

Local Land Services

PO Box 510
30 Lynch Street, Cowra 2794
Tel: 02 6341 9302
www.ils.nsw.gov.au

Dr. John Keniry
Commissioner,
Natural Resource Commission
GPO Box 5341
Sydney, NSW 2001

Dear Dr. Keniry

Re: Audit of the Implementation of Local Land Services Local Strategic Plans

Thank you for providing the final audit reports to each of the eleven Local Land Services (LLS) regions, and the summary report, outlining state-wide recommendations. It was pleasing to receive advice that all regions are progressing towards the implementation of the local strategic plans.

On behalf of the LLS, I have asked that the LLS Board People, Safety and Performance and Finance Risk and Audit Committee take carriage of the audits in their individual capacities, along with management to ensure that all agreed recommendations are implemented as per agreement.

I have provided for your records at (**Attachment A**) a summary of the recommendations and acceptance, along with where identified our treatment plans. Of the forty one recommendations, twelve relate to the development or improvement of a Monitoring, Evaluation, Reporting and Improvement (MERI) Plans. These actions will be guided by the development of a consistent MERI framework. This framework is due for board approval in June 2020.

Our Business Partner, Performance Risk and Assurance Ian Shepherd will be working with regions to continue to identify and implement actions relating to the audits. This work has already begun, and will continue into the New Year. A short time-delay has occurred due to our staff responding to the current emergency management operations occurring across New South Wales.

On behalf of the LLS Board and management team, I would like to thank Bryce, Marguerite and their teams for their professionalism and thoroughness in conducting the audits. Should

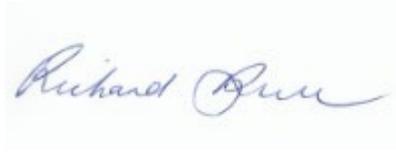


**Local Land
Services**

www.ils.nsw.gov.au
We help secure the future of agriculture and the environment for NSW communities.

you have any further questions with regards to this letter, the summary table or the audit in general, please contact Ian Shepherd (ian.shepherd@lls.nsw.gov.au) in the first instance.

Kind regards,

A handwritten signature in blue ink that reads "Richard Bull". The signature is written in a cursive style with a large initial 'R' and a long, sweeping tail.

Richard Bull
Chair, Local Land Services

Business Unit	Rec #	Recommendation Description	Agreed Action
State-wide	R.1	NSW Government should increase Catchment Action NSW funding to ensure LLS regions have adequate funding to deliver long-term, landscape-scale outcomes.	Catchment Action funding proposal is under development.
State-wide	R.2	Decrease the LLS minimum rateable area to ensure biosecurity risks can be adequately addressed	Under consideration as part of the IPART report.
State-wide	R.3	Make adequate ongoing government funding available to LLS for the management of travelling stock reserves for the purpose of achieving public benefits, particularly biodiversity conservation	To be considered by the NSW Government.
Central Tablelands	R.1	Improve CTLLS and Board oversight of progress toward plan outcomes by: - assigning metrics to success measures - collecting and collating associated data.	Improved Board traffic light report and strategic MERI plan development.
Central Tablelands	R.2	Develop key indicators, be explicit about assumptions linking outputs to outcomes, and link to MER framework that includes baselines and program logics.	Strategic MERI plan development.
Central Tablelands	R.3	Include quantitative information regarding the cumulative achievement of plan outcomes in Board reports.	Improved Board traffic light report.
Hunter	R.1	Collect performance indicator data outlined in the MERI Strategy and Action Plan to inform analysis and decision making.	Completion of KPI survey, in line with the MERI Strategy, to inform analysis and decision making.
Hunter	R.2	Complete development of a regional natural resource management strategy currently underway.	Complete development of Natural Resource Management Plan for the Hunter.

Business Unit	Rec #	Recommendation Description	Agreed Action
Hunter	R.3	<p>Make the following minor revisions to the MERI Strategy and Action Plan:</p> <ul style="list-style-type: none"> - Make more explicit the links back to the outcomes and the Hunter plan indicators of success. - Add KPIs to address gaps where Hunter plan indicators of success haven't been captured with MERI KPIs - Explicitly identify the audience for reporting activities. 	Complete minor revisions to the MERI Strategy and Action Plan to address recommendations in NRC Report.
Hunter	R.4	<p>Include in the new outcomes-based annual or semi-annual report to the board:</p> <ul style="list-style-type: none"> - an updated assessment of the status of complete suite of Hunter plan outcomes -am identification of key risks to achieving outcomes. 	<p>Include in the new outcomes-based annual or semi-annual report to the board:</p> <ul style="list-style-type: none"> - an updated assessment of the status of complete suite of Hunter plan outcomes -am identification of key risks to achieving outcomes.
Riverina	R.1	Measure and monitor progress towards achieving Riverina plan outcomes.	Development of an Organisational Performance and Improvement Tool (OPIT). This tool will assist monitoring of all aspects of Riverina LLS work in relation to the strategic plan and other required outcomes.
Riverina	R.2	Improve consistency in developing operational plans that specifically reference the Riverina plan and drive its implementation.	Development of an OPIT to improve the way projects are developed with reference to the Riverina strategic plan
Riverina	R.3	Develop program logics within a broader monitoring, evaluation, reporting and improvement framework that specifies metrics and data collection to support assessment of cumulative progress towards outcomes.	Development of an OPIT to improve the way projects are developed and provide a streamlined method of reporting on and tracking progress of strategic plan and other outcomes
Riverina	R.4	Update board reporting processes to include quantitative information regarding cumulative achievement of outcomes.	The OPIT will be used to extract 6 monthly board reports against the Riverina Strategic Plan

Business Unit	Rec #	Recommendation Description	Agreed Action
Murray	R.1	Monitor progress towards achieving Murray plan outcomes by: rationalising outcomes to provide a key set of outcomes to monitor progress against	Identify a priority list of Regional Objectives for the last 2 years of the Murray Local Strategic Plan by conducting a review of the Murray Strategic Plan Regional Objectives including achievement of Objectives to date, upcoming risks to and opportunities, and relevance to our existing business.
Murray	R.2	Establishing a key set of metrics for each outcome.	Establish metrics for measuring achievement of priority Regional Objectives identified through the review process.
Murray	R.3	Establishing a baseline or benchmark for each outcome.	Identify baseline data for key metrics for prioritised outcomes.
Murray	R.4	Collating existing data for key metrics.	Collate existing data for metrics identified for priority Regional Objectives.
Murray	R.5	Continue to collect data in key areas.	Continue collecting data required for measuring against key metrics for priority Regional Objectives.
Murray	R.6	Begin to collect data if any gaps are identified.	Commence monitoring programs for data not currently being captured to measure against priority Regional Objectives.
Murray	R.7	Strengthen links between operational activities and Murray plan outcomes by: continue to refine program logics as part of the ongoing theme plan review process to include stronger links between operational activities, outputs and Murray plan outcomes through documented assumptions and key metrics.	Ensure revised Murray LLS theme plans have clear program logics with links to Local Strategic Plan Regional Objectives, as well as documentation of assumptions and key metrics being used to measure Regional Objectives.
Murray	R.8	Strengthen links between operational activities and Murray plan outcomes by: Amend the annual business plan to include explicit links to Murray plan outcome.	1. Include attachment to 2019-20 Business plan that includes links to relevant Regional Objectives. 2. For future years ensure explicit links to Regional Objectives are in the Business Plan document.
Murray	R.9	Include information regarding cumulative achievement of outcomes in Board reports.	Provide report on Regional Objective and Priority action achievement to the Murray LLS Board at least once a year.

Business Unit	Rec #	Recommendation Description	Agreed Action
Central West	R.1	Measure and monitor progress towards achieving Central West plan outcomes by: establishing a key set of metrics for each outcome; establishing a baseline or benchmark for each outcome; collating existing data for key metrics; continuing to collect data in key areas; collecting data, if any gaps are identified.	A) Establish process to 1) establish set of metrics for each outcome; 2) establish benchmark for each outcome (where feasible); 3) collate existing data; 4) continue to collect data; 5) identify gaps and collect data in those areas.
Central West	R.2	Strengthen links between operational activities and Central West plan outcomes by: completing functional area plans for all areas of the business which include program logics to strengthen links between operational activities, outputs and Central West plan outcomes through documented assumptions and key metrics; amending the annual business plan to include explicit links to Central West plan outcomes; establishing a regional scale monitoring, evaluation and reporting framework.	1) Annual business plan and regional reporting has been amended for 19/20. Further revision to be undertaken once regional outcome metrics are established 2) Review prioritisation processes to ensure clear links with LSP 3) Regional Functional area plans are developed with consideration to state led Core Services Plans 4) MERI Plan Framework includes newly identified regional metrics and identifies possible approaches to collection of baseline date
Central West	R.3	Update Board reporting processes to include information regarding cumulative achievement of Central West plan outcomes	1) Board reporting is reviewed based on findings from R1 and R2 2) Board to complete additional review of reporting process and progress against all recommendations in February
Western	R.1	Remeasure key components linked to Western KPIs and benchmarks to demonstrate progress towards required outcomes.	A1:1 - Review the key performance indicators (KPIs) in the Western LLS strategy and prioritise those to remeasure. This will be critical for the development of the next iteration of the Western LLS strategy due in 2021. A1:2 - Evaluate and report on the progress/achievement of KPI against the strategy goals.

Business Unit	Rec #	Recommendation Description	Agreed Action
Western	R.2	The operations plan spreadsheet should be used by all staff for planning, monitoring and reporting on projects.	<p>This is largely being done. Operations Plan spreadsheet has been developed and implemented by all staff. On going improvements are being made and use is being monitored at monthly project meetings and individual Team Leader meetings.</p> <p>A2:1 - Continual improvement and updates made to the Operation plan template.</p> <p>A2:2 - An updated version to be rolled out in March 2020 in preparation for the development of the 2020/2021 Western LLS Operations Plan and Business Plan.</p> <p>A2:3 - Build greater capacity in house or investigate the use of a contractor to improve the spreadsheet data capture and reporting functions (refer to R3)</p>
Western	R3	Western LLS should include information relevant to the cumulative achievement towards Western plan strategies and outcomes in its board reports.	<p>This is partly being done in a qualitative manner. To address this recommendation the Western LLS will</p> <p>A3:1 - continue with the development of the operations plan (see R2). The information will be quantitative based on measured outputs which are aligned to Western LLS strategies and actions.</p> <p>A3:2 - Develop a purpose built data capture and reporting framework which will be able to track the cumulative achievements towards the Western LLS strategies and outcomes.</p> <p>A3:3 - Western LLS will present a dashboard report on all outputs and progress towards the Western LLS strategies and outcome on biannual basis to the board and relevant stakeholders.</p>

Business Unit	Rec #	Recommendation Description	Agreed Action
South East	R1	Improve the collection and collation of data on South East plan regional performance measures and begin collecting and collating data for South East plan KPIs to enable an assessment of achievement towards outcomes.	<ol style="list-style-type: none"> 1. Review of Strategic Plan to reduce and focus the number of strategies and KPI's. 2. Implement reporting framework and data collection systems for all Strategies and KPI's. 3. Build into annual business planning cycle a review of achievements towards outcomes.
South East	R2	Planning documents should be updated to include South East plan outcomes. The new South East Business Plan 2019-21 should set out a program logic and a monitoring, evaluation, reporting and improvement framework that specifies metrics, data collection and key baselines to support the assessment of cumulative progress towards South East plan regional performance measures and outcomes.	<ol style="list-style-type: none"> 1. Include a section in the business plan to address plan outcomes. 2. Implement a MERI framework for the business plan. 3. Build into annual business planning cycle a review of achievements towards outcomes.
South East	R3	Include quantitative information on cumulative achievement of South East plan outcomes in its board reports.	Develop a 6 monthly report to the Board to demonstrate cumulative achievements, progress towards outcomes and KPI achievement.
Greater Sydney	R.1	The contributions of projects and programs to the achievement of Greater Sydney plan outcomes within the proposed timeframes, should be cumulatively assessed. Performance data should be collected to allow the assessment of progress towards outcomes and the identification of any gaps.	We have developed a proposed Strategic Plan Monitoring Framework to provide cumulative measures against the Key Actions in the GS Strategic Plan (attached). The framework utilises data that we already collect. NB. some Key Actions are either a one off outcome or are better reflected by a maintenance of support. These are differentiated in the Framework by the 'status' column

Business Unit	Rec #	Recommendation Description	Agreed Action
Greater Sydney	R.2	<p>Greater Sydney LLS should ensure its business plan includes clear links to the Greater Sydney plan and establish:</p> <ul style="list-style-type: none"> i. functional area program logics that provide a link between Greater Sydney LLS activities and Greater Sydney plan outcomes and ii. a regional scale monitoring, evaluation, reporting and improvement framework 	<p>Management have produced functional area program logics linking GS activities to strategic plan outcomes. We propose that the regional scale monitoring, evaluation, reporting and improvement framework is adequately recorded in the program logics and proposed Strategic Plan Monitoring Framework.</p>
Greater Sydney	R.3	<p>Greater Sydney LLS should review progress in implementing the Greater Sydney plan every six months and include cumulative information regarding the achievement of outcomes in its board reports.</p>	<p>Management staff can use the final Strategic Plan Monitoring Framework as the basis of a spatially mapped and written report card formatted in a dashboard presentation to be presented to the board on a 6 monthly basis to demonstrate achievement against Strategic Plan outcomes.</p>
North West	R.1	<p>Improve measurement of progress towards outcomes in the NW plan.</p>	<p>Review and Rationalise Regional Delivery Actions (RDAs) aligned to Regional Outcome. For example multiple RDA across a range of strategies essentially with the same action, which causes repetition. Therefore we would look to consolidate these RDA's to reduce repetition, and allow NWLLS to focus on best way to capture metrics for outcomes.</p>

Business Unit	Rec #	Recommendation Description	Agreed Action
North West	R.2	Continue to develop and complete the review of three year program strategies with more developed program logics within a broader Monitoring, Evaluation, Reporting and Improvement Framework. These should specify metrics that are outcomes focussed, measureable and aligned to regional success measures in the NW plan to support cumulative progress assessment towards outcomes.	Review Data Capture across the NWLLS units, and ensure baseline data capture from July 2019. Identify more appropriate measures for outcome focused reporting over the next 2 years, by selecting a small number of measureable metrics for each outcome, based on the rationalisation from R1. Note – difficulty of 3 years plans, as our budgets for programs are only provided on a 1 year basis.
North West	R.3	NWLLS should update it board reporting processes to include quantitative information regarding cumulative achievement of outcomes.	At the NWLLS Board Meeting on the 29 th July 2019, in Walgett. Discussion ensued on how best to reflect R3 into the current Board reporting format. The General Manager clarified that the strategic plan is not aligned to revenue streams or business themes, therefore reporting on completion rates or budget targets would be very challenging. It was agreed the implementation of R3 be put on hold until the state wide audit report is published and the NW can then investigate if there is an NRC example of best reporting practice within the regions.
Northern Tablelands		No recommendations requiring action	
North Coast	R.1	Measure key performance indicators in order to monitor progress towards outcomes.	Recommendations accepted
North Coast	R.2	Complete program plans for all priority programs, including programs specific program logics and MERI frameworks	Recommendations accepted
North Coast	R.3	Incorporate the use of KPIs into board reports to measure and report progress towards achievement of the North Coast plan outcomes	Recommendations accepted