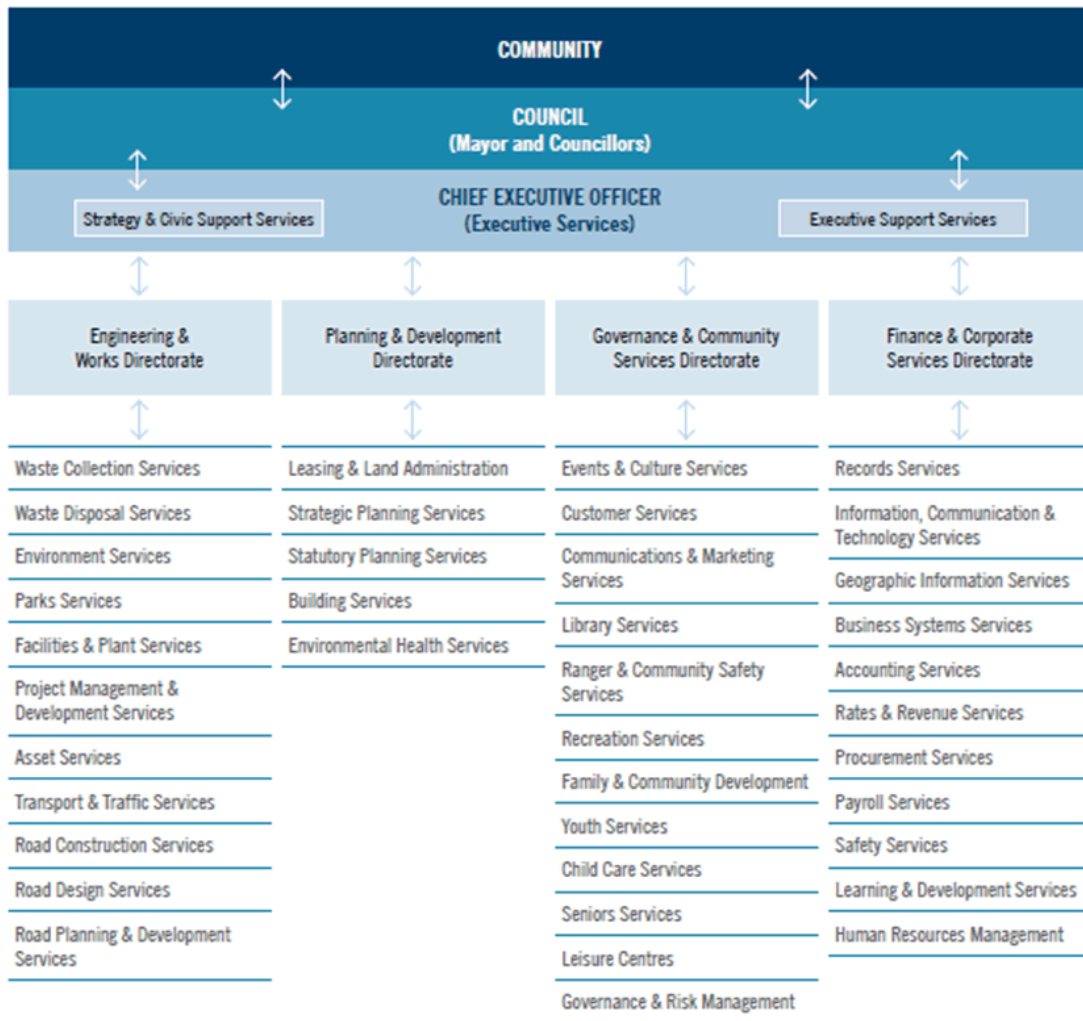
Key messages

*"The importance of developing key messages is to ensure both **consistency** (the same message through different mediums) and **clarity** (a clear and succinct message)."* [38]

Communication is not simply a matter of sharing information or being 'heard' but includes the intent of one party to influence, motivate or persuade the other in a certain way. Effective communication requires credibility to earn trust, respect and integrity.[39] Therefore, it stands to reason that the message is of upmost importance in the communication process.

The purpose of the communication dictates the style of message communicated.

There are various ways of classifying messages, as follows:

Persuasive	Credible
• Convincing peers, teammates, co-workers and bosses to do something.	• Build credibility with expertise, a good track record and strong relationships (be likable). • Credibility must be established for persuasive messages to be successful.
Proactive	**Reactive**
• Change communication • Business issues or priorities • Nurturing culture	• Crisis communication
Downward	**Upward**
• Council / CEO / Executive messages • News information • Achievements • Events • Missions, visions and values • Wellbeing	• Feedback • Engagement

[38] Burnie City Council Communications Strategy
[39] Schermerhorn et al. *Management Foundations and Applications*, p.368

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Channels

"How well a message is communicated is as important as the message itself. When it comes to internal communications, this certainly holds true. Company culture can give your organization a major strategic advantage in these changing times. What your culture consists of – goals, values, and practices – must be effectively transmitted for employees to understand and act upon it. Therefore, it's essential to focus not just on what you're communicating but also how you're communicating it."[40]

The number of communication channels available to organisations continues to expand with a plethora of electronic, print and face-to-face options. See Appendix 1 for an extensive list of examples.

Using multiple channels is vital because different people have different ways of learning and absorbing information and because employing diverse channels increases the number of people likely to receive the message. In addition, repetition increases the chance of the information being absorbed.[41]

In general, **written channels** are acceptable for:
- simple messages that are easy to convey
- messages that require extensive dissemination quickly
- formal policy or authoritative directives
- presenting technical detail

Oral channels are preferred for:
- persuasive messages
- messages that are complex or difficult to convey
- situations when immediate feedback is valuable (as the content and emotional tone can be adjusted to be more effective)
- situations when a supportive, even inspirational, emotional climate needs to be established

There are a number of variables to consider when choosing communication channels and tools: [42]

Consideration	Question	Example
Audience	How do staff prefer to receive information?	Younger employees may consume messages differently to older employees.
Credibility and accessibility	Can staff easily access/see the message?	Are they able to play audio / video files (or will that be too intrusive)? Will staff be receiving your message on a desktop, mobile or printed poster?
Fit for purpose	Does the communication tool align with the purpose?	Is the intent to inform, allay fears, influence attitudes, change behaviour, incite immediate action etc.?
Urgent or non-urgent	Are there times when you need to get an urgent message out e.g. emergency or other crises?	Do you have multiple non-urgent messages that could be combined into one e.g. newsletter?
Practical and within budget	Considering schedule and resources, what can you afford?	Does the desired channel pose unnecessary cost whether in terms of time and/or money?

Richness is another dimension for considering which communication channel to use[43]:

Richness of Communication Channel

Low richness: Impersonal, One-way, Fast — Postings, Memos, Email, Phone, Face to face meetings — High richness: Personal, Two-way, Slow

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[40] https://blog.enplug.com/internal-communications-best-practices-2017
[41] "Improving Internal Communication", MassTransitmag.com, February 2016
[42] https://media.snapcomms.com/hubfs/Downloadable-Resources/Strategy%20Template%20Bundle/Internal%20Communication%20Strategy%20Template%20Guide.pdf?t=1502261936540
[43] Schermerhorn, et al., 2014, Management Foundations and Applications, 2nd Asia-Pacific Edition

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Case Studies

Considering the audience and setting is vital to choosing the most appropriate channel. Below are three case studies discussing how certain local councils have considered these factors and found creative and unique ways to engage more effectively with a range of internal stakeholders.

Case Study: Brent Council UK[44]

On implementing Yammer to free the internal communication officer to dedicate more time to strategic projects, to improve channels, speed up communications across the organisation and facilitate more opportunities for praise and recognition within the organisation. Yammer is a social networking service used for communication within organisations. This tool facilitates connection and collaboration across a company and is owned by Microsoft Corporation thus integrating a social layer across Office tools.[45]

Strategy:

- All employees were targeted but particularly senior staff to assist with getting it started.
- The decision was made at Executive level and adequate research was undertaken, including seeking assistance from other organisations that previously had implemented Yammer.
- The implementation encompassed the entire organisation at once and formed part of Internal Communications Strategy.
- The other strategy was to have fun and engage people through the process.

Tools:

- A number of channels were used to get started and encourage use including digital screens in offices, YammerLabs, online support, support groups, Yammer champions called Yambassadors and fun launch events.

Outcomes:

- The process was inexpensive
- 97% of employees are active on Yammer and the amount of news stories on the intranet newsfeed dropped from 28 to 2 in five months, leaving the intranet newsfeed for the biggest corporate stories.
- Employees can post externally about what they are doing, raise issues to cause change, discuss concerns and have more connection to senior staff including the CEO.
- There is more opportunity for the communications team to find out about and inform the organisation of achievements.
- Relationships improve as people post and share useful updates and knowledge and colleagues are generally quicker to provide requested information than previously.
- This process made it apparent that a) employees want to have some fun; b) even a small 'like' from leadership can have a positive impact; and c) giving employees a voice does not necessarily lead to complaints and criticisms.

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[44] https://www.local.gov.uk/brent-council-its-yammertime
[45] https://products.office.com/en-US/yammer

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Case Study: Hampshire Fire and Rescue Service (HFRS) UK[46]

HFRS required a quick and effective way to send messages to their dispersed and largely 'on call' workforce who could not be reached face-to-face and had little access to corporate IT or email facilities.

They decided to combine news and video technology to create FireFlash, a monthly TV style news bulletin to communicate to internal audiences. These short, fast-paced episodes allow people to easily consume key pieces of information from the month on any device and at any time via the corporate IT channels and YouTube.

Outcomes

- Viewing figures have grown by approximately 50% per year and every episode has shown audience retention of at least 50%.
- There has also been an increase in the number of people coming forward with their own stories to include in FireFlash, showing positive levels of engagement.
- The success of FireFlash has led to the organisation producing a public-orientated HFRS News.

Reasons for its Success

- The information is informative and quick and allows access by remote workers.
- It provides an employee voice and allows staff to talk directly about their news, stories and updates.
- It has made use of the digital and creative skills already in the communications team, helping people to stay motivated in their work.
- Its format is adaptable for internal and external communications.
- Constantly reviewing FireFlash means it remains fit for purpose and working closely with the IT teams means that the infrastructure is user-friendly and not a barrier to employees accessing the content.

https://www.youtube.com/user/HampshireFireService

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[46] https://www.local.gov.uk/hampshire-fire-and-rescue-service-communicating-remote-employees

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Case Study: West Sussex County Council UK[47]

A new CEO spurred on a refocus of internal communications activities that encouraged a more communicative, open and honest culture, which enabled the organisation to become more effective. The strategy focused on the idea of 'one voice' across the organisation.

The key objectives were to improve staff engagement, ensure internal alignment with organisational goals and external messages, help drive high performance and cultural change, strive for continuous improvement and constantly evaluate all activities to sure communications continued to have a positive impact across the organisation. In order to achieve effective change, it was essential that the CEO and internal communications teams worked closely.

Strategy

- Data collected from staff surveys and feedback sessions was used to inform planning.
- The separate staff and manager newsletters were replaced with one weekly newsletter called One Voice which brought together updates from the leadership team, case studies from across the organisation, examples of how certain employees lived core values and special focus on key issues, such as the budget, to improve understanding. Language used was consistently 'our', 'us' and 'together'.
- In order to encourage access by employees to senior managers, the organisation created Our Big Conversation, a program of face-to-face engagement sessions.
- An online forum for people to share thoughts and ideas about things that could make a difference to peoples' lives was also implemented. This facility was promoted via internal channels including One Voice. The organisation was committed to ensuring staff were informed of how their suggestions were being taken forward and provided explanations as to why certain suggestions could not be implemented.

Outcomes

- The One Voice publication has over 5000 subscribers and 70% open and read rate.
- Big Conversation sessions are well received with events being 80-100% full.
- The online forum has had more than 900 posts in five months.

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[47] https://www.local.gov.uk/west-sussex-county-council-communicating-one-voice

Case Study: responding to the setting[48]

EXAMPLE SETTING 1: CALL CENTER STAFF

A CSR is likely to spend 95% of their working day on the telephone. They typically work exclusively within one application.

They're unlikely to have the opportunity to read a lengthy email while talking to customers. But a discreet message that scrolls across the footer of their screen simultaneously could be ideal. Staff can skim read the information without exiting their current program.

EXAMPLE SETTING 2: REMOTE WORKER

Mobile workers (such as sales people, healthcare and service workers) spend much of their day meeting with clients and travelling between appointments.

They typically check messages from their car, using a smartphone or tablet.

Reading large documents or PDFs can be difficult on small-screen devices. But an SMS message sent straight to the employee's phone that links to a mobile-responsive web page is a better way to go.

Measuring Success

Evidence matters when planning and evaluating internal communications. Facts and figures assist to secure budgets, identify best approaches and understand what is and is not working. Below is list of approaches that can be used in conjunction with existing methods to gather information and feedback about internal communications: [49]

Purpose	Common approaches
Understanding internal demographics	• Review HR data about employee numbers, grades and locations • Track HR information such as sickness rates or resignations
Understanding employee attitudes and processes	• Get out and about • Work shadowing • 'Temperature checks' (mini surveys run at specific points in the year) • Focus groups • Monitoring internal forums for comments • Annual staff surveys and attitude surveys • Reviewing feedback from line managers • Deep statistical analysis of other surveys
Communication processes	• Communications audits • Monitor channel usage (e.g. webstats, email opening rates, attendance at staff meetings) • Survey users of individual channels • User focus groups • Qualitative content analysis of upward feedback

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[48] https://media.snapcomms.com/hubfs/Downloadable-Resources/Strategy%20Template%20Bundle/Internal%20Communication%20Strategy%20Template%20Guide.pdf?t=150 2261936540

[49] L. Yeomans & L. FitzPatrick, "Internal Communication" Chapter 15 of *Exploring Public Relations*, 4th Edition, April 2017

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7   City of Cockburn's Current Performance

The City of Cockburn has dedicated significant time and effort to reviewing internal communications, both directly and indirectly, and also to developing plans, strategies and frameworks that improve performance. Some examples are provided below:

Recent Studies	Plans and Frameworks
Annual Exit Interview Reports	
2017 Project Management Internal Audit	
2017 Internal Customer Pulse	Internal Customer Service Charter
2016 Employee Engagement Working Group	Internal Communications Plan 2016-2017
2016 Staff Splash! Survey	Stakeholder Engagement Framework
2015 CULTYR® Employee Scorecard	Project Governance Framework
2015 Internal Customer Service Survey	
2012 Internal Communications Survey	

A review of recent studies has been undertaken to identify internal communication strengths, challenges and suggested actions.

Overall Performance

Based on the 2015 CULTYR® Employee Scorecard, inter-unit communication and top-down communication (circled below) were among the three lowest scoring areas and were among the top six priorities to make the City of Cockburn a great place to work.
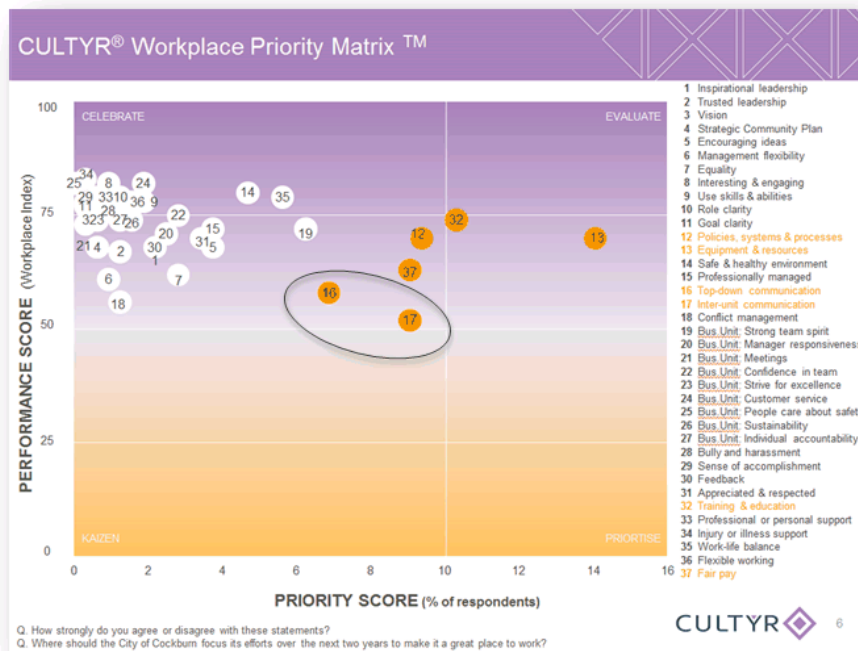
In the CULTYR® Model of Organisational Performance, the lowest scoring area was horizontal inter-team communication with a performance index score of 52 points out of 100. This was followed by internal conflict management (56 points) and top-down communication (58 points).
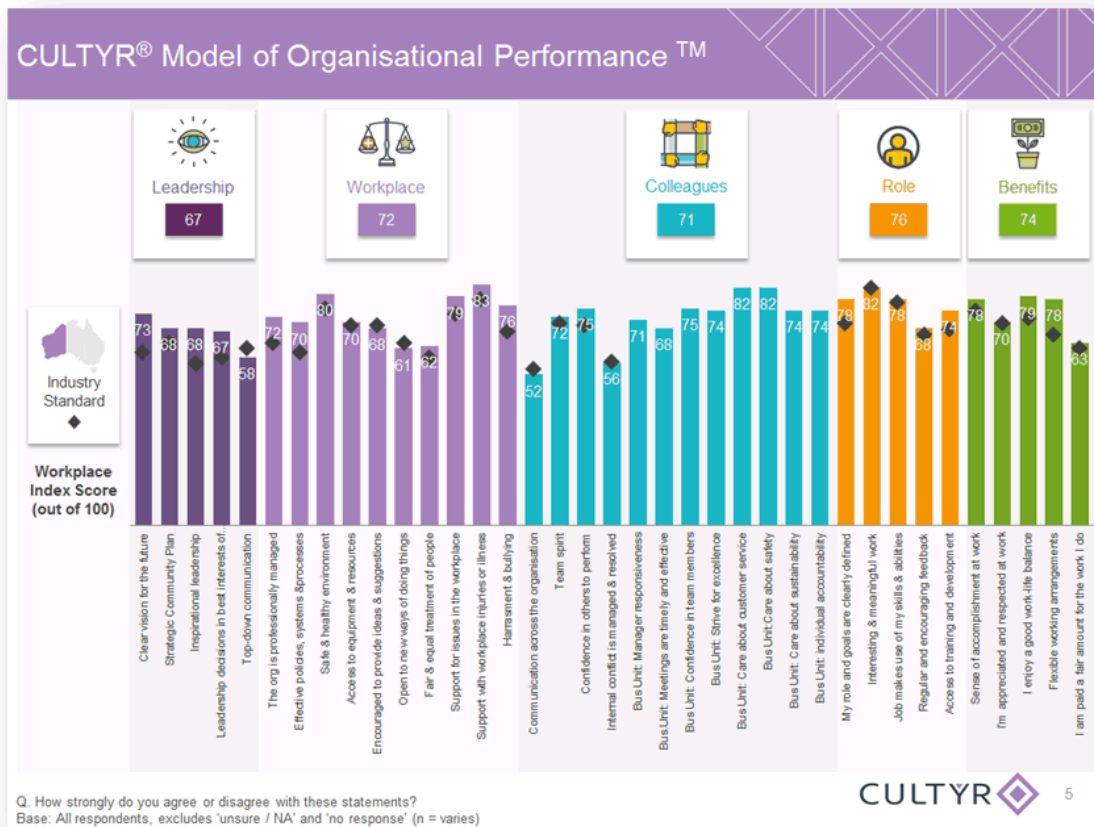
Comparison against other councils suggests the City of Cockburn is a leader across 9 CULTYR® dimensions.

CULTYR® Industry Standards (Index Scores out of 100)	Average Score	High Score	Industry Leader
The City has developed and communicated a clear vision for the future	60	73	Cockburn
I support the direction the City is taking	65	73	Cockburn
Inspirational leadership	56	68	Cockburn
Support is available for employees who experience personal or professional issues in the workplace	73	79	Cockburn
Support is available for employees who experience workplace injuries or illness	78	83	Cockburn
I have confidence in others to perform their roles well	69	75	Cockburn
My role and goals are clearly defined	70	78	Cockburn
I enjoy a good work-life balance	72	79	Cockburn
I would feel comfortable asking for flexible working arrangements	66	78	Cockburn

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Strengths

The table below provides a summary of the City of Cockburn's internal communication strengths collated from various studies over recent years.

STRENGTHS		SOURCE
Vision	Developing and communicating a clear vision internally (index score = 73); the industry leader for WA and 13 index points above industry average.	2015 CULTYR Employee Scorecard
Values	The City recently reset its organisational values. There is perceived value in communicating and reinforcing these values across the organisation to improve internal communication. 96% of exiting employees were aware of the City's values when prompted (Excellence, Customer Service, Accountability, Sustainability and Safety)	2017 Indepth Interviews 2016 Annual Exit Interview Report
Organisation size	The City is regarded to be a good organisational size. It has a welcoming culture; a human scale and size. It is not a sprawling mass. You recognise faces. People are not just a number. People can still connect and talk on a face to face basis.	2017 Indepth Interviews
Leadership	Some describe leadership and culture at the City of Cockburn as 'friggin' fantastic' compared to the private sector. *"It's not a tight council. A good idea will be supported; not suppressed."*	2017 Indepth Interviews
CEO	The CEO is perceived to be a good leader, spending most of his time on important strategic issues. He is seen to be rightfully driving the agenda for internal communications. The CEO is regarded to have done an excellent job with internal communication during the amalgamation process. During this time, there was clear purpose and intent that was well communicated. However, there is less awareness about what's on the CEO's agenda now – what key messages would Stephen like to communicate with staff? What direction is he taking the organisation now? Another positive is that the CEO 'walks the floor', taking the time to have conversations with staff. While this initiative is supported and valued, line managers can sometimes feel disenfranchised when brought to task about the fine detail of issues. [*Please refer to Appendix 2 for Three Steps for Cultivating Effective Dialogue with front line managers.*]	2017 Indepth Interviews
Team Managers	*"Our (team) manager is awesome. He knows everyone by name. He acknowledges us; realises I'm a human."*	2017 Indepth Interviews
Comms Team	Sam is thought to be trying her best to support internal communications; even though it is not her role. If Sam had resources it was said that she could be brilliant in this area.	2017 Indepth Interviews
Wellness Committee	Helping staff to manage work stress, manage their time, and work together more effectively.	2017 Indepth Interviews
Customer Service	The City has an Internal Customer Service Charter. Overall perceptions of customer service have been increasing. For 21 of 22 teams, over 80% of internal customers were satisfied with internal customer service; team members are perceived to care about customer service (index score = 82); and 89% of exiting employees agreed that the City demonstrates a commitment to customers at all times. The best performing attribute for most service teams was customers being treated in a polite and professional manner	2017 Indepth Interviews; 2015 CULTYR Employee Scorecard; 2015 Internal Customer Service Survey; 2016 Annual Exit Interview Report
Role Clarity	Role clarity (index score = 78) and 90% of respondents in the Project Management Audit indicated they clearly understood where their job responsibilities start and end.	2015 CULTYR Employee Scorecard; PM Internal Audit 2017

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STRENGTHS		SOURCE
Quality of information	For 20 of 22 teams, over 80% of internal customers were satisfied with the quality of information they received.	2015 Internal Customer Service Survey
Depot Office	New office at the depot. Nice to see other bosses (Lou / Anton).	2017 Indepth Interviews
Tool box meetings	Manager is switched on. Good at delivering key messages about future capital works, which projects are in the budget, accidents, etc.	2017 Indepth Interviews
Project management meetings	Managers are invited to a number of meetings to share information and keep colleagues up to date.	2017 Indepth Interviews
External Stakeholder Engagement	Deanie has helped the organisation to improve over the past 12 months with public consultation, Comment on Cockburn, and the move to the new op centre. Deanie's role is seen to be a very important in the organisation. *"how did we manage without this role (Public Consultation Officer) before?"*	2017 Indepth Interviews
In-team communication	Good communication reported within teams.	2017 Indepth Interviews
Feedback	Staff are open to receiving constructive criticism from customers.	2017 Indepth Interviews
Risk/compliance reporting	84% felt positive that they are confident they will not be penalised for raising risk or compliance concerns.	PM Internal Audit 2017
Empathy	Staff demonstrate care and understanding of employees. They show an awareness of what is going on in people's personal lives. They understand external pressures and put behaviour in context.	2017 Indepth Interviews
Conflict management process	Staff feel well supported. Clear rules, boundaries and processes for dealing with conflict. Know they can trust and rely on their supervisor to hear them out and support them. It's a good process for clearing the air, and keeping the supervisor in the loop about what is happening.	2017 Indepth Interviews
Engineering Updates	Engineering Bi-monthly Update is well liked and well-suited for Council (may need to be adapted to inform staff). Administrative Assistants are appreciated for keeping internal customers informed about what's happening.	2017 Indepth Interviews
Employee Support	Strong support for employees experiencing illness and injuries and issues in the workplace (index score = 83 and 79, respectively); and in the Project Management Audit, 90% of respondents felt positive that when they don't have the skills to manage an issue, they know where to find help.	2015 CULTYR Employee Scorecard; PM Internal Audit 2017
Intranet	The new intranet site is seen to be an improvement. Strengths include the daily updates and calendar of projects. Read by 73% of staff, 84% said it was very easy to access and 68% felt it was a very useful channel for finding information.	2017 Indepth Interviews 2012 IC Survey
Tablets	Tablets are improving communication.	2017 Indepth Interviews
Splash Magazine	Has been 'ramped up'. Considered to be good reading with a 'staff focus' rather than a 'council focus'.	2017 Indepth Interviews
Intranet	Perceived to be an effective tool to inform staff of the release of Splash! 45% knew when Splash! came out by Intranet notification and 35% by an Intranet news item.	Staff Splash! Survey Report – June 2016
Broadcast email	Read and viewed as very easy to use by over 92% of staff and 82% felt this channel was a very useful way of finding out what was happening within the organisation.	2012 IC Survey
Comment on Cockburn	Has 20,000 members. Provides opportunity for internal and external stakeholders, including Councillors, to provide feedback on City projects. *"You feel like you're part of the conversation."*	2017 Indepth Interviews
Splash	• 85% of respondents read Splash. • Over 50% of respondents felt that Splash! is interesting.	Staff Splash! Survey Report –

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STRENGTHS		SOURCE
	• 63% of respondents said their favourite section was '5 Minutes With…' this was supported by reader comments that they enjoyed reading about other staff members, about who they are and what they enjoy doing. • Splash! enables employees to get to know more people on a social level. • 85% of respondents agreed that Splash! is a good way for staff to learn about what's going on in the City • 60% liked the redesign of the newsletter	June 2016

Challenges

The table below provides a summary of challenges collated from various studies over recent years.

CHALLENGES		SOURCE
Vision	Some feel that the City's vision and its progress in achieving it, gets lost the lower down the organisation you are. While top-down communication was excellent during the amalgamation discussions, it is seen to be less effective lately. In addition, employees may know and be comfortable with how their directorate is performing, but they have little vision over how other directorates are performing. Executives aren't always conducive in passing on updates and success stories within their departments.	2017 In-depth Interviews
Culture	Council and some staff members are seen to be stuck in their ways, displaying attitudes of *"this is the way we've always done things"*. Unwilling to change or try new things. Stuck with old Government mindset; *"only doing my job"* When employees are not customer facing, they don't hear complaints first hand. Some don't see or acknowledge that there is a problem, or they don't care about finding a solution.	2017 In-depth Interviews
Key messages	Overall, it was found that information was not effectively spread throughout the City; only 43% had heard of the City's Strategic Plan and 37% were aware of the City's vision for the region. 1 in 10 staff had not heard about any of the City's major communications.	2012 IC Survey
Effective policies, systems and processes	Performance index score was 70 points (one of the lower scoring areas); 47% of respondents in the Project Management Audit felt there are often instances where working around a policy or procedure is necessary to meet commercial goals or strategic priorities.	2015 CULTYR Employee Scorecard & 2017 PM Audit
IC role clarity and accountability	Similar to safety, all are aware that everyone is responsible for internal communications. However, unlike both safety (which is championed by Cliff) and external customer engagement (which is championed by Deanie), internal communications is missing a 'champion' who promotes it across the organisation. Nor is there recognition for positive communication and accountability for negative communication. For example, Directors are not seen to be holding staff accountable if they do not conduct Stakeholder Analysis as part of Project Management Framework or Stakeholder Engagement Framework. *"There is a lack of acceptance that they did anything wrong."* People don't know who to contact if they want support or assistance with improving the effectiveness of workplace communication. One participant said they'd consulted Margot in	2017 In-depth Interviews

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CHALLENGES		SOURCE
	the past about how to streamline meetings. Another said that they recognise Sam is doing her best to provide leadership in this area. Deanie is also seen to be supporting internal communications, although they recognise that her role is supposed to be focused on external engagement.	
Top-down communication	Performance index score = 58, 3 index points below the industry average. Only 39% of exiting employees were happy with communication from senior management. Issues with vertical communication include a lack of trust in the decision making process and direct involvement by Elected Members. For some, there is a perceived 'us vs them' divide between upper levels of management (executives) and floor staff. Employees wanted to be more involved in decision making processes and privy to the reasons for those decisions.	2015 CULTYR Employee Scorecard, 2016 Annual Exit Interview Report; 2016 EEWG; 2017 In-depth Interviews
Targeted communication	The City is perceived to over communicate with generic, all employee / customer messages. People receive too much correspondence that doesn't apply to them.	2017 In-depth Interviews
Informal communication	Poor opportunities for informal communication at the Depot and main office. At the Depot, employees currently hang around the carpark before work and after work. If you don't smoke, it's felt that there are inadequate gathering places.	2017 In-depth Interviews
Change management	When introducing changes, people don't always stop and think about how changes may impact others across the organisation. Only 49% of respondents were aware of the process to raise continuous improvement ideas.	2015 CULTYR Employee Scorecard; 2017 In-depth Interviews
Silos	Some feel it's hard to understand the different directorates and teams and what they do.There's a 'it's mine' culture to overcome. Lack of communication between office and depot. ARC is seen to be a business within a business. Within ARC, there is a perceived divide between ARC customer service team and other ARC employees. Sometimes customers receive conflicting information. Distance creates an 'us vs them' culture *"Most communication happens in the office – if you get to visit – which is only during first 5 minutes or last 5 minutes of the day when you sign in / log out."* Some staff feel they need to, or they prefer to, report problems vertically to their supervisor / manager rather than communicating directly and horizontally with colleagues in other teams.	2017 In-depth Interviews
Project management & cross-team communication	Performance index score = 52. Issues with horizontal communication included limited high level project leadership, limited awareness of common goals across teams, lack of cross team problem solving, non–standard and dissimilar processes between teams, lack of sharing of project information and cross unit project consultation and duplication of duties. Some feel that the new Project Management Framework is still not meeting the mark. While some Project Managers are proactively holding cross-team project meetings to engage internal stakeholders, others are not. • *"We still have some mavericks who have issues with asking or consulting others."* • *"Project managers are the worst communicators."*	2015 CULTYR Employee Scorecard; 2016 EEWG; 2017 In-depth Interviews

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CHALLENGES		SOURCE
	• *"Some people think they can do whatever they want"* with the CEO's permission to work on a project. • Others question *"why do they need to know?"* There is also a challenge in getting people to attend these cross team meetings. *"You can't force people to turn up."* Contracts are executed contrary to policy and procedures. Suppliers are engaged who shouldn't be. The City has an entrepreneurial spirit. This means that some people think they can ignore or bend the rules and regulations to overcome challenges or take advantage of a situation. *"People may respect process, but they are irreverent to rules that affect their effectiveness."* Some feel that there are some communication gaps across the SBMG. This is attributed to personality issues along with a lack of respect, ownership and accountability. Seen to be difficult to understand what each area is doing. *"People don't understand why we work the way we do."* *"Where can we find this information [about other areas and what they are doing]?"* One respondent talked about hearing about a City of Cockburn mailout from the customer, rather than from the team that issued the mailout.	
Limited resources	In areas that receive a large number of customer requests and have large project requirements, they feel the need to prioritise their time and resources to meet higher level objectives; that is, delivering project outcomes in a timely way. Phones may not be picked up, and emails may not be responded to, immediately but they will respond within 5 days for emails and by end of the next business day for calls (as per the Charter). Project work is prioritised over customer service to get the job done.	2017 In-depth Interviews
Ownership / Accountability	Tasks and requests are handballed. In doing so, people hand ownership of the 'problem' to the next person and do not follow up to check that a solution has been found.	2017 In-depth Interviews
Distance	It's difficult to have 'off the cuff' conversations and informal chats when staff are located in different locations. Communications Team need to have their 'ear to the ground' to stay informed about what's happening. Informal coffee and 'water cooler' conversations help them to stay in touch with City news. They are too isolated in the house. Now that the Engineering Team is located off site, they are seen to have more opportunity to *"hide down at Depot"* and *"not answer their phones"*. There are concerns that communication is going to become more fractured between Engineering and the teams they work with. *"Now that Engineering has moved to the Ops Centre, we'll need to double our efforts to have conversations."*	2017 In-depth Interviews
Meeting rooms / quiet spaces	There is a lack of meeting rooms and quiet areas. There is a hierarchical approach to who gets an office, however, employees occasionally have need for private space to have a confidential discussion, to discipline an employee, to console a distressed colleague, or to write a report.	2017 In-depth Interviews

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CHALLENGES		SOURCE
Communication barriers	Many default to or prefer sending email over a personal conversation over the phone or in person. Hard to convey the 'tone' of a message with email. The message or meaning of the message can be misinterpreted. Barriers for having a conversation (face to face or by phone) include distance, time, language barriers, cultural differences, background and expertise. Conversation is regarded to be a "*lost art*". Time is regarded to be an excuse, not a reason. People can be seen as 'unwilling' to share information; and regarded to have something to hide. Others are oblivious to the needs of others, or the impact or consequences their actions have.	2017 In-depth Interviews
Toolbox meetings	Frequency of tool box meetings. Only happen once every 2 months. A lot can happen in 4 weeks. Need to be more frequent.	2017 In-depth Interviews
ARC Staff Briefings	Staff find face to face briefings are most effective for communicating with casual employees who work shifts, however, due to the hours staff are working it is difficult to get everyone together for a 'team meeting' and it is time consuming to deliver briefings and updates on a 1:1 basis. In addition, some employees (such as lifeguards) have little time built into their day for formal briefings or handovers. Briefings and handovers are taking place while they are 'on duty' poolside.	2017 In-depth Interviews
Email	Email is considered to be a good tool to use for quick, short messages with no waffle, however, they can come across as being a bit blunt. Customer service requests are sometimes sent to the wrong person. Hard to keep track in other teams and with high turnover. 95% of 'hands on employees' don't see intramail as they have limited access to computers or don't like to use computers. Difficulty reaching casual employees via email (i.e. ARC). Some staff don't have a City email address and there is dislike for receiving work emails on their personal email account. The pendulum may have swung too far in reducing the number of all staff emails. Some important and valuable information is being missed.	2017 In-depth Interviews
Intranet	Some commented that they don't expect staff read notifications on the intranet. Others said they have a large number of unread notifications. Notifications are perceived to be general in nature and of low importance and relevance. Important information and priority issues are perceived to be communicated in email updates. "*It doesn't relate to me. The messages are too general.*" "*Out of sight; out of mind.*" "*There are too many memos. I feel swamped.*" Not perceived to be easy to navigate. "*I don't know where to look. It's not intuitive*" "*I only use the intranet when I'm searching for information*". Staff are not being notified about job listings or new appointment and promotions. While the information may be available on the intranet, they have to search or retrieve this information. They would like more prompts. "I often hear staff say '*I didn't see that position advertised*'". The intranet system is considered to be too slow. "*It takes 10 minutes to review the notifications. There are four steps to do the same as one email reply.*"	2017 In-depth Interviews
Social media	Some employees don't like or feel comfortable using social media platforms, such as Facebook or Comment on Cockburn. They find them to be confusing.	2017 In-depth Interviews

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CHALLENGES		SOURCE
Facebook	The ARC trialled the use of a closed, supervised Facebook group among employees. The trial was unsuccessful and closed down. While there was high usage, there was concern among employees that rules were not being followed. The Communications Team were not aware of this trial.	2017 In-depth Interviews
Splash!	Mainly see the magazine when visiting the office. Only 1 or 2 copies in 'crib room'. Some participants said they have not seen Splash! yet. Only comes out every 3-4 months which means there is a long lag time when communicating internal news. 40% only think information in Splash! is okay. Most comments supporting this score highlighted that respondents tend to only read information that is relevant or interesting to them; they only skim read the newsletter.	2017 In-depth Interviews; 2016 Splash! Survey Report
Tablets	Tablets not being fully utilised. Capable of doing a lot more. Limited access to WiFi at hubs (Cockburn Depot, Council offices, Youth Centre, Coogee Beach) Currently download list of jobs and daily check sheets. Get the occasional job request.	2017 In-depth Interviews
Recruitment and retention	Need to select and keep people who will be engaged, people who want to be at the City of Cockburn and who value the opportunity. Need to manage people who are close to retirement who are disengaged.	2017 In-depth Interviews
Induction	Could be improved by covering whole-of-organisation, site and team specific needs. ARC employees don't receive a lot of information about what happens at the Main Office.	2017 In-depth Interviews
Effective employee engagement	It is thought that there are too many internal surveys and that they are sent with a 'scatter gun' approach.	2017 In-depth Interviews
Diversity	Culture and language can be barriers for effective communication.	2017 In-depth Interviews
Feeling valued / appreciated	Not feeling understood or appreciated or responding defensively when asked questions about what you've been doing. This may involve improvement of communication skills (how the message is delivered) or culture (encouraging an open mind to receive constructive criticism).	2017 In-depth Interviews
Civility	Need to show respect, courtesy and friendliness to all staff members. It was observed that some office staff don't smile or say 'hi' as they pass workers in the gardens. *"I've been working here for 30 years and you don't know who I am"*	2017 In-depth Interviews
Team names	Is 'Engineering' the correct name for this team when they are mostly responsible for road design? This is perceived to cause some issues.	2017 In-depth Interviews
Social club	Appears to target office staff for example, the Christmas Party is held at the office. Nothing is held at the Depot. Depot staff do not feel comfortable attending these events. They pay their fees but don't go along as they don't know anyone. Us vs them culture created by distance. People tend to feel more comfortable around their own colleagues.	2017 In-depth Interviews
Feel appreciated and respected	Performance index score was 70 points (one of the lower scoring areas); just 54% of exiting employees felt recognised for doing a good job.	2015 CULTYR Employee Scorecard & 2016 Exit Interview Report
Continuous improvement	46% of employees from Finance and Corporate Services felt people openly share lessons learnt from past mistakes or incidents, compared to 68% of all respondents	2017 Project Management Audit

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CHALLENGES		SOURCE
Non-compliance	Only 41% of respondents felt positive that consequences for non-compliance are consistently applied. This is supported by verbatim comments saying both that there is little enforcement of consequences and a lack of consistency and information regarding consequences of non-compliance.	2017 Project Management Audit

Suggested Actions

The table below provides a summary of suggested actions collated from various studies over recent years.

CHALLENGES	ACTIONS
Vision	Find fun and innovative ways to share information and updates about the City's vision and progress to date. Employees would like to know more about the current state of the organisation. Where is the City going? What is working, what is not? What wins have other directorates been enjoying? What challenges have they been facing, and how have they overcome these challenges? What can we learn from each other? Some councils have introduced their own news channels on YouTube with short, punchy segments to communicate news internally. How would staff like to receive updates? And, how frequently? Would they prefer to be engaged in written format or verbally? Would they like a regular update from the CEO / Directors / other?
IC role clarity & accountability	Consider creating an *Internal Communications* role. This may involve creating a new specialist role, or it could involve delegating formal responsibility to one or more existing roles. It was felt that Sam could have overall responsibility for stakeholder engagement and communications, and that an Internal Communications role would report to Sam and work within a team of engagement and communication specialists who collectively look after internal and external stakeholders. The team could include Deanie (Community Engagement), and depending on workloads, it was felt that Deanie may be able to take on joint responsibility for Community Engagement / Internal Communications. Another consideration was for the Mayor's Media Advisor to sit within the Engagement Team. This would assist with top-down communication, providing team members with the 'heads up' on key stories, leads and current issues. The following model was discussed (noting that job titles require further consideration). Appoint the responsibility for 'internal communications' within each team. An *Internal Communication Champion* would be responsible for keeping internal customers up to date with clear and timely communications. Play to the natural strengths of team members by recognising someone who has strong communication skills, and counter-balance weaknesses in other team members. Provide communication training workshops.

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CHALLENGES	ACTIONS
	It was also suggested that the City could strengthen internal communication by holding staff accountable for their actions, and developing and consistently enforcing consequences for non-compliance with internal communications. *"We need to treat non-compliance with stakeholder analysis more seriously".*
Explanation of procedures	Update the current Project Governance Framework to more effectively outline the City's expectations regarding projects. This would provide consistent methodology and guidance as to all phases of a project, ensure roles and responsibilities are clearly defined and help to improve project outcomes. In addition, these updates would assist to identify both benefits and risks and ensure they are communicated appropriately. Updates include: • Project management capability and planning (correct expertise) • Categorisation of projects on the basis of size, complexity, urgency and/or level of funding required (e.g. High, medium, low) • Governance groups (e.g. role of the Executive and any relevant project steering committee, including composition, frequency of meeting, nominated chairperson) • Use of gateways, including entry and exit criteria • Escalation of risks and issues (change control process) • Reporting requirements and meeting of governance groups • Key definitions (e.g. project owner, project sponsor, project director).

Top down communication	Greater communication and consultation about the City's strategic direction and structural changes, with the CEO and Directors' rationale for decisions. This facilitates a stronger connection, better understanding and positive collaboration between employees and senior staff.
	
	"More input from lower level staff into the strategic direction of the City and more explanation on the reasoning for decisions from the top down is important."
	
	Need to find a happy balance between 'direction and control' vs 'freedom and trust'. Move from 'stilted direction from the 'five wise men'; a 'sermon on the mount'' to a 'relaxed, engaging and participatory' style of communication.
	
	Long term vertical communication solutions:
	• A review of information tools and systems to streamline and improve the flow of information, including consideration of audience, message and channels.
	• The identification of information needs (who needs what), for example:
	  a. What is the context that drives the information need
	  b. What are project based needs
	  c. What are operational needs
	• The creation of an organisation-wide customer request/action system (IT based)
	  a. All incoming communication is logged when received and flagged to required parties for action and confirmation of response.
	• Increase the opportunity for executives to interact with the staff.
	  a. Formal introductions (who we are)
	  b. Continuous work on raising profile (recent achievements and current activities)
	  c. Opportunities for interaction (face time)
	• An internal policy review to ensure that the results of any changes are represented in policy documentation and are understood by all relevant parties.
	
	Short term vertical communication solutions:
	• A monthly CEO Blog to reach out to staff members.
	• An executive road show out to an offsite location or just down the hall.
	• Champion the education of all staff on current communication policies, systems and tools.
	• Empower staff with decision making responsibility to make the necessary decisions and provide guidance on how the decision was achieved.
	  a. Minimise decision escalation and lost time due to stalled or inefficient processes.
	  b. This is necessary for both internal and external communications.

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CHALLENGES	ACTIONS
Targeted communication	Segment employees based on their information needs and target communications accordingly. • Who are our employees? • What are their information needs? • What are their channel preferences?
Informal communication	Crib Room to become more of a 'social thing'. A better venue for informal social gatherings. A haven for a chat. Doesn't need to be posh. Needs hot water, tea and coffee. Nice to haves include a vending machine, pool table and wine barrels where people can gather for a light beer after work (similar to City of Mandurah). Employees want more opportunities to get together for a laugh and a joke. At the Depot, it is best to provide social opportunities in the afternoon. The BBQs are good for this. Breakfasts are okay, but most want to get their work done early morning in Summer before it gets too hot or busy with people using parks. At the Main Office, employees would also like a place to meet informally after work for a drink. They mentioned that Melville has a bar area for Councillors and an area in the basement for staff to meet after work on Fridays to have drinks and run a raffle. This is an important opportunity to connect with others, put a face to a name, and build personal relations.
Culture	Need to introduce more 'private sector thinking'. Consider emailing external customers (and CC'ing internal customers) rather than printing hard copies and posting to customers. Encourage all employees to move from written memos (that they print and deliver in person) to electronic communication.
Awareness	Need further promotion about what other teams are doing, including important dates and milestones. "*You've got to let us know what's happening*" through push notifications like email. Provide timely notifications of mailouts so that colleagues who may be affected by the mailout are informed and ready to receive customer queries. This may involve having the necessary information to hand, a common and shared understanding of the current situation, and sufficient resources to handle increased customer activity. Provide a "Communications Checklist" for staff to follow. Provide Stakeholder Engagement Framework training and refresher courses.
Silos	Recruit people with good communication skills. Encourage 'cross pollination' with employees working in different roles or attending joint meetings. Foster a culture of 'problem solving' and a strong customer focus; bringing solutions to managers, rather than problems. Review internal communication reporting lines. Clarify if it is appropriate to communicate horizontally with employees in other teams, with or without permission from line managers (moving from hierarchical communications towards plexus communications). If supportive of a 'plexus communication' model, assist employees with the transition by giving permission to communicate horizontally, building their confidence and courage to approach employees in other teams directly, and offering other forms of organisational support. While senior managers are seen to have the freedom, permission, role clarity, and confidence to talk to anyone across the organisation, it was suggested that other staff need encouragement to open up lines of communication with people in other teams and departments. Hierarchical Communications vs Plexus Communications

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CHALLENGES	ACTIONS
	Consider getting Administrative Assistants to rotate through different teams (such as Engineering, Planning and Building), to gain a broad understanding of the needs of different teams.
Project management	Review the Project Management Framework. • Ensure common / shared use of language and processes across all teams • Ensure more time is built in for communication • Include a KPI relating to communication to ensure project managers and team members value communication (what is measured is valued). Enforce internal stakeholder analysis with project planning. Endorse a regular *Project Management Communication Meeting* (a cross-team / project team meeting) to keep key stakeholders informed and up-to-date on the progress of projects, and to continue to consider and respond to the needs of others. • What's new for us? • What's new for you? • How can we help each other? Provide training in how to run effective meetings and hold effective workplace conversations. In project teams that find internal communication challenging, consider having meetings facilitated by the City's internal communications specialist. Create a *Team Communication / Engagement Plan* annually (similar to how budgets are developed and agreed annually). • Who might we impact? And, how? • What information do we need to share / obtain? • Prioritise information needs as critical or nice to know Appoint a *Communications Champion* in each team, or recruit a person to fill this role if needed. Tiffany, in Engineering, is considered to be an excellent role model and example of how this role can assist with more effective workplace communication between teams. Clarify the meaning of a law, regulation, rule, policy or guideline. Ensure everyone understands what MUST be obeyed (to the letter), what is open for interpretation, and how to challenge or seek agreement on a change to a rule, policy, etc. Ensure sound risk management across the organisation to protect the CEO and Council.
Cross-team communication	Improving communication and collaboration between teams would increase productivity, efficiency, understanding and job satisfaction. *"The City needs to foster better relations between business units so we work together as one team for the benefit of the community."* *"Communication between departments before works commence so everyone is on the same page and we can avoid extra costs and stress due to damage and extra work that could and should be avoided."* **Long term horizontal communication solutions:** • The creation of a centralised "Project Office" to lead governance for projects that impact the organisation. This Office would not necessarily lead the projects themselves but would set, review and own the guidelines which all projects undertaken within the City of Cockburn follow. The scope of this Office is greater than communication, but communication is an integral and significant focus. • Project management training and guidance to staff who are tasked with leading projects. This will include the governance guidelines and policies held by the Project Office. • A cross-training program that provides the opportunity for staff to gain exposure and understanding of other business units where there is a symbiotic relationship. • Creation of an internal mentoring program. • Customer service training to incorporate prioritisation of incoming requests

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CHALLENGES	ACTIONS
	(understanding of the value, time, expectations and due dates). This training is also important for internal parties who are making requests as it aids in the preparation of requirements or requests (either verbal or through the use of documentation).
	Short term horizontal communication solutions:
	• Personal items that every employee can achieve to improve communication.
	a. Wear name badges – let people know who you are
	b. Say good morning to others and start the day with a smile!
	c. Update personal profile on the intranet.
	• Team/business unit based initiatives.
	a. Invite relevant executive leaders to team meetings
	b. Create a team blog – e.g. 'what's happening in engineering'
	c. Organise inter-team visits to build relationships and discuss relevant and topical issues.
	• Organisation-wide initiatives.
	a. Create team posters introducing members and their roles
	b. Review induction process to include an overview of the whole organisation, including the roles and responsibilities of each business team
	c. Create email groups for use on cross team issues, e.g. compliance
	d. Run bus tours to enable staff to visit colleagues who work away from the main administration building to learn more about their roles and responsibilities.
Limited resources	Use resources for the highest and best purpose to increase overall utility. For example, it was suggested that professional staff (who cost $$$ per hour) receive support from administrators (who cost $ per hour) to manage internal and external customer service calls.
Ownership / Accountability	*"People need to walk over to someone and have a chat. They need to get off their bums. Don't just flick an email."* Create a log of internal customer requests, similar to the log of external customer requests.
Distance	Move the Communications Team back into the main office. Consider ways to improve formal and informal communication between internal stakeholders who are located in different places, such a regular face to face meetings.
Meeting rooms / quiet spaces	Consider some quiet, confidential spaces as discussing difficult issues in the open can be uncomfortable and they can expose staff, leaving them in a vulnerable position.
Communication barriers	Encourage a culture where people take pride in having frank conversations; where they are not afraid to be questioned, to drill down on the 'why' questions and find how to improve. What's causing this? Why is it taking so long? How can we do it better? Develop the culture so that people feel more comfortable with 'why' questions; where 'why' questions are not misconstrued as bullying, felt to be disempowering or to generate discord between individuals or teams. Encourage more face to face or phone conversations. Avoid 'email badgering'. Provide training in the "art of having effective workplace conversations".

Toolbox meetings	Increase frequency of tool box meetings to once per month.
	 Extend content to cover:
	   - Summer festivals / events
	   - Sporting events / competitions / weekend fixtures

ARC Staff Briefings	Review approaches for communicating with casual and remote employees. Options include: • Appoint a Communications Champion who moves around the floor providing verbal 1:1 updates (such as a Senior Lifeguard) • Weekly team meetings (if it's viable to get everyone together face to face) • Online conference (where employees can dial in to take part in a monthly or weekly update session) • Briefing Update – hard copy or video that employees are required to read / view (and sign to say they have done so) before commencing work.
Email	Consider using all staff emails more often to communicate about a greater range of important, relevant, timely, high value information. For example, there was some interest in receiving email notifications with job vacancies, new appointments and promotions, with a photo and short profile to introduce new people.

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CHALLENGES	ACTIONS
	Use consistent email headers to assist receivers to prioritise what they read. For example, CEO driven, urgent communication must come with a 'red flag' and recognisable subject title to signify its high importance for all to read. Consider ways to reach remote and casual employees. Is it feasible to provide a City of Cockburn email address for all employees? Is it fair to communicate via email or SMS to privately owned mobile / smart phones? Can remote workers have access to the City's intranet site to access notifications? Is social media feasible to reach this audience (Facebook, Yammer, etc)? Can the City use video conferencing for meetings with remote / casual workers? Remind staff to say 'hi' at the beginning and 'cheers' at the end of internal emails. There is a need to remain friendly, polite and personable with email communications. Email is considered, by some, to be the most effective way to communicate, especially if their job requires them to be away from their desk. Need to manage expectations around response times. Provide and promote staff profiles (with clear role descriptions) so people know who to contact about different issues.
Intranet	Speed up the Intranet. Review ways to 'push' key messages to employees to increase awareness and readership. Increase and improve training in the use of the intranet.
Facebook	Educate all employees about the correct use of social media at the City of Cockburn.
Splash!	Provide more work-related content including information on divisions and semi-regular updates from Directors about their teams, what they are doing and what their projects are. Include explanations of the City's plans, projects and achievements by both staff and the organisation as a whole. Distribute one magazine per truck / vehicle / staff member. Share ezines via tablets.
Tablets	Provide permanent WiFi Integrated project management – calendar notifications / reminders Live reporting / updates / reminders
Communication skills	Identify training needs and deliver suitable communications training.
Recruitment	Improve recruitment process. Find the right candidates. Find people who are engaged and 'want to be here'. Help them to understand their purpose, intent, value and why what they do matters.
Induction	Would like a greater understanding about how their role fits into the big picture. Who is doing what around the organisation? As it may not be viable or cost effective to have all remote staff visit the Main Office for a tour, and for Main Office staff to visit remote locations for a tour, would a video or virtual reality tour be viable and effective?
Diversity	Create an environment that's understanding of, and sensitive to, the needs of all employees, no matter what their culture or religion.
Feeling valued / appreciated	Develop a briefing and de-briefing pattern – a consistent pattern for communicating what is expected (goal clarity), reflection (what has been achieved) and gratitude (to give recognition and thanks).
Civility	Consider ways to increase familiarity and connections among all employees. Clearly branded uniforms assist with recognition and belonging. Name badges help with introductions and a timely reminder of someone's name. Promote staff profiles, for new and existing staff, to help people get to know each other. Staff inductions – take the time to introduce people to each other in person Lead by example from the top down – smile and be friendly to all.
Surveys	Provide a more coordinated and considered approach to internal engagement, managing the number, purpose and timing of surveys.

Team Level Analysis

The City of Cockburn recently completed the 2017 Internal Customer "Pulse" Survey. Overall, performance has remained steady or improved.

The top two performing teams were:
- Waste Services (99% satisfaction with internal customer service)
- Environmental Health Services (99% satisfaction)

The business teams of greatest concern were:
- Engineering Services (79% satisfaction with internal customer service; however it must be noted that Engineering Services' score improved by ▲ 18% points)
- Business Systems (80% satisfaction; ▼ 6% points)
- Procurement Services (81% satisfaction)
- IT Services (83% satisfaction)

The table below provides customer service satisfaction scores and trend analysis by service team. Areas where overall satisfaction is below 85% are highlighted in orange boxes.

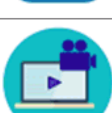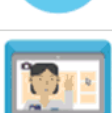| Directorate	Business Team	Customer Service Satisfaction (6+)		
		2015	2017	Trend
Finance and Corporate Services	IT Services	84%	83%	=
	Business Systems	86%	80%	▼
	GIS	94%	92%	=
	Records	89%	96%	▲
	Accounting Services	88%	95%	▲
	Procurement Services	84%	81%	=
	Human Resources	86%	94%	▲
	Rates & Revenue	98%	93%	▼
Engineering and Works	Engineering Services	61%	79%	▲
	Waste Services	92%	99%	▲
	Facilities Services	88%	96%	▲
	Plant / Workshop Services	88%	88%	=
	Asset Services	88%	95%	▲
	Parks Services	87%	92%	▲
	Environment Services	90%	96%	▲
Governance and Community Services	Recreation Services	90%	95%	▲
	Ranger & Community Safety Services	85%	90%	▲
	Communications	90%	91%	=
	Customer Service	82%	93%	▲
Planning and Development	Strategic Planning Services	86%	95%	▲
	Statutory Planning Services	88%	96%	▲
	Building Services	91%	94%	=
	Environmental Health Services	92%	99%	▲

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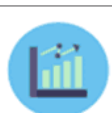
Where total satisfaction scores were below 85% in the 2017 Internal Customer Satisfaction Survey, an analysis of verbatim comments has been provided outlining key themes contributing to dissatisfaction for that service area.

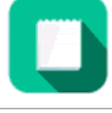| Business Team	Communication related challenges in lower performing teams
Engineering Services	**Communication** - Inconsistent and conflicting information that causes confusion for internal and external customers. Limited understanding of, or lax approach to, expectations and needs of other departments. Lack of communication both externally and within the team. Poor public engagement and limited consideration of stakeholders during design phase. **Customer service and timeliness** - Slow and unresponsive. Sometimes appear unwilling to assist. Difficult to get a response, do not respond to emails or meeting requests in timely manner nor answer their phones regularly. Often fail to provide comments or attend meetings when requested, affecting both internal and external customers. Agreed timeframe for comments should be provided in planning process. **Processes** - Inspections at inconvenient times so that there is no staff available to deal with urgent matters that arise. Projects take too long to be completed. Do not prioritise pressing matters, miss key issues when providing advice. Limitations on their ability to gain compliance, putting pressure on other departments. Should be greater responsibility by senior staff on difficult projects.
Business Systems	**Resources** - Understaffed for heavy workload, limited resources, too many projects for small team making it difficult for them to maintain or improve existing systems. Team under much pressure due to heavy reliance upon them, require additional resources. **Timeliness** - Slow to respond and remedy issues. Appear unwilling to assist. Must approach them in-person not by email. **IT Systems** - Too much time spent on new systems rather than improving existing ones.
Procurement Services	**Communication** - Poor communication including policy changes. Inconsistencies between officers. Difficult to know who is doing what and who to approach with problems. Poor inter-team communication. Not notified when PPOs are due to expire, causing time delays. Lack of role clarity between procurement and accounts payable. Do not provide good level of service. Unwillingness to help. **Processes** - Convoluted, confusing and unclear process. Too many boxes to tick; must 'jump through hoops.' Unrealistic expectations and procurement methods, 'roadblocks' that make it difficult to complete tasks. Inflexible, a barrier to procuring novel/non-routine goods and services. Restrict direct communication with suppliers, causing miscommunication and delays. Procurement officer should always be chair of tender thus ensuring successful navigation of the tender. **Timeliness** - Slow in getting tenders done. Different turn-around times between officers. Too long to deliver purchase orders. Cause delays to project timelines.
IT Services	**Communication** - Lack of communication; not keeping end user 'in the loop'. Not responding to requests, informing when task is complete or following-up. Unwillingness to assist. Sometimes hard to understand 'technical jargon'. **Timeliness** - Issues take a long time to be dealt with, slow to respond especially when non-urgent matter, slow to remedy. **Resources** - No designated IT person, under-resourced, under-staffed for the heavy workload. **IT Systems** - Slow systems, too many outages/crashes and freezing. Lack of Technology One support and recurring issues with Technology One, ECM, MS Word.

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Appendix 1 – Communication Channels
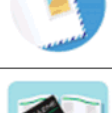
The following communication channel suggestions and explanations are provided by
https://commstools.snapcomms.com/

Electronic Communication

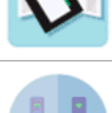|		
	Employee Collaboration	Online Collaboration tools are useful for encouraging collaboration between inter-departmental teams, and smaller groups working on a project.
	Video Brochures	Imagine a physical brochure…that you open up to find a video playing! Video Brochures are a fusion of print and video-screen technology.
	Advertising (the internal aspect)	Delivery on the external brand-promise builds customer satisfaction and loyalty. To achieve this first requires communication to employees because they are integral to delivering on the external brand-promise.
	Ask the leader	Ask the leader' connects employees directly to a leader in a structured and planned way without any filtering. This is a means by which a leader can foster direct, two-way interaction with their employees.
	Blogs	Leader blogs are a means to make senior managers more accessible, to give employees a sense of the leader's personality and to create a feeling of transparency.
	Cloud Storage	Cloud storage is used to store digital data, such as PowerPoint presentations, PDF documents, Excel spreadsheets or audio files.
	Desktop alerts	A desktop alert is an electronic message sent to multiple employee computers. It displays a pop-up message window with text, images and hyperlinks on the screen. Desktop alerts are typically used for messages that have high strategic importance.
	Desktop news feed	A desktop news feed or 'ticker' is a narrow window of moving text displayed at the bottom of an employee's computer screen. Typically desktop tickers include short updates and the headlines of longer articles (available by a hyperlink).
	Desktop wallpaper messages	Desktop wallpaper messages are the publication of messages to employees' computer desktops or wallpaper backgrounds. Software tools are available that allow you to publish messages to employee desktop wallpaper / computer backgrounds.
	Digital signage	Digital signage is the display of information on electronic screens in open work spaces and /or on screensavers. The technology enables presentation of multiple video, image and audio formats, live TV, flash media, PowerPoint presentations.
	E-Zines	E-zines are electronic, email or online magazines or newsletters. An e-zine may be online only, or may be the online version of a hard-copy newsletter or magazine. E-zine formats can include text, graphics, photos, embedded links and video links.

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	Electronic quizzes	Electronic quizzes, which are similar to paper-based quizzes are available on webpages or as interactive desktop alerts. Electronic quizzes are useful for reinforcing messages, increasing employee knowledge and keeping employees motivated.
	Electronic surveys & polls	Electronic surveys and polls are useful for taking the pulse of the organisation and enabling staff to provide feedback. Electronic survey software applications are available online for little or no cost.
	Email	Email is one of the most widely used forms of business communication. However, the ready availability of mailing lists and use of 'reply all' can result in employees receiving unwanted or irrelevant information.
	Gamification	Enterprise gamification is a combination of online quizzes and competitions to track and reward employee behavior. Its purpose is to drive certain behaviors and to encourage healthy competition between employees.
	Infographics	Infographics are a visual presentation of information. They use a mix of useful information and eye-catching images. Infographics are typically more engaging than written media and can easily explain complex topics and relationships.
	Instant messaging	Instant Messaging (IM) is a form of real-time communication between two or more people based on typed text. The text messages are exchanged via computers connected over a local area network within an organisation or via the internet.
	Intranet	An intranet is an access-restricted website or portal used internally in an organisation. Intranets function as repositories of essential facts and data that employees can retrieve to meet their specific job-related and business-related info needs.
	Kiosks	Kiosks are free-standing electronic devices comprising keyboard and/or touch screens that deliver multimedia presentations and pre-programmed services. They address the communication needs of employees.
	Mobile apps	A 'mobile app' is the software that runs on a mobile device. The adoption of smartphone and tablet devices within the enterprise is growing fast. Mobile devices are particularly prevalent in organisations with mobile, remote and field workers.
	Newslines	A newsline is a dedicated telephone information line updated daily or weekly with organisational news for access by any employee at any time. The two-to-four minute recorded messages are accessed by dialling a toll-free number.
	Online meetings & webinars	The term webinar is short for 'web-based seminar'. Webinars are typically presentations shared simultaneously over the web across multiple participants in dispersed locations.
	Online video	Video production costs have dropped in recent years making video a viable employee communication tactic for most organisations. Video hosting sites such as YouTube, Vimeo and Wistia make it relatively easy for employees to view videos.

	Performance dashboards	Performance dashboards comprise simple visual icons for quickly conveying key data about current organisational performance, similar to dashboards in a car or aeroplane. They provide employees with information to optimize performance.
	Podcasts & vodcasts	Podcasts are online audio files available for download or on-demand listening on portable media players and computers. Podcasts are distributed using syndication or RSS feeds so users can subscribe to and download files.
	Public address systems	Public Address (PA) systems are communication devices with mixer, amplifier and loudspeakers used to transmit messages around a building or large open space. Simple PA systems can be used in large work areas where employees are doing manual work.
	Screensavers	Screensavers deliver real-time messages onto employees' computer screens. Screensavers let you take advantage of equipment you already have to display visual communications throughout your organisation.
	SMS and MMS	SMS (Short Message Service) and MMS (Multimedia Message Service) are used to send and receive brief messages inexpensively to employees with mobile devices. SMS and MMS enable the organisation to maintain contact with mobile employees.
	Social Media	Social media are online technologies that facilitate interactive, conversation-based and personalised communication on a many-to-many basis. Social media include blogs, wikis, networking sites such as LinkedIn, Facebook and Twitter.
	Tele/video conference	Teleconferences, also referred to as teleseminars, audio conferencing, telephone conferencing and phone conferencing, are the live exchange of information between persons who are remote from one another but linked by a telecommunication system.
	Voicemail	Voicemail, sometimes called messagebank, is a centralised system of managing telephone messages for employee groups. A voice message is recorded on employees' telephones and is accessible via the telephone network.
	Webcasts	Webcasts are the transmission of live or pre-recorded presentations via the internet or intranet to any PC connected to the internet/intranet. Webcasts communicate information directly to employee groups of any size in multiple locations.
	Websites	A website is a collection of informational web pages. They can comprise text, images, videos or other digital assets. Website pages are logically connected according to the users' communication needs with a consistent look and feel.
	Whistleblower hotlines	Whistleblower hotlines are a communication tactic to identify and address behaviour or practices that may compromise the organisation's values, standards, policies or procedures.
	Wikis	Wiki is publishing software that allows many users to simultaneously create, revise, add to and edit online content directly from their browser in real time ('wiki' is Hawaiian for 'quick'). Wikis facilitate the free flow of information.

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Print Communication		
	Acronym busters	Acronym busters are a compilation of all the acronyms used by the organisation to ensure their meaning is clear for employees. Acronyms are part of the daily language of business. Acronym busters help foster improved employee understanding.
	Annual reports	Annual reports are the yearly reviews produced by publicly listed companies at the close of their fiscal year. They generally include statements about the organisation's operational achievements, its earnings, disbursements, assets and liabilities.
	Banners	Banners are portable, multi-use display stands showing text, images and logos. Some banners are constructed with a combination travel case and floor-stand for maximum portability and ease of use.
	Barbecue (hot issues) cards	Barbecue cards are individual cards packaged in a purpose-made folder. Each card addresses a 'hot' issue. The cards summarize the organisation's response in a simple bullet-point format to provide employees with information they can easily refer to.
	Branded goods	Branded goods are merchandise that are marked or labelled with a distinctive organisational logo and/or words. There is a wide variety of goods that can be branded for employee communication purposes.
	Briefing kits	Briefing kits are a collection of resources that equip leaders with information, materials and key messages to communicate major organisational change programs. Leaders tailor the content to meet their employees' specific communication needs
	Brochures	Brochures are documents with relatively few pages, usually DL (Dimension Lengthwise) or A4 size. This tactic is an economical way of communicating a relatively large amount of information in a concise format on a specific topic, e.g. Code of Conduct.
	Calendars	Calendars list the days of each week and month in a year, usually in a tabular format. They also highlight important dates such as culturally significant days, anniversaries, and public and school holidays.
	Company profile/fact sheets	Company profiles /fact sheets provide background information about an organisation in a convenient, easy-to-read format for informational or ready-reference purposes. They can be produced as stand-alone print publications or posted on the intranet.
	Competitions	Competitions encourage employees to participate in some form of activity that seeks to find the best solution for a particular challenge. Competitions pitch individuals or teams against each other with the incentive of winning a prize.
	Displays	Displays are information stands or information booths that showcase products, technologies, divisions, services or initiatives to raise employee awareness and understanding. Displays can be an innovative and interactive way to impart information.
	Employee annuals reports	Employee annual reports provide information to employees about the organisation's activities and achievements during the past year, and prospects for the year ahead. They are generally produced in conjunction with the annual report.

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	Employee handbooks	Employee handbooks, also referred to as employee manuals or staff handbooks, articulate what an employee can expect from the organisation, and what the organisation expects from an employee.
	Flyers	Flyers are an effective tactic for conveying information on a single, specific topic, such as a new product or service, a sponsorship initiative or event, etc. Flyers might also include a list of supplementary sources of information or a summary.
	Gift boxes	The application of Gift Boxes as a tactic lies in using these 'gifts' to embody or represent aspects of key corporate messages. For example, a set of creative games might be included in a gift box to reinforce 'Creativity' as a core value.
	Glossary	A glossary lists words, terms, phrases and acronyms commonly used in an organisation. Its purpose is to create shared understanding across all locations, levels and job functions to improve the effectiveness of an organisation's communication.
	Jigsaw puzzles	A jigsaw puzzle is a composite of oddly shaped, interlocking pieces of cardboard. Each piece of a jigsaw puzzle has part of a complete picture on it. When all the parts are put together in the correct arrangement, they form a whole image.
	Job descriptions	A job description captures the essence of a role: what an employee does and how that contributes to the organisation. This is articulated through the job purpose and core accountabilities, the two cornerstones of a job description.
	Leader's communication calendar	The leader's communication calendar ensures effective planning, prioritization and timeliness of a leader's communications. It optimizes use of a leader's time through 'smarter' use of formal and informal communication opportunities.
	Letters to employees' homes	Letters to employees' homes are correspondence written and signed by a leader for mailing directly to the home of each employee. Letters to employees' homes are seen as crossing the line between work and home.
	Magazines	Magazines are organisational publications, generally 16 to 24 pages, distributed regularly, usually monthly or quarterly. The communication benefits of printed magazines lie in the fact they can be read anywhere at any time.
	Magnetic products	Magnetic products are words or images attached to a magnet that is used to secure items such as notes and cards on to magnetic surfaces. In an organisational environment, magnets can be an impactful, useful and colorful means of communicating.
	Media releases	Media releases (or press releases) are written communiques that are emailed, faxed or mailed to journalists. The releases provide important information about the organisation for external media channels such as newspapers, magazines, radio and TV.
	Memos	A memo, or memorandum, is information that records a leader's observations about a specific issue. It aims to promote understanding about that issue, and may include recommendations or requests for follow-up action.

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	Message cubes	Message cubes are heavy-weight paper or light-weight card-stock folded to create a cube with messages on each of the cube's six faces. Message cubes are a highly visual communication tactic.
	Murals	Murals are images and/or text applied directly to blank walls, ceilings, glass paneling or other large permanent surfaces in the work environment. Murals are a useful communication tactic because they convert bland and unused flat surfaces.
	Newsletters	Newsletters are small-format publications that convey specific information to a target audience. Employees can read newsletters at their discretion, and take important organisational information home to family and friends.
	Notes/Cards	Notes or cards are rectangular-shaped, high-quality paper or card stock, either single sheet or folded, with matching envelopes. They can be pre-printed with relevant information and imagery, including the organisation's name and logo.
	Notice boards	Notice boards, also referred to as bulletin boards or pin boards, are large pieces of cork or similar material to which information notices can be pinned or attached. Notice boards are effective when used as a supplementary communication tactic.
	Postcards/e-cards	A postcard is a rectangular piece of thick paper or light-weight card-stock. They are intended for writing brief messages and distributing without an envelope. An e-card is similar to a postcard, but in digital form.
	Posters	Posters are any piece of printed material of any size, designed for attachment to a wall or vertical surface. Posters are valuable for drawing employees' attention to new and important information, e.g. a new safety policy.
	Puzzle cubes	Puzzle cubes are solid cube-shaped blocks divided into a number of miniature cubes that can be pivoted and rotated to form different images and words. Within organisations, puzzle cubes can be used to convey messages in an informative way.
	Stickers	Stickers are printed labels that can be made from a range of materials. The communication value of stickers lies in their capacity to transform common, everyday items into a communication medium.
	Sticky notes	Sticky notes come in a wide range of colors, shapes and sizes, including computerized versions. They are a useful tactic for drawing employees' attention to important information about new initiatives, significant events or major achievements.
	Stop Press	Stop Press is an information sheet to update employees with urgent, out-of-the-ordinary, breaking news. It is a communication tactic to deploy during extraordinary, crisis or emergency situations.
	Style guide	A style guide, or style manual, is a set of standards for the organisation's communications. Every organisation has its own style of communicating that reflects its internal brand: who it is and what it stands for.

	Suggestion boxes	A suggestion box is a means of soliciting ideas, comments and recommendations from employees. They work on the premise that valuable input can come from anywhere. The traditional form of suggestion boxes comprises of a physical receptacle.
	Surveys	Surveys canvass employees' opinions and measure their perceptions. This provides an audit of important aspects of the organisation as seen through employees' eyes. Surveys are a valuable communication tactic because they provide a feedback mechanism.
	Tent cards	Tent cards are a useful communication tactic. With two or three printable sides in either landscape or portrait format, the design possibilities of tent cards create potential for conveying simple messages in unusual and interesting ways.
	Trade shows	A tradeshow (or trade fair) is an exhibition for organisations in a specific industry sector to showcase and demonstrate their products and services.
	Wallet cards and Z-cards	Wallet cards are the size of a credit card. They are often printed and laminated on both sides. Their small, compact size makes wallet cards a useful tactic for communicating important information in a concise, ready-reference format.

Face to Face Communication
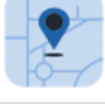
While electronic and print publications are useful, if not essential, the two-way interpersonal communication channels, such as team meetings, group problem-solving sessions and supervisor briefings do more to enhance manager-employee relationships. Research has shown that face-to-face communication is more preferred by employees when communicating with the organisational leaders, followed by emails. [50]

	Board games	Board games in the workplace mimic those commonly used for family entertainment, such as Snakes & Ladders and Checkers. Such board games entail moving counters or placing cards on a pre-marked surface in accordance with a set of specific rules.
	Breakfast briefings	Breakfast briefings are regular information sessions held early in the morning to provide employees with opportunities to hear presentations by noteworthy speakers, mostly from within the organisation.
	Brown bag lunches	Brown bag lunches are informal lunch-time meetings held regularly (usually monthly) that are attended by a broad-spectrum group of employees and facilitated by at least one executive team member.
	Buzz groups	Buzz groups are formal meetings to put the spotlight on specific organisational issues or topics through discussions by end-users, contributors, subject matter experts, key opinion leaders or networkers.

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[50] Men, L.R., Public Relations Review (2015), http://dx.doi.org/10.1016/j.pubrev.2015.06.021

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	Conferences	Conferences are briefing sessions held once or twice a year to communicate relevant information to defined employee groups.
	Conversation cafés	Conversation cafés are a form of employee interaction that simulates the conversations friends have in cafés discussing topical issues, and ways to solve them. The conversation café methodology models this by seating groups of employees.
	Conversation with the chairman	Conversation with the chairman is an interview-style dialogue conducted as part of an employee conference, roadshow or townhall meeting. The value of the chairman as a communication medium is often overlooked.
	Flipchart presentations	A flipchart is a pad of large paper sheets fixed at the upper edge to a support board that stands on a tripod. Text is usually hand written with marker pens and may include figures or charts. When completed, the sheet is flipped over.
	Focus groups	Focus groups are a qualitative research tool in which a group of employees is asked about their attitude to, and opinions of, an issue, product, service, initiative, event or idea. Focus group discussions are led by a facilitator.
	Huddles	Huddles are quick, informal stand-up meetings focused on sharing information with a specific end-purpose in mind. Huddles are used in situations where it is advantageous for a group of employees to come together quickly and share information.
	Hypotheticals	Hypotheticals are interactive sessions where an organisational issue is played out in some future time based on a number of assumptions. Hypotheticals provide a methodology for examining difficult choices.
	Induction program	Induction programs initiate new employees into the 'Organisation's Way'. Studies have shown that the initial days of employment are key to an employee learning a new job successfully and adopting the required organisational practices.
	Interviews: third party	A third-party interview is an in-depth conversation conducted between a senior leader and an interviewer from outside the organisation, e.g. a respected television or radio journalist, or subject matter expert.
	Leaders forums	Leaders forums are a series of conferences solely for the organisation's leaders (suggested definition of a 'leader' in this context is anyone who manages three or more employees).
	Leader's update	Leader's update comprises messages critical to achievement of organisational objectives that are communicated to employees direct from the leader with regular frequency. It is a tactic to provide information and inspiration.
	Mock trials	Mock trials are an effective tactic for putting 'on trial' inhibitors of high performance to foster shared employee understanding with a view to work-shopping solutions. Staged in front of an audience, mock trials provide a forum.

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	Open forums	Open forums are question-and-answer sessions conducted at employee gatherings for the purpose of open discussion with leaders on general organisational issues or specific topics. Open forums can be held as stand-alone events.
	Organised social events	Organised social events are the gathering of employees on an informal basis for the purpose of social interaction. Although the emphasis is on informality, such events provide opportunities for leaders to communicate key messages in a relaxed way.
	Panel discussions	Panel discussions involve debate by subject matter experts or key influencers on issues critical to the organisation's success. The panelists are seated on stage at a townhall meeting, conference or leaders forum to provide their insights.
	Performance appraisal	Performance appraisals (or employee appraisals) are an essential tool for managing performance. They provide clarity about what is required for success in a role as defined by the 'what' (KPIs and objectives) and the 'how' (behaviors).
	PowerPoint presentations	PowerPoint is a proprietary presentation application developed by Microsoft. It is an easy-to-use and effective way of conveying visual and audio elements to support a verbal presentation.
	Recognition events	Recognition events are occasions to publicly acknowledge employees who demonstrate desired organisational behaviors and achieve outstanding results. Recognition events may include the presentation of some form of reward.
	Roadshows	Roadshows are tours to centers of large employee populations by the CEO and/or senior leaders for communication purposes. They are an effective tactic for informing and motivating employees in a face-to-face environment.
	Role plays	Role plays are a form of improvisational drama where actors (or employees) adopt and act out various roles to represent a situation or event to an audience. Role plays are a valuable communication tactic because they showcase in a real-life way.
	Significant days	Significant days are those that are important in the context of the organisation's history, operations or values system, its employee and affiliate groups, or the community and society in which it operates.
	Speeches	Speeches entail the verbal delivery of information and ideas in a structured and deliberate manner to inform, motivate and inspire employees, or to celebrate major achievements. Effective speech-making has been a hallmark of great leaders.
	Speed networking	Speed networking is based on the premises of 'speed dating' and 'six degrees of separation'. Speed dating randomly rotates a select number of participants for a series of short conversations with potential partners.
	Stakeholder engagement events	Stakeholder engagement events are activities the organisation hosts to build or strengthen relationships with key stakeholders. Such events include, Media conferences, Investor presentations, Government meetings and Customer/client functions.

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	Storytelling	Storytelling is the use of narrative and metaphor to convey meaning. The aim is to spark a vivid picture in employees' minds that connects at a rational and an emotional level.
	Symbolic actions	Symbolic actions are a form of non-verbal communication where everything a leader does (rather than 'says') symbolizes important information to employees. Symbolic actions are based on the premise that 'actions speak louder than words'.
	Team briefings	Team briefings are a structured system of regular team meetings to communicate important information down through the organisation in a face-to-face environment that fosters discussion. They differ from team meetings.
	Team meetings	Team meetings are an essential communication tactic for managing team performance. They are conducted in face-to-face (or virtual face-to-face) environments at the behest of a designated meeting leader.
	Townhall meetings	Townhall meetings are large-scale employee gatherings held in suitable premises including townhalls, conference centres, football stadiums, marquees or hotel ballrooms. They are generally hosted by the leadership team.
	Visual metaphor maps	Visual metaphor maps represent a key organisational concept, change initiative or new strategy as a visual metaphor to shift employee understanding and mind-sets. The map process takes employees on a journey from point A to point B.
	Walkabouts	Walkabouts are often referred to as 'Management by Walking About'. They provide inter-personal, individually targeted, face-to-face communication by a leader at an employee's work-station to build understanding and rapport.

Appendix 2 – Cultivating Effective Dialogue

As has been recognised as a strength of the City of Cockburn's internal communications in section 5.9 of this report, Stephen is active in 'walking the floor' and engaging with staff and line managers. While some line managers may feel disenfranchised or exposed by this engagement, it has been identified as a vital part of top-down internal communication.

Below are three tips for Cultivating Effective Dialogue with line managers according to Ken Banta in HBR: [51]

1. Select the participants

Organise a CEO dialogue with 8-10 participants (if enough numbers); work with HR and department heads to identify managers who are high performers and recognised thought leaders. Participants should receive a personal invitation from the CEO and a facilitator (usually a member of the CEO's immediate staff) should attend to manage the conversation flow and document the discussion.

2. Organise the meeting

Ensure the room is intimate with the group in close proximity, ideally surrounding a round or oval table and on the 'turf' of the managers. Identify those likely to be less vocal and seat them directly opposite the CEO to encourage engagement.

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[51] https://hbr.org/2011/05/the-frontline-advantage

The dialogue should feel structured yet informal, with the CEO starting by laying out the goals of the meeting, being 1) for managers to hear updates about the organisation's progress and priorities; and 2) for the CEO to listen and learn. Next, the group proposes discussion topics and the facilitator groups them into topic areas and begins the discussion. The CEO endeavours to make the participants feel like trusted confidantes and ambassadors and the facilitator ensures everyone has a chance to speak, keeps the conversation focused and takes detailed notes.

3. Share output and follow up

A detailed summary of the meeting and agreed-upon action items should be disseminated to members of the executive team, ensuring comments remain anonymous. Local management can be briefed when appropriate.

The final step is about communication; showcase highlights from the meeting in CEO communications and on the intranet and announce action items that are under way, thus demonstrating the importance of these frontline managers and illustrating that the CEO is listening and acting on frontline insights. Finally, send a personal thank-you to attendees.

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Internal Communications Plan
2018 - 2023

CATALYSE

Table of Content

Executive Summary

Effective internal communication is linked to strong employee engagement and improved business efficiencies, while poor communication has been associated with inconsistent leadership, poor decision making, low staff morale and high turnover.

The City's CULTYR® scores for vertical and horizontal communication are moderate at 58 and 52 out of 100, 19 and 13 points behind the industry leaders' scores, respectively. As such, internal communication was identified as a risk in the Risk Register (COC-STR-20) and CATALYSE® was commissioned to work with the City to develop an *Internal Communication Plan*. Close to 200 employees were involved in the development of this Plan. The plan aims to address six key objectives:

Objective	Desired Outcomes
1. Strengthen City of Cockburn Ideology	The City has developed and communicated a clear vision that is regarded as relevant, believable and inspiring, employees connect with a meaningful purpose, and there is strong alignment between the City's values and employees' attitudes, decisions and behaviour. This contributes to higher levels of employee engagement and improved business efficiencies.
2. Embrace Internal Communication Resources	Employees are aware of and comply with key internal communication resources, including the City of Cockburn's Strategic Community Plan, Project Management Framework, Community Engagement Framework, Internal Customer Service Charter and Brand Style Guide.
3. Improve Vertical Communication	The City has open and positive channels of vertical communication. Information cascades freely down the organisation. Employees feel well informed with access to clear, timely and relevant information from the CEO, Directors, Managers and Supervisors.
4. Improve Horizontal Communication	Silos are extinct. Employees communicate effectively and openly with colleagues across the organisation to address shared objectives. Technology innovations are embraced to support improved information flow between divisions, teams and individuals.
5. Strengthen Employee Voices	Employees feel heard, valued and respected with opportunities to express their opinions, concerns and suggestions freely, either directly to the CEO, Directors, Managers, Supervisors and colleagues, or anonymously through feedback channels.
6. Encourage Informal Communication	The City recognises the value and importance of building personal relationships to strengthen the social fabric. Stronger relationships and understanding between peers drives higher levels of trust, compassion, positive communication and employee engagement.

1   Introduction

An *Internal Communications Plan* has been developed to address a risk highlighted in the City's Risk Register (COC-STR-20).

Internal communication has been identified as a **moderate risk**. Senior Executive recognise poor internal communication can lead to negative consequences:
- Reputation damage
- Inconsistent leadership
- Ineffective decision-making
- Silos and poor inter-team communication
- Low staff morale and staff turnover

"Internal Communication is the term used to describe an organisation's managed communication system, where employees are regarded as an internal public or stakeholder group."[1] It involves informing employees and facilitating the sharing of ideas and feedback, horizontally and vertically, to achieve an organisation's objectives.

The recognised **benefits** of improving internal communication are:
- Strengthened employee engagement or *"passion for work"*[2]
- Improved employee commitment including greater discretionary effort[3]
- Business efficiencies
- Lower staff turnover

According to City of Cockburn employees, effective internal communication is important because it:
- Develops a strong sense of purpose
- Ensures effective delivery of outcomes
- Builds knowledge and understanding
- Improves the quality of internal and external customer service
- Strengthens the City of Cockburn culture

"Employee engagement is unlikely to improve until managers start to believe in the importance of internal communications."[2] A shared commitment across all levels and teams is vital to the process of improving internal communication and business efficiencies.

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[1] Vercic et al. cited in L. Yeomans & L. FitzPatrick, "Internal Communication" Chapter 15 of *Exploring Public Relations*, 4th Edition, April 2017
[2] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[3] Neill, M.S., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.06.009

2 Situation Review

2.1 Observations from Thought Leaders

Employees are four times more likely to have high levels of engagement in organisations that exhibit effective communication.[4] Costs associated with poor employee relations are estimated at US$450-550 billion a year due to absenteeism, labour issues, underperformance, etc.[5] Encouraging feedback to flow upwards has been identified as the single most important driver of positive engagement.[6]

2.2 Best Practice in Local Government

In 2015, the City of Yarra was recognised by Government Communications Australia as a communications leader receiving an Award for Internal Communications and Engagement. The City appears to have benefitted from being among the first councils to develop and implement an *Internal Communications Strategy 2015-2018*.

2.3 Current Situation in the City of Cockburn

City of Cockburn Ideology | vision, purpose and values

One of the most critical messages the City communicates internally is the vision. A carefully crafted vision statement is at the heart of every successful organisation, describing the core ideology (what the City stands for; its values) and an envisioned future (what the City aspires to achieve).

While 72% of employees agree the City has communicated a clear vision[7], employees would like the vision to be more relevant, believable and inspirational[8]. Only 13% strongly agree the City's vision is relevant and meaningful, 13% strongly agree the City's vision is believable and achievable and 0% strongly agree the City's vision inspires them to work towards achieving the vision.

Studies have shown that employees who regard their organisation's vision as meaningful are up to 28 percentage points more engaged than the average.[9] Positive communication effectively transfers organisational values onto employees and involves them more in striving to achieve organisational goals.[10]

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[4] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005
[5] Neill, M.S., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.06.009
[6] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences*, vol. 191, 2015, 976-977.
[7] CULTYR® Employee Scorecard 2015
[8] EEWG Workshop, 31 Jan 2018
[9] https://www.forbes.com/sites/joefolkman/2014/04/22/8-ways-to-ensure-your-vision-is-valued/#3c80eafc4524
[10] Tkalac Vercic, A., Public Relations Review (2017), http://dx.doi.org/10.1016/j.pubrev.2017.04.005

The City is committed to communicating its values (evidenced by the *[values] at work* award program) and is making sound progress. There is more room to improve perceptions of the City as being accountable and people-orientated; caring for and listening to employees and providing a high level of internal customer service.[11]

Brand Values Agreement Index Scores				
Progressive	Sustainable	Innovative	People Oriented	Accountable
80	73	73	69	69

Internal Communication Resources

Awareness and understanding of key internal communication frameworks is moderate. Growing familiarity and the perceived value of these resources is likely to improve compliance and organisational performance. The City would also benefit from increasing awareness of how to report non-compliance with internal policies, frameworks and values up from the current level of 57% aware.[11]

Internal Communication Resources[11]	Familiarity	Value Index Score
Strategic Community Plan	76%	60
Internal Customer Service Charter	85%	70
Community Engagement Framework	71%	55
Project Management Framework	64%	54

Vertical and Horizontal Communication

The City is the CULTYR® Industry Leader for providing inspirational leadership[12] and has demonstrated it can be a very effective communicator. 98% of employees are aware how to report unsafe conditions, injuries and incidents, and employees value key internal communication channels, in particular the intranet (79 Value Index Score), team / tool box meetings (78) and all staff emails from the CEO (77).[13]

Yet, vertical and horizontal communication remain key focus areas for continuous improvement being two of the lowest scoring areas out of 38 performance measures in the City of Cockburn's 2015 CULTYR® Employee Scorecard. While on par with the Industry Average, performance is well below the Industry Leader (shown overleaf).

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[11] 2017 IC Staff Survey
[12] CULTYR® Employee Scorecard 2015
[13] 2017 IC Staff Survey

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CULTYR® Measures	City Score	Industry Average	Industry Leader
Top-down communication	58	59	77
Inter-unit communication	52	52	65

Employees believe top-down communication could be improved by augmenting Director level communication, improving the consistency, timeliness and transparency of communications, engaging employees in executive level decisions, and bridging a perceived 'us vs them' divide between executives and floor staff.[14]

Horizontal communication could be improved by addressing the 'silo mentality' in divisions and teams; a finding reiterated across multiple studies. Employee concerns suggest there is need for greater awareness, understanding and compliance with the Project Management Framework, Community Engagement Framework and Internal Customer Service Charter.

Employee Voice

Managers acknowledge that *"staff have so many amazing ideas."*[15], yet, only 54% of employees are aware how to raise new continuous improvement ideas.[13] The City would benefit from improved employee engagement systems. Independent studies report that organisations that offer opportunities for staff to have their say and to voice dissatisfaction have lower staff turnover[16], and satisfaction, productivity and sharing of information are improved among employees whose leaders recognise social media as a communication channel.[17]

Informal Communication

Informal communication improves overall employee engagement. Opinion leaders recommend maintaining an open-door policy, positive reinforcement, and facilitating social occasions.[18] Smiling and listening more, being helpful and giving compliments all help to build likeability, workplace relations and engagement.[19]

There is room to improve with employees attributing moderate value to social club activities (35 Value Index Score) and Splash! (48) as channels to support effective internal communication.[13] The recommended content mix for staff newsletters is: 50% organisation, 20% employee, 20% non-organisation and 10% small talk.[20]

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[14] 2017 Internal Communications Staff Survey, CATALYSE
[15] Manager statement at 2018 Internal Communication Staff Workshop
[16] EC Constantin, 'Employee Voice – Key Factor in Internal Communication', *Procedia – Social and Behavioral Sciences*, vol. 191, 2015, 976-977.
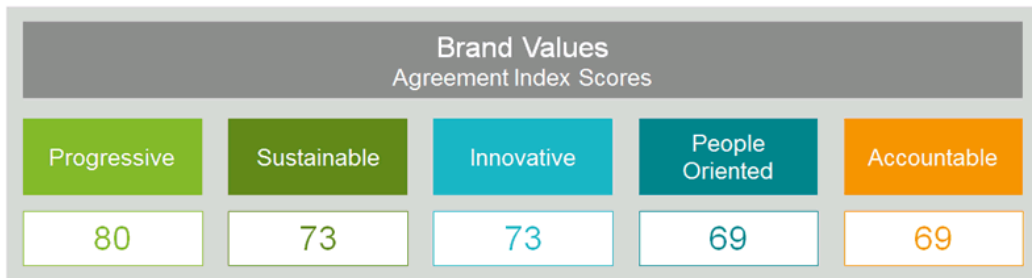[17] Lee, C.E., 'The use of social media in leadership communication: benefits, challenges and leaders' perspectives', *International Journal of Arts & Sciences*, vol. 8, 2015, 515
[18] "Improving Internal Communication", MassTransitmag.com, February 2016
[19] https://www.forbes.com/sites/lisaquast/2017/01/30/5-ways-to-be-a-more-likeable-employee/#363d2dcd69e7
[20] https://www.slideshare.net/kentonnormanlarsen/the-principles-of-effective-internal-communications

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3 Guiding Principles

Guiding principles[21] guide an organisation throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management.

The City of Cockburn has the following guiding principles for internal communication:

Guiding Principles	1. Internal communication is everyone's responsibility.
	2. Employees should hear about important news before customers.
	3. Everyone can make small changes to be more effective communicators.
	4. Deliver clear, relevant, consistent and timely messages.
	5. Seek to understand others' needs and opinions.
	6. Listen.

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[21] http://www.businessdictionary.com/definition/guiding-principles.html

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4 Links to the Strategic Community Plan 2016 – 2026

The Internal Communications Plan will assist the City of Cockburn to achieve its vision by supporting internal communication related objectives in the Strategic Community Plan.

Strategic Community Plan Objectives	
	Our values enable our vision: *"We seek to have all employees think and act according to five values. These values influence our workforce culture and assist our staff to deliver quality customer service."* • Excellence • Sustainability • Customer Service • Accountability • Safety **Leading and listening:** *"Being accountable to our community and engaging through multiple effective communication channels."* 1. Deliver sustainable governance through transparent and robust policy and processes 6. Attract, engage, develop and retain our employees in accordance with the Workforce and Long Term Financial Plan

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5 Internal Communication Objectives

The City of Cockburn has four core internal communication objectives: 1) increase awareness; 2) increase knowledge and understanding; 3) change attitudes (i.e. gain acceptance); and 4) change behaviours (i.e. build commitment).

Internal communication objectives are two-way. For example, the City seeks to increase employee awareness and understanding of policies, plans and systems using **informing strategies**. At the same time, Senior Executives and Managers seek to increase awareness and understanding of employees' needs and priorities using **consultation** strategies.

On an annual basis, the City of Cockburn will map **specific** and **measurable** internal communication objectives to align with the City's Strategic Community Plan and to reflect current organisation needs. Examples of areas to consider when developing communication objectives are provided below:

Increase awareness	• City's vision • Special projects and how they are progressing • Local news (what's happening in the local area) • Community and customer perceptions • Job vacancies and new appointments • Performance against KPIs • Staff achievements and awards • Non-compliance reporting procedures
Increase knowledge and understanding	• Frameworks, plans and strategies • Team roles, activities and achievements – who, what, why? • Each others' needs
Change attitudes	• Strengthen culture: fostering trust, belonging, pride and deeper employee engagement • Embrace a strong and common sense of purpose

Change behaviours	• Alignment with the City's brand values
	• Embrace organisational change
	• Work together to effectively deliver outcomes
	• Compliance with:
	  – Internal Customer Service Charter
	  – Project Management Framework
	  – Community Engagement Framework
	  – Brand Style Guide

Annually, the City of Cockburn will agree on the highest priority objectives and develop strategic campaigns.

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6 Audience

The City of Cockburn acknowledges the benefits and value of identifying and considering unique communication needs and preferences among different audiences internally.

Key audiences for internal communication have been defined as follows:

Division	• Executive • Governance and Community Services • Finance and Corporate Services • Planning and Development • Engineering and Works
Team	• Please refer to City of Cockburn's organisational chart
Level	• Mayor and Councillors • CEO and Directors • Senior Management Team • Line Managers • Staff
Location	• Main Administration Building • Other Council buildings (i.e. ARC, Libraries, Museum, Youth, Child Care, Community, Operations, Henderson Waste Recovery Park & Cockburn Cares) • Outside Workers
Type	• Full time employee • Part-time / casual employee • Contractors • Volunteers • Reference Groups / Advisory Groups

Within each of these groups, staff are to consider that communication needs may vary by individual characteristics such as age, gender, ethnicity, education, disability, access to technology and personal preferences.

Where viable, internal communications are to be customised and targeted to meet individual needs and preferences.

7 Key Messages

For communication to be effective, key messages must be:

- Relevant and interesting
- Clear, timely and consistent
- Credible, believable and persuasive

The City of Cockburn communicates internally about a broad range of topics. Employees are most interested in the following key messages:[22]

- Special projects and how these projects are going
- The City's long term plans and vision for the region
- What's happening in the local area (e.g. sports, art and community events)
- Community and customer perceptions
- Job vacancies and new appointments
- How the City is performing against targets
- Staff achievements and awards

To help key messages cut through, the City will identify strategic campaigns on an annual basis to address highest priority communication and engagement objectives. 2018/19 Strategic Campaigns are provided below with examples of key messages and proof points to support these campaigns.

2018/19 Strategic Campaigns	Key Messages	Proof Points
Increase awareness, understanding and alignment with City of Cockburn ideology.	A meaningful purpose. A compelling vision. Aligned values.	• Evidence that the City is making progress towards achieving the vision. • The City's purpose resonates with employees. • Employee attitudes and behaviours are aligned with the City's values.
Increase understanding and compliance with IC resources.	It's essential all staff understand and comply with the Internal Customer Service Charter, Community Engagement Framework and Project Management Framework to improve business efficiencies.	• Teams with strong compliance have higher employee engagement; evidenced by higher CULTYR® and internal customer service scores.

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[22] 2017 IC Staff Survey

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8 Channel

"How well a message is communicated is as important as the message itself." [23]

Multiple channels are vital as different people have different ways of absorbing information and repetition increases the chance of the information being absorbed.

However, employees need to be mindful about information overload. When deciding which channel is best, it is essential to consider is it **fit for purpose**? Target and streamline the use of communication channels.

The following describes some of the key channels and tools that support internal communication across the City of Cockburn.

Channel	Description	Audience	Format	Type of engagement	Value Index Score[24]
Strategic Community Plan	Describes the vision for the region and how the vision will be achieved.	All	Electronic	Inform	60
Business plan and supporting strategies	Details what the City will achieve, how, when, and who will be responsible.	All	Electronic	Inform	63
Annual Report	Communicates how the City has performed against financial and non-financial indicators.	All	Electronic	Inform	59
Internal Customer Service Charter	Guidance to improve internal customer service.	All	Electronic	Inform	70
Project Management Framework	Guidance to assist with development and management of projects.	All	Electronic	Inform	54
Community Engagement Framework and Policy	Guidance to improve consultation and engagement processes.	All	Electronic	Inform	55

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[23] https://blog.enplug.com/internal-communications-best-practices-2017
[24] 2017 IC Staff Survey

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Channel	Description	Audience	Format	Type of engagement	Value Index Score[24]
Brand Style Guide	Guidance to encourage consistent branding.	All	Electronic	Inform	NA
Website	Primary source for providing information and engaging with internal and external stakeholders.	All	Electronic	Inform	70
Intranet	Centralised source of information and internal communication.	All	Electronic	Inform	79
Intranet alerts / notifications	Brief, important and pressing information intended for all staff.	All	Electronic	Inform	70
CEO and Director briefings	Opportunity to meet the CEO and Directors to hear the latest news, discuss issues, share ideas and ask questions.	All	In Person	Inform Engage	65
All staff emails from the CEO	Regular email from the CEO to share information about major projects, latest news and activities.	All	Electronic	Inform	77
Engineering Update	Updates by the Engineering Division about projects, plans and changes.	Targeted	Electronic	Inform	47
Team / tool box meetings	Regular meeting to inform and engage team members.	Team	In Person	Inform Engage	78
Induction meetings / tours	Assists new employees to familiarise themselves with the City of Cockburn.	All	In Person	Inform Engage	63
Staff awards	Recognition by colleagues for excellent performance.	All	In Person	Inform Engage	64

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Channel	Description	Audience	Format	Type of engagement	Value Index Score[24]
Posters and notice boards	Used to increase awareness of key messages.	All	Print	Inform	53
Cockburn Soundings	A bi-monthly newsletter to keep the community informed.	All	Print	Inform	52
Community e-news	A series of monthly email newsletters to share information and updates with the community.	All; Opt-in	Electronic	Inform	46
Splash! staff newsletter	Regular newsletter updating staff on City and social information.	All	Print	Inform	48
Social media (Facebook, Twitter, Instagram etc.)	Supports timely and targeted communication with selected audiences.	All; Opt-in	Electronic	Inform Engage	51
Yammer / Jabber	Internal social media tools designed for organisations. Useful for project work and effective cross-team communication.	All	Electronic	Inform Engage	NA
Short videos	An effective and engaging way to communicate key messages.	All	Electronic	Inform	50
Advertising in the local community newspaper	A regular one-page advertisement promoting City news and events.	All	Print	Inform	42
Social club activities	Helps employees to connect and strengthen the social fabric of the organisation.	All	In Person	Inform Engage	35
Name badges	Beneficial for identification, building trust and a team culture, and encouraging rapport.	All	Print	Inform	NA

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Channel	Description	Audience	Format	Type of engagement	Value Index Score[24]
Comment on Cockburn	A community consultation tool.	All	Electronic	Inform Engage	52
CULTYR® Employee Scorecard	Evaluates, tracks and benchmarks organisational performance and culture dimensions.	All	Print Electronic	Engage	NA
Internal Customer Service Survey	Evaluates employees' perceptions of internal customer service across the organisation.	All	Print Electronic	Engage	NA
Suggestion Box	A system to enable employees to provide feedback and suggestions.	All	Print Electronic	Engage	NA

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9 Action Plan

This action plan addresses six key objectives to achieve improved internal communication and business efficiencies.

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Objective 1 – Strengthen City of Cockburn Ideology

The City of Cockburn has developed and communicated a clear vision that is regarded as relevant, believable and inspiring, employees connect with a meaningful purpose, and there is strong alignment between the City's values and employees' attitudes, decisions and behaviour. This contributes to higher levels of employee engagement and improved business efficiencies.

	Action	Leader	Budget	Timing	Outcomes
1.1	As part of the Strategic Community Plan consultation, review the City of Cockburn Ideology (vision, purpose and values) to be more meaningful, believable and inspiring, for all key stakeholders.	CEO / Comms Team / Strategy and Civic	SCP budget	2020	Employees connect with the City's purpose; it is meaningful. Employees are inspired by the vision and accelerating its achievement. Stronger alignment with values.
1.2	Promote the *[values] at work* award program and announce finalists and winners on a quarterly basis.	HR Team / Comms Team	Existing	Ongoing	Increased number of nominations for *[values] at work* awards. Stronger alignment with values.
1.3	Managers to facilitate annual sessions with their teams to discuss alignment with the City's values and what improvements could be made. Consultant to develop a framework and provide coaching to support managers to facilitate these sessions.	Team Managers / Strategy and Civic Support	Existing	Annual	Stronger alignment with values.
1.4	To align with the City's 'sustainability' value, embrace the transition to a paperless environment for all internal communication.	IC Officer / Environmental Services/ Sustainability Committee	Existing	Ongoing	Greater sustainability.

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Objective 2 – Embrace Internal Communication Resources

Employees are aware of and comply with key internal communication resources, including the City of Cockburn's Strategic Community Plan, Project Management Framework, Community Engagement Framework, Internal Customer Service Charter and Brand Style Guide.

	Action	Leader	Budget	Timing	Outcomes
2.1	Develop an employee engagement program (using the Learning Management System, workshops, etc) to raise awareness, understanding and use of resources that improve internal communication (i.e. Strategic Community Plan, Project Management Framework, Community Engagement Framework, Internal Customer Service Charter, Writing Style Guide, Brand Style Guide, corporate templates, intranet functions, etc).	IC Officer / Comms Team / HR Team	Existing	2018-2023	Increased awareness and understanding Greater compliance Improved horizontal communication Improved business efficiencies
2.2	Recognise and reward excellence in internal communication by encouraging nominations through the *[values] at work* award program.	IC Officer / Comms Team	Existing	Ongoing	Increased number of *[values] at work* nominations that relate to internal communication. Increased recognition of the value and importance of internal communication.
2.3	Establish and promote a system to report non-compliance with key policies, strategies, plans, frameworks, etc to facilitate opportunities to identify and improve internal communication.	IC Officer / HR Team / Comms Team / Executive Manager Strategy & Civic Support	Existing	2018-2019	Increased understanding of issues and challenges in the workplace. Improved business efficiencies.

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Objective 3 – Improve Vertical Communication

The City has open and positive channels of vertical communication. Information cascades freely down the organisation. Employees feel well informed with access to clear, timely and relevant information from the CEO, Directors, Managers and Supervisors.

	Action	Leader	Budget	Timing	Outcomes
3.1	CEO and Directors to provide a 'big picture' presentation to update employees on progress against the vision, major projects, etc.	CEO / Directors / Executive PAs / Comms Team	Existing	Annual	Increased awareness and understanding.
3.2	Provide quarterly CEO and Director Updates for all employees (Splash! article or email update)	CEO / Directors / Executive PAs / IC Officer	Existing	Quarterly	Increased awareness and understanding.
3.3	Directors to provide monthly email updates to employees in their division with three to five bullet points describing key activities and how they align with priorities.	Directors / Executive PAs / IC Officer	Existing	Monthly	Increased awareness and understanding.
3.4	CEO and Directors to 'walk the floor' regularly.	CEO / Directors	Existing	Ongoing	Bridge the 'us vs them' divide.
3.5	Facilitate regular and effective team meetings (includes audit of team meeting gaps).	IC Officer / HR / Managers / Coordinators / Supervisors	Existing	Ongoing	Increased awareness and understanding.
3.6	Clarify the purpose and streamline the use of communication channels to minimise number of systems employees need to check.	IC Officer	Existing	2018-2019	Improved value and relevance of communication channels.
3.7	Review ways to communicate more effectively with remote and casual employees (i.e. WiFi access / IS)	IC Officer	Existing	2018-2020	Increased awareness and understanding.

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	Action	Leader	Budget	Timing	Outcomes
3.8	Review whether or not to include internal communication KPIs in performance reviews (linked to Division and Team level results in the CULTYR Employee Scorecard, Internal Customer Service Survey and Internal Communications Survey).	IC Officer / HR Team	Existing	2018	Increased recognition of the value and importance of communication.
3.9	Review and prioritise the City's communication objectives annually.	IC Officer / SMT	Existing	Annually	Resources are channelled towards areas of greatest need.
3.10	Develop strategic campaigns to address the City's highest priority communication objectives.	IC Officer / Comms Team / HR Team	Existing	Annually	More effective delivery of key messages.

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Objective 4 – Improve Horizontal Communication

Silos are extinct. Employees communicate effectively and openly with colleagues across the organisation to address shared objectives. Technology innovations are embraced to support improved information flow between divisions, teams and individuals.

	Action	Leader	Budget	Timing	Outcomes
4.1	Review, trial and embrace technology innovations (Yammer, Jabber, video conferencing, etc) to enhance collaboration and information sharing between divisions, teams and individuals. Ensure sufficient promotion, training and support is provided to encourage adoption and effective use.	IC Officer / Comms Team / IS	Existing	2018-2019	Improved horizontal communication. Improved business efficiencies.
4.2	Review workplace design in response to the communication paradigm shift. Assess capacity to embrace video / conference calls at individual workstations and the availability of meeting rooms and quiet spaces to work without distraction. Provide recommendations to meet the organisation's current and future needs.	HR Team / Infrastructure Services	Existing	2018-2023	Increased employee engagement. Improved business efficiencies.
4.3	Provide training and personal development in effective workplace communication (relevant to individual roles), including phone, email and social media etiquette.	IC Officer / Comms Team / Customer Service	TBA	2018-2023	Improved horizontal communication. Improved business efficiencies.
4.4	Convey the importance of complying with the Project Management Framework, Community Engagement Framework and Internal Customer Service Charter to improve horizontal communication.	CEO / IC Officer / Comms Team	Existing	Ongoing	Increased recognition of the value and importance of internal communication.

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	Action	Leader	Budget	Timing	Outcomes
4.5	Ensure Managers and Project Managers are facilitating cross-team meetings, as needed to discuss shared projects, systems and processes.	IC Officer / Directors / SMT	Existing	Ongoing	Improved horizontal communication. Improved business efficiencies.
4.6	Improve access to information about the organisational structure, roles and responsibilities, and contact information (i.e. an interactive tool on the intranet backed up with an accurate and up to date employee contact database).	IC Officer / Comms Team / Governance / HR Team / IS	Existing	2018-2019	Increased awareness and understanding of roles and responsibilities.
4.7	Get all employees to update their profiles on the intranet.	IC Officer / HR Team	Existing	Ongoing	Increased awareness and understanding of roles and responsibilities.
4.8	Improve access to information about who the Safety Representatives, Fire Wardens and First Aid Representatives are and how to contact them.	IC Officer / Comms Team / HR Team	Existing	2018	Increased awareness and access to health and safety representatives.
4.9	Review useability of the intranet and plan for modifications	Comms Team	Existing	2018	Easier access to information

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Objective 5 – Strengthen Employee Voices

Employees feel heard, valued and respected with opportunities to express their opinions, concerns and suggestions freely, either directly to the CEO, Directors, Managers, Supervisors and colleagues, or anonymously through feedback channels.

	Action	Leader	Budget	Timing	Outcomes
5.1	Adopt and nuture an 'open door policy' across the organisation.	CEO / HR Team / IC Officer	Existing	Ongoing	Bridge the 'us vs them' divide.
5.2	Develop channels for staff to provide continuous improvement suggestions (i.e. suggestion box, online portal, social media and email).	IC Officer / Comms Team / Executive / HR Team	Existing	2018-2019	Increased understanding of communication issues and challenges in the workplace.
5.3	Form an IC Steering Group (including Executive Members) to review, consider and recognise continuous improvement contributions.	IC Officer	Existing	2018, ongoing	Improved business efficiencies.
5.4	Nominate an IC Champion in each team.	IC Officer / Managers	Existing	2018	Increased recognition of the value and importance of internal communication.
5.5	Include a regular item on team meeting agendas to discuss current internal communication issues and suggestions for improvement.	Managers / IC Champions	Existing	2018	Increased understanding of communication issues and challenges in the workplace. Improved business efficiencies.
5.6	Facilitate a half-yearly meeting with IC Champions to reflect on current internal communication issues and encourage shared learning and continuous improvement across the organisation.	IC Officer / IC Champions	Existing	Ongoing	Increased understanding of communication issues and challenges in the workplace. Improved business efficiencies.

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Objective 6 – Encourage Informal Communication

The City recognises the value and importance building personal relationships to strengthen the social fabric. Stronger relationships and understanding between peers drives higher levels of trust, compassion, positive communication and employee engagement.

	Action	Leader	Budget	Timing	Outcomes
6.1	Enhance and promote social club activities to encourage greater attendance and perceived value.	IC Officer / Social Club Leader	Existing	Ongoing	Stronger personal relationships.
6.2	Review, create and enhance places and opportunities for employees to gather informally and socially in and around the workplace.	Infrastructure Services / HR Team / IC Officer	Existing	2019-2023	Improved internal communication. Increased employee engagement.
6.3	Review, trial and embrace technology innovations (social media, closed Facebook groups, etc) to enhance informal communication.	IC Officer / Comms Team	Existing	2019-2020	Improved internal communication. Increased employee engagement.
6.4	Ensure all employees have name badges and enforce use across the organisation.	IC Officer / HR Team	Existing	2018	Increased recognition of the value and importance of internal communication. Increased familiarity with colleagues.
6.5	Ensure all workstations have a sign with the employee's name and role.	IC Officer / HR Team	Existing	2018-2019	Increased familiarity with colleagues.

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10 Resourcing the Plan

An Internal Communications Officer will be appointed on a casual basis (0.6 FTE) at level 5-6 to work on high priority actions over an initial two year period, from 1 July 2018 to 30 June 2020.

Budget requirements for the initial two year period would be $55K per year.

IC Officer (0.6 FTE)	2018/19	2019/20	Total
L5 3 - 2018 rates: ($76,340.00 X 0.6) + 20%	$55,000	$55,000	$110,000

Costs would be covered by the existing OP marketing and media budget. Funds would be reallocated as follows:

Budget contribution	2018/19	2019/20
Reallocation of funds from existing OP Marketing Budget	$55,000	$55,000

In June 2020, pending a review of performance against KPIs outlined in this plan, the City will determine the value of extending the appointment of the IC Officer role for the remainder of the Internal Communications Plan (1 July 2020 to 30 June 2023). If an extension is not viable, the IC Officer role would be shared among existing officers.

11 KPI Scorecard

The City's progress against the objectives in this plan will be evaluated with the following key performance indicators (KPIs):

Objective	Key Performance Indicator	Source	2018 Current	2023 Target	CULTYR® Benchmarks	
					Ave	High
Overall Employee Engagement	City of Cockburn as a place to work	CULTYR® Scorecard (Index Score)	69*	75+	67	78
	Employee Net Promoter Score	CULTYR® Scorecard (Index Score)	NA	15+	-13	25
Strengthen City of Cockburn Ideology	The City's purpose is meaningful	IC Workshop (Agree Index Score)	75	80+	-	-
	The vision is believable and achievable	IC Workshop (Agree Index Score)	67	75+	-	-
	The vision inspires me	IC Workshop (Agree Index Score)	62	75+	-	-
	Brand Value Alignment • Progressive	IC Survey (Agree Index Score)	80	80+	-	-
	• Sustainable		73	80+	-	-
	• Innovative		73	80+	-	-
	• People-orientated		69	80+	-	-
	• Accountable		69	80+	-	-

* Based on the most recent CULTYR® Employee Scorecard conducted in 2015.

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Objective	Key Performance Indicator	Source	2018 Score	2023 Target	CULTYR® Benchmarks	
					Ave	High
Embrace internal communication resources	Internal Customer Service Charter	IC Survey (Value Index Score)	70	75+	-	-
	Project Management Framework	IC Survey (Value Index Score)	54	60+	-	-
	Community Engagement Framework	IC Survey (Value Index Score)	55	60+	-	-
Improve vertical communication	There is good top-down communication	CULTYR® Scorecard (Agree Index Score)	58*	70+	59	77
Improve horizontal communication	There is good communication across the organisation	CULTYR® Scorecard (Agree Index Score)	52*	65+	52	65
	Internal customer service (lowest team score)	Internal Customer Service Survey (satisfied: 6+/10)	79%	85%+	-	-
Strengthen Employee Voices	Employees are encouraged to offer new ideas and suggestions	CULTYR® Scorecard (Agree Index Score)	68*	75+	67	83
Encourage informal communication	There are sufficient places and opportunities to chat with colleagues	CULTYR® Scorecard (Agree Index Score)	NA	70+	-	-

* Based on the most recent CULTYR® Employee Scorecard conducted in 2015.

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12 Reporting format

Quarterly Reporting

On a quarterly basis, the IC Officer will provide the Manager Corporate Communications with an overview of progress against actions and outcomes in the *Internal Communications Plan 2018 -2023*. This information will be included in the *Corporate Communications Quarterly Report* that is presented to the Executive.

KPI Scorecard Evaluation

The IC Officer will report on progress against measures in the KPI Scorecard (see Section 11) on an annual basis.

KPIs will be extracted from the following sources.

Source	Leader	Budget	Timing	2018/19	2019/20	2020/21	2021/22	2022/23
CULTYR® Employee Scorecard	HR Team	Existing	2 yearly	✓		✓		✓
Internal Customer Service Pulse	Comms Team	Existing	2 yearly		✓		✓	
Internal Communication (IC) Survey	Comms Team	Existing	5 yearly					✓

Five Year Review

In 2022/23, the Manager Corporate Communications will be responsible for undertaking a full review of progress against actions, outcomes and KPIs in the *Internal Communications Plan 2018-2023* and for preparing a draft *Internal Communications Plan 2023-2028*. The new draft plan will be presented to the Executive for review and adoption by 30 June 2023.

Annex 1: Employee Engagement Plan

The Internal Communications Plan was developed in consultation with internal stakeholders across the City of Cockburn following a multi-phase engagement approach.

Phase	Engagement Approach
Scoping Meeting	Held with the City's Project Team to map the audience, critical messages and information channels.
Literature Review	Reviewed academic papers, published journals, blogs written by opinion leaders, etc. to provide an overview on the future of internal communications.
Benchmarking	Identified leading councils and reviewed their internal communications strategies.
IC Internal Audit	Reviewed current IC practices and performance KPIs at the City of Cockburn, including the CULTYR® Employee Scorecard, Employee Exit Surveys and Internal Customer Service Pulse.
Employee Interviews	Facilitated a series of **10 in-depth interviews** with a cross section of employees across the organisation to explore internal communication gaps and suggested improvements.
Employee Survey	**190 employees** completed a survey to share their views and opinions about internal communication. The survey attracted participation from a cross section of employees from across the organisation, vertically and horizontally.
Employee Workshop	A 2.5 hour workshop was facilitated with **23 employees**, mainly members of the Employee Engagement Working Group. Participants represented a cross section of the organisation, vertically and horizontally. The purpose of this workshop was to review internal communication insights and develop suggested strategies for the Executive's consideration.
Articulation of the Internal Communications Plan	A draft Internal Communication Plan was developed and circulated to the City's Project Team for review.
Executive Strategic Planning Workshop	The CEO and Directors were presented with a draft Internal Communication Plan for review, consideration and adoption.

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16.   EXECUTIVE DIVISION ISSUES

Nil

17.   MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18.   NOTICES OF MOTION GIVEN AT THE MEETING FOR CONSIDERATION AT NEXT MEETING

Nil

19.   NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY MEMBERS OR OFFICERS

Nil

20.   MATTERS TO BE NOTED FOR INVESTIGATION, WITHOUT DEBATE

Nil

21.   CONFIDENTIAL BUSINESS

Nil

22.   CLOSURE OF MEETING

The meeting closed at 7.25pm