

# CORPORATE GOVERNANCE



## Governance structure

Lands was established by the *Public Sector Employment and Management (General) Order 2003*. Overall control of Lands is vested to the Minister for Lands, the Hon. Tony Kelly MLC and the Director General of the Department of Lands.

The Director General is assisted by the Lands Executive Team to oversight the activities of the department. The team holds a meeting every two months, its role is to provide leadership, set strategic direction, facilitate policy development and to discuss and resolve other key governance matters. The team also provides a forum for senior management to share information and report on business outcomes.

Lands is comprised of three operational divisions.

- Land and Property Information Division.
- Crown Lands Division.
- Soil Conservation Service Division.

Each division is headed by a General Manager, who are members of the Lands executive team. A divisional executive team or board of management has been established to oversee the roles and responsibilities of each division. These meet on a fortnightly or monthly basis.

A Corporate Governance Unit has been established to assist the Director General in the oversight of internal controls, due diligence, accountability, compliance and risk management. In addition, the Lands Audit and Risk Committee, which reports directly to the Director General, provides enhanced transparency, accountability and assist in identifying strategic improvements for Lands.

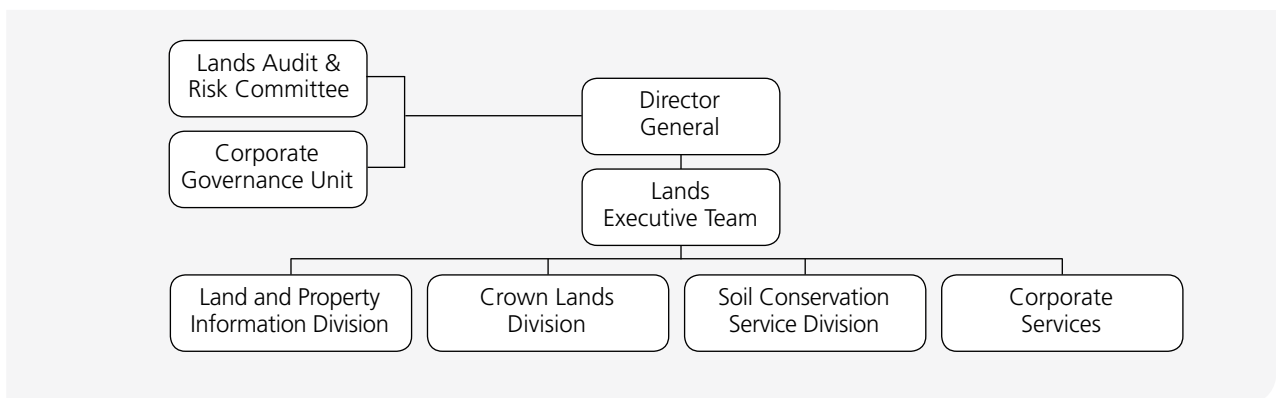
## Audit and Risk Committee

The primary objective of the Audit and Risk Committee is to assist the Director General in fulfilling his corporate governance and overseeing responsibilities in relation to Lands' financial reporting, adequacy of internal control over its business processes and functions, risk management systems, legal compliance, and the external and internal audit functions.

## Members and attendance at meetings

The Audit and Risk Committee met quarterly during the period. The committee comprises of five members. There are two independent members, one of whom presides as chairman. As a result of the resignation of the previous

## Lands' corporate governance structure





chairperson, a new member and chairman were appointed during the current period. The term of appointment for the independent members is on an annual basis. The members provide expertise in financial management, business management and development, audit, risk management, valuation and property information.

### Corporate Governance Unit – internal audit outcomes

There were 17 planned internal audit reviews for the year, 14 had been completed and three deferred to the following year. There were four additional reviews undertaken that was not part of the annual plan. Investigations

# 208,000 sq kms

of aerial photography was captured as part of the State Imagery Program

were undertaken for 16 complaints during the period. These consisted of public complaints, internal complaints and referrals from the Independent Commission Against Corruption.

### Corporate Governance – risk management outcomes

During 2007/08 Lands continued its commitment to the implementation

and maintenance of a risk anagement framework across its divisions, to manage the positive or negative effects of risks which would impact on achieving its vision, objectives and goals.

Lands’ Risk Management Policy and Guidelines provide the framework, guidance and the tools for all levels of management to implement risk management processes and maintain sound practices within their areas of responsibility in accordance with the

## Audit and Risk Committee

Members	Position	Attendance
Jim Mitchell	Chair, external member	4
Ron Cunningham	External member	4
Des Mooney	Deputy Director General	3
Philip Western	Valuer General	4
Eduardo Alegado	Director Corporate Governance	4

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policy. The policy and guidelines are consistent with the processes contained in the Australian Standard on Risk Management AS/NZS 4360:2004.

The Director, Corporate Governance is responsible for facilitating risk management within Lands and monitoring and reporting on its progress to the Lands Audit & Risk Committee and Lands executive team.

During the year, the corporate governance unit has provided risk management awareness training and training in the use of the Lands Risk Management Guidelines through face to face workshops and an online course available to Lands staff across the state via the Internet. The unit also continued a program of risk assessment and risk management planning workshops across Lands divisions and business groups.

## Management, strategy and performance review

### Land and Property Information Division

#### Review of spatial operations

A review of spatial operations commenced in late 2007/08 and implementation will take place through 2008/09. The review covers all spatial operations within LPI, located in both Bathurst and Sydney.

It involves evaluating current resources, structures and capabilities as well as assessing trends and future directions in technology and customer requirements. The review will identify spatial products and services required to meet customer needs and expectations and will propose a workforce structure, workflows and associated systems to enable LPI to efficiently deliver the identified spatial services.

It will allow LPI to better position itself for a sustainable future in delivering spatial programs and services, and to achieve greater synergies in operations by optimising resources.

### Valuation Services restructure

The Valuation Services restructure project, commenced in 2006 to develop a more effective and sustainable structure for the future, is now close to finalisation.

The implementation of the Valuation Audit, Compensation and Special Valuations Program was completed in early 2007.

The 2007 pilot of a centralised structure for the Objections and Appeals group located in Bathurst was formally implemented during 2007/08.

A review of the Contracts and Business Administration structure was conducted in 2008 with implementation commencing in May.

The Contracts and Business Administration structure has placed

# 4.35 million online enquiries

were handled via LPI's network of authorised information brokers

# Crown land stretches 3 nautical miles out to sea and can include marinas, jetties and artificial reefs

increased emphasis on contract management, with a new framework being developed and contract managers' positions created.

The Land Data Management structure has also undergone extensive consultation and review in 2007/08 with a staged implementation plan commencing in June 2008.

## Crown Lands Division

Crown Lands Division has developed a draft Strategic Plan for 2008-2013. The Strategic Plan forms part of Lands' corporate governance framework and outlines current priorities for Crown Lands Division through a number of strategic objectives and targets.

The plan's content is influenced by Lands' reform agenda, Corporate Plan and Results and Services Plan, and more importantly the NSW Government's State Plan. From time to time the Crown Lands Division is called upon to take on new projects or adjust priorities; therefore the objectives and targets will be reviewed annually.

## Soil Conservation Service Division

- A revised business plan was submitted to Treasury addressing a number of issues raised and reviewing business strategies based on minimal ongoing budget support. Overall Soil Conservation Service's financial targets in 2007/08 were achieved or bettered as provided for in Soil Conservation Service's submitted business plan.

- SCS completed a range of staff training to improve skills base and business prospects. External workshops in Tender Preparation, Arc View GIS, Project Management and Environmental Auditing, in addition to several internal workshops were completed.
- An external audit of the SCS quality management system (ISO 9001:2000) was undertaken successfully. Procedures for an integrated management system adding OHS (AS4801:2001) and Environmental Management (AS/NZL ISO14001:2004) to the current system were well advanced during the year.
- 31 system improvement requests were received from staff; 19 related to procedure improvement, nine to customer complaints and three to non-conformance issues. This formal system ensures continuous improvement to procedures and improved customer satisfaction.
- In OHS a complete review of the Soil Conservation Service risk assessments was completed with input from WorkCover. Several new assessments were completed and the 82 revised assessments were placed on the Soil Conservation Service Intranet for staff access. Additional safety inspections were undertaken on all major plant. New field staff protocols were reviewed and placed on the Intranet. OHS committees were restructured and new committees elected.

## Future focus

In 2008/09 the Corporate Governance Unit will:

- develop a governance training package to be utilised by Crown reserve trustees in the discharge of their responsibilities
- complete its facilitation for the implementation of the Lands Risk Management Policy
- provide support to the Land and Property Information Division in enhancing controls in relation to the protection of the Torrens System
- develop a centralised complaints handling process
- continue to manage matters referred by external regulatory bodies
- manage reviews of the operations and management of business/corporate units.