



OneCrown

Governance Health Check

14 April 2023

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1 Executive Summary

1.1 Introduction

O'Connor Marsden and Associates (OCM) was engaged by the NSW Department of Planning and Environment – Division of Crown Lands (Crown Lands) to undertake a Governance Health Check of OneCrown. The engagement was undertaken between November 2022 - April 2023.

The objective of the engagement was to review the following elements of the administration arrangements within OneCrown:

1. Governance.
2. Leadership structure, capability, and decision-making processes.
3. Staff engagement, well-being, and organisational culture.
4. Financial management arrangements for the four separate entities currently under administration.
5. Change management planning and processes.
6. Planning and readiness for potential future amalgamation into a single entity.

Further information in relation to the extent of the procedures performed and the scope of our engagement is detailed in [Appendix A](#) and the Inherent Limitations and Restrictions of Use Statement in [Appendix G](#).

To assess the maturity of OneCrown's governance, we were requested to use the Department of Planning and Environments (DPE) Governance attributes tool which seeks to provide a framework against which DPE entities can be assessed according to maturity of their processes across eleven areas of governance. Criteria for organisational maturity result in a rating of: Emerging or absent, Maturing, Well-established, Best practice. The tool also provides an overall assessment of governance maturity. In applying this tool, the nature of OneCrown as being responsible to the Government but not being a department with the full set of resources that a department would bring to each area was considered.

1.2 Background

The formation of a single entity for Crown cemeteries, known as 'OneCrown', was a key recommendation from the independent Statutory Review of the Cemeteries and Crematoria Act 2013 (The 11th Hour Report). This review was completed and presented to the former NSW Government in 2020 and remained under consideration at the time of this review. The 11th Hour Report, recommended the consolidation of Crown cemeteries in order to ensure the financial sustainability of the sector, strategically address the need for more cemetery space and deliver culturally relevant and better deliver affordable interment services in a coordinated way.

An Administrator has been appointed by the Minister as the Land Manager under the Crown Lands Management Act 2018 and oversees OneCrown in lieu of a board over all Crown Land Managers. The Administrator took over the functions of the boards of four of the Crown cemetery operators (Southern, Northern, Rookwood and Rookwood Necropolis)¹. Since 28 May 2021 the Administrator and the executive team have been overseeing the day-to-day management of cemeteries, the development of plans for new burial space, undertaking engagement with faith groups to ensure their

¹ The fifth, the Catholic Metropolitan Cemeteries Trust, remains separate under transitional arrangements and is out of scope for the purposes of this governance review. The Rookwood Necropolis Trust is responsible for managing the common property and infrastructure that exists throughout Rookwood Cemetery. This includes, but is not limited to roadways, entrance gates, directional signage, and the environment. In this report, we concentrate our review on the three Crown Land Managers over Southern, Northern and Rookwood. In doing so, we will refer to the three Crown Land Managers.

interests are represented and harmonising approaches across the four entities (e.g., through a new shared Executive leadership team) while still operating the four entities as separate legal entities.

1.3 Summary of Key Observations

The sector has undergone a sustained period of change and uncertainty. Prior to amalgamation, each of the four Crown Land Managers were at various states of governance maturity. An ambitious program of change management underpinned by a large number of projects has been underway. Some notable progress has been made since 2021 by the Administrator and OneCrown executives in progressing towards a single entity such as:

- Roll-out of the OneCrown brand to aid in transition and work unification.
- A staff engagement and communications plan to assist the workforce understand what was occurring and what wasn't.
- Baseline audits across all Land Manager's on Corporate Services, Sales, Marketing and Growth, ICT, Finance and Operations.
- Establishment of a Finance, Audit and Risk Committee with the same members across all four Land Managers.
- Movement of all investment funds in a responsible transition to T-Corp.
- Movement of two Land Managers from charity status to controlled entity.
- Mapping and settling of a consolidated chart of accounts.
- Establishment of organisational and consistent delegations; a centralised payroll function; a centralised IT function and a centralised People, Culture and Safety function.
- Implementation of a full People and Culture transition plan.
- Finalising a single view of OneCrown's budget whilst maintaining separate finance function.
- Establishing a functionally aligned workforce and implementation of final organisational structures.
- Creating a single strategy for OneCrown group of Cemeteries.
- Developing KPI and project reporting requirements. Establishing change and project management capabilities.
- Established a single WHS team led by a highly qualified WHS professional.
- Annual Reports are produced in the same format for the three Land Managers.
- End-to-end mapping of client services functions to commence for transition to standardised activities and functions of client service function.
- Moved the workforce to an Enterprise Agreement with the same workplace awards and conditions.

However, despite these achievements there is still considerable gaps in the governance framework which require to be urgently addressed. Continued uncertainty over whether Land Managers will be amalgamated continues to hinder progress to achieve both a better economic outcome for Government and service delivery outcome for the general public.

The most immediate impacts to One Crown include:

- The inability to make key investment decisions.
- The need to maintain separate finance, HR, and payroll systems for each entity as well as separate cemetery management systems hindering any possibly of realizing efficiencies.

- A heightened state of staff uncertainty (although there has been a significant degree of communication with staff) resulting in disengagement and /or higher staff turnover coupled with the inability to attract the best staff to full-time, permanent roles.

A decision is required to be made on the future of OneCrown. Delay will further inhibit the ability of OneCrown to realise its strategic objectives and potentially increase the risk that the Crown may not be able to adequately provide for the burial needs of residents of Sydney and surrounding areas into the future. There are key investment and organisational decisions that cannot be taken in the absence of a government decision.

Further details on the current governance gaps and recommended actions are set out in Section 2 - Detailed Observations and Section 3 – Roadmap.

1.4 Acknowledgement & Consultation

We wish to take this opportunity to thank the OneCrown and Crown Lands personnel who participated in this review for their co-operation and assistance.

2 Governance Maturity against DPE Governance Framework

Overall Rating of OneCrown Governance

Maturing

The final assessment of '**Maturing**' reflects the work that has been progressed to date whilst also highlighting areas where accountability and process could be improved. Whilst we recognise that work has already commenced in the areas rated '**Emerging or absent**' a sustained effort is still required to ensure OneCrown not only meets best practice but also their obligations to their stakeholders.

The results of this assessment are contained in the table below with the detailed results outlined in 2.1 – 2.11. It should be noted that this assessment was conducted using the attributes and sub attributes as defined in the DPE Governance Framework and is not intended to be an in-depth review of each area that may possibly fall under these broad headings.

Attribute	Rating	Ref
Governance structures	Well-established	2.1
Strategic, business and financial management	Well-established	2.2
Performance monitoring and reporting	Maturing	2.3
Program and project management	Maturing	2.4
Risk management	Emerging or absent	2.5
Assurance	Emerging or absent	2.6
Work Health and Safety	Maturing	2.7
Ethics and integrity	Emerging or absent	2.8
Stakeholder relationships	Well-established	2.9
Asset management	Emerging or absent	2.10
Information management	Maturing	2.11

Key:

Emerging or absent	Maturing	Well-established	Best Practice
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Further information in relation to DPEs Governance Attributes can be found at [Appendix C](#).

2.1 Governance Structures

Rating

Well -Established

Overview of decision-making forums

Consolidated, OneCrown governance meeting structures have been established over all three Land Managers (Rookwood, Southern and Northern). A single governance structure has been introduced which oversees all three entities, this structure has implemented:

- Monthly Administrator's Meetings.
- A Strategic Executive Group (SEG) which meets fortnightly.
- An Operations Leadership Group (OLG) which meets monthly.
- A Finance, Risk and Audit Committee (FRAC)².

Board functions

The Administrator has been appointed by the Minister as the Land Manager under the Crown Lands Management Act 2018 and oversees OneCrown in lieu of a board over all Crown Land Managers. A single meeting is now convened over all three and minutes retained.

Strategic Executive Group (SEG)

The SEG has been in place in its current form since August 2022. It comprises of a group of senior executives which has, over the last 12-months, been chaired by:

- [REDACTED] Executive Director, Strategic Business Development and Innovation.
- The former CEO.
- The Administrator.

At the commencement of our engagement with OneCrown, the SEG met weekly with the meeting focus being placed on the implementation of the Strategic Plan and pre-dating this, the Strategic Roadmap.

Whilst a charter existed for the SEG, it did not cover all areas typically considered by a senior leadership group. Specifically, whilst there was a focus on the Strategic Plan, the charter lacked a specific focus on the ongoing management functions of the organisation.

During the course of this review, OneCrown reviewed and modified the SEG terms of reference and functioning of the SEG resulting in the functions splitting out into two meetings, one focusing on strategy, the other focusing on organisational management. Further detailed commentary on the SEG is made at Detailed Finding 2.2.

Operations Leadership Group (OLG)

At the commencement of this review in December 2022, the Operations Leadership Group was large, consisting of approximately 20 members (all members of the SEG as well as a number of their second-tier managers). All members of the group provided a report to the group on their functional area. The volume of meeting papers produced, and the high number of group members made this meeting unwieldy. As a result of discussions held during the

² OneCrown is also required to have a Community Advisory Committee in place. This is dealt with in Section 2.9 of the report.

review, the OLG structure and terms of reference have been revised reducing the size of the group, and with the exception of the Chair of the group, no other SEG members attend the meeting.

The refocus of both the SLG and OLG provide OneCrown with a stronger governance framework, which, if required, will support a transition to a single entity structure should a decision be made to proceed with an amalgamation. The charters of both the SEG and OLG however still require revision to provide greater delineation in roles.

Finance, Risk and Audit Committee (FRAC)

The establishment of the FRAC committee is a requirement of *Section 103 of the Cemeteries and Crematoria Act 2013*. Section 104 gives powers to the committee to function as it determines. Section 105 of that Act confers on the Administrator broad powers as to the role of the FRAC and allows for guidelines to be established for these committees by Cemeteries and Crematoria NSW. No such guidelines have been established.

Whilst the FRAC has existed since 2021, the Committee met separately over the four Land Managers with individual charters, one for each Land Manager. The current FRAC, was established as a consolidated FRAC across all Land Managers and has a charter in place which was developed in August 2022. The FRAC is scheduled to meet quarterly however, eleven meetings were held in 2022 (these were a mixture of scheduled and out-of-session meetings).

Whilst a sample of the FRAC minutes were reviewed and found to be comprehensive and fit for purpose, we were not provided with a FRAC annual work plan or cycle of work, nor was one referenced in the FRAC papers or minutes. The provision of such a plan would provide structure to the meeting and facilitate the annual processes of:

- Timetable for the certification of the accounts.
- Endorsing and providing oversight to an internal audit plan and other assurance activities.
- Providing oversight of the implementation of audit findings.
- Ensuring the organisation's approach to risk management meets appropriate standards and is being effectively led and monitored.
- Compliance obligations are recorded, reviewed and monitored.

SCM2421 Audit & Risk Committee Chair and Members Scheme is supported by Scheme Conditions, dated November 2021. This NSW Government scheme outlines the approach by which members must be appointed from a pre-qualified panel of appropriately qualified parties to ensure their competence, appropriateness and independence.

FRAC members were appointed directly by the Administrator and current membership reflects a mix of skills both from the industry and financial management. Whilst we do not hold concerns for the appropriateness of the appointees, OneCrown should ensure all future committee members are appointed in line with this Scheme.

██████████ were interviewed as part of this review and gave a very favourable account re: the management of OneCrown and the significant work delivered to date. In addition, the FRAC has provided a written representation, provided at [Appendix D](#).

Recommendations

Recommendation	Due Date
R1 The charters of both the SEG and OLG require revision to provide greater delineation in roles.	3 Months
R2 The Finance Risk and Audit Committee (FRAC) should establish an annual cycle of activities i.e., a plan that ensures all of its responsibilities are captured and timetabled for actioning throughout the year.	3 Months
R3 OneCrown should ensure all future appointments to FRAC align with the Scheme Conditions of SCM2421.	6 Months

2.2 Strategic, business and financial management

Rating	Well -Established
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When interviewed, the OneCrown Management team unanimously stated that the single greatest barrier to effectively implement the Corporate Strategy for OneCrown is the absence of a decision on amalgamation. Despite this, all functional areas within OneCrown could demonstrate marked progress toward the creation of a single entity whilst operating within current constraints.

Executing a OneCrown strategy under the 2021 Roadmap

The early approaches to setting the direction of OneCrown were underpinned by the *Strategic Roadmap: Transitioning to OneCrown*. This document was formulated in May 2021 and outlined four stages in a future transition:

- **Stage One: Control.** *Develop OneCrown governance structures. Approve 2021 budgets and immediate capital works. Understand senior structures across all land managers. Recruit One Crown transition team.*
- **Stage Two: Review.** *(3 months) June to September 2021. Conduct Investment fund, financial and business reviews. Culture Audit. Communication with key stakeholders. Consolidated policy and risk register.*
- **Stage Three: Establish.** *Develop OneCrown operating model. Determine organisational structure and implementation plan. Recruitment of CEO and Executive Team.*
- **Stage Four: Operate.** *OneCrown fully transitional and operational. New Land identified. Realisation of identified efficiency saving. Strong governance frameworks in place. Recognised leader in the industry.*

Each of these stages had a number of actions attached to them and the Steering Committee (the predecessor of the SEG) oversaw the implementation of this plan with actions tracked and reported to varying degrees, with most notably, the absence of Stage 4.

Corporate Strategy 2022-2027

In May 2022, this Roadmap was replaced with the *Corporate Strategy 2022-2027*. The Corporate Strategy established:

- An organisational purpose statement, vision and values.
- Six strategic Priorities:
 1. OneCrown set up.
 2. Business sustainability.
 3. Our People.
 4. Grow valued relationships.
 5. Business efficiency.
 6. Delivery of purpose.

Each of these priorities has attached actions with 79 actions attached overall to the strategy. These actions have now been distilled to 46 projects which are being currently being monitored by the Project Management Office (PMO). The establishment and operations of the PMO are discussed further in this report.

At the commencement of our engagement, whilst there was reporting of actions under the *Performance Accountability Framework*, and weekly discussions of actions at the SEG, progress against the strategy and functional plans did not seem clear and accountability appeared to be relatively weak. It is noted however, that a performance dashboard is now being produced and the latest of these can be found at [Appendix E](#).

At various stages over the last two years, OneCrown has sought and received external advice on a transition strategy to a single entity. [REDACTED] former Executive Director of Crown Lands has also been advising on strategic projects and directions. In addition, OneCrown has a business unit dedicated to innovation and strategy.

OneCrown Program of Transition, Reform and Future Planning

In late 2022, all programs of work were amalgamated into a single plan titled *OneCrown Program of Transition, Reform and Future Planning*. This document maps actions under the Roadmap and Strategic Plan to each of the OneCrown executives and concludes with a list of 34 actions required for consolidation.

With the exception of the transition and remediation bodies of work, the largest single strategic project arises from the issues raised in the *11th Hour Report*. Whether OneCrown is well placed to address the issues raised in this report is not within the scope of this review and therefore no analysis or commentary is made. The report and issues flagged in the report are acknowledged.

Readiness of OneCrown to move forward

Throughout interviews conducted over the course of the review, executives expressed differing views as to the readiness of the existing transition roadmap should a decision be made to establish OneCrown as a single entity.

Despite substantial focus and resourcing made into OneCrown strategic planning, some OneCrown executives stated when interviewed, that the pathway for their functional areas of responsibility was not clear. Anecdotally, leadership changes coupled with changes in direction and strategy may have made coordinating and leading change difficult for all involved.

Review of project reporting would support the view that OneCrown is not currently on track with:

- approximately 43% of projects currently monitored, noted as being “off track” or lacking information.
- the sequencing of projects and their priority is not clear in project documentation.

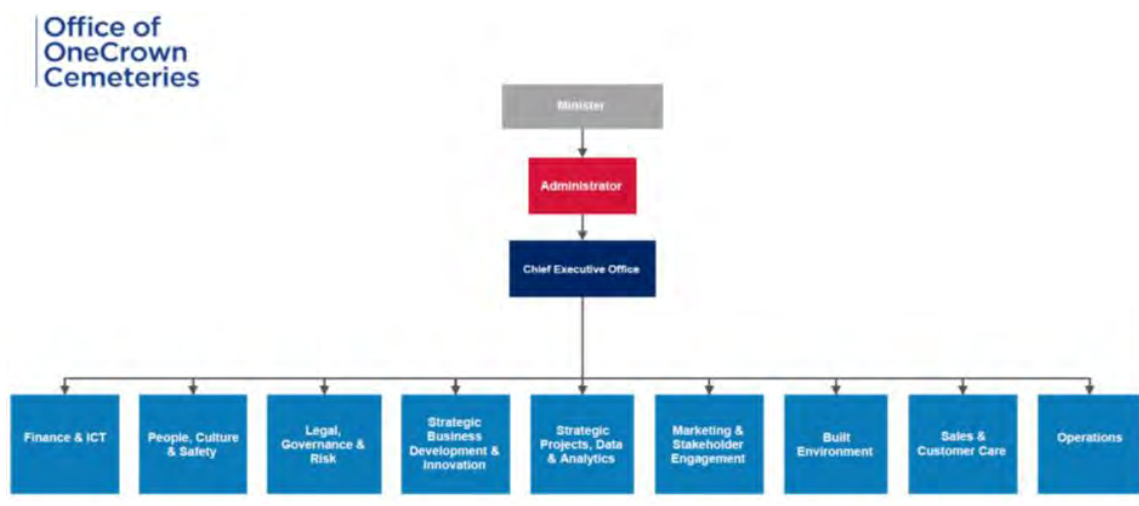
If an amalgamation decision is made, a number of tasks will require to be undertaken namely:

- a clearer prioritisation of actions and projects
- undertaking a gap analysis of the *OneCrown Program of Transition* to ensure all necessary actions are included in the strategy.
- each functional area defining a program of work with projects sitting underneath that, when completed, clearly demonstrate transitional milestones will be met.

Supporting the delivery of strategy through the right organisational structure

The current leadership structure is depicted in the diagram below and was approved by the Administrator in October 2022.

Since that time, the CEO has been removed, two more have resigned, and another moved to a different organisational role with the Company Secretary fulfilling that role. The CEO has not been replaced and the direct reports of the Executive Director who has resigned are now reporting directly to the Administrator. All positions are currently reporting to the Administrator who, although has not appointed herself to the CEO position, is theoretically fulfilling this role.



The current structure poses significant governance concerns in the longer term namely;

- Key person risk

The lack of a CEO at OneCrown and reliance on the Administrator in the current environment creates an acute key person risk noting also that the tenure of the Administrator expires in late May 2023. The SEG have recognised this risk and prepared a risk management plan. The Administrator has recused herself from this process to avoid any perceptions of a conflict of interest and the plan was presented to the FRAC. The plan is provided at [Annexure F](#).

In order to manage this risk, there is the need for a clear transition plan for the transfer from the Administrator to any future form of Board Governance or Administration. This transition should include the appointment of a CEO.

- Continued operation of OneCrown without a CEO.

The role of the Administrator is to oversee and make accountable, the Chief Executive for the effective operation of the organisation. The current arrangements do not provide for appropriate checks and balances that are implicit in having a separate Board and Chief Executive with clear roles and accountabilities.

Whilst there is little guidance on how Administrators should operate, the *NSW Government Boards and Committees Guidelines* published in 2015 delineates the roles of Board members and the Chief Executive and it is also noted that the Cemeteries and Crematoria Act specify states that the Board (Administrator) appoints the CEO and CFO therefore implying they are distinct and separate roles.

Future leadership structure

The current structure of the OLG would appear too “top-heavy” for the future state of the organisation and requires realignment. Further, whilst the respective skill sets of executives appear, at a high level, to meet the job requirements, the OLG and SEG do not appear to be operating as an entirely cohesive unit.

In SEG interviews conducted March 2023, the lack of cohesiveness, previously discussed, appeared to have improved with all members of the SEG reporting an increased level of group functioning characterised by robust but healthy debate.

There is, however, a significant morale issue currently faced at all levels of OneCrown, discussed in more detail at Finding 2.7.

One executive stated when interviewed, that in their area, “a lot of good people had gone with the result of a significant organisational and industry knowledge.” They concluded that there is now a capability gap as the next level of leadership is not adequately prepared.

All executives outlined difficulty in maintaining momentum and staff engagement. Most stated that the plan³ has little resonance with staff who are change-weary and are keen for a decision to be made with regards to the amalgamation.

Organisational structures have however been established and progress has been made to integrated teams as far as is possible. Finance is possibly the least progressed area although it has had the shortest period of time under the CFO’s leadership to make progress and is also hindered by the need to maintain and operate three separate entities with fiduciary duties to each. ICT planning appears to be the most advanced with People and Culture making some inroads.

A high-level analysis of the current structure was undertaken, and the following observations are made:

- duplication between the Executive Director, Legal, Governance and Risk and the Company Secretary. There is room to re-evaluate these positions.
- a number of Corporate Services roles currently report directly to the CEO. These could be clustered under an Executive Director of Corporate Services or reduced in size.
- Strategic Business Development and Innovation should be bought back as a direct report to the CEO.
- client-facing services could be amalgamated under a Chief Operating Officer.
- whilst the ICT environment is being well managed, there are gaps in information management. A future restructure may consider the establishment of a CIO role to ensure the effective integration of ICT and Information Management and the responsibilities between ICT operations and the ICT built environment could be reviewed with all asset management reporting to one position.

When implementing these changes, this structure would create an executive leadership group comprising of a CEO, COO, CFO, CIO, ED, Business Development and Innovation and ED, Legal Governance and Risk.

Recommendations

Recommendation	Due Date
<p>R4 OneCrown should:</p> <ul style="list-style-type: none"> • undertake a clearer prioritisation of actions and projects • undertaking a gap analysis of the OneCrown Program of Transition to ensure all necessary actions are included in the strategy. • ensure that each functional area defining a program of work with projects sitting underneath, when completed, clearly demonstrate transitional milestones will be met. 	3 Months
<p>R5 In order to manage the key main risk relating to the Administrator, there is the need for a clear transition plan for the transfer from the Administrator to any future</p>	6 Months

³ OneCrown Program of Transition, Reform and Future Planning “the Plan”

Recommendation	Due Date
<p>form of Board Governance or Administration. This transition should include the appointment of a CEO.</p>	
<p>R6 Any future organisational restructure should consider the following:</p> <ul style="list-style-type: none"> ○ duplication between the Executive Director, Legal, Governance and Risk and the Company Secretary. There is room to re-evaluate these positions. ○ a number of Corporate Services roles currently report directly to the CEO. These could be clustered under an Executive Director of Corporate Services or reduced in size. ○ Strategic Business Development and Innovation should be bought back as a direct report to the CEO. ○ client-facing services could be amalgamated under a Chief Operating Officer. ○ whilst the ICT environment is being well managed, there are gaps in information management. A future restructure may consider the establishment of a CIO role to ensure the effective integration of ICT and Information Management and the responsibilities between ICT operations and the ICT built environment could be reviewed with all asset management reporting to one position. <p>When implementing these changes, this structure would create an executive leadership group comprising of a CEO, COO, CFO, CIO, ED, Business Development and Innovation and ED, Legal Governance and Risk.</p>	<p>12 Months</p>

2.3 Performance Monitoring & Reporting

Rating	Maturing
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Operational reporting is occurring at the OLG. Some plans and systems are also in place to report on the progress of the Strategic and Transition Plan however, through discussions with the executive it appeared there still exists a level of ambiguity amongst some executives as to how performance against plans, priorities and projects status will occur going forward. When discussed with the Administrator, this view was not shared.

In some of the early interviews conducted during the review, most executives stated they did not have KPI's for either themselves or their areas of responsibility however, towards the end of the review, when interviewed again, it appeared progress has been made in establishing these.

The DPE Governance Framework criterion requires that any organisational performance monitoring and reporting framework must integrate performance monitoring with business improvement processes. From review of the OneCrown organisational performance framework implemented, it would appear that it is not currently capturing all relevant information. Appendix E further details where information was absent on 12 organisational projects.

It is noted that performance measures are being developed but are at an early stage of maturity therefore, OneCrown does not yet have a fully integrated planning function linked to the budget cycle.

Any new organisational structure should incorporate functionality to monitor and report on organisational performance which is separate to business areas but integrated into the budget cycle.

Recommendations

Recommendation	Due Date
R7 OneCrown should ensure any new organisational structure should incorporate functionality to monitor and report on organisational performance which is separate to business areas but integrated into the budget cycle.	12 Months

2.4 Program & Project Management



Project Management pre-January 2023

At the commencement of this review, OneCrown was in the process of establishing its Program Management Office (PMO) and hence the approach to program and project management was assessed as “Maturing”.

When interviewed, the executive appeared unclear as to the clarity of priorities and direction. Some executives felt their tasks and priorities were clear, others less so. Projects were observed to be recorded and tracked on spreadsheets with reporting and monitoring by the SEG and Administrator. The process lacked an overall program and project management methodology. When interviewed, many executives stated:

- there is no robust approach to project delivery;
- little accountability for project delivery and budgets;
- not all projects were incorporated into the strategy and therefore weren't captured under a formal project management framework resulting in the absence of project plans or risk assessments; and
- there was a lack of clarity over on inter-project dependencies posing risks to projects.

Although the PMO was established in mid-2022, it was observed to be still developing its approach at the commencement of this review in December 2022. The Administrator and executive recognised the need to implement a more robust project management approach.

Project Management as of March 2023

Between January – March 2023, it would appear a far greater degree of maturity has emerged as the PMO was bolstered through the dedication of resources namely, three staff members. The SEG has a monthly meeting focussed on strategy delivery and executive members report which provides a greater level of transparency and accountability. Performance dashboards are reported.

A Program and Project Management Framework has been introduced that separates projects into four levels. The framework is outlined in the table below.

OneCrown program/project levels

Level	Level 1	Level 2	Level 3	Level 4
Program Management	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives
Project Management	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives
Operational	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives
Support	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives

Projects at Level 4 are now managed by the PMO. Those projects below Level 4 are managed within functional areas of the organisation. Of the 51 strategic projects on OneCrown's Project Register, Approx. 20% are being managed in the PMO with the remainder being managed by other directors.

All of the structures and artifacts that would typically be included in a robust program management framework are in place. These include:

- Project Plans.
- Registers.
- An assessment of program and project risks.
- Project Control Groups.
- Regular Reports to all levels of management.
- Performance dashboards.

The PMO appears to be working to build the organisational capacity and capability in project management. Most notably, is the deployment of a project management toolkit for projects at levels 1-3 of the Framework which will bring discipline to smaller projects.

Whilst the PMO is still developing and maturing, the processes put in place to date represent a robust approach and if built upon, will move OneCrown to the next stage of project maturity. The PMO appears to have a clear view of what next steps are needed to achieve this.

The areas where further improvement can be made include:

- Gaining greater assurance that project management is effective at Levels 1-3 of the framework and that managers have the capability to effectively implement projects for which they are responsible.
- Reviewing all projects to ensure they are effectively resourced to ensure their delivery.
- Projects are prioritised. In the current approach to planning and project management, it is not apparent there is a fully effective approach to program prioritisation.
- Conducting a gap analysis in transition planning to provide assurance that nothing is absent from current planning.

Change management planning and processes

OneCrown has invested a great deal in a change management process through:

- The appointment of a change manager to support the process and to build the capability of the organisation to lead through change.
- Development and implementation of a change management framework and tools to support leaders in the change process. Training has been provided in these processes.
- Implementation of regular "town hall meetings" called listening loops.
- Ensured the change and program management functions are aligned.
- Established regular communications with staff including the establishment of a OneCrown Intranet.
- Established a program of communications with key stakeholders.

The effectiveness of these systems and processes was not tested during this review.

The continuation of both the change manager and the PMO will be crucial to the success of the change management agenda should Government make a decision to establish OneCrown as a single entity.

Recommendations

Recommendation	Due Date
<p>R8 OneCrown should:</p> <ul style="list-style-type: none"> • Gain greater assurance that project management is effective at Levels 1-3 of the framework and that managers have the capability to effectively implement projects for which they are responsible. • Review all projects to ensure they are effectively resourced to ensure their delivery. • Ensure projects are prioritised. In the current approach to planning and project management, it is not apparent there is a fully effective approach to program prioritisation. • Conducting a gap analysis in transition planning to provide assurance that nothing is absent from current planning. 	<p>6 Months</p>

2.5 Risk Management

Rating	Emerging or absent
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Good practice, and as also outlined in the DPE Governance Framework, requires risk consideration to be an integral part of decision making. At the commencement of the review, it was identified:

- Although risk was considered and discussed in various pieces of work, there was no systematic, organisational approach to the management of risk which would be considered consistent with AS ISO 31000:2018. Risk within OneCrown had been considered in individual contexts, most notably some physical risks in cemeteries, WHS risks and program risks however, there was no system of risk management in place across the organisation.
- There was no consolidated and current Risk Register for OneCrown. It was noted that three separate registers for the individual Land Managers were maintained however, these contain some 141 individual risks. On review of these Risk Registers, the following was observed:
 - Many of the 82 risks identified at Rookwood had not been rated.
 - Assigned risk owners were not current and reflected old structures and positions.
 - No residual risk ratings had been applied (where an assessment had been made and controls for the risk had been identified). Further, there was no assessment of control effectiveness.
 - The risk descriptions for Northern Metropolitan were vague and do not provide an adequate description of the risks. Further, there are number of extreme and high risks that contain no residual risk rating i.e taking into account the effectiveness of controls. The CEO is the risk owner for nearly all risks and a number are unassigned. There is no assessment of control effectiveness.
 - The Risk Register for Southern Metropolitan is the most complete but is out of date and assigned risk owners include the Minister.
- Although Risk Registers exist for each Land Manager, there has been no reporting on these at any level of the organisation. This includes to the SEG, FRAC or Administrator. Importantly, the SEG did not systematically review risk or receive reports from risk owners and there is no evidence that the Administrator has received any reports on organisational risk or the effectiveness of organisational risk management.
- The FRAC does not appear to be systematically monitoring the organisation's approach to risk. It is unclear if risk has been discussed at any of the 11 FRACS held in 2022, based on the minutes reviewed.

However, on conclusion of this review in March 2023, it appears OneCrown has made progress in addressing these concerns. A paper on how OneCrown intends to establish a system of risk management reflecting the requirements of AS/NZS ISO 3100:2018 was prepared in August 2022 and endorsed by the FRAC in December 2022. In this paper, it was proposed the following be developed:

- A Risk Framework.
- Risk Appetite Statement.

- Risk Rating and Criteria Matrix; and
- Risk Registers.

As of March 2023, OneCrown has completed a draft of a Risk Management Plan and a Strategic Risk Register. A workshop has been scheduled for 4 April 2023 facilitated by an external risk expert to work through the RMP and gain feedback on the approach from the Strategic Executive Group.

It is intended this workshop will facilitate discussions on how best to identify and manage risk and importantly determine the types of tools needed to guide decision making and reporting. The next stages of work are the completion of an Operations and WHS Risk Registers. We understand the development of these have commenced. Establishment of these Registers should inform:

- Risk reporting by owners of each risk.
- An audit and assurance program being developed and implemented.
- A workplan for the FRAC to oversee.

At the conclusion of the review, the system of risk management for OneCrown is largely in development and there now appears to be a clear pathway and executive commitment to implement a better Risk Management Framework. However, it should be noted that the creation of risk documentation is only one part of introducing a meaningful and useful Risk Framework and such work must be accompanied by a broader risk culture piece of work which embeds risk into the everyday operations of the business.

Recommendations

Recommendation	Due Date
R9 OneCrown should consider how a Risk Management culture will be driven through the organisation.	3 Months

2.6 Assurance

Rating

Emerging or absent

Current State of compliance and assurance

OneCrown has commenced the process of establishing an assurance capability however, at the time of concluding the review, it was still in a formative state. The funding for a Governance, Finance and Risk position has been determined. This role, when filled, will focus on internal audit and assurance and undertake the required activities to establish a robust assurance function.

The NSW Audit Office has also commenced conducting annual audits on OneCrown with one audit completed to date. OneCrown are now progressing the actioning of the Audit findings and recommendations with oversight by the FRAC.

Aligning to Better Practice

The approach to managing compliance obligations is at a foundational stage. The development of a Compliance Register has commenced however, it (and the approach to compliance management) is at an early stage of maturity and does not reflect the appropriate requirements as outlined in ISO 37301:2021 *Compliance Management Systems*. This standard provides:

- Guidance for developing, implementing, evaluating and maintaining an effective compliance management program.
- Outlines responsibilities and accountabilities for compliance management.
- Details mechanisms for the recording and reporting of compliance obligations and compliance risks.
- Outlines procedures for the reporting and management of non-compliance.

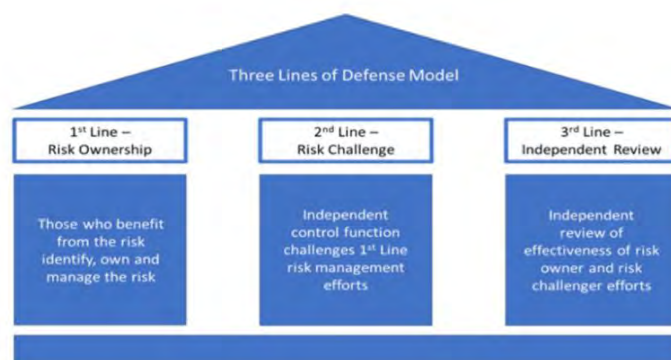
Most notably, there are significant gaps within OneCrown in mapping compliance obligations and there is no system in place to manage and report upon those obligations. The SEG and the FRAC should have oversight responsibilities of the compliance framework and those responsibilities should be reflected in their Charters and job responsibilities.

Further, OneCrown's approach to compliance and assurance should be underpinned by the *three lines of defence* model.

This model is designed to ensure the effective and transparent management of compliance obligations and risks by making accountability clear.

Each of the three lines has a distinct role in governance and oversight. The SEG and senior management are the primary stakeholders that are served by the established lines and are in a position to ensure the three lines of defence are reflected in OneCrown's compliance management processes.

- First line of defence – OneCrown operational management has ownership, responsibility and accountability for



directly

Figure 1: Three Lines of Defence

assessing, controlling under responding to compliance obligations.

- Second line of defence - consists of oversight and support functions such as risk management compliance, quality and finance.
- Third line of defence internal audit external audit regulators and other assurance providers who independently challenge both the first and second lines of defence i.e. conduct a program of assurance activities.

Recommendations

Recommendation	Due Date
<p>R10 OneCrown should undertake a project to map its compliance obligations and develop a system to manage and report upon those obligations. ISO 37301:2021 <i>Compliance Management Systems</i> should be used as a best practice framework from which to build up its Compliance Management System and Risk Management - Guideline 3100:2018.</p>	<p>6 Months</p>
<p>R11 The SEG and the FRAC should have oversight responsibilities of both the risk and compliance framework and those responsibilities should be reflected in their Charters and job responsibilities.</p>	<p>6 Months</p>
<p>R12 OneCrown’s approach to compliance and assurance should be underpinned by the three lines of defence model.</p>	<p>6 Months</p>

2.7 Work Health and Safety

Rating	Maturing
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Health and Safety at the Land Managers

OneCrown has undertaken substantial work in the area of workplace health and safety (WHS). Most notably, it has undertaken an independent review of WHS across the three land managers to establish a benchmark of where the respective organisations reside. This review covered:

- The WHS management systems, processes, and safety governance across the Land Managers.
- The safety culture across the Land Managers.
- Providing advice and recommendations to OneCrown regarding potential changes and enhancement to safety management systems, policies, and procedures.

The review established:

- Each land manager has a separate WHSMS system or approach. In one case (Rookwood) there is currently no management system in place, instead a range of safe work documentation (SWMS are in use).
- All systems are incomplete and will benefit by improved design and implementation.
- Documents failed to address the key risks and hazards and didn't address legislative requirements or follow relevant Codes of Practice.

Following this process, three positions were funded and established. A WHS Manager, WHS Business partner (based at Rookwood) and a Return-to-Work Coordinator. In addition, Health and safety representatives are in place and have been trained in accordance with OneCrown's obligations.

Since the implementation of these systems, OneCrown reports there has been 1100% reduction in psychological injury costs and the 780% reduction in physical injury costs over 15 months since the entity has been overseen by an Administrator. This appears to be a direct reflection of the efforts made to improve workers health, safety, and wellbeing since May 2021⁴.

Further, since the consolidation of OneCrown's WHS function (August 2022 - November 2022)

- No psychological injuries reported.
- 29 physical injuries were reported to the insurer with a total of \$1,200 paid in wages.

OneCrown does not as yet have WHS included in its Enterprise Risk Register and whilst a WHS risk register has been created, it has not as yet been populated.

WHS results are best driven when tied directly to accountability at an executive level. Currently there are no clearly articulated WHS accountabilities at the executive level.

⁴ Source: OneCrown Administrator.

Low morale and staff attrition

OneCrown has invested time and resources in engaging with its staff, this includes “Listening Loops” in which the Administrator and SEG members have held regular meeting. This has reaped several successes including:

- the resounding vote to accept the new Enterprise Bargaining Agreement and;
- the establishment of organisational values and a system of recognition for people who exhibit those values. Staff are nominating each other under this scheme.

However, in a range of interviews conducted, various executives and the Administrator outlined cultural problems in each existing Land Manager including systemic bullying. The delayed decision regarding a potential amalgamation was cited by many staff as a contributor to low morale and many staff spoke of a deep sense of change weariness and disengagement in the absence of a decision.

Over the last 12-months, OneCrown has seen approximately 33% of its staff exit the organisation. By contrast the NSW Public Service Commissioner cited attrition rates of 8.7% for FY2021 across the NSW public sector, with the highest area of the public sector, classified as the public service with attrition rates of 11.8% of its workforce. It is noted that OneCrown has a process in place of exit interviews with staff and is actively seeking to understand the factors attributing to this attrition rate.

Whilst the appropriateness of comparative benchmarking data can always be questioned, there was clearly observed engagement, hostility and morale issues within OneCrown during the period of this review. One significant contributing factor appears to be an executive culture characterised by factions, mistrust and frustration with decision-making processes. It should be noted, that in arriving at a conclusion, no surveys were undertaken with staff and conclusions are solely based on the interviews conducted and the materials provided during the review.

Team and morale building exercises will require to be undertaken at all levels of the organisation if the entity is to improve performance and undertake and successfully deliver the substantial body of work it currently has in hand.

Recommendations

Recommendation	Due Date
R13 WHS risk register should be populated, and key elements reflected in the Enterprise Risk Register.	6 Months
R14 WHS accountabilities should be articulated in the job descriptions at the executive level.	3 Months
R15 Team and morale building exercises should be undertaken at all levels of the organisation.	6 Months

2.8 Ethics and Integrity

Rating	Emerging or absent
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A program of work in the area of ethics and integrity has been commenced to bring it into line with better practice. Much of the work is still at the stage of policy development with approval and implementation still to occur.

During the review, it was noted OneCrown has developed or is in the process of developing:

- A Code of Conduct.
- Policies on Fraud and Corruption Prevention, Conflicts of Interests and Gifts and Benefits. All policies have implementation plans which will identify training requirements. It is envisaged this will primarily be via eLearning.
- Established and communicated a set of organisational values and commenced a system of recognition for staff who demonstrate those values. Workshops for staff have been held in the development of these values which were attended by approximately 80 staff.
- A complaints procedure and system is in the process of being established.

The completeness or effectiveness of these systems was not reviewed as part of the scope of this review.

Recommendations

Recommendation	Due Date
R16 The SEG should ensure that the policies and processes developed to ensure a healthy ethical culture are effectively embedded across the organisation.	6 Months

2.9 Stakeholder Relationships

Rating	Well -Established
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A Stakeholder Engagement Strategy has been drafted but not finalised. This is a comprehensive document that seeks to map stakeholders across all Land Managers.

OneCrown is required under Section 103 of the *Cemeteries and Crematoria Act 2013*, to establish a Community Advisory Committee. A number of these Committees are in place, and each has a 'term of reference'. Committee minutes were provided during the review however, it was noted that Southern does not currently have a committee in place.

Extensive work has been undertaken in relation to internal and external communications. Modes of internal and external communications have been mapped as well as their frequency and target audiences. When interviewed, OneCrown executives demonstrated strong knowledge regarding their stakeholders and an active engagement process appears to be in place.

It was also noted that a dedicated communications position has been funded and an intranet page has been established.

A copy of the communications schedule and target groups for external communications is outlined below:

External						
Channel	Audience Groups	Method	Date / Frequency	Message / Objective	Responsible	Contributors
Latest from OneCrown (Funeral Director Newsletter)	Funeral Directors	Email EDM	Monthly	Processes, reminders, changes, introducing new team members etc.	M&SE	S&CS Ops
OneCommunity (Community Newsletter)	Community Groups Faith Groups Cultural Groups	Email EDM	Quarterly	Events (past and upcoming), engagement initiatives, updates about the parks, meet the team etc.	M&SE	S&CS Ops
Stonemason Newsletter (in development)	Stonemasons	Email EDM	Quarterly	Processes, reminders, changes, introducing new team members etc.	M&SE	S&CS Built Environment
Family Newsletter (to be put in place)	Licence holders	Email EDM	Bi-annually	Updates about the parks, website updates, reminder to keep details up to date, etc.	M&SE	S&CS Ops
Website	Market wide	Blog update Latest developments Events and engagement	Monthly Quarterly As required		M&SE	Built Environment
Social Media Channels	Market wide	Facebook - Northern Facebook - Rookwood Facebook - Eastern Suburbs Facebook - Woronora Instagram - Northern Instagram - Rookwood LinkedIn - Northern LinkedIn - Rookwood LinkedIn - Southern LinkedIn - OneCrown (accounts to be reviewed pending OneCrown status)	Monthly content calendars	Significant dates (religious dates) Cemetery events & engagements Cemetery heritage Flora & Fauna Industry specific new & information	M&SE	
Letters to customers and stakeholders	Funeral Directors Community Leaders Licence Holders Complainants	PDF Letter	As required	Addressing questions and complaints that are escalated, generally via S&CS.	M&SE	S&CS Ops Built Environment Legal
Scripts for staff	Employees, primarily S&CS	PDF Document	As required	Providing guidance with response to questions and complaints, issues, media activity etc.	M&SC	S&CS Ops Built Environment Legal

2.10 Asset Management

Rating

Emerging or absent

Formulation of an Asset Management Plan

It is better practice and a requirement of the DPE Governance Attributes to maintain an Asset Management Plan. Responsibility for Asset management within OneCrown sits with the Executive Director, Built Environment and the OneCrown Strategic Plan details the development of the Asset Management Plan as a key task due for completion in 2024. We understand OneCrown is in the process of engaging an external contractor to undertake the development of the Asset Management Plan.

A key input required for the development of a comprehensive Asset Management Plan is data on current asset values, conditions and risks. Whilst this data is currently captured in the Asset Register of the Northern Crown Land Manager it appears to be the only Register that currently exists.

Treasury Policy TPP 19-07 *Asset Management Policy for the NSW Public Sector* provides some guidance as to what should be in place for those managing NSW Government assets. It articulates three core requirements:

- **Asset Management Principles:** *The Accountable Authority must ensure that all assets within this policy and under the control of the agency are managed with regard to the NSW Government's asset management principles. These principles are that*
 - *assets exist to provide value by supporting government objectives.*
 - *agencies act as stewards of public assets on behalf of the government.*
 - *asset management decisions must have regard to the appropriate balance of cost, risk and performance asset management must be integrated with other organisational functions, processes, activities and data.*
 - *asset management decisions must be made using a whole-of-lifecycle approach.*
- **Asset Management Framework (the framework).** *An Asset Management Framework that is appropriate to the agency has been established and maintained and the framework aligns with the requirements of this policy. This includes a fit-for-purpose Strategic Asset Management Plan (SAMP), an agency-level Asset Management Policy, Asset Management Plans (AMPs) and an Asset Register.*
- **Policy compliance and disclosures.** *The Accountable Authority of an agency is required to annually certify the agency's compliance with Core Requirements 1 and 2 of this policy and undertake a periodic assessment of their asset management maturity (in line with asset management assurance requirements).*

Current Management of Assets

OneCrown has some processes in place to manage its assets but has not yet developed a compliant system of asset management that accords with Treasury Policy TPP 19-07 *Asset Management Policy for the NSW Public Sector*.

As in other areas of governance at OneCrown, maintenance and asset management has been impacted by the impending amalgamation decision most notably it is currently required to

retain three budgets over the three Land Managers which hinders the uptake of a more strategic and economic Asset Management program.

Further, there remains a degree of uncertainty regarding its obligations under the Cemetery Maintenance Standards arising from Cemeteries and Crematoria NSW Interment Industry Scheme⁵ (the CCNSW scheme). It is noted that OneCrown has commenced work on defining its maintenance standards (and therefore its perpetual maintenance obligations) however, this work has not and cannot be completed until the CCNSW scheme has been finalised.

OneCrown has however made some progress in the area of asset management. This progress include:

- Commencing a program of risk assessments across all three Land Managers in relation to trees, pathways and monuments. A program of work flowing from these assessments has commenced.
- Maintenance plans are in place. These will have to be revised once the maintenance standards are settled.
- Budgets are in place for both capital expenditure and recurrent maintenance.
- A functionally aligned workforce, that whilst still located in each Land Manager, has the ability to be deployed across each site operated by OneCrown.

OneCrown is acutely aware of the impact of its perpetual maintenance obligations. This is possible the more significant issues facing OneCrown over the next few years. The details of this are outside of the terms of reference for this review, however we Whilst this has been discussed with the NSW Audit Office and NSW Treasury, we understand this has been discussed with the NSW Audit Office and NSW Treasury and OneCrown has engaged Deloitte to look at this issue.

Recommendations

Recommendation	Due Date
R17 OneCrown should bring forward the date for completion of its Asset Management Plan to December 2023.	6 Months
R18 Data on current asset values, conditions and risks should be documented for all Land Managers. Data captured in the Asset Register of the Northern Crown Land Manager should be reviewed for completeness.	6 Months

⁵ To ensure people in NSW have access to sustainable, affordable and dignified burial and cremation (interment) services, the NSW Government introduced the Interment Industry Scheme – a licensing system for cemetery and crematorium operators. The Regulations governing the scheme commenced on 14 October 2022. The scheme sets standards for plain language contracts, cemetery maintenance, pricing transparency, customer service and respect for people’s religious and cultural requirements. Operators will be transitioned into the scheme in stages, from July 2023 to October 2024.

2.11 Information Management

Rating	Maturing
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Information and Communications Technology (ICT)

OneCrown has undertaken a significant amount of ICT analysis across all Land Managers beginning with a process of discovery to ascertain which systems are in place. Currently, OneCrown (via the Land Managers) are operating:

- Three separate cemetery management systems (two with the same vendor).
- Three financial systems.⁶ There are two versions of the same system in Northern and Southern and a different system in Rookwood.
- Three payroll systems.
- Two purchase order systems.

As a result, OneCrown's ICT staff are required to support four separate environments (three Crown Land Managers and the OneCrown Office). Whilst maintaining this extensive ICT environment, it cannot achieve the desired efficiencies which may be realised through a more streamlined ICT environment.

Moving towards a more strategic approach

The ICT landscape work undertaken with the Land Managers informed the ICT Strategic Plan and the ICT Transitional Roadmap. The ICT Strategic Plan has been funded and is currently supported by an ICT staffing structure established as a OneCrown unit.

Key ICT policies have been developed and implemented including the Cybersecurity and Access Control Policies. OneCrown has, in the last 18 months, made considerable progress in the maturity of its ICT function through the following initiatives/milestones:

- Comprehensive review of precursor ICT environments
- Definition of a common purpose of its new ICT function
- Development of ICT Policies and Procedures
- Development of an ICT Strategic Plan
- Development of an ICT Transitional Roadmap
- Creation of Project Programmes in line with Transitional Roadmap
- Launch of multiple transitional item projects
- Creation of a Foundational ICT Environment
- Consolidation of its ICT Staffing and installation of a Head of Information Technology

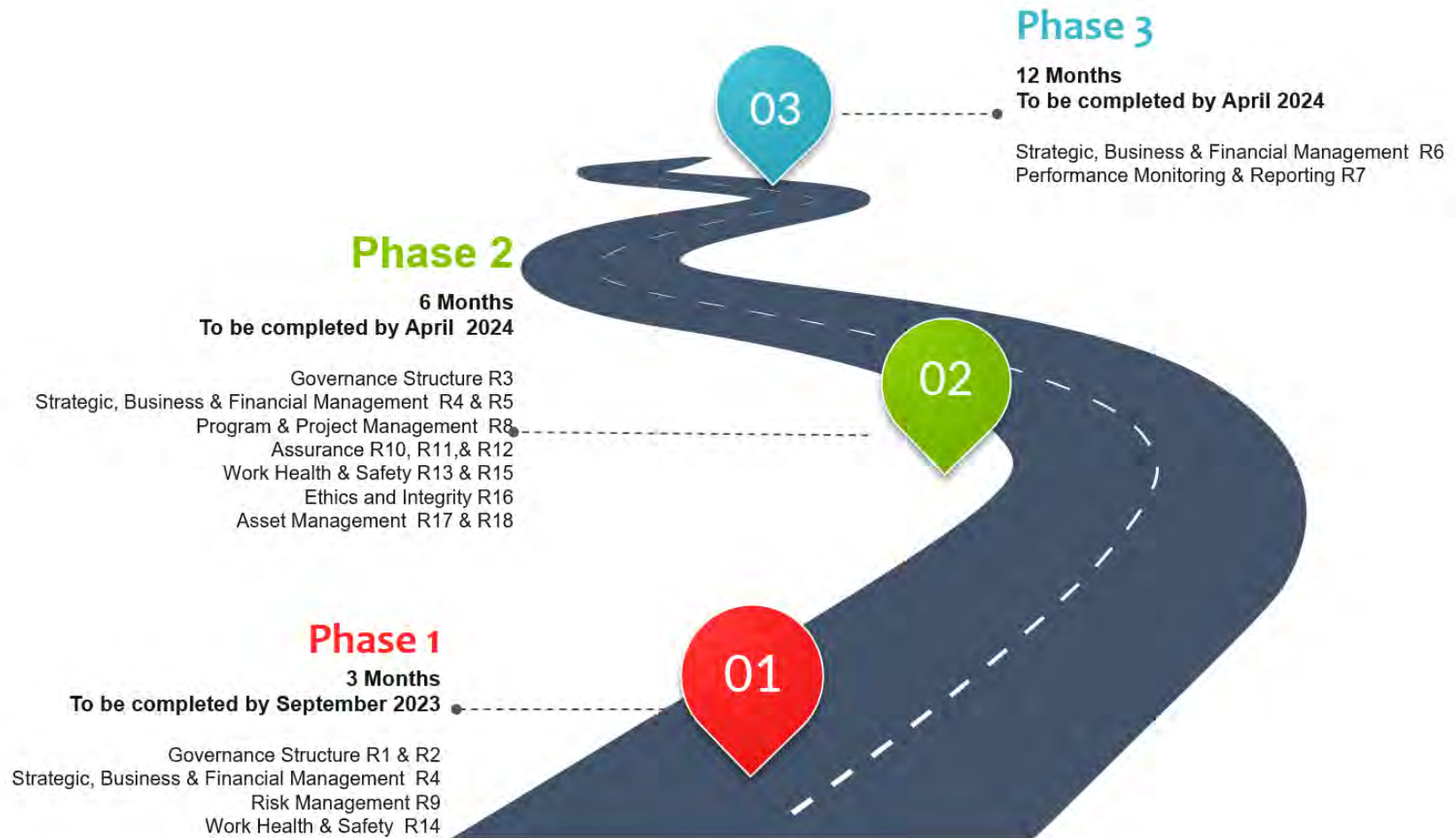
However, it should be noted, there is a limit to how far those plans can be implemented in the absence of a decision on amalgamation of the Land Managers.

⁶ Finance teams still exist in each of the Land Managers with the CFO and a Management accountant sitting over the top of the structure.

OneCrown has written a draft Information Management and Privacy Policy. During the review, it was not apparent if work had commenced on records management although work has commenced in laying the foundations of an information management system.

Within the current executive structure, there does not appear to be clear accountability for information management. Both ICT and Information Management should be aligned under the position of a Chief Information Officer in any new structure. Recommendations relating to these points are included at 2.2.

3 Roadmap



Appendix A: Terms of Reference

Objectives

The objective of the engagement was to review the following elements of the administration arrangements:

1. Governance
2. Leadership structure, capability, and decision-making processes
3. Staff engagement, well-being, and organisational culture
4. Financial management arrangements for the four separate entities currently under administration
5. Change management planning and processes.
6. Planning and readiness for potential future amalgamation into a single entity.

OCM was supplied with a significant documentation and engaged with the Administrator and other key executives of OneCrown to form a number of observations.

Scope

In relation to the leadership capability, staff well-being and organisational culture within OneCrown, the review will consider the Administrator, interim Chief Executive Officer, key executives, and other relevant staff to assess leadership capability and organisational health under the administration arrangements.

In relation to governance and financial management, the review will consider:

1. Current governance arrangements for OneCrown – including governance structures and forums (i.e. committees) that may exist to effectively manage and oversee business processes and systems.
2. Establishment and communication of organisational roles, responsibilities, accountabilities, and delegations (including existence of Terms of Reference or Charters for committees).
3. The development and implementation of a strategy for OneCrown and whether it clearly outlines its goals, priorities, and objectives and is aligned with the organisational hierarchy of plans and government priorities, with plans supported by a monitoring and reporting framework and measures.
4. Policies and procedures on financial management, risk management and asset management, including financial performance measures against budget and financial year projections.
5. Program and project management – including strategic/business plans; project/program governance and reporting.
6. Impact of any governance or financial arrangements on service delivery, where this can be assessed from available documentation.

The DPE Governance Attributes and Best Practice will guide this assessment as far as they are relevant to OneCrown. We will consider not only what is in place but also assess the effectiveness of implementation. These are found at Appendix A.

The review will consider the effectiveness of change management processes across the impacted entities.

Scope Exclusions

The review scope excluded the following:

1. The Government's decisions in relation to the establishment of OneCrown.
2. The operations of the Catholic Metropolitan Cemeteries Trust.

Appendix B: Personnel who assisted the review.

We wish to take this opportunity to thank OneCrown and Crown Lands and the following personnel, for their co-operation and assistance during our review:

Name	Position Titles
[Redacted Content]	

Appendix C: DPE Governance Attributes

Governance attribute	DPE measures of best practice
<p>1. Governance Structures</p> <p><i>Objective: There is effective oversight of the organisation and its functions.</i></p> <p>Governance structures include the executive leadership committee as well as the structure of committees that oversight functions and risk areas (for example work health and safety, asset management, risk management).</p>	<p>a. The organisation has a governance committee structure in place and key functions and/or risk areas assigned to a committee for oversight.</p> <p>b. All committees have</p> <ul style="list-style-type: none"> • a charter. • a work-plan with annual review to ensure the committee remains strategically focused and aligned. • a communication plan and communicate activities to relevant stakeholders. • a secretariat assigned with agendas, papers and minutes stored in approved document management system.
<p>2. Strategic, Business and Financial Management</p> <p><i>Objective: Clear business objectives and priorities are supported by a budgeting and strategic planning framework.</i></p> <p>This includes the organisation's strategic and business plans, policy framework, definition of roles and responsibilities and process for resource allocation and financial performance review.</p>	<p>a. There is a strategic/business plan that is aligned with the organisation's program and State outcome responsibilities and is supported by a monitoring evaluation and reporting framework.</p> <p>b. Roles, responsibilities, and accountabilities are defined and communicated.</p> <p>c. Financial performance is reviewed against budget and financial year projections.</p> <p>d. Managers and staff are directed to link individual activities to strategic and business plan outcomes in performance development plans (PDP).</p>
<p>Performance Monitoring and Reporting</p> <p><i>Objective: Performance measures are linked to divisional objectives and programs, and current performance information is available.</i></p> <p>Performance monitoring governance includes a reporting framework that provides insights on outputs, outcomes, and efficiency, is linked to the organisation's strategic/business plan objectives and is also linked to business improvement processes.</p>	<p>a. The organisation has a monitoring and reporting framework that is linked to business improvement processes.</p> <p>b. Performance measures cover outputs, outcomes and efficiency and are linked to strategic/business plan objectives.</p> <p>c. Performance information is available and used in corporate decision making.</p>
<p>Program and Project Management</p> <p><i>Objective: Programs are effectively and efficiently delivered in accordance with robust program and project management frameworks.</i></p> <p>The program and project management framework</p>	<p>a. Programs and projects are aligned to the organisation's strategic/business plans.</p> <p>b. Program and project governance, resourcing and management standards adopted by the executive leadership team and implemented.</p>

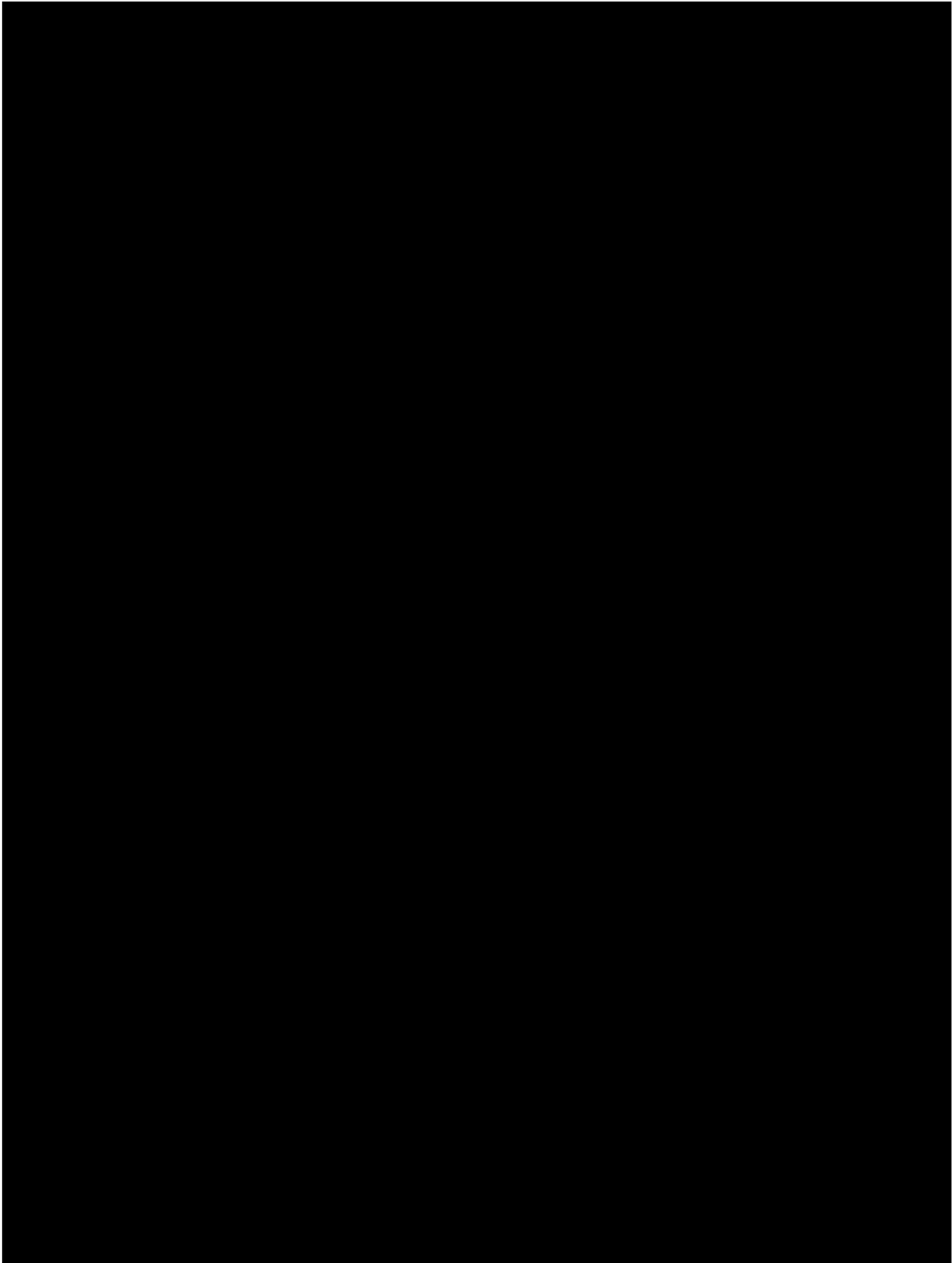
Governance attribute	DPE measures of best practice
<p>sets organisational standards for governance, project risk management, resourcing, monitoring, reporting, and scheduling as well as training and capability planning.</p>	<ul style="list-style-type: none"> c. Capability assessment and development tools are incorporated into a Program and Project Management Framework or Foundational Governing documents. d. Programs and projects have documented approval and appropriate commitment of resources. e. A framework is established for evaluating program outcomes and effectiveness that is linked to continuous improvement processes.
<p>Risk Management</p> <p>Objective: Risks to objectives are understood, managed and risk-informed decisions are made at all levels.</p> <p>Enterprise risk management includes setting the risk appetite, risk culture and procedures for risk identification, control, escalation, and reporting. The risk framework includes training and capability planning as well as the provision of risk management systems.</p>	<ul style="list-style-type: none"> a. An organisational risk management framework is established and implemented. b. Roles, responsibilities, and accountability for risk management are clearly defined and communicated. c. Risk information is tracked and available. d. Capability assessment and development tools are incorporated into a Risk Management Framework or Foundational Governing documents.
<p>Asset Management</p> <p>Objective: Assets are managed effectively and efficiently.</p> <p>Governance of asset management is in line with the NSW Government asset management policy, and includes planning, assigning responsibility and accountability to relevant committees and departmental staff and establishing asset registers.</p>	<ul style="list-style-type: none"> a. An asset management plan is in place consistent with the NSW Government Asset Management Policy 2019. b. Responsibility and accountability for asset management and capital review functions assigned and communicated. c. Asset value, condition and risks identified and stored in an asset register.
<p>Stakeholder relationships</p> <p>Objective: Relationships with stakeholders that strengthen service delivery</p> <p>Stakeholder relationship governance includes an engagement framework with accountabilities and roles and responsibilities clearly defined and communicated. It also includes customer relationship management tools and training and capability planning.</p>	<ul style="list-style-type: none"> a. A stakeholder engagement framework is established. b. Employee stakeholder accountabilities and roles and responsibilities are clearly defined and communicated. c. Stakeholder engagement tools are available and used by employees. <p>Capability assessment and development tools are incorporated into a Stakeholder Relationships Framework or Foundational Governing documents.</p>

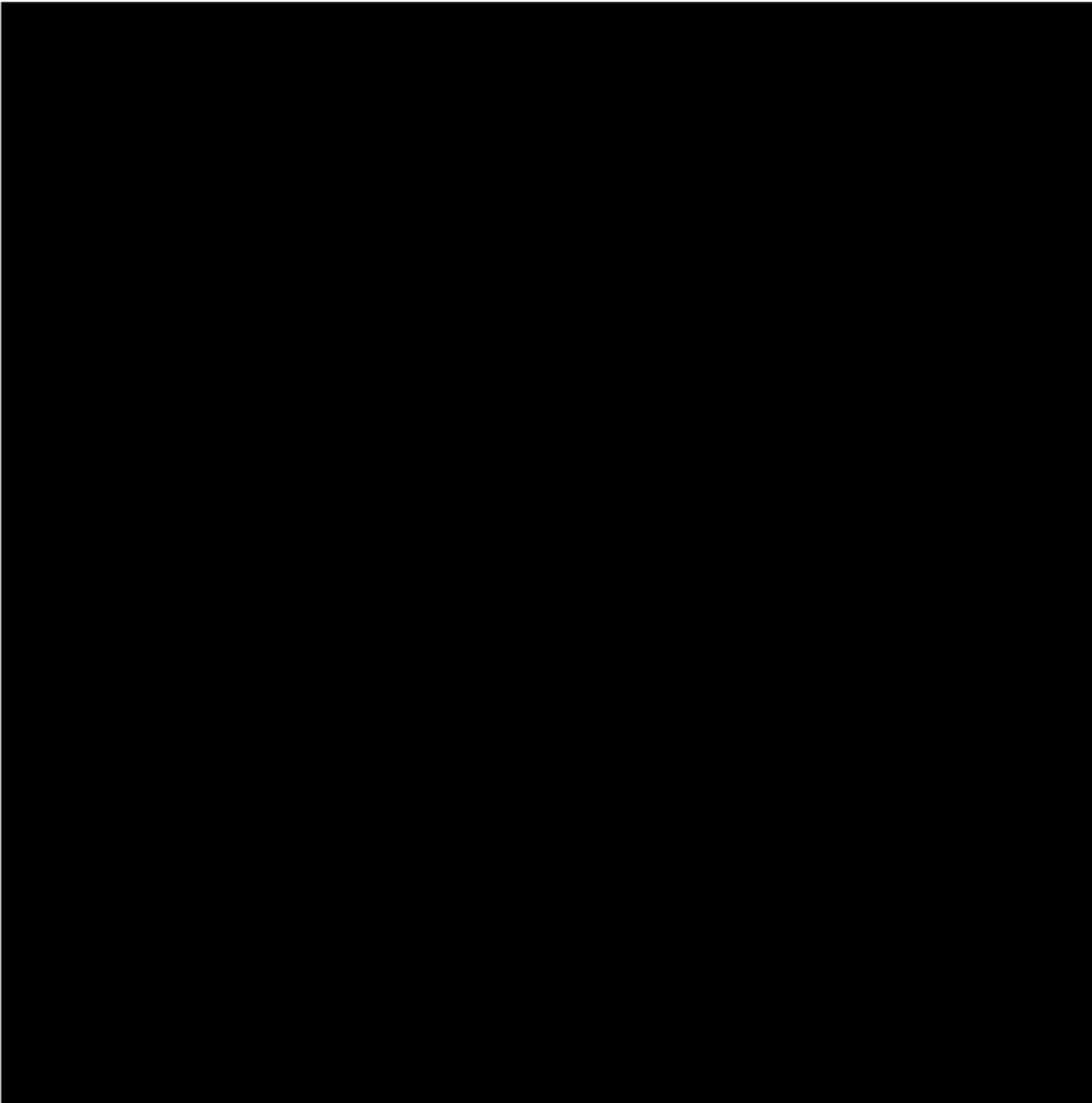
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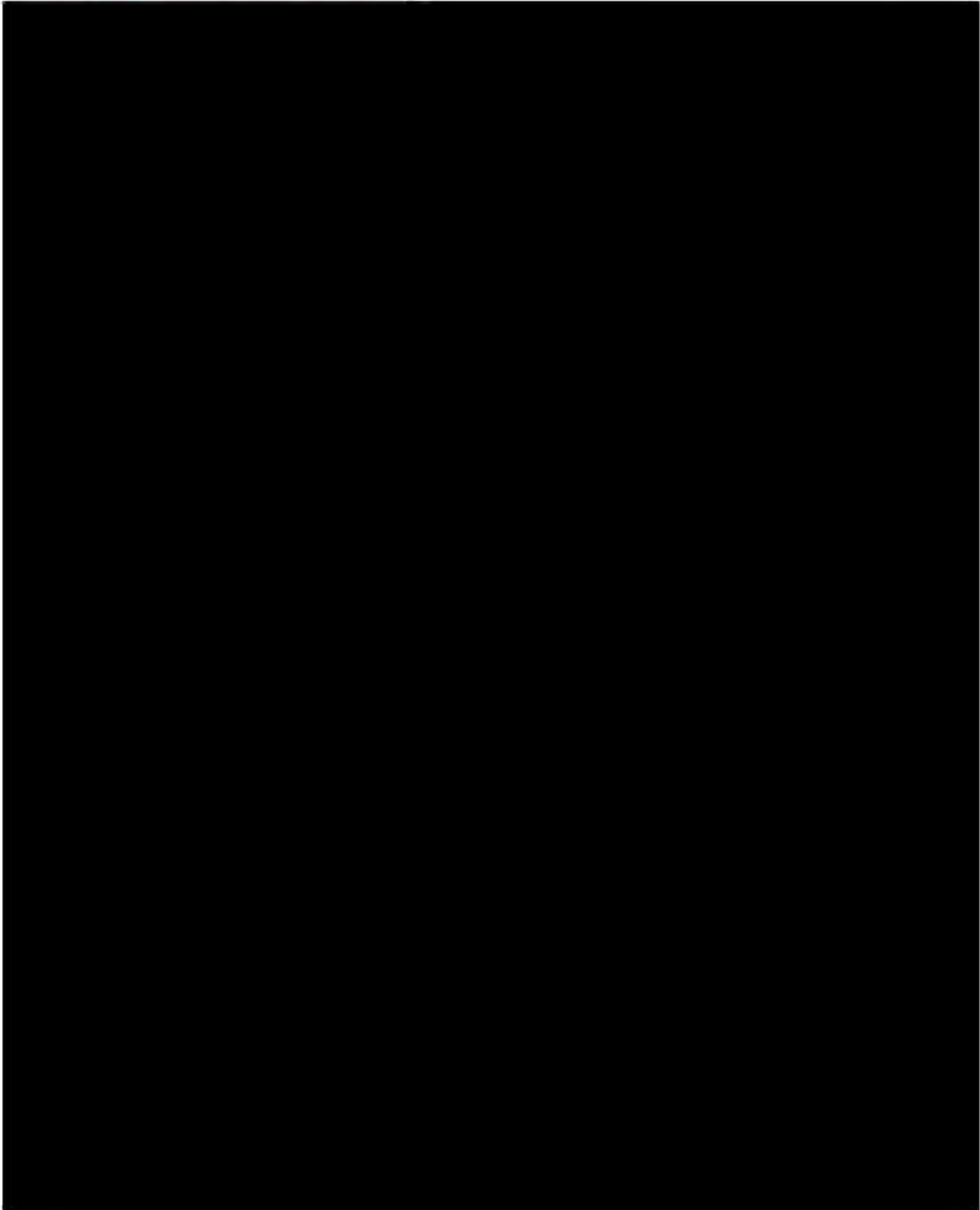


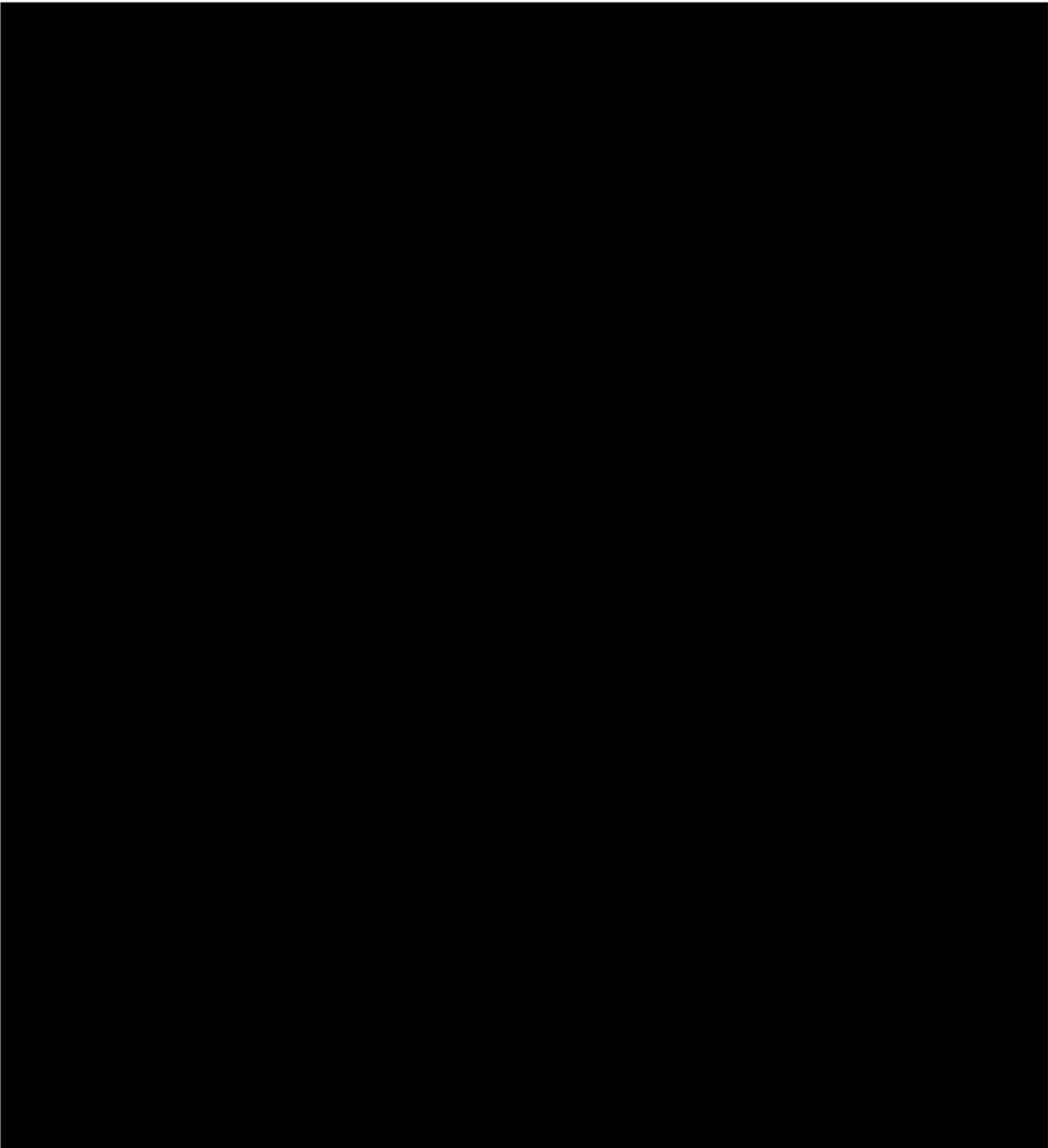


Appendix E:



Appendix F:





Appendix G: Inherent Limitations & Restrictions on Use

This review has been completed in full compliance with International Standards for the Professional Practice of Internal Auditing (the IIA Standards).


Our review is not to a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities. Management should therefore not rely solely on our report to identify all governance weaknesses that may exist.

Our comments should be read in the context of the scope of our work as detailed in the terms of reference. Where possible, management representations are independently verified, though some observations in this report may have been prepared on the basis of management representations which have not been independently tested.

Suggestions for improvement should be assessed by management for their full commercial impact before they are implemented. This report has been prepared solely for the use of management and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

Appendix H: Summary of Improvement Opportunities

Attribute	Rating	Improvement Opportunities
Governance structures		<p>The Finance Risk and Audit Committee (FRAC) should establish an annual cycle of activities that ensures all of its responsibilities are systematically met.</p> <p>The FRAC should support OneCrown and ensure the effective implementation of the work that has been completed.</p> <p>Once the future state of OneCrown is determined, the process of appointing members to the FRAC should be aligned with NSW State and Local Government processes. This includes appointing members from a pre-approved panel and providing longer-term appointments to the committee.</p>
Strategic, business and financial management		<p>If the incoming Government should make the decision to amalgamate the four Crown Land Managers into a single entity, then the following processes would ensure that OneCrown is in a position to transition:</p> <ul style="list-style-type: none"> • A clearer prioritisation of actions and projects that will lead to the establishment of a single entity should that decision be made. • Undertaking a gap analysis of the OneCrown Program of Transition to ensure that all necessary actions are included in the strategy. • Each functional area should have a program of work with projects sitting underneath that when completed demonstrate that transitional milestones are met.
Performance monitoring and reporting		<p>Any new organisational structure should incorporate functionality to monitor and report on organisational performance that is separate to business areas but is integrated into the budget cycle.</p>
Program and project management		<p>OneCrown needs to ensure the effective implementation of a project methodology is implemented across all levels of the framework. This is not apparent at the conclusion of our fieldwork. For example, in the dashboard at Appendix D, 26% of projects do not have information to track their status.</p> <p>The areas further improvement can be made have been identified in the course of our fieldwork are that:</p> <ul style="list-style-type: none"> • Gaining greater assurance that project management is effective at Levels 1-3 of the framework and that managers have the capability to effectively implement projects for which they are responsible. • Reviewing all projects to ensure that they are effectively resourced to ensure their delivery. • Projects are prioritised. In the current approach to planning and project management, it is not apparent that there is a fully effective approach to program prioritisation.

Attribute	Rating	Improvement Opportunities
		<ul style="list-style-type: none"> Conducting a gap analysis in transition planning to provide assurance that nothing is absent from current planning.
Risk management		<p>The next stages of work in relation to risk management, are:</p> <ul style="list-style-type: none"> The completion of Operations and WHS Risk Registers. (The latter has been commenced but not populated). Risk reporting by owners of each risk. An audit and assurance program being developed and implemented. A workplan for the FRAC to oversee.
Assurance		<p>We recommend that the compliance management framework consistent with ISO 37301:2021 is developed and implemented.</p> <p>OneCrown's approach to managing its risk and compliance obligations could be strengthened by adopting the three lines of defence model.</p>
Work Health and Safety		<p>WHS should be incorporated it into the Enterprise Risk Management Framework.</p> <p>Establish a WHS Risk Register that is integrated into executive accountabilities.</p>
Ethic and integrity		<p>Ensure the effective implementation, including training of key ethics and integrity policies and procedures.</p>
Asset management		<p>Implement an asset management system that reflects either DPE or NSW Treasury Guidelines.</p>
Information management		<p>Consideration should be given to the introduction of Chief Information Officer (CIO) to integrate ICT and Information Management.</p>
Leadership structure, capability and decision-making processes		<p>OCM recommend the appointment of a CEO to ensure the adequate separation of responsibilities and to diminish the Key Person Risk; The reduction of the SEG in any future state and that work continues to improve the functioning of the SEG.</p> <p>This would then create an executive leadership group comprising of:</p> <div style="text-align: center;">  <pre> graph TD A[Administrator / Board] --> B[Chief Executive Officer] B --> C[Chief Operating Officer] B --> D[Chief Finance Officer] B --> E[Chief Information Officer] B --> F[Executive Director Business Development and Innovation] B --> G[Executive Director Legal, Governance and Risk] </pre> </div>
Change management planning and processes		<p>If and when the decision is made to transition into a single entity management should a road map detailing the actions and projects which will enable them to a smooth and successful implementation. In developing the road map, the following should be considered:</p> <p>Clearly define the purpose and scope of the change</p> <p>Identify key stakeholders and develop a communication strategy.</p> <p>Identify what needs to change. This may involve conducting a needs assessment or a gap analysis of the OneCrown program of Transition to</p>

Attribute	Rating	Improvement Opportunities
		identify ensure that all necessary actions are included in the strategy or identify areas for improvement.