

## CEO Performance Review Process Policy

### Objective

A consistent, transparent and accountable performance review process.

### Scope

This policy position applies to the conduct of CEO performance reviews.

### Policy Statements

#### 1. Rationale

This process is documented and adopted by Council to ensure a consistent approach to the City of Albany CEO performance review.

The review process must be a collaborative, constructive process that is designed to enhance performance and provide guidance for the ensuing twelve months, using the City's agreed Strategic Plan and/or Business Plan.

Councillors must be prepared to take a corporate view of the process. The performance review process should be regarded as an opportunity to build relationships and to increase the effectiveness of individuals, systems and processes which will improve the performance and the profile of the City of Albany.

Councillors participating in the review must:

- Show an ability to be fair and objective;
- Use good communication skills;
- Possess preparation and evaluation skills;
- Avoid bias;
- Be able to concentrate on outcomes;
- Provide negotiation skills.

#### 2. Briefing Session

It is essential to gain input from all Councillors into the review and appraisal process.

A briefing session will be organised to cover the performance appraisal, the procedures followed, keeping in mind current progress of the Strategic Plan and the skills required of the panel members; an independent person with relevant skills will be brought in to facilitate the session.

#### 3. Contract

The CEO contract must contain the City's dispute resolution policy for both parties.

The City's agreed CEO review procedure shall be contained within the CEO contract (as per Part 5, Division 4, Section 5.39(3)(b), *Local Government Act 1995*).

The review procedure contained within the CEO contract can be varied by agreement between the Council and the CEO under an amendment clause between reviews.

The contract should be reviewed by WALGA or a recognised legal practitioner to ensure legislative requirements are satisfied.

#### 4. Review Periods

It is a statutory requirement that the CEO's performance is reviewed annually (*Part 5, Division 4, Section 5.38, Local Government Act 1995*).

The review period is to be aligned to the City's strategic planning processes which run across each financial year (July to June).

For planning purposes, the entire review process should be completed by the end of July each year.

It is recommended planning for the following year's key performance indicators (KPIs) commences in March of each year.

In the event that Council has concerns about the performance of the CEO, the Mayor will, at the request of Council, request the CEO Performance Review Panel undertake an interim performance review.

The Mayor must write to the CEO if Council has requested an interim performance review, outlining the areas of concern to allow the CEO the opportunity to prepare.

The Mayor must allow the CEO a minimum of one week's notice prior to the commencement of an interim performance review.

## 5. Composition of the Review Panel

The CEO performance review panel will consist of:

- The Mayor; and
- Three (3) Councillors nominated by resolution of Council.

This panel is to be facilitated by an independent, external person appointed by a resolution of Council.

All Councillors seeking appointment to the CEO review panel must undertake the relevant CEO performance review training course provided by WALGA within six months of appointment to the panel; it is important for those actually involved in the appraisal interview to feel comfortable with their skill level and role.

## 6. Interview Process

The interview process undertaken during the formal performance meeting must be conducted in good faith for all parties.

## 7. CEO Key Performance Indicators (KPIs)

The CEO KPIs:

- Must contain a balance of both tactical and strategic KPIs.
- Must refer to the Community Strategic Plan and/or Corporate Business Plan.
- Must be within the CEO's control or remit; specific, clear and unambiguous; resourced appropriately; include realistic milestones and reporting requirements.
- Must mirror the expectations of Council and Community.
- Must acknowledge leadership.
- Be reviewed annually and then agreed between the CEO and the Council after each review period.
- Once agreed upon, the KPIs shall not be changed. However, KPIs may be amended during a review period by mutual agreement in the event of unforeseen or extenuating circumstances rendering a KPI no longer relevant or unachievable.

## 8. Procedure for the Review of the CEO

Once established, the CEO performance review panel will set the review procedure and timeline requirements for each year. The review procedure must contain the following elements as a minimum:

- Review panel to assign a senior employee to assist the panel and ensure the process meets governance requirements as well as facilitate the implementation of the CEO's professional development plan.
- Timely notification of all parties by the review panel of the review procedure, timeline requirements and any other relevant information such as the independent, external facilitator.
- CEO must provide a self-assessment to all elected members. The CEO must provide the self-assessment in a written report format as a minimum but may also provide it in other formats of their choice.
- Review panel must assess performance inclusive of feedback from all Councillors.
- Review panel will agree on key focus areas and conduct an appraisal interview with the CEO.
- CEO must be provided with procedural fairness throughout the process including sufficient time to prepare responses and an opportunity to respond to the interview findings.
- Review panel will share the performance review findings with full Council in a briefing session.
- Review panel to manage follow up including remuneration, KPIs, contract variations, review outcomes and analysis of interview feedback.
- Full report must be distributed to all Elected Members and the CEO.

## 9. Completion of Review

The Mayor, as head of the review panel, must provide City of Albany Councillors and the CEO with a formal report that summarises the finding of the review including recommendations of the review panel to Council.

The CEO is to be invited to provide comment.

Council is to consider each review on the performance of the CEO carried out under Part 5, Division 4, Section 5.38, *Local Government Act 1995* and is to accept the review, with or without modification, or to reject the review.

The KPIs for the following review period must be completed and signed off within 28 days of the CEO review process having been completed.

## 10. Completion of Process

The performance review panel must deliver a report to Council that outlines:

- What worked in the process;
- The new KPIs for the next 12 months;
- Recommended changes to this process over the next 12 months.

Following a review of the performance of the CEO, the Council must consider the review, which will only be endorsed by an absolute majority resolution of Council.

After the Council has endorsed a review of the performance of the CEO the Council must inform the CEO in writing of:

- the results of the review; and
- if the review identifies any issues about the performance of the CEO — how the Council proposes to address and manage those issues.

## 11. Record Keeping

The Mayor is to hold the record of the performance review.

All documents relating to the review process must be registered on the City of Albany's records management system.

## Legislative and Strategic Context

Relevant Federal or State legislation, directives, guidelines, Acts or Regulations and/or the strategic context (Community Strategic Plan) that provide the broad framework within which the policy operates and/or with which it needs to comply.

- *Local Government Act 1995*, s. 5.39A(1)
- *Local Government (Administration) Regulations 1996*:
  - Regulation 18FA (Model standards for CEO recruitment, performance and termination)
  - *Schedule 2 Model standards for CEO recruitment, performance and termination*.
    - Clause 18. Endorsement of performance review by local government
    - Clause 19. CEO to be notified of results of performance review

## Review Position and Date

This policy is to be reviewed annually by Council.

## Associated Documents

Other documents that have a bearing on this policy and that may be useful reference material for users of this policy, follow:

- CEO Employment Contract.
- Schedule 2 of the Regulations sets out model standards for local governments in relation to the following —
  - (a) the recruitment of CEOs;
  - (b) the review of the performance of CEOs; and
  - (c) the termination of the employment of CEOs.

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2.0	MP&C	Review Ref: OCM 25/08/2020 Resolution PR008 Amendment: Review Periods; CEO KPIs; Procedure for the Review of the CEO; Completion of Review; Updated format using current template. Synergy Ref: NP20117981	25/08/2020
2.1	MP&C MGR	Prepared for Council review and re-adoption, noting changes to references, being: Regulation 18D (deleted) <ul style="list-style-type: none"> <li>• New reference: Regulation 18FA. Model standards for CEO recruitment, performance and termination (Act s. 5.39A(1))</li> <li>• Reference to new Schedule 2 of the Regulations.</li> <li>• Completion of Review Process appended with new prescribed requirements, being: <ul style="list-style-type: none"> <li>○ Endorsement of performance review by local government</li> <li>○ CEO to be notified of results of performance review.</li> </ul> </li> </ul>	1/4/2021
3.0	MGR	Adoption Ref: OCM 27/04/2021 Resolution CCS339 <ul style="list-style-type: none"> <li>• Amendment of Paragraph 2 of Part 10 to read: <i>Following a review of the performance of the CEO, the Council must consider the review, which will only be endorsed by an absolute majority resolution of Council.</i></li> </ul>	30/04/2021