

CEO Employment and Remuneration Policy



(A4380333)

Lifestyle Capital of Victoria

1. Purpose and Intent

This Policy is a legislative requirement of the *Local Government Act 2020* (the Act) and must provide the way in which Council will:

- manage the recruitment and appointment of its Chief Executive Officer (CEO);
- agree contract inclusions;
- monitor the CEO performance; and
- conduct the annual review of performance.

2. Scope

This Policy applies to activity undertaken by the elected Council and the incumbent of the CEO position.

3. Definitions

Chief Executive Officer (CEO)	means the Chief Executive Officer at Frankston City Council
Council	means Frankston City Council, being a body corporate constituted as a municipal council under the Local Government Act 1989
Councillors	means a person who holds the office as a member of a Council, as described in the <i>Local Government Act 2020</i>
Council Officers	The Chief Executive officer and staff of Council appointed by the Chief Executive Officer

4. Authorisation

This Policy is managed by the People and Culture Department, and is approved by Frankston City's Mayor and Council's Chief Executive Officer (CEO):

Mayor, Frankston City

CEO, Frankston City Council

In accordance with Frankston City Council resolution at its Council meeting of 31 May 2021.

5. Policy

The employment cycle of a CEO is a core responsibility of the elected Council. This Policy outlines the mechanisms which support the Council in fulfilling its obligations regarding CEO employment and remuneration.

5.1 CEO Employment and Remuneration Committee

Establishment

- 5.1.1 The Council must establish a CEO Employment and Remuneration Committee (the Committee) in accordance with s. 45(2) of the Act.
- 5.1.2 The Committee is to be chaired by an independent person, entitled to be remunerated for their work.

Secretariat support

- 5.1.3 The Manager People and Culture / Manager Governance will provide secretariat support to the Committee namely by:
 - Coordinating meetings of the Committee;
 - Preparing relevant documentation including reports to Council and contractual documents; and
 - Maintaining appropriate records regarding performance reviews.

Recruitment and Appointment of CEO

- 5.1.4 Council will engage an independent and suitably qualified recruitment firm to support it in recruitment and appointment of a CEO. The committee will make recommendations to the Council when appointing a recruitment firm, determining the selection criteria for the CEO position and developing the CEO contract.

Contractual requirements

- 5.1.5 The CEO contract will at minimum outline:
 - The responsibilities of the person
 - Conflict of interest management requirements
 - Remuneration
 - Legislative obligations including those continuing after appointment
 - Processes for managing unsatisfactory performance or early termination

5.2 Remuneration and Expenses

Remuneration

- 5.2.1 The remuneration package provided to the CEO will be subject to the review of the CEO Employment and Remuneration Sub-Committee.
- 5.2.2 Remuneration will be reviewed annually in line with the CEO performance review and the contract requirements.

Expenses

5.2.3 The Chief Executive Officer may be provided a Corporate Card to use in transactions related to the role of CEO. Corporate card expenditure will be reviewed and approved by the Mayor. The independent Audit and Risk Committee will receive quarterly reports of all CEO corporate card transactions.

5.2.4 The Council will meet expenses incurred by the CEO including:

- Membership and subscription fees payable to professional associations which are reasonably necessary or desirable in performing duties;
- Reasonable costs incurred where attending conferences, seminars or undertaking study; and
- Reasonable costs incurred in the performance of duties.

5.3 CEO performance plan

5.3.1 The Council will adopt an annual performance plan for the CEO. The performance plan will be developed in conjunction with the CEO and CEO Employment and Remuneration Committee

5.3.2 The performance plan will document agreed objectives and outcomes to be delivered over a twelve month period.

5.3.3 The CEO will provide progress reports to the Committee at each review meeting.

5.4 Contract Expiry

5.4.1 The committee must make recommendations to Council six months to the expiry of the CEO contract and with regards to current legislation to:

- Reappoint the CEO
- Advertise for recruitment the role of CEO

6. Roles and responsibilities

Manager Governance/ Manager People and Culture	Secretariat support to Council which facilitates the reports and documentation required under this policy
Council	Appoint independent member to chair CEO Employment and Remuneration Committee Conduct CEO performance reviews in line with adopted policy
Audit and Risk committee	Oversees adherence to the CEO employment and remuneration policy Oversee adherence to the Credit card policy for expenses incurred by the CEO

7. Document History

Date approved	Change Type	Version	Next Review Date
31 May 2021	Creation of policy	1	May 2024