



Tasmanian Audit Office

Council general manager recruitment, appointment and performance assessment

Report of the Auditor-General
No.2 of 2021-22

Welcome and introductions

Audit objective

The audit objective was to form a reasonable assurance conclusion on whether:

- recruitment and appointment of council general managers followed the principles of merit, equity and transparency
- performance assessments of general managers aligned with councils' strategic objectives and followed the principles of fairness, integrity and impartiality.

Scope

The audit examined the most recent general manager recruitment and appointment or performance assessment for the following councils:

Recruitment, selection and appointment	Performance assessment
Brighton Council	Circular Head Council
Burnie City Council	Central Highlands Council
Clarence City Council	Huon Valley Council
George Town Council	Launceston City Council
Meander Valley Council	Northern Midlands Council
West Coast Council	Sorell Council

Audit criteria

1. Were recruitment and appointment processes in line with established guidance and contemporary human resources (HR) practice?
 - 1.1 Was there an effective recruitment plan?
 - 1.2 Was there an effective selection and appointment process?
2. Were processes to assess general manager performance effective?
 - 2.1 Were clear performance expectations established and communicated?
 - 2.2 Was the performance assessment process clearly defined?
 - 2.3 Were performance feedback processes effective?
 - 2.4 Were actionable outcomes identified in the performance assessment?

Audit conclusion

Councils have not managed the recruitment, appointment and performance assessment of local government council general managers effectively, with respect to certain criteria and sub-criteria of the performance audit.

The recruitment and appointment of general managers was not conducted in accordance with the principle of transparency because for two councils there were deficiencies in the approach to declaring and managing conflicts of interest and for all councils there was an absence of documentation to support shortlisting and preferred applicant decisions. While performance assessments broadly followed the principles of fairness, integrity and impartiality and were aligned with councils' strategic objectives, there were instances where reappointments and salary increases occurred without reference to recent performance assessments.

Huon Valley Council recruitment process

Objective and scope

- The focus of this review was on the Huon Valley Council's approach to declaring and managing conflicts of interest
- Covered Council's management of conflicts of interest in the recruitment process, which ran from 31 March 2021 to 15 September 2021

Conclusion

- Council's approach to managing conflicts of interest during the recruitment process to appoint a general manager was not effective

Introduction

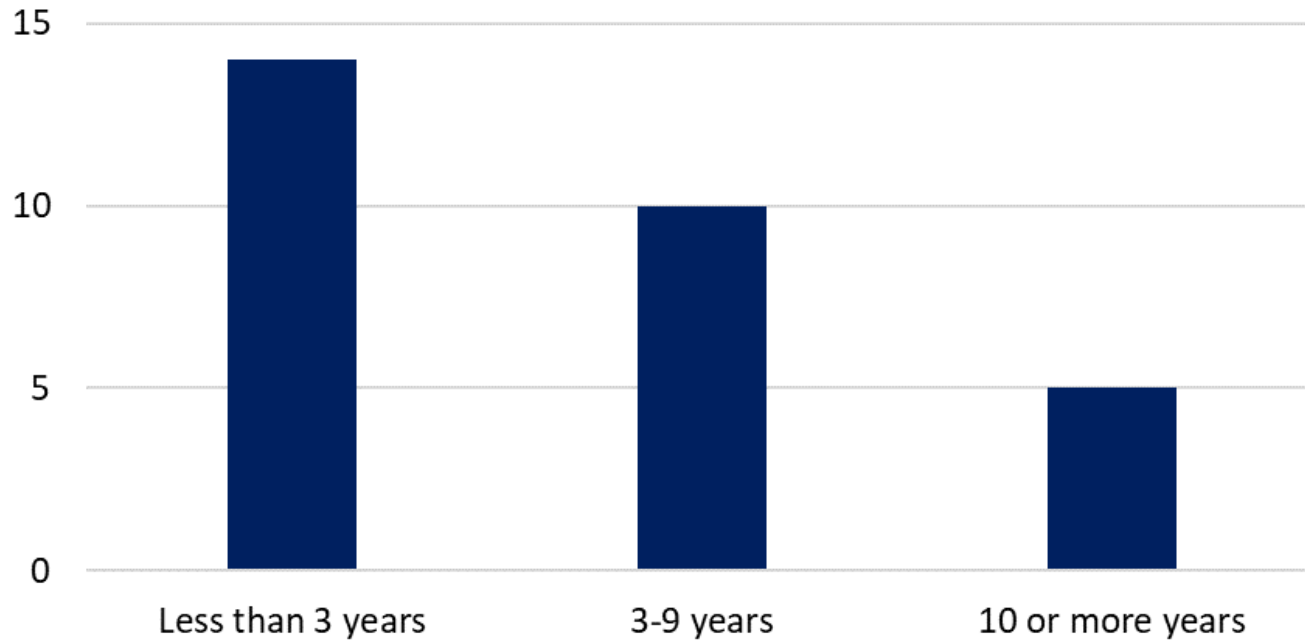


Legislative requirements

- The *Local Government Act 1993* specifies the responsibility to appoint and monitor the performance of the general manager of a council collectively sits with the councillors of a council (section 28(2)(d))
- The Act further specifies it is the responsibility of the mayor to lead and participate in the appointment, and the monitoring of the performance, of the general manager (section 27(1)(g))

Length of tenure of general managers

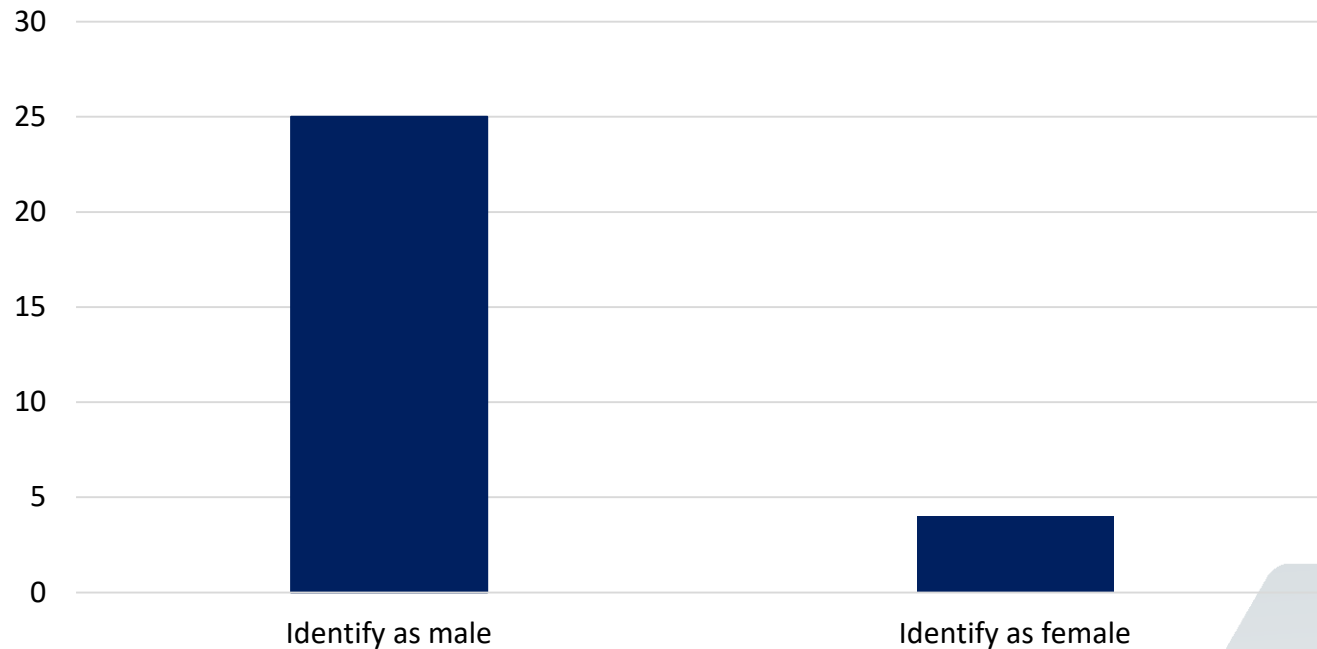
As at 1 August 2021



Source: TAO

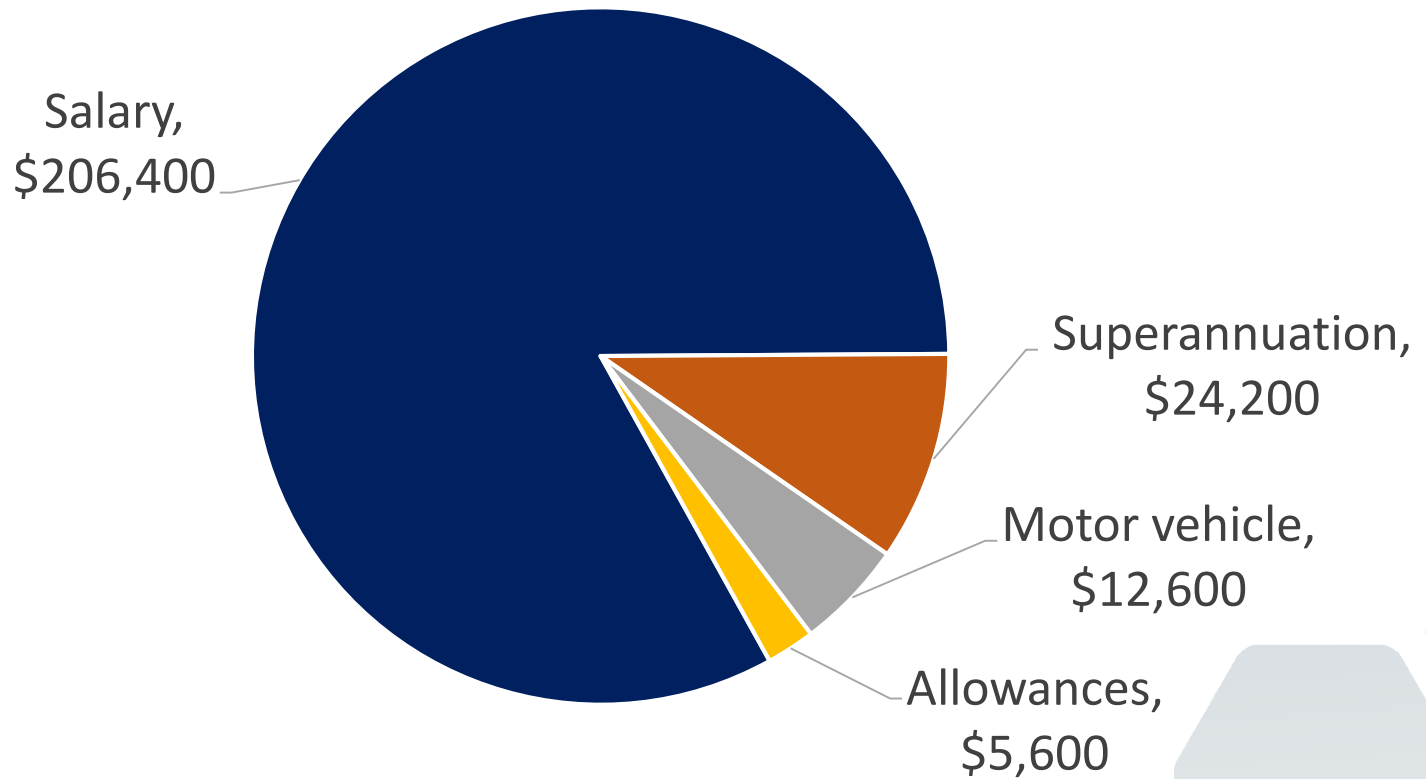
Gender diversity in general managers

As at 1 August 2021






Source: TAO

Average composition of salary packages



Source: TAO

Specific components of salary packages

	 Motor vehicle	 Professional development	 Professional memberships
Monetary value	23 councils	8 councils	9 councils
Value range	\$5,000 - \$18,900	\$1,000 - \$5,000	\$500 - \$3,000
Average value per annum	\$12,700	\$2,700	\$1,400
Provision for component but no monetary value	5 councils	13 councils	14 councils
Not covered in package	-	7 councils	5 councils

Source: TAO

Overall findings

Criteria 1 – recruitment and appointment

- No guidance was issued to support recruitment and appointment processes
- One council directly appointed a general manager
- Councils relied on consultants' expertise to plan for recruitment
- Consultant services represented value for money
- Vacancies were advertised broadly with sufficient information provided to applicants
- Selection and appointment processes were not consistent or transparent

Huon Valley Council recruitment process

- The focus of this examination was on the Huon Valley Council's approach to declaring and managing conflicts of interest
- The review found inadequate management of the conflict of interest resulted in a flawed recruitment process
- The potential for bias and unfair treatment of applicants was significant throughout the process
- The process undermined the public confidence required in an appointment as significant as the general manager of Council

Criteria 2 – performance assessment

- Performance agreements were generally not established outside of employment contracts
- The approach to performance assessments varied across councils
- Councils generally did not identify actionable outcomes in performance assessments
- Reappointments or salary increases were not always tied to performance assessments
- Dispute resolution processes were generally effective

Recommendations

Audit recommendations

1. The Local Government Division of the Department of Premier and Cabinet support the Minister for Local Government to develop and issue mandatory requirements and supplementary guidance on recruitment, appointment and performance assessment processes that are consistent with contemporary HR practice.
2. Councillors with limited recruitment or performance assessment experience involved in such activities either undertake relevant training to improve their knowledge on contemporary HR practice or be supported by a person with the required expertise to help them fulfil their obligations under the Act.

Audit recommendations

3. Councils review and, where appropriate, improve the recruitment and appointment process.
4. Councils review and, where appropriate, improve the performance assessment process.

Huon Valley Council recommendation

Council review and improve the recruitment and appointment process by developing guidance and implementing a process whereby those involved in a recruitment process:

- declare conflicts of interest, or lack thereof, once applicants are known
- implement management strategies that are commensurate with the nature and extent of the conflict of interest.

Responses

Responses

Audit responses

Responses were received from the:

- Premier
- Minister for Local Government and Planning
- Launceston City Council

Huon Valley Council recruitment process review responses

Responses were received from the:

- Minister for Local Government and Planning
- Huon Valley Council

Thank you