



NRC GOVERNANCE POLICY

August 2008



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1 Purpose

The primary purposes of this Policy are to:

- map the current governance systems of the NRC that assist the Commissioner to exercise functions prescribed under the *Natural Resources Commission Act 2003*, *Public Finance and Audit Act 1983*, and other relevant legislation
- demonstrate how the NRC aims to meet the NSW Standard for Quality NRM within its own governance systems
- foreshadow further adaptive assessment and ongoing improvement of the NRC governance performance.

As an independent agency, it is crucial that the NRC is a role model of good governance, especially in being transparent, accountable and using the Standard in the exercise of the NRC's decision making. The purpose of good governance is like the purpose of the Standard, it is to give government and community confidence that investment is cost effective and maximises outcomes while ensuring consistency, rigour and accountability. Good governance enables innovation, development and exploration commensurate with the risks involved.

2 Legislative references

The following legislation guides the governance of the NRC:

- *Annual Reports (Statutory Bodies) Act 1984*
- *Annual Reports (Statutory Bodies) Regulation 2005*
- *Anti-Discrimination Act 1977*
- *Catchment Management Authorities Act 2003*
- *Crimes Act 1900*
- *Disability Services Act 1993*
- *Environmental Planning and Assessment Act 1979*
- *Forestry and National Park Estate Act 1998*
- *Freedom of Information Act 1989*
- *Freedom of Information Regulation 2005*
- *Freedom of Information Manual 1994*
- *Independent Commission Against Corruption Act 1988*
- *Industrial Relations Act 1996*
- *Native Vegetation Act 2003*
- *Native Vegetation Regulation 2005*
- *Natural Resources Commission Act 2003*
- *Occupational Health and Safety Act 2000*
- *Ombudsmans Act 1974*
- *Privacy and Personal Information Protection Act 1998*
- *Protected Disclosures Act 1994*

- *Public Finance and Audit Act 1983*
- *Public Sector Employment and Management Act 2002*
- *Snowy Mountains Cloud Seeding Trial Act 2004*
- *State Environmental Planning Policy No 71 – Coastal Protection*
- *Threatened Species Conservation Act 1995*
- *Water Management Act 2000*

The following clauses of the *Natural Resources Act 2003* are directly relevant to this policy:

- (a) Clause 3, which outlines that the object of the Act is to establish an independent body with broad investigating and reporting functions
- (b) Clause 6, which establishes the Commission as a body corporate and confirms that the Commissioner exercises the functions of the Commission directly, or can grant authority for actions to be done on behalf of the Commission or in the name of the Commission
- (c) Clause 7, which formally grants the Commissioner the functions conferred by the *Natural Resources Commission Act 2003* or any other Act
- (d) Clause 8, which allows the Commissioner to appoint Assistant Commissioners to assist as required, including carrying out any functions of the Commission that the Commissioner chooses to formally delegate under Clause 17
- (e) Clause 11, which explains that the Commission is not subject to Ministerial control in respect of the preparation and contents of any advice, but in other respects is subject to the control and direction of the Minister
- (f) Clause 12, which explains the Commission's general function to provide Government with independent advice on natural resource management
- (g) Clause 13, which specifies some more detailed functions
- (h) Clause 15, which outlines the transparent reporting requirements of the Commission.

The NRC's governance is also guided by:

- Standard for Quality Natural Resource Management
- Audit Office guides
- Financial Reporting Code for Budget Dependent General Government Sector Agencies
- Premier's Circulars
- Premier's Memorandums
- Treasury Circulars
- Treasury Directions.

3 Definitions

Governance is “the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say”.¹

‘Good’ governance is governance in accordance with widely accepted principles² which for the purposes of this policy are the policy principles listed in the next section.

4 Policy principles

The NRC is committed to:

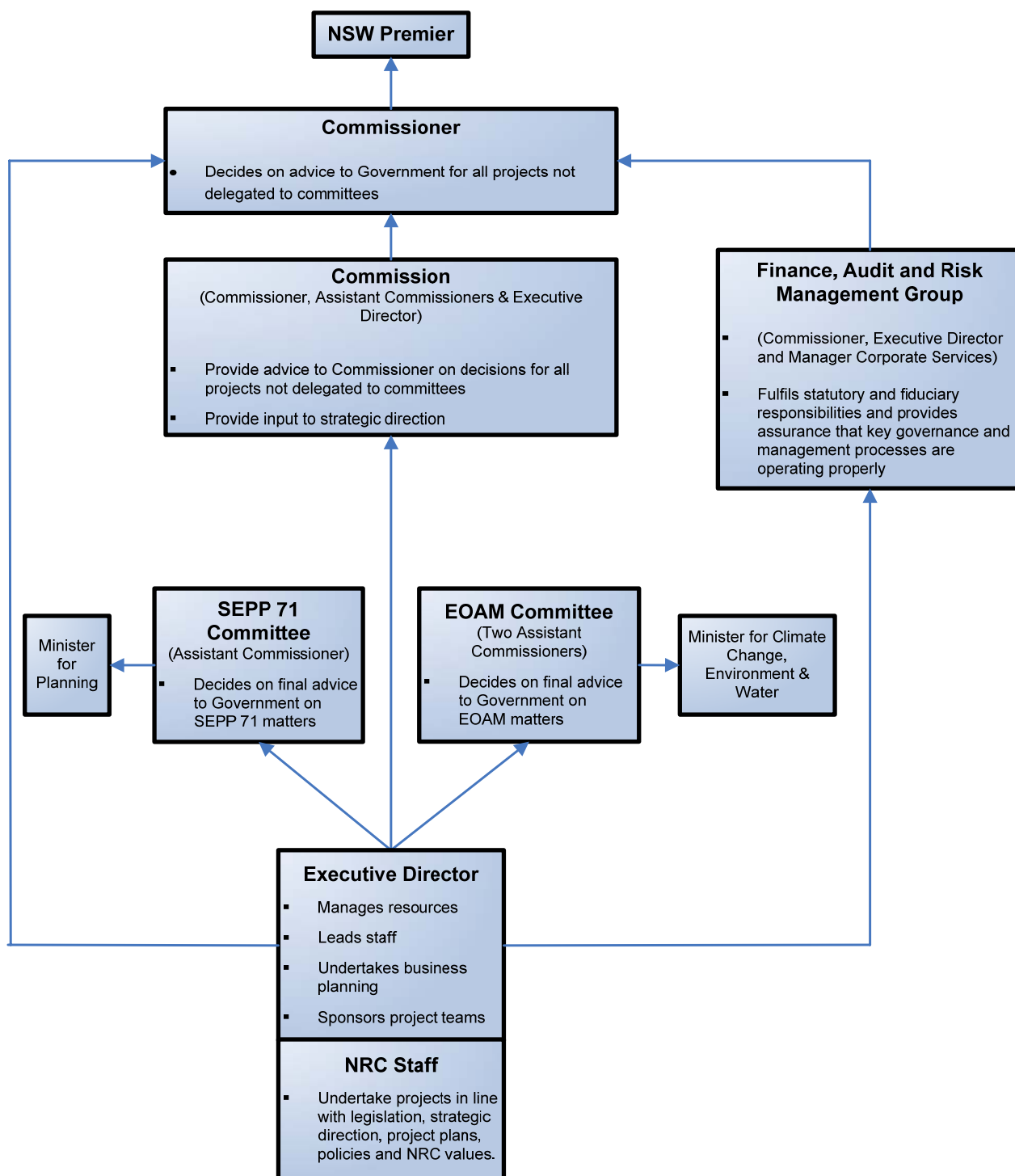
- Creating, monitoring, auditing and improving structured and transparent systems and processes of governance that reinforce the independence of decision making and underpin performance of our functions.
- Adhering to our legislative mandates and the NSW Standard for Quality NRM in our decision making.
- Creating a culture of independence, quality, commitment, innovation, teamwork and vibrancy in the workplace to support accountability, fairness, honesty and integrity in our dealings with others.
- Best practice public sector management including efficient use of public investment.
- Being held accountable to the Premier, the Parliament and the wider community of NSW in relation to the quality, independence and timeliness of advice.
- Evaluating, reporting and continually improving our performance.
- Collaborating with other government agencies who perform compliance reviews and ‘watchdog’ functions, such as the Independent Commission Against Corruption.

¹ Graham, Amos, & Plumtre 2003, *Governance Principles for Protected Areas*. The Fifth World Conference on Parks Congress, Durban, SA.

² Davidson et al, 2006. *Governance Principles for Regional NRM. Report to Land & Water Australia*, UTAS, Hobart

5 NRC Governance model

5.1 Key decision making structures and relationships



5.2 Key roles, responsibilities and accountabilities

5.2.1 The Commissioner

The Commissioner is appointed by the Governor of NSW for a period of up to five years and is accountable to the Premier for the exercise of all functions assigned to the Commission as a body corporate by the *Natural Resources Commission Act 2003* (Section 2) including good governance of the NRC.

The Commissioner is supported in the exercise of those functions by the advice of the Commission (see section 5.3), by the Executive Director and staff of the NRC and in governance matters by advice of the Finance, Audit and Risk Management group (see section 5.5).

The Commissioner chairs meetings of the Commission and participates in meetings of the Finance, Audit and Risk Management group.

The Commissioner's chief governance responsibilities include:

- ensuring that the NRC's exercise of authority complies with legislative mandates, is independent of the Government and is consistent with the NSW Standard for Quality NRM
- ensuring that the roles of Commission members and executive are clear, understood and these position holders are equipped with the skills and experience to fulfil their duties diligently
- fostering a climate that promotes good governance and ethical behaviour.

5.2.2 Assistant Commissioners

Assistant Commissioners are members of the Commission and may from time to time be delegated authority by the Commissioner to decide on direct advice to government.

There are currently four (4) Assistant Commissioners. Appointments are made by the Commissioner with concurrence of the Premier for a period of up to five years. The appointment is skills based. In practice Assistant Commissioners have expertise, extensive experience and well developed networks in NRM.

Assistant Commissioners are individually responsible for:

- providing advice to the Commissioner as members of the Commission on the quality and scientific credibility of NRC recommendations
- undertaking any duly delegated powers in accordance with legislation and the instrument of the delegation
- interacting with stakeholders to promote the NRC and discern perspectives.

5.2.3 Executive Director

The Executive Director is responsible for day to day leadership of programs and administrative and financial affairs of the Commission, is secretary to the Commission and a member of the Finance, Audit and Risk Management group.

The Executive Director is appointed by the Commissioner and is accountable directly to the Commissioner. The Executive Director works with the Assistant Commissioners within the Commission to provide robust, strategic and balanced advice to the Commissioner.

Specific responsibilities of the Executive Director include:

- supporting the Commissioner to create a culture of good governance
- developing and approving NRC policies and program plans
- establishing and extending systems that drive management excellence through use of the Standard
- managing the Commission's staff to implement approved strategic plans, develop project charters and conduct projects
- advising the Commissioner as part of the Commission on the NRC's proposed advice to Government and strategic directions
- preparing the draft strategic plan and Results and Services Plan.

5.2.4 Manager Corporate Services

The Manager Corporate Services is the secretary to the Finance, Audit and Risk Management group and leads day to day corporate governance planning, implementation, financial management, audit and reporting activities within the NRC office.

The MCS is accountable to the Executive Director and responsible for:

- preparing statutory reports, including drafts of the Annual Report, Results and Services Plan
- maintaining the NRC's risk management plan and risk register
- liaising with internal and external auditors and government watchdogs
- providing professional development opportunities for members of the Commission and the Finance, Audit and Risk Management group to effectively discharge their duties.

5.2.5 Program Managers

Program Managers are accountable to the Executive Director and responsible for the day to day management of agreed programs, the development and implementation of Program Plans and for quality advice to the Executive Director, and when required by the Executive Director, to the Commission.

5.3 Membership and function of the Commission

The membership of the Commission comprises the Commissioner who chairs the meetings, the Assistant Commissioners and the Executive Director.

The Commission is not a decision making body. Its role is to:

- Consider and provide advice to the Commissioner on natural resource management issues and the NRC's project based work including:
 - project strategies (a short document on a project's objectives and strategy)
 - feedback on projects at major milestones (delivery of major outputs) identified in project strategies

- reports for public release including draft reports that are either released publicly or provided widely to stakeholders for consultation.
- Consider and advise on strategic planning and emerging issues (that may also be raised by staff via the Executive Director who will present these at a Commission meeting).

The Commission meets at least monthly. Formal Commission papers are prepared by staff based on an agenda approved by the Commissioner and minutes of meetings are kept. Papers and minutes for Commission meetings are "Commission in Confidence". Commissioners and staff attending Commission meetings maintain the confidentiality of discussions and papers. Program Managers or the Executive Director may provide brief verbal updates on programs/ projects to Commission members if the work is not being specifically considered at a Commission meeting. Commissioners disclose any interests at meetings.

5.4 Establishment and function of committees

The Commissioner may establish formal Committees under the NRC Act and delegate authority to decide on referrals of a more technical and non-strategic nature that requires a short-term response. An Assistant Commissioner or the Commissioner must be a member of each Committee.

There are currently two such Committees:

- SEPP 71 which decides on coastal development matters
- Changes to the Environmental Outcomes Assessment Methodology under the *Native Vegetation Act 2003*.

The Committee decisions are provided direct to the referring Minister or agency without reference back to the Commissioner.

5.5 Finance, audit and risk management group function

The Finance, Audit and Risk Management group comprises the Commissioner, the Executive Director and the Manager Corporate Services.

The group is responsible for providing assurance that corporate processes are operating properly and that applicable laws, regulations and codes are being met. It is also responsible for ensuring there is independent assurance of effective compliance and that the information used in decisions and to report performance is accurate, timely, available and relevant.

The Finance, Audit and Risk Management group is responsible for all phases of the NRC's financial, audit and risk management programs including development, implementation and monitoring.

The NRC Finance, Audit and Risk Management Procedures detail further functions of this group which meets monthly. External independent members may be invited onto the group as required.

5.6 Delegations and approvals

In accordance with the *Natural Resources Commission Act 2003* the Commissioner has formally prepared instruments of delegation for the:

- provision of advice on SEPP 71
- provision of advice on Environment Outcomes Assessment Methodology.

The Commissioner has formally prepared instruments of delegation for the appointment, employment and termination of staff in accordance with the *Public Sector Employment and Management Act 2002*.

The Premier has formally approved financial delegations to the Commissioner, the Executive Director and the Manager Corporate Services in accordance with *Public Finance and Audit Act 1983*.

The Treasurer has formally approved the NRC's credit cards and limits in accordance with *Public Finance and Audit Act 1983*.

6 Applying the components of the Standard to good governance

The NRC applies the Standard to its planning, business systems and processes to ensure that the Commissioner and the Commission receive quality advice in relation to legislative responsibilities, referrals from the Premier and NRC programs. Our projects must use the NRC's project management system which embeds the use of the Standard throughout the project management process. All papers to the Commission requesting the approval of the Commissioner are to include a file note documenting how the Standard has been implemented and met in the conduct of the project.

6.1 Collection and Use of Knowledge

Use of best available knowledge is central to the performance of our functions at all stages of the adaptive cycle. The NRC now implements and will further enhance over time a multi-dimensional strategy for applying best available knowledge to its decision making in a structured and transparent manner.

At the level of the individual, the Commissioner and Assistant Commissioners are appointed primarily on the basis of recognised expertise in natural resource management. Commission members are highly experienced and skilled professionals from a diversity of backgrounds who maintain current networks and share information openly. Commission processes bring this collective expertise to bear on pending decisions. Commission meetings are held in a style that engenders informed and robust debate and avoids any groupthink tendencies. Leading practitioners, researchers and scientists across a variety of fields are routinely invited to share their work with the NRC and the Commission. Public submissions are carefully considered.

Staff selection processes and position statements are and will continue to be designed to ensure people with appropriate skills are employed. NRC team members through their individual project plans and their performance development plans are required to build expertise, access best available knowledge and share it within and across teams. The NRC is committed to supporting staff to maintain professional memberships, research scientific publications, attend relevant conferences and training events, network with peers, engage in debriefings, coordinate specific consultancies and convene expert panels.

At the project level the project management system prompts program managers and staff on the acquisition and use of best available knowledge at each stage of a project.

Project teams use peer reviewers to provide advice on whether NRC work represents best practice, and how to make improvements. NRC project teams are strongly encouraged to invite external peer reviewers to attend Commission meetings.

At the organisational level a register of experts is and will continue to be maintained. New NSW Government circulars, memoranda, policies and legislative requirements are discussed in Finance, Audit and Risk Management group meetings to ensure the NRC's compliance is current. Extensive networks within both the public and private sectors are fostered to inform strategic planning, decision making and corporate governance.

There are strong linkages to information management, risk management, determination of scale, M&E and collaboration components.

6.2 Determination of Scale

The NRC is required to work at a number of different scales to perform our functions and to achieve agreed objectives. The determination of the most appropriate spatial, temporal or institutional scale for intervention is central to decision making and priority setting in strategic planning, program planning, project management and resource allocation to ensure the intervention delivers multiple outcomes and benefits.

The Commission carefully considers cross scale influences and impacts before advising on strategic interventions including consideration of ecological risks, balancing spatial consequences and risks to program outcomes. The Commission is committed to considering project recommendations and strategic directions holistically in the environmental, economic and social interests of NSW and to maximise multiple benefits across these domains.

The Finance, Audit and Risk Management group allocates funds to optimise outcomes through the integration, sequencing and sizing of projects in line with strategic objectives and informed by internal and external risks.

The Project Management System ensures teams consider and manage scale issues throughout the life of the project including the scoping phase and project debriefing.

6.3 Opportunities for Collaboration

The NRC relies on collaboration to successfully exercise many of its functions. Collaboration is critical to maximising gains from our advice, tapping into the best available knowledge, achieving multiple benefits across scales and minimising costs. The Project Management system ensures project teams consider opportunities for collaboration on each project. However, we recognise that as an independent agency collaboration may also introduce potential for a conflict of roles and could in some circumstances compromise our independence. Opportunities for collaboration are therefore carefully assessed in relation to potential benefits and potential for conflict.

The NRC continues to build collaborative relationships with other independent bodies such as the Audit Office, the Auditor General and IPART to share practices and identify opportunities to share costs.

The NRC works closely with the Department of Premier and Cabinet in sharing information and insights on current and emerging NRM policy issues.

Strong collaborative relationships are built with scientists within government and external to government to access and leverage the best available knowledge.

The NRC collaborates with other government agencies in a productive, targeted manner to share knowledge, develop technical tools, streamline processes, improve efficiencies, advance uptake of our recommendations and enable adoption of the State-wide standards and targets. All instances of collaboration with other agencies are shaped by the need for the NRC to maintain and promote its independence and abide by its legislative objects and functions.

Particular care needs to be exercised in the NRC's close relationship with CMAs as the NRC is responsible for auditing the work of CMAs. At times the NRC collaborates with CMAs to develop practical methodologies and to improve the capability of CMAs to carry out their functions. To avoid conflicts of interest and to maintain its independence the NRC has adopted a model that separates the collaborative arrangements and the audit processes at a staff level ensuring that staff involved in audit work are not involved in development or capability improvement. NRC staff and the Commission are acutely aware of any conflicts of interest arising from collaborative work and these conflicts are actively managed, including the withdrawal of the individual from any decision making relevant to the issue.

6.4 Community Engagement

Engagement with key stakeholders is an essential part of NRC business. However as an independent agency our engagement requires careful consideration and is often one step removed from the general community except where the NRC undertakes specific referrals from the Premier that impact directly on the public.

Unless constrained by our terms of reference, each review has an inbuilt and transparent formal process for the calling and review of public submissions. The NRC also engages with CMAs, state and federal government agencies, peak stakeholder groups and others to maximise the quality of advice that is provided to the government. The frequency and nature of such engagement is driven by the needs of each individual project and is determined through the project management system.

At the Commission level the Commissioner and Assistant Commissioners are expected to maintain a healthy diversity of links with community groups. Strong links are also maintained with knowledge communities and there is meaningful engagement with researchers and others through formal and interactive Commission meetings.

The NRC will initiate and analyse the results of stakeholder surveys to measure the effectiveness of its engagement with stakeholders throughout projects.

All NRC reports are placed on our website after being submitted to the Minister in accordance with the Act. This Governance policy, like other significant NRC internal documents, will also be placed on the NRC's website to promote engagement and transparency.

6.5 Risk Management System

Risk management is fundamental to good corporate governance as it gives management a way to deal with uncertainty. Risk management is closely linked to and informed by the collection and use of knowledge, determination of scale and monitoring and evaluation.

The NRC is committed to the identification and management of risks and opportunities associated with the achievement of the NRC's functions and strategic objectives. This includes risk to the organisation, risks to program success and social, ecological and economic risks associated with the NRC activities and interventions.

The Commission is responsible for advising the Commissioner on strategic, external risks within strategic planning. All members of the NRC and the Commission are responsible for identifying and managing risks as they pertain to their decision making. The Commissioner ensures that the conduct of Commission meetings is conducive to receiving the best possible advice from each individual Assistant Commissioner and the Executive Director. This is an important risk identification and minimisation process.

The NRC has developed a Risk Management Policy which sets out a methodology for ensuring that risk management is an integral element of the management practices and systems of the NRC. Under this policy the Finance, Audit and Risk Management group is responsible for overseeing the NRC's risk management system and the corporate risk register. The policy is supported by a risk management plan.

Through the Project Management system teams identify risks and risk management actions early in a project and ensure that risks are monitored continuously.

The Internal Audit Bureau has reported that our risk management processes are consistent with processes set out in AS/NZS 4360:2004 Risk Management.

6.6 Monitoring and Evaluation

The NRC is strongly committed to ongoing monitoring and evaluation of its performance as part of the adaptive management cycle. Monitoring and evaluation occurs at a number of levels:

- Monitoring and evaluation systems are established for reporting six monthly on performance of the NRC in relation to the Results and Services Plan with a concentration on the evaluation of intermediate outcomes and our achievements against key performance indicators.
- It is embedded at the project level through the project management system, with criteria for success of the project established at the project charter stage through to evaluation and a debriefing at the end of the project. Outcomes of project reviews are shared across the team and are incorporated within future strategic and project planning, individual performance and development planning.
- The Commission is also involved in the review and evaluation of projects and programs. This leads to feedback to the Commissioner on emerging issues and their consideration as part of strategic level reviews and improvement of current and future project methodologies.

The NRC is committed to independent audit as a transparent means of providing quality advice and feedback on performance. Internal audits are and will continue to be carried out at least yearly. The scope of these audits is risk based as identified by the Finance Audit and Risk

Management group and covers all management systems. Management plans are developed and implemented based on the findings of internal and external audits.

The NRC is committed to extending the scope of internal audits to include compliance with this Governance Policy. This would include audit of the NRC's performance in relation to the Policy Principles (Section 4) and in relation to the Standard. There will also be a review every four years of our audits of CMAs.

6.7 Information Management

The NRC has developed and implemented an information security policy, a record keeping policy and an electronic document management system (TRIM) that complies with government policy and the Australian standard on records management.

NRC project teams continually review our information management needs and in collaboration with stakeholders access and analyse new information to inform decision making.

Information Management is a key part of our risk register and is subject to internal audit. Comprehensive quarterly health checks are undertaken on our IT systems to identify any external or internal threats or opportunities to the strength of our information. Annual checks of our Business Continuity Plan are undertaken and once every three years a full test is completed.

The NRC publishes its reports on the web within a reasonable period of time after they have been submitted to government.

The Natural Resources Commission is subject to Freedom of Information legislation. Inquiries regarding access to NRC records under the *Freedom of Information (Fol) Act 1989* can be made to the FoI Coordinator (Manager, Corporate Services).

7 Good governance within the adaptive management cycle

The NRC accepts that achieving good governance requires attention to the Policy Principles outlined in Section 4 and specifically to the Standard at all phases of the adaptive management cycle (Figure 2). Good governance requires consideration of each of the seven components in each phase of the cycle, to identify appropriate actions particular to that phase of the cycle. It also requires having well considered guiding documentation in place supported by structured systems and ongoing reinforcement of agreed values to ensure consistency in the application of documented policies, codes and procedures. The NRC is committed to ongoing review and improvement of its performance and organisational culture.

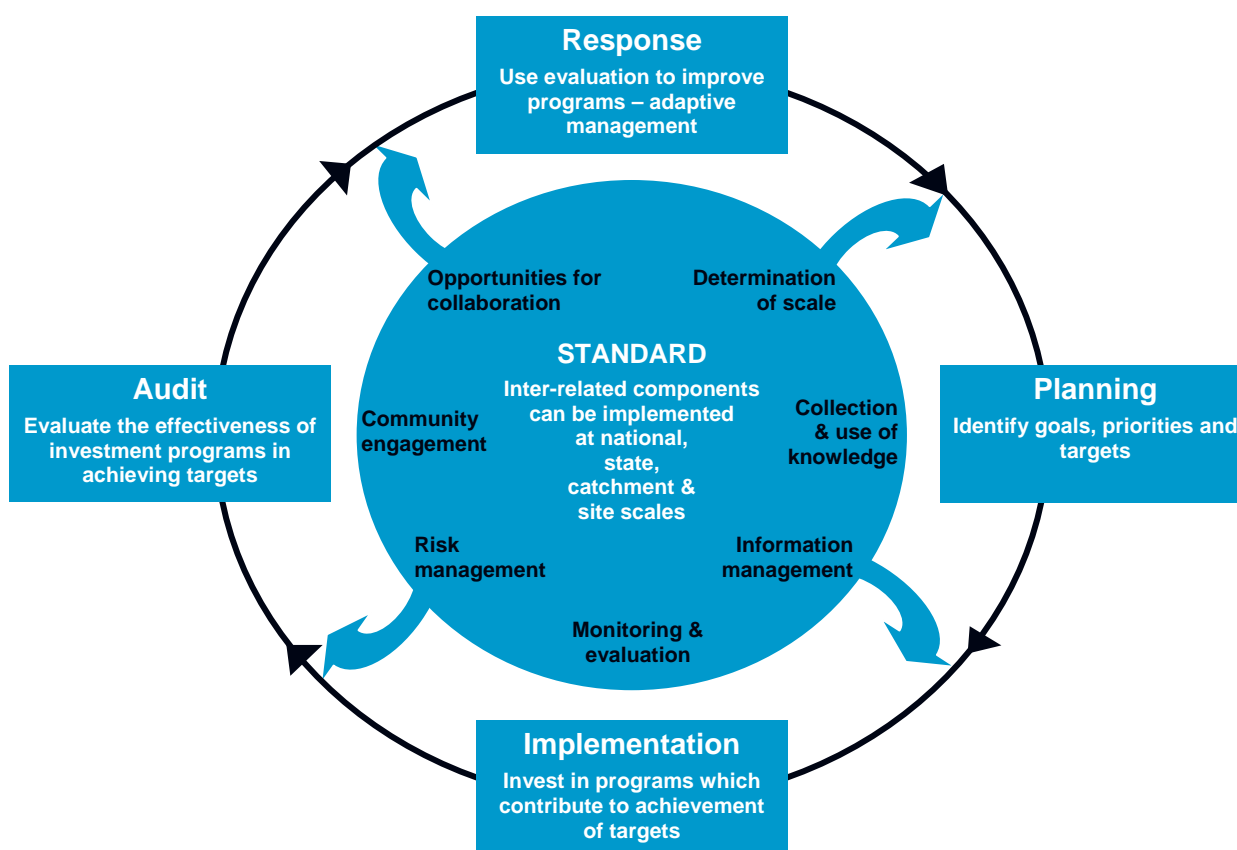


Figure 2: Components of the Standard underpin adaptive management at all scales

7.1 Planning

The following plans are the key guiding plans of the NRC. Planning is an ongoing dynamic activity and the Commission is responsible for not just the outputs and outcomes of planning but the process for making planning decisions. Governance of planning is about improving our planning decisions and processes so they:

- lead to achievement of desired results
- reflect the components of the Standard
- are aligned to the NRC’s authority and resources
- promote accountability, transparency and ethical decision making

- support innovation, learning and responsiveness to change.

7.1.1 Strategic Plan

The Strategic Plan of the NRC is a point in time high level document that sets out the NRC's vision, values, overall approach, intended results and strategies. It necessarily reflects the limits of governing legislation affecting the NRC and that the NRC is an independent agency that is responsive to referrals from the Premier.

The Executive Director is responsible for preparing a draft of the NRC's strategic plan. The Commissioner approves the strategic plan of the NRC following the input of the Commission. The plan is reviewed formally at least every six months as part of an adaptive management cycle informed by the explicit application of the Standard to proposed actions. However, in practice strategic planning is a continual process informed by frequent debriefings, adaptive review of project and program performance and scanning of emerging issues, opportunities and risks.

7.1.2 Results and Services Plan

The Results and Services Plan is the high level funding agreement between the NRC, the Premier and Treasury. It is a rolling four year plan reviewed and redeveloped every six months. It sets out for each coming financial year the NRC's intended results, core services, expenses, performance indicators, emerging strategic issues, plans to improve value for money, policy constraints, risks and risk management strategies, and an overview of the capability of the NRC.

The Results and Services Plan is developed by staff of the NRC in line with the strategic directions set by the Commissioner in the Strategic Plan. The Commissioner approves the Results and Services Plan.

7.1.3 Program plans

Program planning is where NRC managers and staff develop business plans for each Program area (eg: audit) in line with the NRC's strategic directions and available resources.

The Executive Director is responsible for approving program plans and oversees their implementation, review and improvement. Program Plans are shared with the Commission for their endorsement. The Finance Audit and Risk Management group is responsible for reviewing the resource implications of program plans and ensuring they are compatible with the NRC's budget and financial plans.

The Workflow Committee comprised of NRC managers is responsible for overseeing the allocation of staff to individual projects within program plans that maximise NRC impact.

7.1.4 Internal Audit Plan

The Internal Audit Plan is a three-year schedule of priority areas to be subject to an internal audit. This Internal Audit Plan is informed by risk assessments conducted by the Finance, Audit and Risk Committee but the final selection of audit scope is the responsibility of the internal auditors, not NRC management.

The NRC contracts out the internal audit function to the Internal Audit Bureau.

The internal audit process is additional to external auditing carried out by the NSW Audit Office.

7.2 Implementation

Implementation of good governance is an ongoing activity that is shaped by all aspects of this policy. Further policies that guide implementation are set out below followed by key processes that promote our accountability to government and the community.

7.2.1 Code of Conduct

The Code of Conduct applies to all members of the Commission and all staff of the NRC.

The Code of Conduct clarifies the conduct expected in the performance of duties, thereby maintaining public trust and confidence in the independence and professionalism of the NRC. The code supplements the guidance available from other NRC policies. The code refers to our responsibilities under:

- *Anti-Discrimination Act 1977*
- *Crimes Act 1900*
- *Freedom of Information Act 1989*
- *Independent Commission Against Corruption Act 1988*
- *Occupational Health and Safety Act 2000*
- *Ombudsmans Act 1974*
- *Protected Disclosures Act 1994*
- *Privacy and Personal Information Protection Act 1998*
- *Public Finance and Audit Act 1983*

The Commissioner has the overall responsibility for overseeing implementation of the Code of Conduct. However, in practice, the Executive Director and Manager Corporate Services monitor staff compliance and the Finance Audit and Risk Management group monitors policy reviews.

7.2.2 Implementation of management policies, codes and procedures

The NRC has developed a suite of management policies to clearly set out our objectives and expectations for maximizing public value, ethical behaviour and legislative compliance covering financial management, human resources, administration, procurement, property, assets, conduct, privacy, information management, technology and communications. Several of these policies also have procedural documents attached to them.

The Finance, Audit and Risk Management group is responsible for overseeing the continual development and auditing of these policies and the Manager Corporate Services is responsible for day to day implementation. The Executive Director approves these policies. All management policies are to be formally reviewed at least once every two years to maintain currency and completeness.

7.2.3 Reporting obligations and arrangements

Transparent reporting is a key part of our accountability within government, to the Premier and to the wider NRM community. In accordance with clause 15 of the Act, the Commission is to provide

the Minister with reports on the exercise of its functions and responses to specific terms of reference. Each such report of the Commission is to be made public within a reasonable time after it is provided to the Minister. The NRC is also committed to reporting that improves decision making both within the NRC and externally.

Annual reports

The purpose of the Annual Report is to transparently report on the NRC's achievements and performance in each financial year in accordance with the *Annual Reports (Statutory Bodies) Act 1985* and Treasury circulars and directions. The report is to be submitted to the Premier no later than four months after the end of each financial year (October) and is tabled in Parliament one month after. The Annual Report is published on the NRC website following tabling in Parliament and distributed to a limited number of interested parties in paper form.

The *Natural Resources Commission Act 2003 clause 15* also requires the NRC to prepare and submit reports to the Minister annually on the work and activities undertaken by the NRC. This reporting which may be incorporated into the Annual Report is to include the:

- outcomes of any audits or inquiries it has undertaken during the reporting period, and
- progress in achieving compliance with State-wide standards and targets adopted by the Government, including the effectiveness of the implementation of catchment action plans in achieving compliance with those standards and targets.

NRC staff are responsible for compiling the Annual Report for consideration and approval by the Commissioner. The Executive Director is responsible for reporting compliance against the above legislation.

Results and services

As part of the Results and Services Plan, the NRC documents every six months our performance and expenditure in relation to our planned outputs and services. This is Cabinet-in-confidence plan is submitted to the Premier before forwarding to the Treasury for review. A summary of the Results and Services Plan is published in the annual budget papers.

7.3 Audit

The NRC is committed to both improvement and innovation in the performance of its functions and to the ongoing improvement of its governance which enables innovation without high risk. As a key part of the adaptive cycle, implementation of this policy will be audited as part of the internal audit plan within two years of its inception.

7.4 Response

The Finance, Audit and Risk Management group will be responsible for ensuring this policy, like other policies is reviewed within an adaptive cycle of at least every two years. Such reviews will include, where relevant, external personnel to ensure the best available knowledge on governance trends is gathered.