

# 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 identifies and manages its risks.

### Corporate governance and accountability framework model



## EXECUTIVE COMMITTEES

The department's governance structure comprises a Governance Board and supporting committees focussed 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 2016–17 are outlined in this section. Membership as at 30 June 2017 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
- Act as the decision-making body for department policies and systems including:
  - managing risk and assurance in relation to compliance with statutory requirements
  - strategic human resource and workforce planning and management
  - financial and budget management
  - information and records management and technology and telecommunications planning and management.

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

2016–17 achievements:

- developed the 2017–2020 Strategic Plan
- monitored and reviewed department priorities and projects, critical and evolving issues, the legislative program, policy issues and organisational reviews and reports
- monitored department expenditure, employment levels, procurement, ICT management, travel and communication and media matters
- promoted the recommendations outlined from audit findings to the department
- endorsed updates to governance committees in June 2017
- sponsored the Senior Leaders Forum theme and agenda to achieve outcomes
- led and supported the whole-of-department People Matters Survey actions.

### Audit and Risk Management Committee

The 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 developing and implementing the annual internal audit program, review and monitoring of terms of reference, audit outcomes, management responses and implementing 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.

2016–17 achievements:

The Audit and Risk Management Committee met four times during the year: 30 September 2016; 10 November 2016; 6 March 2017; and 11 May 2017. Outcomes from the meetings included:

- appointed an external member to the committee
- reviewed the agency's 2016–17 Internal Audit Plan
- monitored the implementation of the department's 2016–17 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 risk and audit policy framework documents, including the Internal Audit Manual and appendices and Strategic and Operational Risk Registers.

### 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. Each WHS committee is chaired by the relevant Governance Board member.

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
- 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
- manages feedback links to staff and volunteers in relation to any WHS matter.

2016–17 achievements:

- monitored and reviewed the department's compliance with WHS legislation
- initiated a review of WHS strategic risks for the department
- managed training for committee members, with eight staff attending training
- co-ordinated free flu vaccinations to staff (98 staff were vaccinated)
- reviewed divisional risk registers and updated them quarterly
- reviewed the Workplace Hazard Inspection Checklist and undertook regular inspections.

## 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
- assists in coordinating the department's cyclone plans and monitoring cyclone preparedness and preparations.

2016–17 achievements:

- implemented an SMS messaging system to communicate important messages during and in response to cyclone information
- updated department cyclone plans and procedures
- participated in whole-of-government counter disaster training and information sessions.

## Information and Communications Technology (ICT) Governance Committee

The 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

- reviews and endorses submissions for major ICT investments or initiatives for approval by the Northern Territory Government ICT Governance Board.

2016–17 achievements:

- reviewed and updated the committee's terms of reference, which were endorsed by the Governance Board in November 2016
- reviewed internal business ICT approval process and reported to the committee
- monitored ICT projects, operations and usage
- reviewed business cases for ICT proposals
- monitored IT billing, costs and usage of services
- monitored machinery of government and environmental technology changes.

## STATUTORY COMMITTEES AND BODIES

At 30 June 2017, 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.

### Northern Territory Catchments Advisory Committee

The Northern Territory Catchments Advisory Committee was retired in February 2017 due to the Government's commitment to reforming and supporting water advisory committees to provide advice on water allocation and water management at the local level.

### 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 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 authority established under the *Northern Territory Environment Protection Authority Act* to protect the environment. It focuses on ecologically sustainable development, promoting 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 Minister for Environment and Natural Resources.

The NT EPA:

- assesses environmental impacts of developments
- administers the container deposit scheme under the *Environment Protection (Beverage Containers and Plastic Bags) Act*
- manages waste and pollution on the environment through licensing
- undertakes compliance and enforcement activities in accordance with 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.

## Aboriginal Land Management Advisory Group

The Aboriginal Land Management Advisory Group was established to provide input to the development of the Aboriginal Ranger Grant Program.

## Coastal and Marine Management Partnership Group

The partnership group helps guide the department in the development of the Coastal and Marine Management Strategy.

The goals of the group are to:

- provide input into the development of a draft strategy
- encourage input from stakeholders during the strategy development and consultation phases
- provide a forum for focussed and sustained discussion with representatives of key stakeholder groups
- provide a conduit between the department and stakeholders on the issues that need to be addressed by the Coastal Marine Management Strategy.

## CORPORATE PLANNING FRAMEWORK

### Organisation structure

The Chief Executive Officer is supported by the Governance Board through a clearly defined organisation structure. Following machinery of government changes on 12 September 2016, the organisation structure was updated and published on the intranet.

The department's organisation structure is shown on page 8.

### Strategic Plan 2017–2020

This reporting period saw the finalisation of the next three-year strategic plan: 2017–2020 outlined on page 6. The final report card on the department's overall achievements against the 2013–2017 plan is outlined on page 20.

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 us 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 2016–17, the Governance Board reviewed the department's strategic risks and considered any new and emerging risks. The Audit and Risk Management Committee reviewed the Strategic Risk Register every quarter 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.

### Future priorities

- develop and implement the reporting requirements for the strategic plan 2017–2020
- develop divisional business plans for 2017–18 and staff development plans
- complete quarterly reporting against business plans.

## DEPARTMENTAL COMMUNICATIONS

### Internal communications

A Chief Executive Officer newsletter on general department news is emailed to staff and published on the intranet. In 2016–17, newsletters were published in November 2016 and in January, February, March, April and May 2017. All staff contribute articles and information.

New topics were also published on the intranet. In 2016–17, 64 new items of this type were published on a range of topics.

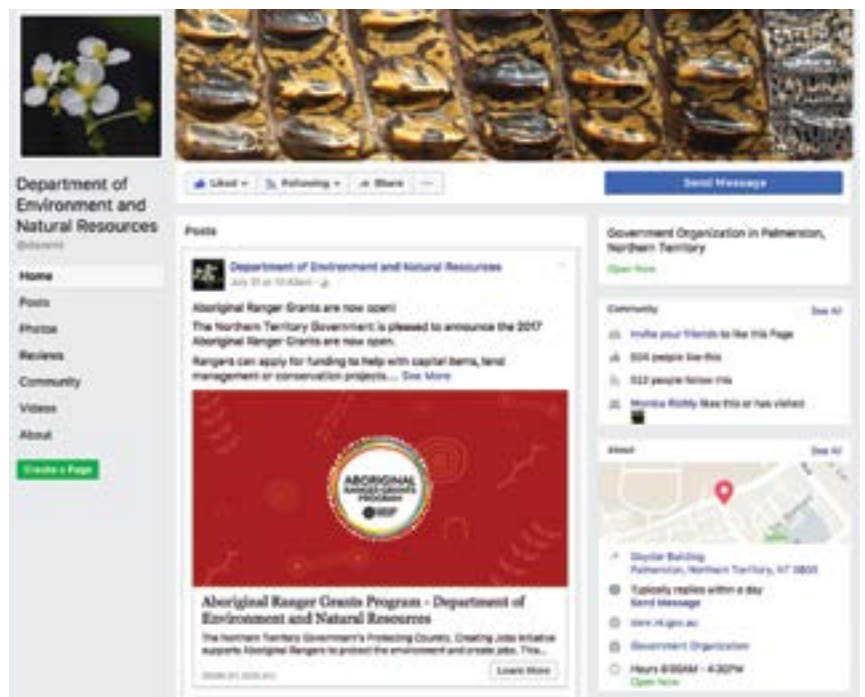
Other internal communication and information-sharing activities in the department included corporate communication emails to convey corporate information all department staff, Senior Leaders Forum in May 2017, planning days attended by staff across the department and divisional meetings.

### Social media

The department has had a social media presence since January 2017. Facebook is being used as an informal avenue for engaging with the community and the department page has released 137 posts and has 545 people who like and follow the page.

Bushfires NT also has a Facebook page and provides emergency management and alerts information to the Secure NT Twitter account managed by the Department of the Chief Minister. The Bushfires NT page is also a means of communicating and engaging with volunteer brigades and landowners and managers. The Bushfires NT page has 1 974 followers and has released 310 posts.

These social media accounts allow sharing of updates on department initiatives and programs. It can also promote community consultation and distribute important messages about weed alerts and bushfire management.



### Future priorities

- Align division business plans with the new strategic plan 2017–2020
- Modernise the department's intranet
- Ongoing provision of content for the department's website and nt.gov.au
- Review weeds management and water resources online information to ensure clients and landholders can access information efficiently and meet their legislative requirements
- Engage with the community via the department's social media accounts.

Information on community engagement activities and department programs that support the community, including the department's grant programs, are outlined at page 137.



## 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 2016-17, 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 wrongdoing 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. The department may begin disciplinary proceedings against any employee who acts in contravention of the 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 2016-17 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 2016-17, the department received five applications for access to government or personal information under the *Information Act*.

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

<i>Information Act requests</i>	2014-15	2015-16	2016-17
Applications carried over from previous year	1	0	0
Applications to access personal information	0	0	0
Applications to access government information	8	4	5
Applications to access personal and government information	0	0	0
Applications to correct personal information	0	0	0
Applications transferred	0	0	4
Requests withdrawn	0	0	1
Requests refused	0	1	0
Internal reviews	0	0	0
Responses completed within 30-day period	9	4	5
Responses completed exceeding 30-day period	0	0	0
Applications handled as at 30 June	9	4	5

## Records management

During 2016-17, the department continued to improve record management practices and procedures to ensure compliance with Part 9 of the *Information Act*.

Part 9 of the *Information Act* and the Records Management Standards require that the department develops and implements plans and processes to ensure full and accurate records are created, captured, discoverable, secure and disposed of in line with approved records disposal schedules to potentially reduce storage costs.

During the reporting year, the records training program continued to provide whole-of-department guidance, support and training in information management best practice and use of the whole-of-government mandated record keeping system. This program had a particular focus on increasing the electronic management of records across the department.

The Corporate Services Division achieved full electronic recordkeeping; ongoing development of electronic recordkeeping is being adopted by other business units.

## Information Awareness Month

Information Awareness Month was held in May 2017 to increase public awareness of information and promote the value of good information practices and policies.

The Darwin records team held open house events and activities to celebrate and promote awareness of the information service industry in government.

## Ombudsman enquiries

The department received no enquiries 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 2016–17 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 2016	Review of the department's official duty travel against the NTG Air Travel Policy.	The internal audit received a satisfactory level of compliance with official duty travel. Recommendations were made to improve existing controls.
Official Duty Travel July–December 2016	Review of the department's official duty travel against the NTG Travel Policy Framework.	The internal audit received a satisfactory level of compliance with official duty travel. 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.
ICT Purchases	To assess whether the department's ICT purchases comply with procurement and contract delegations, policies and procedures and the procurement framework.	The audit found a satisfactory level of compliance.
Repetitive Tier 1 Purchases	To assess whether the department is compliant with Tier 1 Procurement assessed against the procurement framework and agency procurement and contract delegations.	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 2016–17. Results from all the audits 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.
Selected Agencies – Fraud Assessment Framework Review	The primary objective of this review was to undertake a survey of the fraud control arrangements in selected Northern Territory Government agencies and to analyse the response to determine the maturity of agencies' fraud assessment frameworks.	To date, the department has had no instances of fraud for the financial year 2015–16 and the seven months to 31 January 2017. The review did not provide specific recommendations but outlined that the department may consider an agency specific fraud control maturity assessment to improve fraud control arrangements; and at a whole of government level consider an across government fraud control policy.

## 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 2016-17
Public liability	Formal risk assessments completed Repairs and maintenance program to reduce risks associated with physical assets Ongoing review of practices and procedures to ensure public safety Appropriate signage Education campaigns for staff and public Independent reviews Building audits, e.g. security, maintenance, compliance Appropriate security and testing, e.g. fire systems, alarms, patrols, staff.	0 claims
Workers' compensation	Formal risk assessments completed Workplace health and safety (WHS) framework developed and implemented WHS policies and standard operating procedures Work site assessments Job-specific training and support Using Employee Assistance Program Early intervention program Critical incident debriefings Work life balance strategies.	11 open workers compensation claims were carried forward from the previous year 1 new case in 2016-17 1 re-opened case in 2016-17 8 cases closed in 2016-17 5 total open as at 30 June 2017 In 2016-17, workers compensation cost \$410 367 In 2016-17 \$20 384 paid for the utilisation of EAP services
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 were maintained for fixed and leased assets.	0 claims
Vehicles (e.g.: motor vehicles, quad bikes and boats)	Regular service and maintenance checks Driver training (4 wheel drives, quad bikes, boat handling).	14 internal claims valued at \$28 211
Indemnities	Formal risk assessments completed each year and with each new agreement executed.	0 claims

Details of the department's commercial insurance premium arrangements are:

Commercial insurance premium	Total Number/Total Value of Claim		
	2014-15	2015-16	2016-17
Department – overseas travel insurance, small value one-off insurance	\$105 No claims	\$0 No claims	\$136 No claims
Department – marine insurance to transport drilling rig by barge	\$9 000 No claims	\$0 No claims	\$0 No claims
Department - New Industrial Special Plant Policy for Atlas Copco Drill Rig	\$0 No claims	\$0 No claims	\$9 128 No claims