

# Role and Powers

	Section	Proposed Reform	Questions	Council Response
	<b>How will MAV's role be expressed?</b>	<p>1. Replace the preamble with a provision that clearly sets out that the role of MAV is to represent members' interests and be accountable to member councils including:</p> <ul style="list-style-type: none"> <li>• advocating and promoting local government interests</li> <li>• building the capacity of councils</li> <li>• facilitating collaboration and shared services between councils</li> <li>• providing support and advice to local government</li> <li>• providing insurance protection for local government.</li> </ul>	<p>Do you support the proposed reforms to the role of MAV?</p> <p>If no, what alternative option(s) would you propose?</p>	<p>Council strongly supports this proposed reform, in particular the first 4 dot points of Reform No. 1.</p> <p>The MAV's role as an insurance provider is detailed in the insurance section of this document.</p>
	<b>What is MAV's legal status?</b>	<p>2. Retain MAV's status as a body corporate under the MA Act.</p> <p>3. Amend MAV's powers to provide that MAV has the power to:</p> <ul style="list-style-type: none"> <li>• do all other things necessary or convenient to be done for or in connection with, or as incidental to, the achievement of its role or the performance of its functions</li> <li>• undertake and carry on in Victoria or elsewhere insurance business for the purpose of providing insurance or insurance services under and for the purposes of the MA Act.</li> </ul>	<p>Do you support the proposed amendment to MAV's powers as a body corporate?</p> <p>If no, what alternative option(s) would you propose?</p>	<p>Council supports this proposed reform.</p>
	<b>Who are MAV's members?</b>	<p>4. Provide that each council has a right to appoint a councillor from that council as their representative and that these representatives constitute MAV.</p>	<p>Do you support making clear that each council has a right to appoint one of their councillors as their MAV representative?</p> <p>If no, what alternative option(s) would you propose?</p>	<p>Council supports this proposed reform for financial members.</p> <p>While Council believes each council should be represented in MAV, the governing body needs to be cognisant of each city's population, and the financial contribution made by member councils.</p>

# Responsibilities

	Section	Proposed Reform	Questions	Council Response
	<b>What is the governing body responsible for?</b>	5. Insert a provision that provides that the appointed representatives are responsible for: <ul style="list-style-type: none"> <li>determining the rules of the association</li> <li>appointing the president and board of management</li> <li>determining the strategic direction of MAV.</li> </ul>	Do you support the inclusion of responsibilities for the appointed representatives?  If no, what alternative option(s) would you propose?	Qualified support – Council believes that there should be consideration given to a ‘weighting’ in member representation so that larger Councils representing larger populations and who are making significant financial contributions to MAV through membership fees have a level of representation and decision making responsibilities that are proportionate to their contribution.
	<b>How are the rules for the management of MAV made, adopted and amended?</b>	6. Provide MAV the power to make rules for the management of MAV.  7. Provide that a rule that is inconsistent with the Municipal Association Act or contrary to law is of no effect.  8. Provide that the following matters must be provided for in the rules: <ul style="list-style-type: none"> <li>annual fees</li> <li>rights, obligations and liabilities of members</li> <li>the election of the President and board of management</li> <li>procedures for assessing the performance of the board of management and dealing with governance failures.</li> </ul> 9. Provide that the rules may be amended, removed or remade if 60 per cent of the representatives vote in favour of the change.	Do you support the proposal that the State Council have the power to make or amend the MAV Rules?  If no, what alternative approval process would you propose?	Council supports this proposed reform.
	<b>What functions does the board of management perform?</b>	10. Provide for MAV to have in place a board of management with functions to include: <ul style="list-style-type: none"> <li>the sound and prudent management of the affairs of MAV</li> </ul>	Do you support setting out the functions and responsibilities of the board of management in	Council supports this proposed reform.

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		<ul style="list-style-type: none"> <li>excising the powers of MAV (including the power of delegation)</li> <li>providing general directions as to the performance of MAV's functions and the achievement of its objectives</li> <li>reporting on MAV's performance and financial transactions</li> <li>monitoring the performance of its Chief Executive Officer.</li> </ul> <p>11. Provide that the board of management must have mechanisms in place for monitoring the exercise of delegated authority.</p>	<p>the MA Act?</p> <p>If no, what alternative option(s) would you propose?</p>	
	<b>What conduct is expected of board members?</b>	<p>12. Provide that the board of management must have processes in place for dealing with conflicts of interest, misuse of position and the prevention of fraudulent behaviour.</p> <p>13. Provide that board members must at all times in the exercise of the functions of their office act:</p> <ul style="list-style-type: none"> <li>honestly</li> <li>in good faith in the best interests of MAV</li> <li>with integrity</li> <li>in a financially responsible manner</li> <li>with a reasonable degree of care, diligence and skill</li> <li>in compliance with the MA Act and MAV Rules.</li> </ul>	<p>Do you support the addition of conduct provisions for the board of management?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.
	<b>Who has oversight over executive and CEO remuneration?</b>	<p>14. Provide that the board of management may appoint a CEO for the day to day management and administration of MAV.</p> <p>15. Provide that MAV must have in place a CEO remuneration policy that broadly aligns with the Victorian Public Sector Commission's Policy on Executive Remuneration for Public Entities in the Broader Public Sector.</p>	<p>Do you support the requirement for a remuneration policy?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.

# Reporting and Accountability

	Section	Proposed Reform	Questions	Council Response
	<b>How will MAV manage and report on its finances?</b>	<p>16. Insert a provision that provides that MAV must comply with the following principles of sound financial management:</p> <ul style="list-style-type: none"> <li>• manage financial risks prudently, having regard to economic circumstances</li> <li>• undertake responsible spending and investment for the benefit of member councils</li> <li>• provide services which are accessible and responsive to local government needs</li> <li>• ensure full, accurate and timely disclosure of financial information.</li> </ul> <p>17. Provide that MAV must keep proper accounts and records of MAV's transactions and affairs in order to sufficiently explain the financial operations and financial position of MAV.</p> <p>18. Provide that, within four months after the end of each financial year, MAV must prepare and have independently audited financial statements in accordance with the Australian Accounting Standards. The financial statements must be included in the annual report for the relevant financial year and contain such information as is necessary to give a true and fair view of the financial transactions and state of affairs of the insurance scheme.</p>	<p>Do you support the principles of sound financial management?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.
	<b>What strategic planning and reporting documents will be required?</b>	<p>19. Insert a provision that provides that the board of management must develop a strategic plan for the implementation of the strategic direction set by the State Council.</p> <p>20. Provide that MAV must develop an annual report setting out MAV's performance against the objectives set out in the strategic plan.</p> <p>21. Provide that, within four months after the end of each</p>	<p>Do you support increased accountability to the member councils and the Minister as set out in the proposed reforms?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.

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		financial year, MAV must submit the annual report to the annual general meeting of MAV and lodge with the Minister a copy of the annual report to be tabled in both houses of Parliament.		
	<b>How will procurement be carried out?</b>	<p>22. Insert a provision to require MAV to adopt a procurement policy detailing the principles, processes and procedures that will apply to all purchases of goods and services by MAV.</p> <p>23. This procurement policy would need to specify:</p> <ul style="list-style-type: none"> <li>• the circumstances in which MAV will invite tenders or expressions of interest from any person interested in undertaking the contract</li> <li>• the form and manner in which MAV will undertake tenders or expressions of interest</li> <li>• a process to regularly review contractual arrangements to ensure they are achieving value for money</li> <li>• a process to manage conflicts of interest.</li> </ul> <p>24. Insert a provision to provide that when MAV is carrying out procurement activities on behalf of councils, MAV must provide information to councils on the specifications of the tender and how the tender process was undertaken, and seek to facilitate share service arrangements.</p>	<p>Do you support the requirement for MAV to adopt a procurement policy?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.
	<b>How will MAV's risks be managed?</b>	25. Provide that MAV establish an independently chaired internal audit and risk committee to review the effectiveness of MAV's financial reporting and risk management frameworks.	<p>Do you support the requirement to establish an audit and risk committee as detailed in the proposed reform?</p> <p>If no, what alternative option(s) would you propose?</p>	Council supports this proposed reform.

# Insurance

	Section	Proposed Reform	Questions	Council Response
	<b>How will MAV's mutual liability insurance scheme operate?</b>	<p>26. Retain the requirement for MAV to provide mutual liability insurance for the benefit of Victorian councils and any other sector if expansion of the fund is in the interest of the participating Victorian member councils.</p> <p>27. Provide that the Minister must ensure a review of the insurance provisions in the MA Act is completed every five years to determine whether the provisions remain appropriate.</p>	<p>Do you support the inclusion of a regular review mechanism to assess whether the provisions relating to MAV's insurance functions remain appropriate?</p> <p>If no, what alternative option(s) would you propose?</p>	<p>Qualified Support – While Council does not see the provision of insurance services as a core function of the MAV, the ability to provide insurance services should be retained to ensure councils can access MAV insurance services that can be used when other insurers cannot be found by Council.</p>
	<b>How will MAV's insurance activities be prudentially managed?</b>	<p>28. Remove the provisions relating to the fidelity guarantee fund and accident insurance.</p> <p>29. Provide that, in addition to the mandatory provision of mutual liability insurance, MAV may, subject to Ministerial approval, arrange insurance and receive commissions.</p> <p>30. Provide that in the performance of all of MAV's insurance functions (including mutual liability insurance), MAV be subject to the general direction of the Minister.</p> <p>31. Provide that MAV must include in its annual report any directions issued by the Minister and MAV's compliance with each direction.</p> <p>32. Provide a requirement for MAV to appoint an independent actuary to evaluate the risk and uncertainty associated with MAV's insurance liabilities and provide advice on premium rates, scheme changes and the financial sustainability of each scheme.</p> <p>33. Provide that, should an insurance scheme be discontinued, the funds after payment of all liabilities and expenses are to be distributed to the contributing members, pro rata based on the sums contributed.</p>	<p>Do you support the inclusion of a prudential supervision framework for MAV's insurance activities?</p> <p>If no, what alternative option(s) would you propose?</p>	<p>Qualified Support – While Council does not see the provision of insurance services as a core function of the MAV, the ability to provide insurance services should be retained to ensure councils can access MAV insurance services that can be used when other insurers cannot be found by Council</p>