



## Legislative Compliance Standard

Adopted: 28 April 2021

TRIM: 078455.2021



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# Legislative Compliance Standard

**DIRECTORATE:** City Corporate

**BUSINESS UNIT:** Governance Legal & Procurement

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## 1. OBJECTIVES

The breadth and scope of Liverpool City Council's (**Council**) operations call for the implementation of a system that ensures legislative compliance, transparency, and accountability.

Council aims to achieve the highest standard of governance by identifying breaches of law and regulations and by promoting a culture of compliance within the organisation.

In order to meet the expectations of the community and staff, the principles and procedures set out in this Legislative Compliance Standard (**Standard**) ensures Council is diligent in all areas of public accountability.

## 2. SCOPE

This Standard applies to Council staff, contractors, and volunteers. It applies to all areas of Council's operations and covers compliance with State and Commonwealth legislation, Council policies and procedures, contracts, funding agreements and relevant standards.

## 3. DEFINITIONS

**Compliance:** Adhering to the requirements of laws, industry standards, organisational codes, council policies, principles of good governance, and accepted community standards

**Non-Compliance:** A failure to meet a legislative obligation through an act or omission, potentially resulting in penalties, fines, adverse findings, or costly legal action.

**RelianSys:** An automated web-based software that holds and maintains the data, registers and strategic documents that assists Council in meeting its compliance obligations.

**Risk Appetite:**

A breach of an obligation is above Council's Risk Appetite if it will have a material impact on Council. The thresholds include:

1. Penalties greater than \$50,000 or jail time;
2. Reputational damage from local or national media;  
or
3. Material disruption to service delivery or revocation of license.

**4. ROLES AND RESPONSIBILITIES**

To ensure that legislative requirements are integrated into the everyday running of Council:

**4.1. The Audit and Risk Committee will:**

- 4.1.1. Review compliance reports at set intervals (in line with its agreed upon workplan);
- 4.1.2. Note the effectiveness of this Standard and any identified areas for improvement;
- 4.1.3. Provide advice and recommendations for reporting on compliance; and
- 4.1.4. Note any identified areas of non-compliance or breaches.

**4.2. The Executive Management Team will:**

- 4.2.1. Adhere to and comply with all relevant legislation;
- 4.2.2. Support a positive compliance culture;
- 4.2.3. Support systems and strategies that better identify, monitor, and report on compliance obligations;
- 4.2.4. Review legislative and regulatory obligations at least twice a year;
- 4.2.5. Participate in training as required; and
- 4.2.6. Report on any areas of identified non-compliance and ensure corrective action is taken.

**4.3. The Governance Team will:**

- 4.3.1. Assign individual compliance obligations to relevant managers and Coordinators.
- 4.3.2. Ensure all responsible areas of Council are made aware of their compliance obligations;
- 4.3.3. Monitor changes to laws and other obligations through the subscription alerts by RelianSys;
- 4.3.4. Provide regular training and information sessions to increase awareness and reduce risks of non-compliance;
- 4.3.5. Conduct regular reviews to ensure compliance, identifying any areas of non-compliance or breaches and provide regular updates to the Executive Management Team and the Chief Executive Officer in any identified areas of non-compliance;

- 4.3.6. Prepare a compliance status report for Audit, Risk and Improvement Committee annually;
- 4.3.7. Maintain a register of non-compliance and corrective actions taken for auditing purposes; and
- 4.3.8. Implement improvements to internal compliance processes and systems.

**4.4. The Internal Audit Team will:**

- 4.4.1. Review legislative compliance and ensure legislation is incorporated into Council's Enterprise Risk Management (**ERM**) System; and
- 4.4.2. Maintain a risk based internal audit program for Council. The plan shall be based on Council's ERM and will consider significant non-compliance matters reported to and by the Governance Team.

**4.5. Managers and Coordinators will:**

- 4.5.1. Adhere to and comply with all relevant legislation and policies,
- 4.5.2. Report on legislative compliance annually (or biannually depending on Council's risk assessments);
- 4.5.3. Encourage behaviour that will create a positive compliance culture;
- 4.5.4. Review and provide support in assessing risk ratings for compliance obligations, as required;
- 4.5.5. Participate in training as required;
- 4.5.6. Notify the Chief Executive Officer and directors on any identified areas of non-compliance; and
- 4.5.7. Undertake corrective action to comply in a timely manner.

**4.6. Council staff will:**

- 4.6.1. Adhere to and comply with all relevant legislation and policies; and
- 4.6.2. Report any identified risks of non-compliance or breaches, when they become aware, to their supervisor.

**4.7. The Chief Executive Officer will:**

- 4.7.1. Investigate any areas of identified non-compliance and report breaches to the Governance Coordinator; and
- 4.7.2. Provide Councillors and staff with the necessary information to fulfil their compliance obligations and reduce the organisation's risk of non-compliance.

## **5. PROCEDURE**

Council will implement a procedure to ensure Council staff are aware of their current legislative obligations and report on compliance.

### **5.1. Identifying Obligations**

5.1.1. The Governance Team will access current and amended legislative instruments through the RelianSys software and identify obligations that Council must comply with; and

5.1.2. The Governance Team will also identify roles and responsibilities of each department within the organisation.

## **5.2. Assigning and Signing Off on Obligations**

5.2.1. Several registers are tailored to provide a list of obligations contained in the relevant statutory instruments.

5.2.2. The Governance department will assign applicable obligations to the relevant managers.

5.2.3. Managers will report on compliance within their departments, keeping in mind their current practices.

5.2.4. Managers will sign off on assigned obligations, with several categories (Complies/ Partially Complies/ Does Not Comply/ Not Yet Assessed).

5.2.5. The types of obligations are listed below:

Date Driven	Obligations will be marked 'Date Driven' where you need to take action to comply with the obligation. Date Driven obligations will generally need to be reported on annually. Where a breach of an obligation is deemed outside of Council's Risk Appetite, Managers will be required to report on compliance every 6 Months.
Awareness	Obligations will be marked 'Awareness' where a staff member simply need to be aware of an obligation, but not further action or reporting is required.
Not Applicable	Obligations will be deemed 'Not Applicable' where Liverpool City Council and staff are not required to take action.

## **5.3. Training**

5.3.1. The Governance Team will provide relevant training to support departments' review and sign off on assigned obligations.

## **5.4. Obtaining Advice on Legislative Provisions**

5.4.1. Advice concerning statutory interpretation and general legal advice may be sought when deemed necessary, from Council's Legal Services Team.

## **5.5. Reporting, Auditing, and Reviews**

5.5.1. The Governance Team will generate a Compliance Obligation Report that contains a summary of the status of each obligation. This will be submitted annually to the Audit and Risk Committee and Council's external auditors, the New South Wales Audit Office.

5.5.2. All instances of non-compliance shall be reported as soon as practicable to respective supervisors. If the matter is deemed a significant breach or

significant fines and/or criminal sanctions apply, the matter shall be reported to the relevant director.

5.5.3. Council shall incorporate a review of its processes to ensure legislative compliance is included in its internal audit function.

## 5.6. Managing Non-Compliance

5.6.1. Areas of non-compliance will be identified as risks that can be reported to directors and supervisors.

5.6.2. The relevant department will be required to implement processes and procedures that work to mitigate the risks that have been identified.

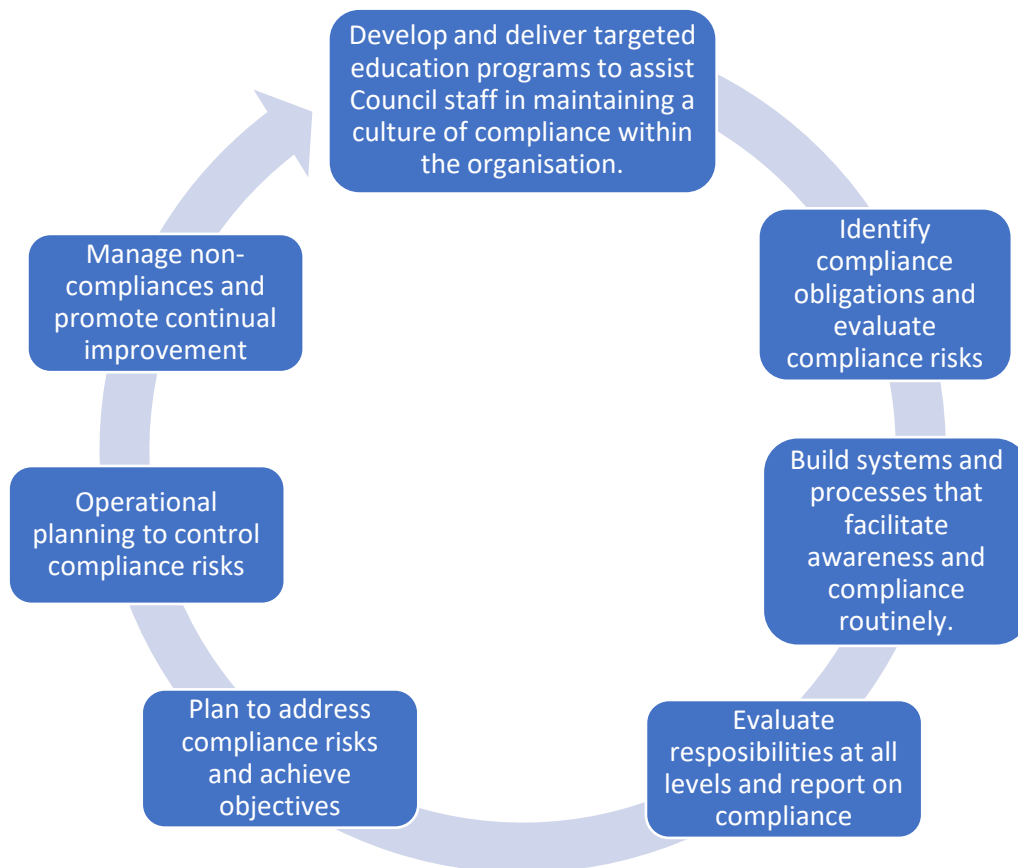
## 5.7. Compliance Calendar

5.7.1. The Calendar of Compliance and Reporting Requirements 2020-21 has been provided by the Office of the Local Government. It outlines key statutory reporting deadlines (**Compliance Calendar**).

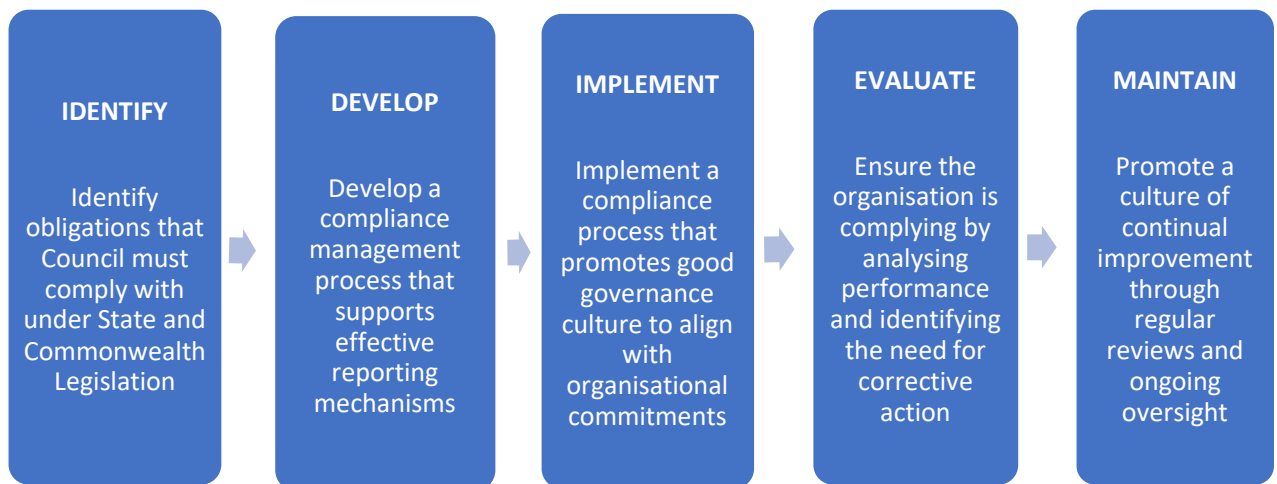
5.7.2. The Governance Team will ensure the calendar is made available to Council staff and that reports are generated in accordance with the compliance deadlines.

5.7.3. The Compliance Calendar will be made available to the Office of the Local Government upon request.

## 6. Compliance Model



## 7. Compliance Process



## **STANDARD STATEMENT**

This Standard explains the responsibilities and procedures that are involved in ensuring legislative compliance within the organisation. It also identifies the key stakeholders.

## **AUTHORISED BY**

Chief Executive Officer

## **EFFECTIVE FROM**

28 April 2021

## **REVIEW DATE**

A review of this Standard will be undertaken every two (2) years or as reasonably required because of a change of law or operation requirement.

## **VERSIONS**

*The current and previous version of the procedure should be set out in the following table.*

<b>Version</b>	<b>Amended by</b>	<b>Changes made</b>	<b>Date</b>	<b>TRIM Number</b>
1	Governance	New Standard	28/04/2021	078455.2021

## **THIS STANDARD HAS BEEN DEVELOPED IN CONSULTATION WITH**

Legal

Internal Audit

Director City Corporate

## **REFERENCES**

*Local Government Act 1993*

RelianSys User Manual Compliance Module V 4.18.3.6

Office of Local Government NSW Webpage

Department of Local Government

Legislative Compliance Framework and Policy Frankston City Council

Legislative Compliance Policy Shire of Katanning

Local Government Compliance Framework Department of Local Government, Sport and Cultural Industries Western Australia

International Standard, AS ISO 19600:2015 Compliance Management Systems Guidelines