

Notice of Meeting

NOTICE IS HEREBY GIVEN in accordance with Sections 83 and 87 of the Local Government Act 1999, that a meeting of the

**CEO Recruitment, Performance Appraisal and Remuneration
Review Committee**

of the

CITY OF BURNSIDE

Will be held in the Boardroom, Civic Centre
at 401 Greenhill Road, Tusmore

on

**Monday 5 March 2018
at 6.00 pm**

A handwritten signature in black ink, appearing to read 'Paul Deb'.

Paul Deb
Chief Executive Officer

CEO Recruitment, Performance Appraisal and Remuneration Review Committee

Agenda

Monday 5 March 2018 at 6.00pm
Boardroom, Civic Centre, 401 Greenhill Road, Tusmore

Members: Mayor David Parkin
Councillors Lemon, Cornish and Piggott

In attendance: Richard Altman (Consultant)
Executive Officer

1. **Apologies**
2. **Leave of Absence Nil**
3. **Confirmation of Minutes**

p4

Recommendation:

That the minutes of the CEO Recruitment, Performance Appraisal and Remuneration Review Committee meeting held on 27 November 2017 be taken as read and confirmed.

4. **Correspondence**
Nil
5. **Business Arising from the Last Meeting**
Nil

6. Reports of Officers

6.1 Review of Committee Terms of Reference **p7**
Attachment A

6.2 CEO Performance Appraisal and Remuneration Review 2018/19 Timeline and Role Chart **p33**

Recommendation

That the Committee endorse the 2017/2018 Chief Executive Officer Performance Review Timeline.

6.3 CEO 360 Review for 2017/2018 – Progress

7. Finance and Meeting Attendance Report to Council

Nil

8. Other Business

9. Next Meeting

To be confirmed

10. Closure

CEO Recruitment, Performance Appraisal and Remuneration Review Committee

Minutes

**Monday 27 November 2017 at 6.00pm
Boardroom, Civic Centre, 401 Greenhill Road, Tusmore**

Members: Mayor David Parkin
Councillors Lemon and Cornish

In attendance: Richard Altman (Consultant)

Apologies

Councillor Davis

Leave of Absence

Nil

Confirmation of Minutes

Recommendation:

CP0349

That the minutes of the CEO Recruitment, Performance Appraisal and Remuneration Review Committee meeting held on 14 August 2017 and adjourned to 28 August 2017 be taken as read and confirmed.

Moved Councillor Cornish, Seconded Councillor Lemon

CARRIED

Correspondence

Nil

Business Arising from the Last Meeting

Nil

Reports of Officers

Elected Member Feedback from 2016/2017 Performance process (Verbal)

Motion

CP0350

1. That the Committee note the comments received from Elected Members which relate to the following:
 - 1.1 Desire to undertake a 360 degree assessment of the CEO as part of the 17/18 performance appraisal process; and
 - 1.2 Mixed views on the assessment process used in 16/17.
2. That the Committee acknowledge the comments received from some Elected Members regarding the verbal assessment process undertaken by Hender Consulting in 16/17 and that the process will be reviewed prior to the next scheduled assessment.

Moved Councillor Lemon, Seconded Councillor Cornish

CARRIED

CEO 360 Review Proposal for 2017/2018 – Process

Motion

CP0351

1. That the Report be received.
2. That the Committee endorse the process and framework for conducting a 360 Review for the Chief Executive Officer for 2017/2018.

Moved Councillor Lemon, Seconded Councillor Cornish

CARRIED

2017/2018 Key Performance Indicator Update

Motion

CP0352

1. That the Report be received.
2. That the Committee note the progress made for the period August – November 2017 against the Chief Executive Officer KPI's for 17/18.

Moved Councillor Cornish, Seconded Councillor Lemon

CARRIED

Committee Terms of Reference

Motion

CP0353

1. That this item is adjourned for consideration at the first meeting in 2018 with Richard Altman, Independent Consultant, to conduct a review of the existing Terms of Reference in comparison to other Councils, with a view to aligning with contemporary standards and governance.

Moved Councillor Cornish, Seconded Councillor Lemon

CARRIED

Finance and Meeting Attendance Report to Council

Nil

Other Business

Next Meeting

To be scheduled for February 2018

Closure

The meeting concluded at 6.45pm.

Minutes confirmed this day of 2017

Mayor / Chair

Item No: 6.1
To: CEO Recruitment, Performance Appraisal and Remuneration Review Committee
Date: 5 March 2018
Author: Executive Officer
Subject: REVIEW OF COMMITTEE TERMS OF REFERENCE
Attachments: A. CEO Performance Appraisal & Remuneration Committee Terms of Reference Review report

Officer's Recommendation

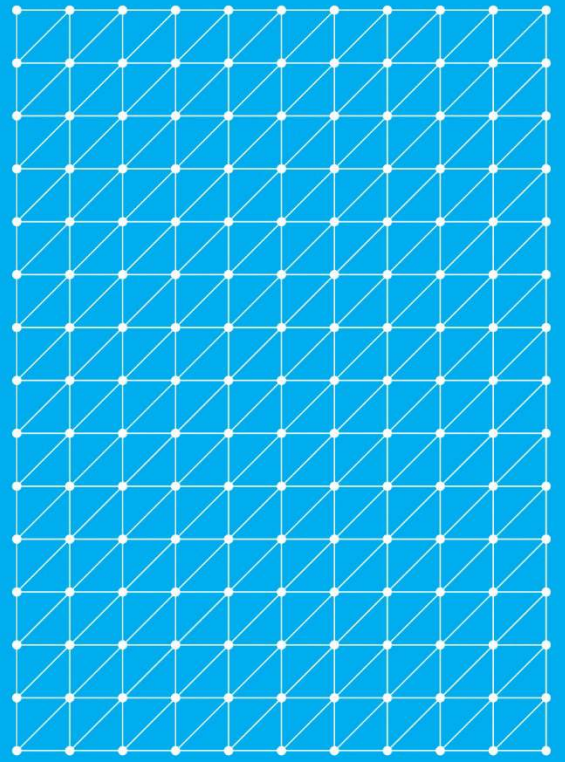
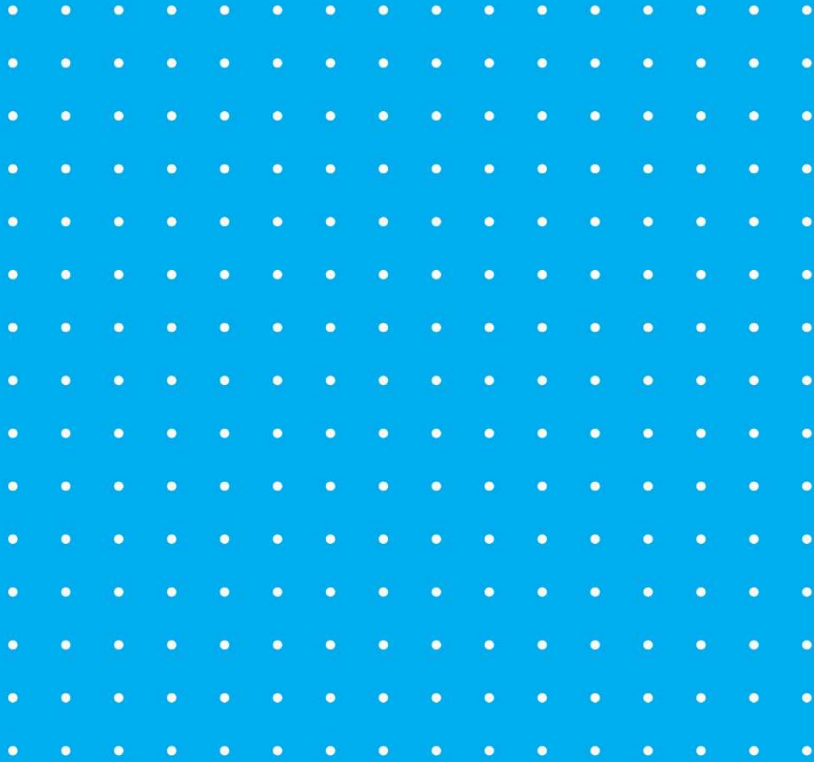
1. That the Report be received.
 2. That the Committee note the report prepared by Richard Altman Consulting.
 3. That the Committee Terms of References are amended to expand the role of the Committee to include setting and endorsing the annual performance plan with the Chief Executive Officer (CEO) following appropriate consultation with the Elected Member body; with the Committee granted the function and authority of agreeing KPIs with the CEO.
 4. That the revised Terms of Reference are presented to Council for approval consistent with usual governance practice.
-

Purpose

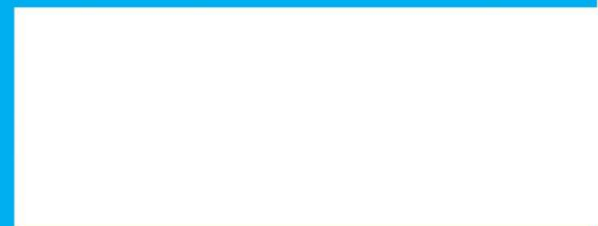
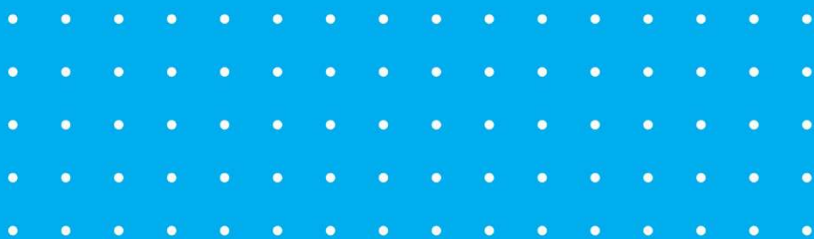
1. To provide the Committee with the independent review of the current Terms of Reference as requested, and consider any changes to be recommended to Council.

Discussion

2. The current Terms of Reference were established in 2011. The existing document does not make any specific reference or provide a frequency for a review of the Terms of Reference.
3. The Committee sought a review of the Terms of Reference to consider any differences and benchmark appropriately with other Councils; ensuring best practice governance and providing for congruence with the CEO's Employment Agreement, ensuring the role and scope of the Committee aligns with the needs of Council.
4. The Terms of Reference (referred to as Charter) Review Report from Richard Altmann Consulting has been provided to the Chair.
5. The Report makes reference to some changes for the Committee to consider. Primarily these relate to the Committee having the authority to set the annual performance plan for the CEO. Other recommendations relate to formalizing the attendance of the CEO at Committee meetings, and consideration of the Membership of the Committee.



**CITY OF BURNSIDE
CHIEF EXECUTIVE
OFFICER'S RECRUITMENT,
PERFORMANCE
APPRAISAL AND
REMUNERATION REVIEW
COMMITTEE
REVIEW OF CHARTER
FEBRUARY 2018**



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BACKGROUND AND SCOPE

The City of Burnside established the Chief Executive Officer's Recruitment, Performance Appraisal and Remuneration Review Committee (the Committee) to conduct the annual performance review for the Chief Executive Officer (CEO). Council adopted a Charter for the Committee and it sets out a range of Committee responsibilities and functions.

While the current Charter sets out a range responsibilities and actions for the Committee, it needs to be read in conjunction with the CEO's Employment Agreement. The Agreement sets out a range of issues relating to the timing and conduct of the CEO's annual performance and remuneration review.

The Committee asked that a review be undertaken of the Charter to ensure the role and scope of the Committee still aligns with the needs of Council. The scope of the review was to simply undertake a review and make recommendations to the Committee about any changes. We used the following steps to conduct the review:

- Undertake benchmarking with other Councils to consider the content and scope of their Terms of Reference.
- Prepare a report for the Committee outlining and comparing the scope and content to identify similarity and differences with other Councils and Burnside
- Meet with the Committee to review the findings and prepare a draft Terms of Reference for review

Using this process ensures the Charter aligns with Council's needs and is consistent with other Council approaches. The goal of the review is develop a Charter that enables the Committee and the CEO to deliver the best results for Burnside.

CHARTER BENCHMARKING

As outlined above, we recommended that a review of the Charter include some benchmarking with other Council's to compare and contrast the content. We obtained a copy of the Terms of Reference for the CEO Performance Review Committee or Panel for the following Councils:

- City of Playford
- The City of Unley
- Town of Walkerville
- City of Prospect
- City of Mitcham
- City of Marion
- The City of Adeliade

It is our view the Terms of Reference for the above Councils is representative of most. In our work in this area we have also conducted CEO performance and remuneration reviews for Adelaide Hills Council, so are familiar with their Terms of Reference.

We have provided the current Charter for the City of Burnside in Attachment 1 of this report.

For the purpose of comparison we have provided the relevant section of the Charter for Burnside and made comments relating to the content of other Council's Terms of Reference. We found a high degree of alignment across most of the content.

Role

In relation to the performance of the CEO, the Committee's role is to:

- *appoint, as thought necessary, a facilitator to assist the Committee to discharge its obligations in relation to the preparation of the draft performance plan.*
- *appoint or re-appoint a facilitator to assist in the appraisal which arises out of the final performance plan.*
- *advise Council in relation to the setting of standards and parameters for the measurement of the CEO's performance.*
- *recommend to Council the performance goals and activities that the CEO should work towards achieving / undertaking over a 12 month period and take into account feedback to the CEO from the previous year's review and to what extent former recommendations have been acted upon.*
- *advise Council in relation to the performance of the CEO as measured by key performance indicators and other standards set by Council.*
- *review the performance of the CEO at 12 monthly intervals.*
- *participate actively in the process of reviewing the performance of the CEO, ensuring that the he / she, is both consulted and advised of the process.*
- *ensure that recommendations regarding the foregoing are in accord with Council's Strategic Plan.*
- *ensure that all Elected Members are invited to provide written comments of appraisal of the CEO's performance to the Committee and that sufficient time is allowed for members to provide such comments to the Committee, that is at least two weeks, over and above mailing time.*

In relation to the remuneration and conditions of service of the CEO, the Committee's role is to:

- *seek Expressions of Interest for the position of Remuneration Adviser, including by way of advertisements placed in a newspaper circulating throughout the State of South Australia;*
- *provide the names of three consultants to the Council for its decision, with recommendations as to suitable terms of engagement;*

- *with the assistance of the Remuneration Adviser appointed by Council, undertake the annual salary review;*
- *participate actively in the process of reviewing the salary and conditions of employment of the CEO, ensuring that he/she, is both consulted and informed of the process.*
- *recommend to Council any proposed changes in salary and/or conditions of employment of the CEO that the Committee thinks appropriate.*

The Committee also has responsibilities for the recruitment of a CEO.

We note that the Terms of Reference document for the City of Burnside prescribes in more detail the objectives and functions of the Performance Review Committee than the equivalent documents of other benchmarked Councils. While Mitcham and Unley Councils have brief documents summarising the main points for each of their Committees, Prospect Council provides a brief Terms of Reference document but includes an appendix and annexure for further information. In Unley, the Committee is not a Section 41 Committee.

The role of the Committees across the benchmarked Councils aligns with the role of the Committee at Burnside. Each Committee has the function to work with the CEO to undertake an annual performance and remuneration review. We note that while Adelaide, Walkerville, Unley and Playford Councils delegate authority to the Committee to set and monitor the CEO's Key Performance Indicators (KPI's), the remaining benchmarked councils align more closely with Burnside where the Council determines the final performance plan on the advice of the Committee. Other Terms of Reference are more explicit in their wording regarding the involvement of the CEO in the performance review process. In some cases, the Terms of Reference make specific reference to "engage with the CEO" in undertaking the performance review and setting and agreeing the annual KPI's.

In the Councils that are tasked with setting the annual KPI's, the Mayor usually seeks input from other Elected Members for the CEO and the Committee to consider. This enables all Elected Members to have input, but makes the process simpler and more timely. Those Councils found that it would take a number of meetings of Council to reach agreement, and this was often well into the performance period.

We also note from the current Charter, the Committee needs to review the performance of the CEO at 12 monthly intervals. In our review of the Terms of Reference of other Council's we found some set a meeting frequency for the Committee and others did not. Walkerville undertakes a review of CEO performance twice yearly, while Marion require the Committee to conduct an informal review after six months and a formal review each year. Playford sets out in their Terms of Reference the need for the Committee to meet four times each year. We know from our experience in other Councils that many of them meet informally with the CEO during the year to discuss performance against the agreed KPI's. It is our view this represents good practice.

We understand from our experience at Walkerville that the Mayor meets regularly with the CEO to discuss progress and performance. While this is a positive practice, it is our view the Committee at Burnside should have at least two meetings with the CEO during the year for the CEO to update

them about performance and progress. We would recommend making changes to the current charter in order to provide for this. We recommend the following changes:

The Committee's role is to:

- *Engage with the Chief Executive Officer in the undertaking of the annual performance review within the parameters of the Employment Agreement, and report the findings to Council. Conduct an informal performance review meeting with the Chief Executive Officer after six months of each review year*
- *On an annual basis, and in conjunction with the Chief Executive Officer, establish the Key Performance Indicators (KPIs) against which the performance review is to be conducted*
- *Periodically review with the Chief Executive Officer the Key Result Areas included in the position description against which feedback will be sought during the annual performance review*
- *On an annual basis make recommendations to Council regarding the remuneration and conditions of employment of the Chief Executive Officer, consistent with the requirements of the Employment Agreement*

We note that the Terms of Reference for Marion also include a provision for the Committee to coordinate the recruitment of the CEO. Others are less detailed in that regard, but it is our understanding that the Committee is usually asked to coordinate that task.

Delegations:

We note the Committee has a number of delegations set out in the Terms of Reference. These are narrow in their scope and most decisions relating to the CEO need to be made by Council. While that is consistent with most Council's the area of difference seems to be in relation to the setting of the annual performance plan. We have highlighted above that Adelaide, Unley, Walkerville and Playford Councils have authorised the Committee to set the annual performance plan. In those cases the Committee works with the CEO to set the KPI's, and then meets with the CEO during the year to receive updates.

Meetings

As noted previously, Burnside again provides much more in depth and directive information than is covered in the Terms of Reference documents of other reviewed Councils.

As noted earlier in this report, Playford set four formal meetings each year. All other reviewed Councils have no specific meeting frequency.

We note however from our experience, that Unley meets at least three times each year. The CEO takes the initiative and calls such meetings to update the Committee on performance progress. It is also noteworthy that Unley have not set up their Committee under Section 41 of the Local Government Act.

We also note from our involvement at The City of Adelaide, the Panel meets three times each year to informally review the CEO's performance. Walkerville have also adopted a new Terms of Reference that requires they meet at least three times each year. At one of those meetings they are to review the Terms of Reference.

In our review of the Charter and Terms of Reference of other Councils, we also sought detail regarding the attendance of the CEO at all or part of each Committee meeting. We can confirm that Playford, Adelaide, Unley, Adelaide Hills, and Marion all invite the CEO to attend each meeting. In some cases they ask the CEO to leave while they finalise a recommendation to Council, but actively engage with the CEO during the performance review process.

The custom and practice at Burnside has not been to have the CEO attend Committee meetings. We recommend that Burnside consider adopting the practice of some other Councils in this regard. It is our view that contemporary performance review practice has a high level of engagement with the CEO. We find outside of the Local Government sector that it is common for a Board Sub-Committee to meet regularly with the CEO to set and agree KPI's, to have regular performance feedback meetings, and to conduct the annual performance review.

While the Mayor will always lead the process, we are of the view there is value in having the CEO meet with the Committee. We would specifically recommend the following:

- The CEO meet with the Committee at the commencement of the annual performance review process. This would ensure the Committee and the CEO can agree the process, steps and timing, and those to be asked to provide feedback.
- The CEO meet with the Committee during the performance review process and formally present to the Committee his views as to the achievement of the agreed KPI's for the year.
- The CEO to meet with the Committee to set the KPI's. While the Mayor would lead the process, it is important for the CEO to engage with the Committee to discuss and finalise the KPI's.

Working with the CEO in this way meets best practice, but may also be more efficient in conducting the performance review process and setting the KPI's.

Membership

- *The Committee comprises the Mayor and three Elected Members.*
- *Unless Council resolves otherwise, the Mayor is the Presiding Member of the Committee.*
- *The three Elected Members (ie.other than the Mayor) are appointed for a period of 12 months, commencing on 1 January in each calendar year and expiring on 31 December of each calendar year.*
- *Administration Support – the CEO will allocate appropriate human resources to ensure that reports, agendas, notice of meetings and minutes of the Committee are recorded and managed in accordance with legislative compliance requirements.*

We find some alignment with the membership across Councils. The following table sets out a summary of the membership for each Council benchmarked.

Council	Membership
Playford	Mayor, Deputy Mayor, and two Council Members
Unley	Mayor, plus four Council Members
Walkerville	Mayor, Deputy Mayor, plus two Elected Members
Prospect	Mayor, plus four Elected Members (one must be female)
Mitcham	Mayor, plus four Elected Members
Adelaide	Lord Mayor, Deputy Lord Mayor and three Elected Members, plus an independent member
Marion	Mayor, plus three Elected Members

It is clear that Burnside have a similar size Committee to other Councils. Unley, Prospect and Mitcham have the largest Committees, each having a total of five Members. Burnside might consider including the Deputy Mayor as a Member of the Committee.

Role of the Presiding Member

Unless the Council resolves otherwise, the Mayor is the Presiding Member of the Committee

In our review of the Charter and Terms of Reference of other Councils, we found a high degree of alignment regarding the role of the Presiding Member. We note that Burnside aligns with other Councils in appointing the Mayor as the Presiding Member. While the Burnside Charter does not include specific reference to the Presiding Member's role, this was not uncommon with only Prospect, Walkerville, Adelaide and Playford making specific reference to this. Prospect also include a provision for the Presiding Member to facilitate dialogue with the CEO to reach agreement on some matters.

We note at Adelaide Hills Council the current Mayor has chosen not to be the Presiding Officer.

Process and Timeline

We note that the Burnside Charter provides attachments to the main document outlining the Process and Timeline for both the CEO Appraisal and the Remuneration and Conditions of Service

review. We find that the City of Burnside is unique in the reviewed Councils in detailing such a structured process for the conducting of these reviews.

SUMMARY

In our review of the Terms of Reference of other Councils we find a high degree of alignment. We have recommended some changes in the “Role” of the Committee at Burnside to better align with contemporary practice.

We recommend that Burnside consider the following changes to their Terms of Reference:

- Expand the role of the Committee to include setting the annual performance plan with the CEO. Once agreed by the Committee and the CEO it can then be provided to Council for information. We make this recommendation to simplify the process. We recommend that the Mayor seek input from other Elected Members during the process, but the Committee be given the authority to agree the KPI's with the CEO.
- Consider including some specific engagement with the CEO during the setting of KPI's and the performance review process.
- Consider if there is merit in including the Deputy Mayor as a Member of the Committee.

ATTACHMENT 1

CEO RECRUITMENT, PERFORMANCE APPRAISAL AND REMUNERATION REVIEW COMMITTEE

TERMS OF REFERENCE

1. Name

- 1.1 The name of the Committee is the CEO Recruitment, Performance Appraisal and Remuneration Review Committee [“Committee”].

2. Establishment

- 2.1 The Committee was established on 18 January 2011 by resolution C8073 of the City of Burnside pursuant to section 41 of the *Local Government Act 1999*.

3. Strategic Plan Desired Outcome

- 3.1 A leading organisation that is healthy, progressive and flexible with a diverse culture that encourages safety, learning and development.

4. Our Approach

- 4.1 Foster a supportive and leading culture.

5. Legislative Requirements and Corporate Policy Context

- 5.1. The appointment, remuneration and performance appraisal of the Chief Executive Officer (CEO) is the only human resource responsibility of the elected body of Council, as set out in Part 1 of Chapter 7 of the *Local Government Act 1999*.
- 5.2. These Terms of Reference set out Council’s procedure for carrying out those functions.

1.

6. Interpretation

- 6.1 In these Terms of Reference:
- “the Act” means the *Local Government Act 1999*;
- “CEO” means Chief Executive Officer;

“Council” means the City of Burnside;

“Elected Member” means the Mayor or Councillor (as defined in the Act) of the Council;

“Remuneration” includes salary.

6.2 Any reference to the Act or law includes any Act or law replacing it.

7. Functions of the Committee

The Council is responsible for the appointment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO. The Committee's role is to advise the Council on these matters including:

- 7.1. performing the functions of a selection panel pursuant to section 98(4) of the Act;
- 7.2. determining the Performance Plan of Council's CEO;
- 7.3. Monitoring the performance of Council's CEO; and
- 7.4. reviewing the remuneration and conditions of employment of the CEO at 12 monthly intervals.

8. Membership

- 8.1. The Committee comprises the Mayor and three Elected Members.
- 8.2. Unless Council resolves otherwise, the Mayor is the Presiding Member of the Committee.
- 8.3. The three Elected Members (ie. other than the Mayor) are appointed for a period of 12 months, commencing on 1 January in each calendar year and expiring on 31 December of each calendar year.
- 8.4. Administration Support – the CEO will allocate appropriate human resources to ensure that reports, agendas, notice of meetings and minutes of the Committee are recorded and managed in accordance with legislative compliance requirements. Other professional human resources will be allocated by the CEO as required.

9. Meetings

- 9.1. The Committee must meet as often as is necessary to ensure that it meets its obligations as set out in these Terms of Reference.
- 9.2. The Presiding Member, with the consent of at least one other member of the Committee, may cancel a meeting due to lack of business or other reasonable reason.
- 9.3. Any two Committee members may call a meeting of the Committee.
- 9.4. Council may change these Terms of Reference at any time.
- 9.5. Meeting procedures shall follow those set out in Part 3 of the *Local Government (Procedures at Meetings) Regulations 2000* for minor committees and the following requirements shall apply:

- 9.5.1. Pursuant to Regulation 23 – Notice of Meetings to Members, shall be in a written form determined by the Committee and be given for each meeting by the person nominated by the CEO for this purpose.
- 9.5.2. Committee Members must be given copies of agendas and any relevant reports at least 3 clear days before each meeting.
- 9.5.3. Pursuant to Regulation 24 – The minimum requirement for Public Notice of each Committee meeting shall be by way of a notice on the public information notice board at the Council’s Civic Centre posted at least 3 clear days before any relevant meeting.
- 9.5.4. Pursuant to Regulation 25 – Minutes are to be in accordance with Part 3 of the Regulations and must contain:
 - 9.5.4.1. The names of the Members present; and
 - 9.5.4.2. The adoption of any previous committee minutes not yet adopted as true and correct record; and
 - 9.5.4.3. Each motion carried at the meeting; and
 - 9.5.4.4. Any disclosure of any interest made by a Member; and
 - 9.5.4.5. Details of the making of an order under Section 90(2) of the Act; and
 - 9.5.4.6. A note of the making of an order under Section 91(7) of the Act.
- 9.5.5. Special requirements as to confidentiality
 - 9.5.5.1. All documents to which paragraph 9.5.4.6 applies must be held by the Presiding Officer until their release pursuant to the operation of section 91(9) of the Act, at which time they are to be delivered up in accordance with the resolution of Council.
 - 9.5.5.2. Some matters may be of such an elevated level of confidentiality that documentation may be in the possession of external advisers (for example, in relation to recruitment of the Chief Executive Officer). These Terms of Reference must be read in conjunction with the City of Burnside Records Management Policy (see, in particular, paragraphs 10.3.3, 10.3.4 and 10.3.5 – 13/9/2011, CCS0036) and the provisions of that Policy adhered to.
 - 9.5.5.3. The Executive Assistant to the CEO has been nominated as the relevant person in relation to the prefatory notes to these Terms of Reference to identify the Committee contact person within Council administration, but is not to be privy to any matters to which section 91(7) of the Act applies.

9.5.5.4. Subject to paragraph 9.5.5.1, the minute taker and all support staff and persons who are not elected members who have access to documents and records to which section 91(7) of the Act applies, must keep all such documents and records in the strictest of confidence and release them to elected members only.

9.6. Meetings will be held at Council's Civic Centre or another location nominated by the Presiding Member and advised in accordance with the Act and Council policy for the notification of Council and Committee meetings.

10. Voting

10.1. Each member of the Committee present at a meeting shall have one vote.

10.2. The Presiding Member shall have a deliberative vote but does not in the event of an equality of votes have a casting vote.

10.3. In the event of a tied vote the matter will be referred to Council for deliberation.

11. Quorum

11.1. A quorum for the Committee shall be three (3) members for matters which relate to CEO Recruitment, Selection and Appointment and that on all other matters the quorum be two (2).

12. Reporting

12.1 The agendas and minutes of the Committee will be available to the public in the same manner as other Council Committees.

13. Delegations

13.1. Subject to paragraph 13.2 below, the Committee's role is limited to advising Council on recommendations. The Committee may, however, engage consultants to assist with its activities.

13.2. The Committee has the following delegated authority, coupled with the following obligations:

13.2.1. The power to engage such solicitors or other consultants as the Committee may from time to time determine to liaise and provide advice on matters pertaining to the CEO Recruitment, Performance Appraisal and Remuneration Review functions;

13.2.2. The obligation to report to Council following the conclusion of the March, June, September and December quarters;

13.2.3. The obligation to provide details to Council at the first Council meeting following the end of each financial year advising of the costs incurred in the provision of this advice for the preceding financial year;

13.2.4. The power to authorise accounts for payment relating the provision of legal advice to the Committee and consultancy work relating to these Terms of Reference; and

13.2.5. All powers necessary for it, on behalf of Council, to carry out the functions set out in these Terms of Reference and to expend funds necessary for that purpose.

14. Duties of the Committee

14.1. Recruitment of CEO

14.1.1. Council's role is to appoint the CEO, on the advice of the Committee. The Committee's role is, subject to 14.1.3, to identify a suitable person and refer the appointment of that person to Council.

14.1.2. The Committee's role is to:

14.1.2.1. assist Council in the recruitment of a CEO;

14.1.2.2. identify and recommend to Council a suitable candidate for the position of CEO;

- 14.1.2.3. On behalf of Council, ensure compliance with Section 98 (3) of the Act;
 - 14.1.2.4. carry out the functions of a selection panel in accordance with Section 98 (4) of the Act;
 - 14.1.2.5. In accordance with Council's Procurement (Contracts, Tenders, and OHSW) Policy, to engage an appropriate consultant to manage and conduct the process of selection of a suitable candidate for the position of CEO; and
 - 14.1.2.6. ensure that the recruitment process includes an advertising campaign.
- 14.1.3. The Committee is empowered to identify a single person as suitable pursuant to clause 14.1.2.2. If, however, the Committee fails to reach a unanimous view as to that person, it shall on the request of any member of the Committee (made at the meeting of the Committee resolving which candidate should be recommended to Council) refer the matter to Council for determination of who, from the final short-list, is to be appointed.

14.2. Performance of CEO

- 14.2.1. Council's role is to determine the performance plan, on the advice of the Committee, and to assess the CEO's performance measured against that plan. The Committee's role is to prepare a draft performance plan for Council's consideration and determination; to attend to the collection and collation of Elected Member feedback in relation to the CEO's performance as measured against the performance plan approved by Council; and to present the results to Council.
- 14.2.2. The Committee's role is to:
 - 14.2.2.1. appoint, as thought necessary, a facilitator to assist the Committee to discharge its obligations in relation to the preparation of the draft performance plan.
 - 14.2.2.2. appoint or re-appoint a facilitator to assist in the appraisal which arises out of the final performance plan.
 - 14.2.2.3. advise Council in relation to the setting of standards and parameters for the measurement of the CEO's performance.
 - 14.2.2.4. recommend to Council the performance goals and activities that the CEO should work towards achieving / undertaking over a 12 month period and take into account feedback to the CEO from the previous year's review and to what extent former recommendations have been acted upon.

- 14.2.2.5. advise Council in relation to the performance of the CEO as measured by key performance indicators and other standards set by Council.
- 14.2.2.6. review the performance of the CEO at 12 monthly intervals.
- 14.2.2.7. participate actively in the process of reviewing the performance of the CEO, ensuring that the he / she, is both consulted and advised of the process.
- 14.2.2.8. ensure that recommendations regarding the foregoing are in accord with Council's Strategic Plan.
- 14.2.2.9. ensure that all Elected Members are invited to provide written comments of appraisal of the CEO's performance to the Committee and that sufficient time is allowed for members to provide such comments to the Committee, that is at least two weeks, over and above mailing time.

14.3. Remuneration and Conditions of Service of CEO

- 14.3.1. Overview: Council's role is to appoint a Remuneration Adviser and to determine any changes in salary and/or conditions of employment of the CEO. The Committee's role is to identify three suitable consultants for Council's consideration; to work with the Remuneration Adviser and ensure the participation of the CEO in the process; and to make recommendations to Council as to any proposed changes in salary and/or conditions of employment of the CEO.
- 14.3.2. The Committee's role is to:
 - 14.3.2.1. seek Expressions of Interest for the position of Remuneration Adviser, including by way of advertisements placed in a newspaper circulating throughout the State of South Australia;
 - 14.3.2.2. provide the names of three consultants to the Council for its decision, with recommendations as to suitable terms of engagement;
 - 14.3.2.3. with the assistance of the Remuneration Adviser appointed by Council, undertake the annual salary review;
 - 14.3.2.4. participate actively in the process of reviewing the salary and conditions of employment of the CEO, ensuring that he/she, is both consulted and informed of the process.
 - 14.3.2.5. recommend to Council any proposed changes in salary and/or conditions of employment of the CEO that the Committee thinks appropriate.

14.3.3. Special provisions in relation to the Consultant.

The Consultant's role is to:

- 14.3.3.1. liaise with, and report directly to, the Committee;
- 14.3.3.2. provide professional advice to the Committee; and
- 14.3.3.3. acting consistently within the framework of appointment by the Council, assist the Committee, mindful of the competing interests of the Committee / Council on the one hand and the CEO on the other. The Consultant's duty is to the Committee / Council. The Consultant must not take instructions from the CEO.

14.4. The process and time line for appraisal of CEO's performance is set out in attachment 1 hereto "CEO appraisal: process and time line".

14.5. The process and time line for review of remuneration and conditions of service of CEO is set out in attachment 2 hereto "CEO remuneration and conditions of service: process and time line".

15. Council's Role

15.1. Taking into account the recommendations of the Committee, to:

- 15.1.1. determine the contract of employment for the CEO;
- 15.1.2. appoint the CEO;
- 15.1.3. set the standards and parameters for measurement of the performance of the CEO;
- 15.1.4. as an elected body, and individually as elected members, participate in the CEO's performance appraisal process;
- 15.1.5. determine whether any variations to the remuneration and conditions of the CEO are appropriate.

16. CEO's Role

- 16.1. is to participate actively in the performance appraisal process as required by the Committee.
- 16.2. is to make use of constructive feedback from Elected Members and the Committee in relation to performance appraisal.
- 16.3. is to promptly bring to the attention of the Presiding Member of the Committee any situation where it might reasonably be appropriate to vary any aspects of the performance review standards and/or parameters in the light of current circumstances.

Attachment 1

CEO Appraisal: Process and Time Line

A. PROCESS

1. The elected members and CEO will work together to finalize the CEO's performance plan for the following year, prior to that year commencing. The performance review for the CEO will be completed as soon as possible after the end of the financial year and if possible, during May and June
2. The CEO is required to undergo a process of review of his/her performance at 12 monthly intervals.
3. The purpose of the review is to provide constructive feedback to the CEO on performance in the preceding 12 months.
4. All Elected Members are expected to be clear about the purpose and process for the CEO's performance appraisal and provide constructive feedback to the CEO through the Committee.
5. Individual Committee Members are expected to commit to full participation in agreed activities.
6. All Elected Members and the CEO will be invited by the Committee to provide written input into describing the goals and measures that are to be achieved by the CEO in the next 12 month period.
7. All Elected Members and the CEO will be invited by the Committee to provide written input into the assessment of the CEO in his/her achievement of such goals and measures in the previous 12 month period.
8. The Committee Report to Council is to include comments by the CEO addressing any Elected Members' comments the CEO wishes to comment on, together with a brief outline of his/her reasons for his/her self-assessment rating.
9. Appeals By CEO
 - 9.1. If the CEO is dissatisfied with the performance appraisal process, he or she should write to the Mayor stating the grounds of the appeal.
 - 9.2. The Mayor should seek to resolve the matter, in consultation with a representative of the CEO (chosen by the CEO), by evaluating the individual performance assessment process and outcomes. The Council may also wish to consider establishing an appeal panel which could comprise:
 - 9.2.1. Independent Chair (to be agreed between CEO and Council/Committee)
 - 9.2.2. CEO representative (who will be chosen by the CEO)
 - 9.2.3. The Committee members, the Mayor and an Elected Member, or some other arrangement suitable to Council.

B. TIME LINE

PERFORMANCE PLAN

10. – *February*

- 10.1 The Committee considers the engagement of a facilitator to design or assist in the design of a draft performance plan for the coming year's goals/outline of activities. If there is no arrangement in place and a facilitator is to be engaged, the Committee, in accordance with Council's Procurement (Contracts, Tenders, and OHSW) Policy engages an appropriate facilitator.

11 – *May/June*

- 11.1 The Committee, assisted by the facilitator, designs a draft performance plan for the coming year's goals/outline of activities.
- 11.2 The Committee seeks input from the CEO on the plan.
- 11.3 The draft performance plan of future goals/activities is presented to Council and feedback from Elected Members is provided at the following Council meeting.
- 11.4 The Committee finalises the performance plan and distributes this to Elected Members and the CEO.
- 11.5 The Mayor, as Presiding Member of Council, asks Elected Members to note that assessment of the CEO's performance takes place over a 12 month period from July to June inclusive.

12. *November*

- 12.1 New Elected Members inducted into Council's Performance Appraisal of CEO Policy.
- 12.2 Mayor and CEO ensure that new/continuing Elected Members are given copies of worksheets outlining the year's goals/activities to be achieved, as decided by Council in July.

PERFORMANCE REVIEW

13. – *February*

- 13.1 The Committee appoints/reappoints the independent facilitator.
- 13.2 The Committee meets with the facilitator in order to:
 - 13.2.1 clarify common understanding of goals/measures;
 - 13.2.2 decide if input is to be sought from others, and if so, whom; and
 - 13.2.3 seek input from CEO on the year's achievements, ie. Since the previous July.

14. *May and June*

- 14.1 The Presiding Member of the Committee requests written comments from Elected Members, using the designated worksheets, which are then provided to the Committee.
- 14.2 The Committee meets to:
 - 14.2.1 read/discuss Elected Members' comments
 - 14.2.2 make their joint Committee assessment
 - 14.2.3 discuss outcomes with the CEO
- 14.3 The Presiding Member of the Committee provides Elected Members with copies of the Performance Appraisal
- 14.4 The CEO's performance appraisal is discussed by Council
- 14.5 The Mayor, as Presiding Member of Council, provides feedback to the CEO of the discussions in Council.

Attachment 2

CEO Remuneration and Conditions of Service: Process and Time Line

A. PROCESS

1. The CEO's salary and conditions of employment are to be reviewed annually and in accordance with the CEO's contract of employment.
2. The purpose of the review is to ensure that Council is satisfied with the current salary, contract, and conditions of employment of its CEO, and to vary these where it deems appropriate.
3. The CEO remuneration review is carried out separately from performance appraisal.
4. The remuneration review should be completed before the end of December each year.
 - 4.1. The annual remuneration review will take into consideration:
 - 4.1.1. the CEO's performance over a 12-month period;
 - 4.1.2. movements in the CPI;
 - 4.1.3. current rates of remuneration for comparable positions within the relevant market.

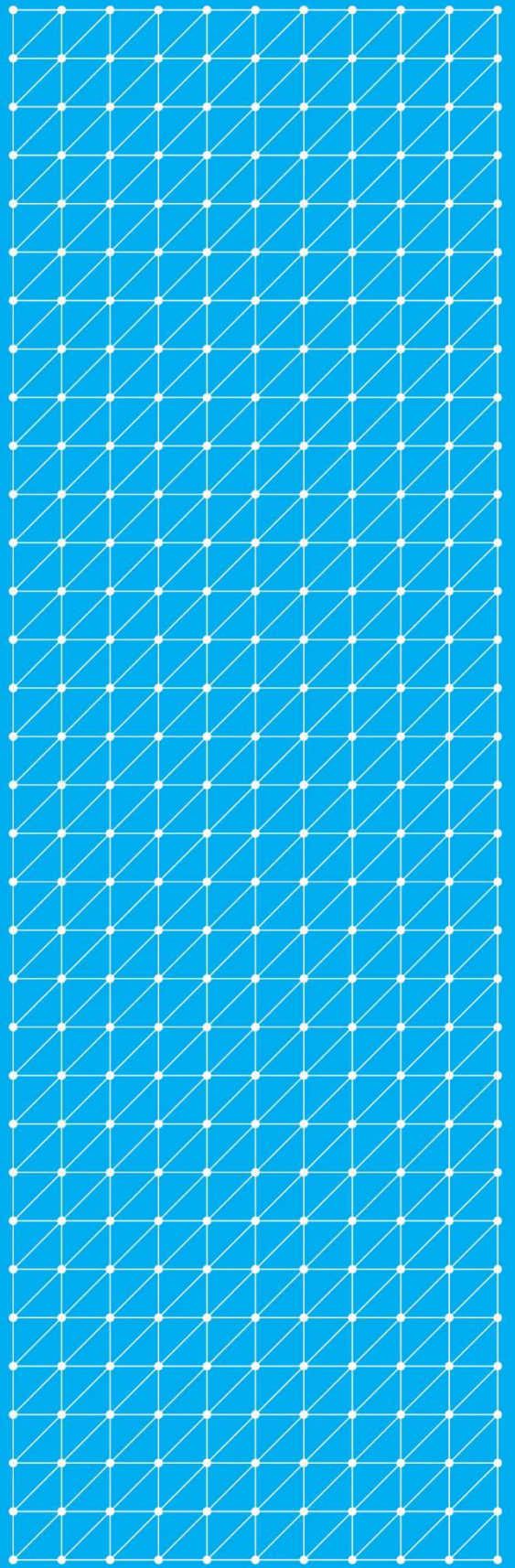
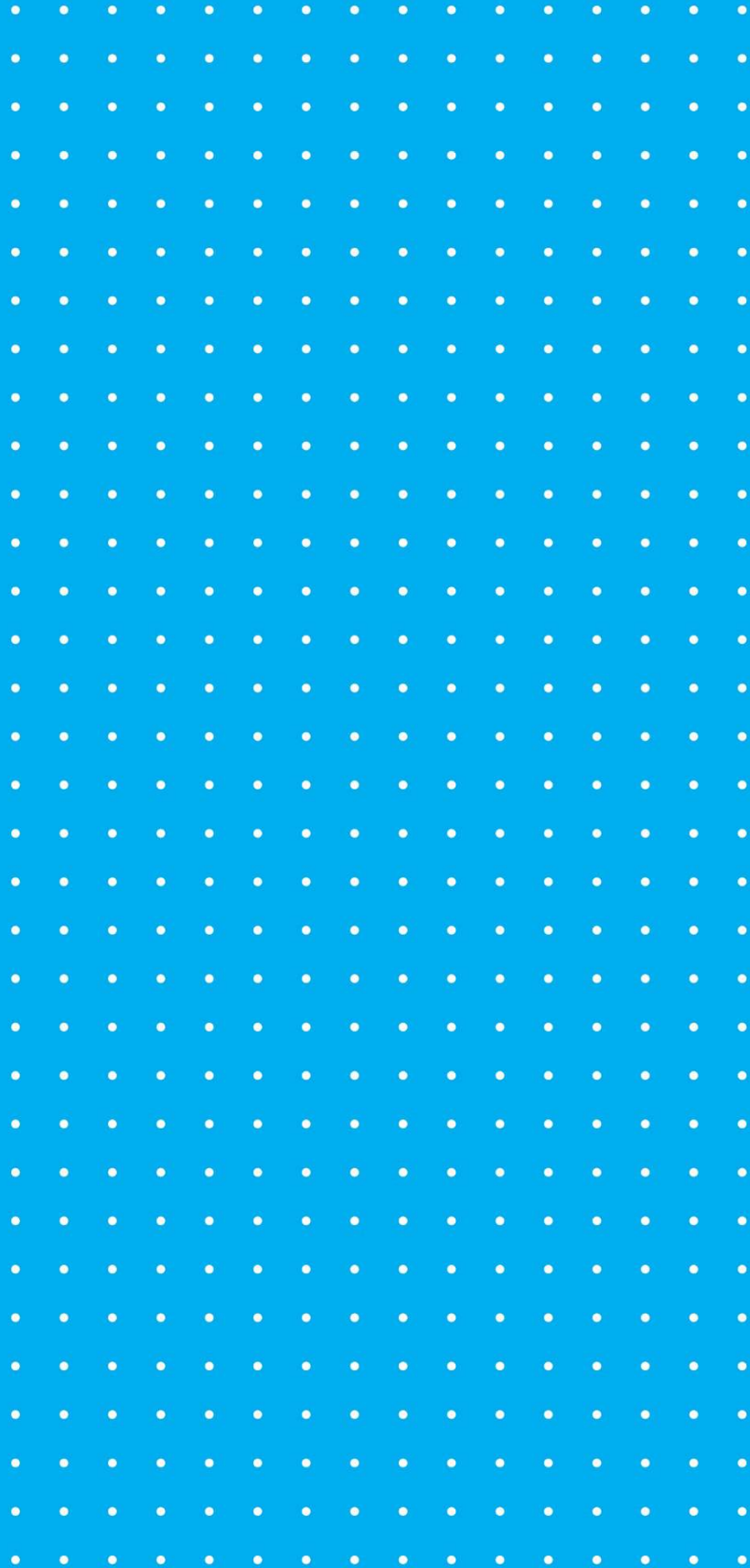
B. TIME LINE

– February

5. Council appoints/reaffirms a suitable Consultant.

July/August

6. The Consultant meets with the Committee in order to discuss his/her advice.
7. The Committee formulates recommendations and discusses these with the CEO.
8. The Presiding Member of the Committee presents recommendations to Council in relation to whether (and, if so, what) variations of salary, contract, or employment conditions are recommended.
9. The Presiding Member of Council, informs the CEO of the outcome of Council's consideration of the recommendations.



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CEO Performance Appraisal & Remuneration Review 2018/19 Timeline & Role chart – Working Document

	2018/19 Performance Plan	2017/18 Performance Review	Remuneration Review	360 Review	COUNCIL
Feb		Review Committee TOR		Committee to determine scope of 360 – who to include. Agree format	
March		CEO to present interim progress report to Council		360 Review process to commence. Notify participant reviewers	
April				Collect and collate feedback and prepare draft report Present report to Committee for review	
April				Present report to the CEO for discussion and agree development goals	
Early June	Independent facilitator to assist in design of performance plan	CEO to present interim progress report to Council			
Early June	Invite EMs to provide written input into the goals and measures for the annual plan				
Early June	Invite CEO to provide written input into the goals and measures for the annual plan	Seek written input from CEO on year's achievements			
Early July		Decide who else to seek input from (if anyone) Invite all EMs to provide written comments (allow >= 2 wks.)			
Mid-July	Draft performance plan inc goals & activities in accordance with Strategic Plan				

July	Present draft to Council	Collect and collate written performance review feedback from all EMs			Receive and consider Performance Plan
July	Receive input from EMs at Council meeting 2 weeks later				Provide feedback on Plan at Council meeting
July	Finalise Performance plan and distribute to EMs				
July / Early August	Finalise Performance Plan and distribute to CEO		Meet with Advisor to review salary and conditions		
Early August		Meet to discuss EM input and make Committee assessment	Discuss recommendations for any changes in salary and/or conditions with CEO		
August		Discuss EM comments on performance with the CEO	Recommend any changes in remuneration to Council		Consider recommendations and decide on variations to remuneration
August		Provide copies of Performance Review to EMs			Provide written performance review feedback input
August		Mayor to provide feedback to CEO based on Council discussion	Mayor to provide feedback to CEO on Council decision		Discuss Performance Review
January/ February 2019		Review Committee TOR			