

Northern Areas Council

CEO Performance Review Proposal

December 2016

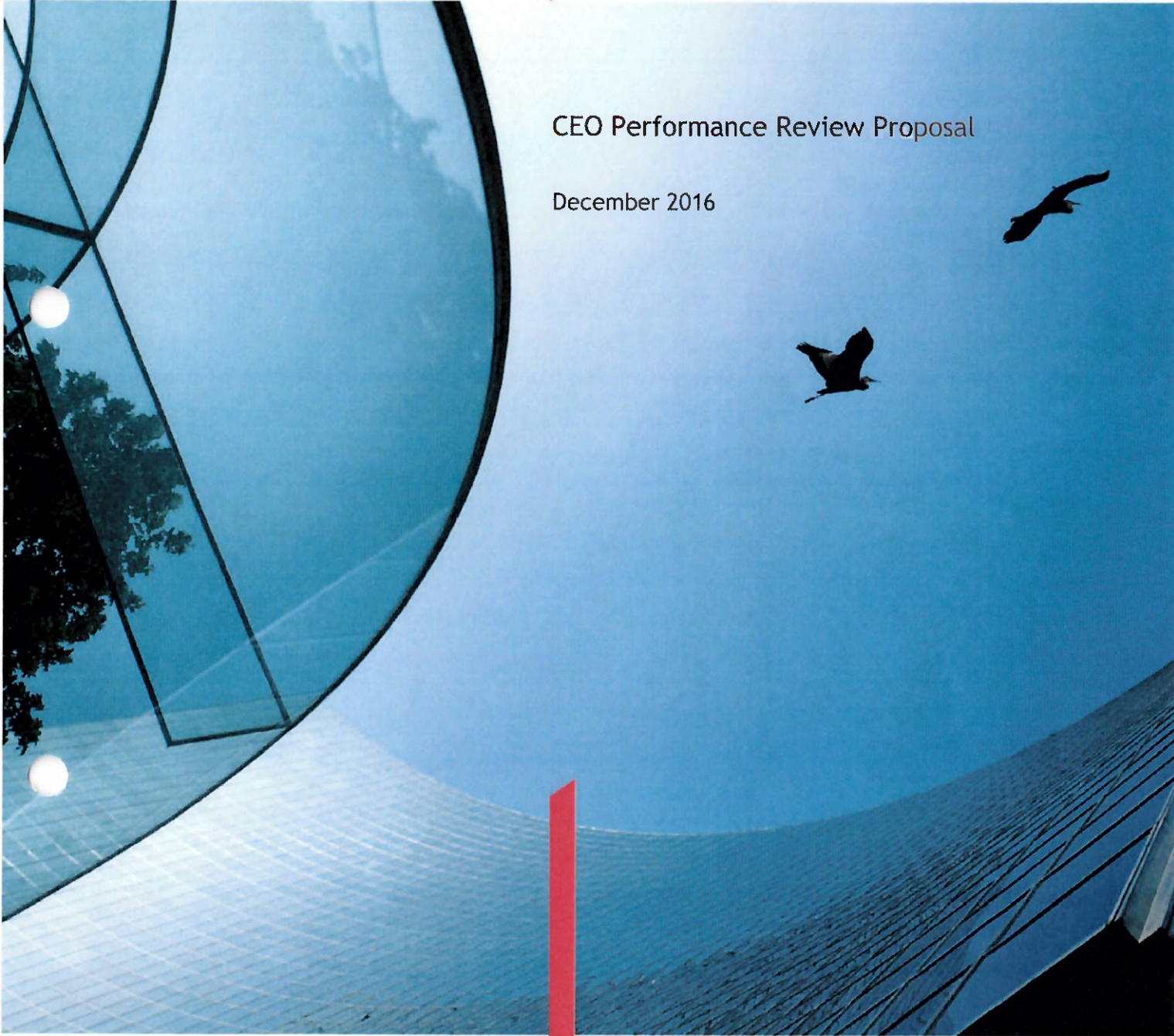




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INTRODUCTION AND OVERVIEW

The Northern Areas Council was formed on the 3rd May 1997 as a result of the merger of the councils of Rocky River, Spalding and Jamestown. It serves and supports a population of approximately 4448 across an area of 3070 sq kms of some of the most productive lands in South Australia.

It is our understanding that 'Council' is seeking quotations to conduct a Chief Executive Performance Review. As the CEO is two years into a five year contract it is looking for the review to be conducted by an external group and so it is seeking proposals from independent 'human resource consultants' .

BDO is well placed to assist with this important project given our extensive experience working with Local Government, as well as our experience working with Chief Executives across a range of sectors. The following document is based on brief discussions with Mayor Denis Clark and Ms Bernadette Semler and has been compiled to demonstrate our capacity to assist 'Council' with this important process.

About BDO

BDO Australia is a member of the BDO Global network. BDO Global is the world's fifth largest full-service accounting and advisory firm. With more than 48,700 people across 1,118 offices in over 135 countries, all firms in the BDO network offer comprehensive local knowledge and experience within an international context. BDO has offices in Adelaide, Brisbane, Cairns, Darwin, Hobart, Melbourne, Perth and Sydney.

About BDO Industrial & Organisational Psychology

BDO Industrial & Organisational Psychology (formerly BDO Organisation Development) is a member firm of the larger BDO International Group and has been in operation now for 16 years. Psychology is the study of human behaviour and so our work looks at the functioning of individuals, teams and divisions within organisations. We recognise that organisations and the people therein form a complex system that requires an intelligent understanding before effecting any change. As qualified and experienced Industrial and Organisational Psychologists we more than most understand the changing nature of workplaces and need to take a thoughtful and evidenced based approach to assisting organisations.

The services we offer include:

- Organisational Reviews
- Organisation Research
- Workshop Facilitation
- Manager & Staff Development
- Individual Development
- Targeted Training



PRIMARY CONTACT DETAILS

Contact	Scott Way
Business Name	BDO Industrial & Organisational Psychology (SA) Pty Ltd
Registered Business Address	Level 7 420 King William Street Adelaide SA 5000
Phone	08 7324 6000
Fax	08 7324 6111
Email	scott.way@bdo.com.au
ABN	75 537 686 311
ACN	110 178 713

INSURANCE

BDO currently carries the following insurances.

Professional Indemnity

Name of insurance company	Jardine Lloyd Thompson
Policy Numbers	901/LI1514583 - Primary layer 901/LI1514586 - 1 st Excess Layer
Expiry dates	30/06/17
Limit of liability	\$30,000,000 any one claim

Public Liability

Name of insurance company	Chubb Insurance Limited
Policy Numbers	93210086
Expiry dates	30/11/17
Limit of liability	\$20 million



CONSULTANT CAPABILITY

SCOTT WAY - BA, Grad Dip App Psych, MBA

DIRECTOR - BDO Industrial & Organisational Psychology

- Registered Organisational Psychologist
- Member of the Australian Psychological Society
- Member of the Australian College of Organisational Psychologists
- Chartered Member of Australian Human Resources Institute

Mr Way is the Director of BDO Industrial & Organisational Psychology and is responsible for the firm's national organisational development activities. He has over twenty five years of consulting experience gained in Australia, Hong Kong, China, Japan, Taiwan, Malaysia and Singapore and has worked for public and private sector organisations in all states of Australia. Mr Way previously held senior positions within the automotive and mining industries as well as the Australian Public Service and in recent years has actively consulted to Local and State Government as well as organisations in education, manufacturing, defence, service, mining and "not for profit" sectors.

Mr Way has worked extensively with Councils across the state, providing a range of services including organisational reviews, workshop facilitation and performance reviews. Some of the Councils that have benefitted from his consulting experience include:

- City of Marion
- District Council of Alexandrina
- City of Onkaparinga
- G6 Group of Metro Councils
- Darwin City Council
- Mildura Rural City Council
- Rural City of Murray Bridge
- District Council of Mt Barker
- City of Playford
- City of Salisbury
- City of Tea Tree Gully
- Upper Spencer Gulf Councils
- City of Prospect
- City of Charles Sturt

Some of our recent projects that directly relate to the assistance 'council' is seeking include;

- District Council of Alexandrina - we have recently completed a review of the CEO
- LGA - BDO is currently drafting a CEO Performance Review Code of Practice in order to ensure greater consistency and 'robustness' for this important process across councils in SA.
- City of Marion - As part of this organisation's commitment to continuous improvement we were asked to review the performance indicators for the former CEO and to see how they aligned with the strategic plan of the organisations

INDICATIVE METHODOLOGY

The flow chart below provides an overview of our proposed approach to the CEO review - with more detail about the process on the pages that follow.



*Optional stages

Initial Meeting with CEO Performance Review Group

This initial meeting with the Performance Review Group will confirm the scope, process, and timing for the work, as well as the documents that will need to be reviewed in this process. A critical function of this meeting will be to clarify the framework/parameters that the CEO will be reviewed against to ensure all parties involved are in agreement.

Initial Meeting with CEO

It is proposed to meet with the CEO to commence the review process and to develop an understanding of the roles and functions performed as well as the context in which these duties are performed. This is important given the breadth of the role and context, amplified by it being within a rural context.

Review of Relevant Documentation

This component of the process would see the consultant reviewing the relevant documentation in relation to the CEO role such as the employment contract, job and person specification and relevant performance indicators. The consultant will also look at the Council's strategic plan and relevant reports relating to such in order to understand the context for the position and performance in the recent past.



Design and Distribute 360° Survey

Based on the information gathered to this point, a 360° Survey will be designed and distributed to nominated respondents that could include elected members and nominated senior staff. The final makeup of the respondent group will be determined in association with the Performance Review Committee.

The questions within the instrument will be shaped around the key elements of the CEO's role and the associated performance indicators. Importantly this survey will also be completed by the CEO in order for him to self-assess against the common framework.

Review of the CEO Performance (Optional)

The consultant can undertake an independent review of the performance of the CEO against the agreed performance review framework. This will include a 'one on one' session lasting 2-3 hours which allow the CEO to provide objective evidence of his achievement of goals, targets and plans and to provide an explanation for the outcomes achieved.

Review of Salary Package (Optional)

If required BDO is able to review 'the package' currently provided to the CEO in order to determine its real 'value' in order to allow for a direct and accurate comparison with other benchmarks.

BDO has recently completed several salary reviews and so we have a pool of relevant data and information in a number of sectors. We will add to this by drawing on the LGA information relating to CE salaries. This will allow us to compare the relativity of the current package as well as its makeup should it be a contract or non-contract position.

Interim report and facilitated feedback to Council and CEO

It is at this point that the consultant will compile all of the information collected into a single report that can be presented to the performance review group and/or council as well as to the CEO.

Development of Agreed KPIs (Optional)

Depending on the outcome of the review, this stage will see the consultant work with the CEO and the Performance Review Group to draft a set of CEO KPIs for the coming period. These KPIs will be derived from the strategic plan as well as be aligned with the CEO performance contract. Although they will be largely agreed they will be presented in draft form for final approval by 'council'.

Final Reporting

The final stage would involve the consultant collating all information into the form of a report which will address all of the items above as well as the KPIs for the next review period.



FEE SCHEDULE

The table below outlines the costing for the Performance Review.

Phase	Time required	Total cost (Excl GST)
Initial meeting with Review Group	1 hour	\$250
Initial meeting with CEO	1 hour	\$250
Review of Documentation	2 hours	\$500
Design and Distribution of 360° survey	6 hours	\$1,200
Independent Review (optional)	4 hours	\$1,000
Review of salary (optional)	4 hours	\$1,000
Preparation of Interim Report	1 day	\$1,800
Develop Draft KPIs (optional)	3 hours	\$750
Collation and Final reporting	3 hours	\$750
Disbursements		\$500
TOTAL (excl GST and optional activities)		\$5250



RELEVANT REFEREES

Three referees are provided below illustrating some of the organisations that have benefited from our consulting experience.

Referee 1

Ms Kathy Jarrett
Director
Local Government Association
Phone 8224 2000

Referee 2

Mr Keith Parkes
Mayor
Alexandrina Council
Phone 8555 7000

GUARANTEE

BDO Industrial & Organisational Psychology is confident that our methods and materials are appropriate, current and most importantly, effective. If at any stage your organisation or the participants feel dissatisfied, we will work to rectify the situation at no cost to you.

WHY CHOOSE BDO?

The team from BDO has a unique offering. Here is a summary of those elements that set us apart from our competitors:

- Established Adelaide firm
- Extensive experience within Local Government
- Our consultants have proven expertise in Organisational Psychology
- Highly experienced in the performance appraisals of CEOs and senior executives
- The work produced by BDO is Quality Guaranteed
- Our pricing schedule is highly competitive
- Preferred supplier of HR services to Local Government through the Local Government Association.