

# CORPORATE GOVERNANCE

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## GOVERNANCE FRAMEWORK

Governance holds the department and its people to account through defined responsibilities, policies, systems and processes. It is the system through which the department is controlled and operates to achieve its performance objectives and accountability.

The department's governance framework is based on the Australian Securities Exchange's principles of corporate governance, which have been reworked for a public sector environment.

The department is governed by the framework's nine principles, each of which has operational elements used to assess governance maturity level and identify opportunities for improvement.

### Governance principles

1.	Government and public sector relationship	The department's relationship with the government is clear.
2.	Management and oversight	The department's management and oversight is accountable and has clearly defined responsibilities.
3.	Organisational structure	The department's structure serves its operations.
4.	Operations	The department plans its operations to achieve its goals.
5.	Ethics and integrity	Ethics and integrity are embedded in the department's values and operations.
6.	People	The department's leadership in people management contributes to individual and organisational achievements.
7.	Finance	The department safeguards financial integrity and accountability.
8.	Communication	The department communicates with all parties in a way that is accessible, open and responsive.
9.	Risk management	The department identified and manages its risks.

## Corporate governance and accountability framework model



## EXECUTIVE COMMITTEES

The department's governance structure comprises a Governance Board and supporting committees focused on important governance elements.

The board and committees oversee the allocation of resources across the department and the development and implementation of policies, plans and procedures that provide a foundation of good governance for the department's activities.

The committees report to the Governance Board, except the Audit and Risk Management Committee, which reports directly to the Chief Executive Officer, as outlined in the diagram below.

### Governance principles



Each committee's functions and performance for 2017-18 are outlined in this section. Membership as at 30 June 2018 is outlined at Appendix 1.

## Governance Board

The Governance Board provides governance and leadership to several committees that support the department's objectives and purpose.

The Governance Board is the department's principal planning and decision-making body on corporate governance matters. The Chief Executive Officer is primarily responsible for providing strategic leadership and system development for the department.

The Governance Board includes representatives from all output groups of the department. Other department officers attend Governance Board meetings as required.

The responsibilities of the Governance Board are to;

- Set the strategic direction for the department,
- act as a consultative forum, providing advice on current and future direction for the agency,
- provide advice and support on the planning, implementation, monitoring and reporting of the department's performance against its corporate responsibilities and objectives and to report against deliverables identified in the department's strategic plan through the annual report and budget papers,
- provide a forum to consider issues arising from divisional activity that may be relevant to other Governance Board members,
- act as a decision-making body that considers and determines responses to policies that impact on the wider community,
- maximise opportunities for partnerships, networking and information sharing, and
- act as the decision-making body for department policies and systems. These include;
  - managing risk and assurance in relation to compliance with statutory requirements,
  - strategic human resource and workforce planning and management,
  - financial and budget management, and
  - information and records management and technology and telecommunications planning and management.

The Governance Board has the power to appoint committees as required.

## Committees

### Audit and Risk Management Committee

- Monitors the department's strategic, corporate and operational risk management functions and activities and the adequacy of the internal controls established to manage identified risks.
- Monitors the internal audit function (including review of the annual internal audit program, review and monitoring of audit terms of reference, audit outcomes, managements responses and implementation of the audit recommendations).
- Monitors the external audit program (including audit outcomes, the department's responses and implementation of the audit recommendations).
- Reviews and comments on the state of organisational governance within the scope of the committee's terms of reference in the areas of the department's risk management framework, the internal controls framework and external accountability.

The Audit and Risk Management Committee held four standard meetings during the year; 8 August 2017, 10 November 2017, 20 February 2018, and 1 May 2018. Outcomes from the meetings included;

- reviewed and monitored the implementation of the agency's 2017-18 Internal Audit Plan,
- reviewed the department's audit reports and monitored management's implementation of audit recommendations conducted under the internal and external audit programs,
- reviewed the department's Strategic and Operational Risk Registers, and
- reviewed the processes in place for financial and performance reporting.

Two out of session meetings were also held: 20 November 2017 and 1 February 2018. Outcomes from the meetings included;

- A review of the the committees terms of reference, and
- an annual work plan and checklist documents to assist the committee in meeting its responsibilities.

### **Divisional work health and safety committees**

As part of the work health and safety (WHS) framework, committees are established in each division across the department.

All divisional committees;

- Act as a consultative forum that provides advice on safety matters,
- keep informed about standards of health and safety,
- recommend maintenance and monitoring of programs, measures and procedures relating to the health and safety of workers,
- conduct regular workplace inspections, including, when requested, a workplace relocation/redesign or when an incident occurs,
- consider and make recommendations about proposed workplace changes that may affect the health and safety of the workers, and
- review hazard and incident report trends and make recommendations as required.

In addition, the Bushfires NT WHS committee also;

- Coordinates all WHS and risk management frameworks across Bushfires NT and volunteer bushfire brigades,
- monitors and manages all WHS incidents,
- reviews and manages all standard operating procedures, fire-ground practices and general occupational policies, and
- manages feedback links to staff and volunteers in relation to any WHS matter.

### **Emergency Management Committee**

The Emergency Management Committee;

- Leads department activities before and during an event and reviews and evaluates activities after an event,
- manage communication and emergency messaging for staff; and assist with coordination of messaging across government,
- ensures the department has an emergency management plan in place, and
- assists in coordinating the department's cyclone plans and monitoring cyclone preparedness and preparations.

### **Information and Communications Technology (ICT) Governance Committee**

- Reviews and endorses the business cases and project plans for ICT initiatives and investment decisions,
- oversees the delivery of ICT initiatives and performance review of project delivery,
- oversees the development and monitoring of ICT strategic directions and policies,
- periodically monitors the department's ICT environment to ensure risks and issues are identified and appropriately managed, and
- reviews and endorses submissions for major ICT investments or initiatives for approval by the Northern Territory Government ICT Governance Board.

## STATUTORY COMMITTEES AND BODIES

At 30 June 2018, the department was responsible for the following statutory committees and bodies.

Membership details are at Appendix 2.

### Water Advisory Committees

Water Advisory Committees are established under section 23 of the *Water Act* to provide advice and recommendations to the department on water management and allocations, including on developing and implementing water allocation plans. Committee members are appointed by the Minister for Environment and Natural Resources.

### Drillers Qualification Advisory Committee

The Drillers Qualification Advisory Committee is established under Section 54 of the *Water Act* and Regulation 12 to advise the Controller of Water Resources on matters relating to licensing drillers.

Its members are appointed by the Minister for Environment and Natural Resources.

### Water Resources Review Panel

The review panel established under Section 24 of the *Water Act* consists of a Chairman appointed by the Minister for Environment and Natural Resources and a group of eight people with qualifications or experience in bore drilling, primary industry, secondary industry, Aboriginal affairs, public health, environmental management, fisheries and mining.

### Bushfires Council of the Northern Territory

The Bushfires Council of the Northern Territory, established under section 21 of the *Bushfires Management Act*, recommends measures to the Minister for effective fire management on all Territory land apart from largely urban emergency response areas serviced by the Northern Territory Fire and Rescue Service. Its members are appointed by the Minister for Environment and Natural Resources.

### Regional Bushfires Committees

Under the *Bushfires Management Act*, regional bushfires committees are established in the five regional fire management zones to recommend measures to mitigate, manage and suppress bushfires to the Bushfires Council in its fire management zone and endorse regional bushfire management plans prepared by Bushfires NT. Its members are appointed by the Minister for Environment and Natural Resources.

### Pastoral Land Board

The Pastoral Land Board is established under the *Pastoral Land Act* and monitors the condition and use of pastoral land to ensure its sustainable use and economic viability. Its members are appointed by the Minister for Environment and Natural Resources.

### Northern Territory Weed Advisory Committee

The Northern Territory Weed Advisory Committee was established as a weeds advisory committee under section 16 of the *Weeds Management Act*. It has a varied role including to advise the Minister on weed issues. Its members comprise Government, industry and stakeholder groups with appropriate expertise and Territory-wide interests in weed management, including the Chairs of regional weed reference groups and are appointed by the Minister for Environment and Natural Resources.

## Northern Territory Environment Protection Authority (NT EPA)

The NT EPA is an independent statutory authority established in 2013 under the *Northern Territory Environment Protection Authority Act* (NT EPA Act) to protect the environment. Its objectives are to promote ecologically sustainable development, promote effective waste management and minimisation strategies, and enhancing community and business confidence in the Territory's environment protection regime.

Its members are appointed by the Administrator of the Northern Territory, with the exception of the Chairperson of the Northern Territory Planning Commission, who is appointed by the Minister for Infrastructure, Planning and Logistics in accordance with the *Planning Act*.

The NT EPA;

- Advises the Minister for Environment and Natural Resources on matters relating to ecologically sustainable development and the protection of the environment,
- assesses the environmental impacts of developments,
- administers the container deposit scheme under the *Environment Protection (Beverage Containers and Plastic Bags) Act*, and
- manages the impacts of waste and pollution on the environment through the *Waste Management and Pollution Control Act*.

## Darwin Harbour Advisory Committee

The Darwin Harbour Advisory Committee provides advice on an integrated research and monitoring plan to inform management of the Darwin Harbour and protect the aquatic environment and critical habitats at risk from climate change. Its members are appointed by the Minister for Environment and Natural Resources.

## Lhere Mparntwe (Todd River) Working Group

The Lhere Mparntwe (Todd River) Working Group provides advice and recommendations to the Northern Territory Government through the Minister for Environment and Natural Resources on the effective natural resource management of Lhere Mparntwe (Todd River) and its immediate catchment (including the Charles River) within the town of Alice Springs now and into the future and promotes culturally respectful care of the rivers within the Alice Springs community.

## Aboriginal Land Management Advisory Group

The role of the Aboriginal Land Management Advisory Group (ALMAG) is to provide advice and recommendations to the department on all relevant aspects of the development, implementation, delivery and reporting of the Aboriginal Ranger Grants Programs under the *Protecting Country, Creating Jobs* initiative.

In particular, the ALMAG will provide the perspective of the Aboriginal land management sector to the department. This will help ensure that decisions relating to the establishment and operation of the proposed grants program have appropriate Aboriginal input, and that Aboriginal aspirations related to land management and conservation are an integral part of the grants program.

## Coastal and Marine Management Partnership Group

The Partnership Group is designed to assist the department in the development of the Coastal and Marine Management Strategy that will help to ensure the health and viability of the Territory's coastline, support its use by Territorians for recreational and cultural purposes, manage growing demand for our natural resources, and foster sustainable industry for the benefit of the economy.

The Partnership Group provides a conduit between the department and key stakeholders, providing a forum for focussed and sustained discussion with representatives of key stakeholder groups and encouraging their contribution to the development of the strategy.

## CORPORATE PLANNING FRAMEWORK

### Organisation structure

The Chief Executive Officer is supported by the Governance Board through a clearly defined organisation structure. The organisation structure is published on the departments intranet and is shown on page 10.

### Strategic Plan 2017–2020

The Strategic Plan 2017–2020 sets out the department's strategic direction and priorities, including key priorities and deliverables set by the Minister and government. The plan provides a holistic view of the department's strategic priorities with a broader focus on themes rather than specific service lines. The six strategic priorities give stronger emphasis on the importance of working in partnership with our stakeholders, the community and across the department.

### Strategic Workforce Development Plan 2016–2020

The plan has actionable strategies to address current and future workforce challenges. Priorities outlined in the plan are leadership, diversity, culture and workforce planning for the future.

A key challenge for the department is to ensure our workforce has the capacity and capability to deliver against the strategic priorities set by government.

### Aboriginal Employment Strategy 2016–2020

This strategy focusses on sourcing and developing the right people and ensuring they have a supportive, sensitive and appropriate workplace to grow and develop in.

The strategy aims to increase Aboriginal employment in the department in all occupations, levels of employment and locations; improve Aboriginal workforce capability; and grow the department into a mature and culturally competent workplace.

### Information and Communications Technology (ICT) Strategic Plan 2015–2019

The ICT Strategic Plan recognises the critical role of ICT services in supporting the department's business and in providing ICT services to our clients and stakeholders-the government, the public and our departmental business partners.

### Business plans

Business plans are developed for divisions and individual business units. They outline actions and projects aligned with the department's strategic plan and contributing to its objectives. Business plans are developed in consultation with staff, with tasks flowing through to executive contract and staff performance reviews.

### Annual Strategic Risk Assessment

The ability to remain responsive to risk is a priority for the department.

The annual Strategic Risk Assessment was centered on the department's Risk Management Framework. This framework guided the assessment of identified risks within the current operating and internal control environment, with treatments identified for all new and emerging risks. Agreed risks and actions to treat risks were detailed in the department's Strategic Risk Register. The audit of controls in place for managing risks was considered when developing the department's Internal Audit Plan.

Throughout 2017–18, the Governance Board reviewed the department's strategic risks and considered any new and emerging risks. The Governance Board reviewed the Strategic Risk Register on a quarterly basis and provided status updates on the identified risk treatments. The Audit and Risk Management Committee reviewed the Strategic Risk Register in February 2018 to monitor the progress of identified risk treatments.

The Risk Management Framework is accessible to all department divisions to guide their management of risks specific to their operations.

Detailed Work Health and Safety (WHS) risk registers for each division are managed by divisional WHS committees.





## DEPARTMENTAL COMMUNICATIONS

### Internal communications

The Chief Executive Officer produces a monthly e-newsletter to capture general department news, staff achievements and project and program outcomes; it also includes a personal update on events that happen during that monthly. The newsletters are emailed to all department staff and placed on the internet. All staff are encouraged to contribute articles and information monthly. From July 2017 there has been 12 newsletters published.

Other internal communication and information sharing activities include the annual senior leader's forum, corporate communication emails to provide information to all department staff and important warnings or events were also published on the intranet.

### External communications

The Weed Management Branch produce an e-newsletter called "Weed All About it". The newsletter is sent out two to three times a year to over 400 subscribers in the Territory to keep them updated on current activities and programs active in their area.

Bushfires NT (Hot Topics) newsletter has been in production since May 2015. The newsletter provides a regular update of interesting stories and events from Bushfires NT and the Bushfires Brigade volunteers throughout the Territory. Volunteers are encouraged to supply articles and achievements each month.

The department contributes stories to the Northern Territory Government Facebook page and YouTube channel.

### Social media

The department is very proactive in using social media and currently hosts two Facebook sites and one Twitter account to engage with the local community on the department's initiatives and programs.

The department Facebook page has been active since January 2017. Regularly posts on weeds management, water resources, threatened species, herbarium species, rangelands and native vegetation are posted each month. The department page has over 1 150 people who like and follow the page and has released 271 posts.

Bushfires NT Facebook and Twitter sites has been activated since May 2016. They supply timely updates in case of emergency situations and information to all regions. It also communicates and engages with volunteer brigades and landowners and managers.

The Bushfires NT Twitter account provides followers bushfires alerts and warnings messages when there is an emergency, these alerts are posted on the Secure NT website and Facebook page managed by the Department of the Chief Minister. The Bushfires NT Facebook page has 2 524 people who like and follow the page and has released 198 posts. Their Twitter account is very active over the fire season with 122 followers with 320 tweets.

Monthly department Facebook forecasts are created to cover all divisions of the department to increase our profile through proactive social media engagement.

### Future priorities

- Review all division's online content to ensure clients and landholders can access information efficiently.
- Ongoing improvement of content on the department's and nt.gov.au website.
- Improve communications with the general public via the department's social media accounts.



## CORPORATE GOVERNANCE ACCOUNTABILITIES

### Statutory accountability

The department is required to comply with the *Financial Management Act*, *Public Sector Employment and Management Act*, *Procurement Act* and other legislation, such as the *Anti-Discrimination Act* and the *Work Health and Safety Act*.

The department's corporate governance framework and the relevant statutes are promoted to staff in many ways, including through the department's induction programs.

## INTERNAL CONTROLS

The department has a number of internal control mechanisms in place to mitigate workplace risks.

### Corporate delegations

The Chief Executive Officer delegates certain powers to other employees under the *Financial Management Act*, *Public Sector Employment and Management Act*, and the *Contracts Act* and *Procurement Act*. In 2017-18, the Chief Executive Officer approved and had in place the following delegations:

- Financial delegations.
- Human resources delegations.
- Procurement delegations.
- Instrument of Delegation - *Contracts Act*.
- Instrument of Delegation - Guarantees and Indemnities.

### Conflict of interest

Conflicts of interest, whether real or perceived, can erode confidence in the department's integrity. All employees are responsible for declaring any conflicts. Employees, executive directors and branch managers must also take all reasonable steps to prevent involvement in the declared conflicts.

### Whistle-blowers

Staff can report wrong doing in accordance with the *Public Interest Disclosures Act*. The Executive Director, Corporate Services is the department's 'Protected Disclosure Officer'.

No public interest disclosures regarding the department's officers were lodged during the year.

### Code of Conduct

Through internal training, such as the corporate induction program, staff are regularly reminded of their responsibility to act in accordance with the NTPS Code of Conduct.

### Freedom of Information and privacy

In accordance with the *Information Act*, a range of NT Government policies and procedures are in place to enable individuals to access records and information held by the department.

### Accounting and Property Manual

In accordance with the *Financial Management Act*, the department has an Accounting and Property Manual that specifies finance procedures and internal control requirements. The Accounting and Property Manual was updated in 2017-18 and made available on the department's intranet.

## INFORMATION MANAGEMENT

### Information requests

The Northern Territory *Information Act* came into effect on 1 July 2003, creating a general right of access to government information held by departments, limited only in those circumstances where the disclosure of certain information would be contrary to the public interest. The Act also protects the privacy of personal information held by the department.

The *Information Act* covers Freedom of Information (FOI) issues, privacy, records and archives management, and it affects how the department collects, uses and stores personal and government information.

The Act is designed to protect personal information, promote the free flow of government information, protect public interests and prevent

public sector agencies from the unauthorised disclosure of information on individual, private and business interests held by public agencies.

The department is subject to the *Information Act* and is required to meet the obligations placed on it under that Act. Under the *Information Act*, members of the public can gain access to documents or records held by the department unless the document is within an exception or exemption category specified in the legislation.

The *Information Act* also defines strict timeframes for dealing with these requests for information.

During 2017–18, the department received 11 applications for access to government or personal information under the *Information Act*. Of these, two related to the same matter.

The table below provides statistical data about the formal access applications the department received:

<i>Information Act</i> requests	2015-16	2016-17	2017-18
Applications carried over from previous year	-	-	-
Applications to access personal information	-	-	-
Applications to access government information	4	5	11
Applications to access personal and government information	-	-	-
Applications to correct personal information	-	-	-
Applications transferred	-	4	-
Requests withdrawn	-	1	1
Requests refused	1	-	-
Internal reviews	-	-	-
Responses completed within 30-day period	4	5	10
Responses completed exceeding 30-day period	-	-	-
Applications handled as at 30 June	4	5	10
Application still pending	-	-	1

### Ombudsman enquiries

The department received one enquiry from the Ombudsman during the reporting year.

## MONITORING THROUGH AUDITS AND REVIEWS

### Internal audits

The following risk-based internal audits were conducted under the department's 2017–18 Internal Audit Plan. Management's implementation of audit recommendations is monitored by the department's Audit and Risk Management Committee.

Internal audit	Focus	Outcome
Official Duty Travel January - June 2017  July - December 2017	Review of the department's official duty travel against the NTG Air Travel Policy.	The internal audit found a level of compliance of some improvement required due a number of findings being the same or similar to previous audits.  Recommendations were made to improve existing controls.
Cabinet Information Security Measures	To assess the department's compliance with the required Cabinet information security measures.	The audit found a satisfactory level of compliance. Recommendations were made to improve existing controls.
Value for Territory Assurance Program	To assess the departments compliance with the NTG procurement framework, Buy Local Plan and agency procurement and contract delegations.	The audit found a level of compliance of some improvement required.  Recommendations were made to improve existing controls.
Independent Check on Stock of Accountable Forms	To assess the department's level of compliance in maintaining accountable form registers and the security measures in place.	The audit found a satisfactory level of compliance.  Recommendations were made to improve existing controls.

### External audits

#### Northern Territory Auditor-General audits

The Office of the Northern Territory Auditor-General selected the department for the following external audits during 2017–18. Audit results are published in the Auditor-General's reports to the Legislative Assembly.

External audit	Focus	Outcome
Compliance Audit	To assess compliance against the <i>Financial Management Act</i> and other NTG policies and directives.	The audit found a satisfactory level of compliance. Recommendations were made to improve existing controls.
Fuel Card Analytics Review	To examine Puma fuel card transactions to identify any transactions with unusual characteristics and report those findings to the department for review and follow-up.	The review highlighted the necessity for the department to be vigilant at all times in respect to management of its fuel cards.  Specific recommendations were not made.

## RECORDS MANAGEMENT

The Chief Executive Officer of a public sector organisation has a duty to ensure that the organisation complies with Part 9 of the *Information Act*. The Records Management Standards require agencies to capture and maintain records in an approved Records Management System.

During the reporting year, the agency has undertaken a records system upgrade to better support the agency as it moves onto newer

platforms and applications, in particular Windows 10 and Office 2013 and 2016. This involved updating processes and ensuring support and training was delivered to staff to help them in complying with their record keeping obligations under the *Information Act*. A significant part of this support was the development of an online Level 1 training video that focused on training for regional and remote staff.

## INSURABLE RISK

In accordance with Treasurer's Directions M2.1 – Insurance Arrangements, the department is required to detail mitigation strategies and processes it has in place to reduce the likelihood or severity of its insurable risks.

Insurable risks are generally related to workers

compensation, assets and inventories, public liability and indemnities. They exclude financial risks and legal costs in action.

The table below outlines the department's identified insurable risks and the strategies implemented to reduce those risks.

Insurable risk category	Mitigation strategies	Total Number/Total Value of Claims 2017-18
Public liability	<ul style="list-style-type: none"> <li>Formal risk assessments completed.</li> <li>Repairs and maintenance program in place to reduce risks associated with physical assets.</li> <li>Ongoing review of practices and procedures to ensure public safety.</li> <li>Appropriate signage.</li> <li>Education campaigns for staff.</li> <li>Building audits, e.g. security, maintenance, compliance.</li> <li>Appropriate security and testing, e.g. fire systems, alarms, patrols, staff.</li> </ul>	0 claims
Workers' compensation	<ul style="list-style-type: none"> <li>Formal risk assessments completed.</li> <li>Workplace health and safety (WHS) framework in place.</li> <li>WHS policies and standard operating procedures in place.</li> <li>Work site assessments.</li> <li>Job-specific training and support.</li> <li>Utilisation of Employee Assistance Program (EAP).</li> <li>Early intervention program.</li> <li>Critical incident debriefings.</li> <li>Work life balance strategies.</li> </ul>	<p>Six open workers compensation claims were carried forward from the previous year.</p> <p>Nine claims were settled in 2017-18.</p> <p>In 2017-18 \$21 613 paid for the utilisation of EAP services.</p>

Assets and inventories	Formal risk assessments completed. Ongoing review of policies and practices to guide standard operating procedures to protect assets and inventories. Asset registers maintained for fixed and leased assets.	0 claims
Vehicles (e.g: motor vehicles, quad bikes and boats)	Regular service and maintenance checks. Driving training (4 wheel drives, ATVs, boat handling).	31 Internal claims valued at \$36 200
Indemnities	Formal risk assessments completed each year and with each new agreement.	0 claims

### Commercial insurance premium

	Total Number/Total Value of Claim		
	2015-16	2016-17	2017-18
Department – overseas travel insurance, small value one-off insurance	\$0 No claims	\$136 No claims	\$123 No claims
Department – Workers Compensation	N/A Self Insured	N/A Self Insured	\$393 007 11 claims
Water Resources Division – Renew Industrial Special Plant Policy for Atlas Copco Drill Rig	\$0 No claims	\$9 128 No claims	\$6 097 No claims