

## Council Policy

### Legislative Compliance Policy

#### Policy Statement

To outline Council's commitment to a legislative compliance management program which provides assurance and builds the capacity of Northern Beaches Council to meet its key compliance obligations, promote a compliance culture and uphold good corporate governance practices.

Northern Beaches Council's legislative compliance policy and legislative compliance program enables the Northern Beaches Council to:

- understand its legislative compliance risks
- conduct business and activities in a lawful and responsible way to protect the reputation and credibility of the Northern Beaches Council
- develop, implement and monitor internal controls to manage and provide assurance on legislative compliance risks
- identify responsibilities for meeting specific compliance obligations
- assess and improve compliance performance.

#### Principles

#### Compliance Management System

##### Implementation

Northern Beaches Council applies a risk-based approach to implementing its compliance management system by conducting regular assurance activities for legislative compliance, such as compliance risk assessments, compliance self-assessments, reporting and audits.

The risk of non-compliance will be monitored and effective internal controls put in place to reduce compliance risk to an acceptable level.

Staff will receive appropriate communication and training to meet their compliance responsibilities within the scope of their roles.

The various components of the Council's compliance management system, together promote the importance of compliance to all staff. Key components include:

- legislative compliance policy
- legislative compliance register - a register of key compliance obligations, responsibilities assigned to each obligation
- policy register - lists key Northern Beaches Council policies, policy owners and policy review dates
- quarterly review and management sign-off to report against the compliance obligations outlined through the Office of Local Government's Compliance and Obligations annual calendar
- assurance activities involving regular compliance risk assessments, conducted in accordance with the Northern Beaches Council's Enterprise Risk and Opportunity Management Framework

- an embedded compliance culture led by senior management that is committed, proactive, visible, consistent, and promotes staff awareness
- subscription services made available to senior management to flag changes to compliance obligations
- delegations register
- training and awareness program through Code of Conduct training, staff communication of change to or new obligations, and targeted staff training to ensure they meet obligations within the scope of their roles.

### Monitoring and evaluating

The key activities of monitoring and evaluating the legislative compliance management program include:

- identifying new or changes to existing legislative compliance obligations through notifications from subscription services and reviews of the legislative compliance register by compliance owners
- conducting regular legislative compliance risk assessments, including identifying new or emerging compliance risks and assessing the effectiveness of and identifying gaps in existing controls
- regular reporting on legislative compliance obligations and/or exceptions
- reviewing and monitoring legislative compliance activities designed to meet compliance obligations within the scope of the reviewer's roles
- conducting internal self-assessments and external independent reviews and/or audits based the legislative compliance register relating to specific legislation and Northern Beaches Council policies
- reporting the results of reviews to the Chief Executive Officer and the Audit Risk and Improvement Committee.

### Continuous improvement

Council is committed to the ongoing improvement to the legislative compliance management program by:

- staff reporting to management instances where they consider obligations are not being complied with
- senior managers implementing corrective action that is appropriate when legislative non-compliance is identified
- senior managers regularly reviewing legislative compliance procedures to identify areas for improvement
- timely escalation of any unresolved issues to the appropriate management level
- the Executive Manager Governance and Risk or relevant senior manager reporting to the Chief Executive Officer and the Audit Risk and Improvement Committee on instances of significant non-compliance, or increases in legislative compliance risk exposures, and corrective actions to address them.

### **Scope and application**

The Northern Beaches Council Legislative Compliance Policy conforms to international standard AS/ISO 19600:2015 Compliance Management Systems – Guidelines.

This policy applies to all areas of Council and to all staff commensurate with their roles, functions, authority and span of control.

### Key roles and responsibilities

- All staff must:
  - comply with relevant obligations within the scope of their roles
  - report to their manager or supervisor instances where they consider obligations are not being complied with
  - actively identify and seek additional support in understanding their compliance obligations
  - develop the compliance performance and culture within their teams by promoting opportunities for staff to increase their understanding, apply and continuously improve on compliance obligations relating to their roles.
- The Governance and Risk unit:
  - reviews and reports on updates from the Office of Local Government and other pronouncements likely to impact Northern Beaches Council
  - maintains a watching brief on selected legislation and updates senior management of any changes
  - ensures a relevant subscription service is available to key staff to provide active alerts for changes to legislative compliance obligations
  - coordinates compliance risk assessments and updating the Compliance Risk Register for changed or new obligations
  - reports to the Chief Executive Officer and the Audit Risk and Improvement Committee on the effectiveness of the compliance management program. This includes the results of compliance risk assessments, audits and/or self-assessment outcomes, any non-compliance, and any actions taken to minimise the risk of non-compliance to acceptable levels
  - coordinates the policy register to ensure that policies are monitored and are periodically reviewed and updated
  - provides advice to senior managers and other staff on the compliance management program.
- Senior managers have responsibility for ensuring compliance with obligations within their teams and within their area of responsibility. Senior managers are required to:
  - promote a compliance culture to meet compliance obligations by providing support, communication and training where necessary
  - identify, understand and respond to new compliance obligations
  - monitor compliance with current compliance obligations
  - ensure controls are designed, implemented and are in place to minimise the risk of non-compliance
  - investigate and respond to incidents of non-compliance
  - report back on the fulfilment of compliance obligations, through the management sign-off assessing compliance against the Office of Local Government's compliance

and obligations annual calendar and the reviews arising from the legislative compliance register.

- The Chief Executive Officer is ultimately operationally responsible for the Northern Beaches Council's legislative compliance program and to ensure adequate resources are allocated to meet compliance obligations. The Chief Executive Team promotes a compliance culture. Activities include:
  - monitoring compliance with relevant codes, practices, laws and directives
  - ensuring necessary processes and treatment plans are in place to ensure the Northern Beaches Council is complying with its obligations
  - supporting continuous improvement of the compliance management system.
- The Audit Risk and Improvement Committee independently reviews the legislative compliance program at the Northern Beaches Council, by:
  - determining whether management has appropriately considered compliance risks as part of its governance framework
  - reviewing the effectiveness of the program for informing and monitoring Council's compliance with applicable laws and regulations, and its policy register
  - reviewing and advising on the Legislative Compliance Policy to ensure that it contributes to the risk management processes of Council.
- The Council, as the governing body, commits Northern Beaches Council to the Legislative Compliance Policy and sets the expectations, direction and tone of the legislative compliance program. The Council is to be satisfied, through examining appropriate assurance processes and through the advice of its independent committees and the Chief Executive Officer, that the legislative compliance program is effectively managing the risk exposures of non-compliance across the organisation.

## References and related documents

- AS/ISO 19600:2015 Compliance Management Systems – Guidelines
- AS/ISO 31000:2018 Enterprise Risk Management – Guidelines
- Northern Beaches Council Enterprise Risk Management Policy
- Northern Beaches Council Risk and Opportunity Management Framework
- Northern Beaches Council Risk and Opportunity Management Guidelines
- NSW Treasury Guide for Audit & Risk Committees: Compliance Management (June 2017)
- Northern Beaches Council Code of Conduct
- Northern Beaches Council Public Interest Disclosures Policy

## Definitions

In the context of this policy and in line with AS/ISO 19600:2015:

**Compliance:** refers to adhering to the requirements of laws, regulations, government directions, industry and organisational standards and codes, principles of good governance, requirements for certain certifications, accepted community and ethical standards and Northern Beaches Council policies and frameworks.

**Compliance culture:** refers to the values, ethics and beliefs that exist throughout Council and how they interact with the structures and control systems to produce behavioural norms that are conducive to compliance outcomes.

**Compliance management program:** refers to the various functions and practices including the roles and responsibilities of key staff or areas, and the activities they undertake which, when combined, are intended to provide assurance that Council complies with its obligations.

**Compliance risk:** is the effect of uncertainty on compliance objectives. It is characterised by the likelihood of occurrence and the consequence of non-compliance.

**Legislative compliance register:** is a list of the key legislative compliance obligations of the Northern Beaches Council. Each obligation is risk assessed and is assigned a responsible manager to ensure compliance to the obligation.

**Risk Management:** is the systematic application of management policies, procedures and practices to the tasks of communication, consultation, establishing the context, and identifying, analysing, evaluating, treating and monitoring and reviewing risk – as outlined in the Northern Beaches Council Enterprise Risk Management Policy

**Staff:** refers to a person working at or on behalf of the Northern Beaches Council and includes part-time, full-time, and temporary staff and also includes contractors.

**Senior managers:** includes the Chief Executive Officer, Directors, Executive Managers, Business Performance Executives, Head of Integrity and Complaints Resolution, Head of Internal Audit, and management positions which may be deemed as senior due to the size, nature or risk profile of the portfolio they manage.

## Responsible Officer

Executive Manager Governance and Risk

## Review Date

It is intended that this policy will be reviewed every two years or earlier if significant new information, legislative or organisational change warrants an update to this policy.

The next review is scheduled for April 2021.

## Revision History

Revision	Date	Status	TRIM Ref
1	28 May 2019	Legislative Compliance Policy adopted by Council	2019/027602