

# Welcome

Welcome to the 5th edition of the Department of Environment, Land, Water and Planning's governance   
e-alerts for portfolio agencies.

As the new Secretary of DELWP, l bring to my role a strong interest in portfolio governance. I am committed to building upon the work of my predecessor, Adam Fennessy, in fostering a partnership relationship with your agency and ensuring that our interactions assist your agency to fulfil its valuable role in the Victorian community and meet its accountabilities to the Minister. l am also committed to a continued focus on integrity as the cornerstone of how each of us, in the department and DELWP agencies alike, perform our duties. I look forward to a vibrant discussion with you on these issues and sharing practice.

I join DELWP with a background in both the public and private sectors. My most recent position was as CEO of Energy Networks Australia, the national peak body representing gas and electricity distribution and transmission. I have also served as Director-General of Queensland’s Department of Premier and Cabinet and Department of Environment and Resource Management, and as CEO of the Queensland Water Commission during the millennium drought. l have also held a range of executive and non-executive board appointments.

The opportunity to assist in creating sustainable, inclusive growth in Victoria whilst protecting our natural environment is a key reason why l accepted the role of Secretary of DELWP. l am sure this aim will resonate with you and that we share a common goal.

As a board member, CEO or other reader who is assisting a DELWP agency to fulfil its functions, you are contributing to a sustainable and successful future for Victoria. I look forward to working with you towards this vital goal.

# Code of Conduct for Victorian Public Sector Employees

Your board has a duty to foster a culture of integrity at all levels of your agency. In addition to modelling integrity in its actions and decision-making, the board should ensure that the CEO has mechanisms in place to:

* assist staff to understand that the agency is part of the Victorian public sector and that, as public sector employees, its executives and other staff must comply with the [Code of Conduct for Victorian Public Sector Employees](http://vpsc.vic.gov.au/resources/code-of-conduct-for-employees/) and related integrity requirements
* promote compliance with the code, including providing each new employee with a copy as part of their induction
* ensure that all employees understand that a breach of the code may constitute misconduct.

In addition, contracts for ‘in house’ contractors and consultants, including those engaged through an employment firm, must explicitly state that the person is bound by the [Code of Conduct for Victorian Public Sector Employees](http://vpsc.vic.gov.au/resources/code-of-conduct-for-employees/) and by the agency’s integrity (e.g. gifts, benefits and hospitality) and other relevant policies if he or she:

* supervises employees of the agency
* undertakes work similar in nature to the work undertaken by employees of the agency at a premises or location generally regarded as a workplace of the agency, or
* uses, or has access to, the agency’s resources or information that is not normally accessible or available to the public.

# Integrity framework (code of conduct) for boards

DELWP’s model code of conduct for boards has been updated and renamed. The new model *Integrity framework* consolidates the key standards of conduct and accountabilities for board members into a single, easy to read policy. It incorporates:

* integrity obligations and accountabilities in the Public Administration Act 2004 (PAA)
* the [Code of Conduct for Directors of Victorian Public Entities](http://vpsc.vic.gov.au/resources/code-of-conduct-for-directors/) (Directors’ Code of Conduct) issued by the Victorian Public Sector Commission (VPSC)
* other public sector integrity obligations and good practice for board members.

I recommend that your board’s policy be updated to ensure that it is consistent with the model policy, which is available from the **Integrity framework** [support module](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/integrity-framework) on DELWP’s governance website, **On Board** ([www.delwp.vic.gov.au/onboard](http://www.delwp.vic.gov.au/onboard)).

The [support module](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/integrity-framework) also has an ‘overview’ guidance note for use in induction kits for new board members and as a refresher for existing board members.

# Changes to the Freedom of Information Act

Changes to the *Freedom of Information Act 1982* (FOI Act) came into operation on 1 September 2017. Almost all DELWP agencies are subject to the FOI Act and will be affected by these changes, which include:

* the time that your agency has to respond to an FOI request is reduced from 45 days to 30 days, with only narrow grounds for extension
* your agency must undertake mandatory consultation with third parties in relation to certain FOI exemptions that it intends to make
* a new exemption exists for documents whose release would be reasonably likely to compromise an investigation by the Independent Broad-based Anti-corruption Commission
* there are now two specific grounds for complaints against the principal officer of an agency concerning the handling of an FOI request.

The powers of the new Office of the Victorian Information Commissioner (OVIC) include increased powers to:

* issue binding Professional Standards that agencies must comply with when responding to FOI requests
* conduct own motion investigations into whether an agency or principal officer is complying with the Act
* compel further searches for documents
* require the production of documents and evidence on oath/affirmation, with prosecution powers for failure to comply
* review Cabinet documents and decisions of the Minister and Secretary.

For further information about recent changes to the FOI Act, and the operation of the Act generally, see ‘Resources for agencies’ on the [OVIC website](http://foicommissioner.vic.gov.au/resources/), including [An overview of the key changes made to the FOI Act](http://foicommissioner.vic.gov.au/wp-content/uploads/2017/08/Overview-of-the-amendments.pdf).

# Risk management - new On Board support module

Each DELWP agency is responsible for developing and implementing a risk management process that:

* is tailored to its purpose, functions and powers
* complies with its risk management obligations and good public sector governance practice.

To assist your agency, a new support module on [Risk Management](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/risk-management) has been added to DELWP’s [On Board](http://www.delwp.vic.gov.au/onboard) website. It includes introductory information about risk management and links to further information on the Victorian Managed Insurance Authority (VMIA) website. DELWP’s relationship management team may be able to arrange for a free VMIA information session to be tailored to your agency’s needs.

# Financial management compliance

Lessons about governance failures in the Victorian public sector are documented in published reports of the Victorian Ombudsman, the Victorian Auditor General’s Office and the Independent Broad-based Anti-Corruption Commission. Areas of concern that all public sector agencies must avoid and, if a governance failure occurs, address as a priority include:

* inadequate policies, procedures and compliance in relation to fraud management
* inadequate monitoring and controls for purchasing card use and contract management
* inadequate internal controls for cash, expenditure, liabilities and asset management
* failure to review and update financial and asset management policies and financial delegations.

Almost all major DELWP agencies are subject to the *Financial Management Act 1994* (FMA) and related [Standing Directions of the Minister for Finance 2016](http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Standing-Directions-of-the-Minister-for-Finance-2016/Standing-Directions-2016-publications) and [Instructions](http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Standing-Directions-of-the-Minister-for-Finance-2016/Standing-Directions-2016-publications), unless the agency is purely advisory. If your agency is subject to the FMA, the obligations in the Standing Directions help to ensure a high standard of financial management and performance. It is essential for the board and the CEO of your agency to ensure compliance with these requirements to help avoid governance failures. For example:

* Your agency must notify DELWP as soon as practicable of any significant issues, existing or emerging, that may affect your agency’s financial management, performance, sustainability or reputation.
* Suitable systems must be in place to minimise and manage the risk of fraud, corruption and other losses. Records must be kept of actual or suspected losses, and of the remedial action that your agency is taking. If the fraud, corruption or loss is significant or systemic then your audit committee, DELWP, the Minister and the Auditor-General must be notified as soon as possible.
* Your CEO must notify the Independent Broad-based Anti-corruption Commission (IBAC) if they suspect corrupt conduct within the agency.
* Your agency’s annual report for 2017-18 onwards must include an attestation that it has complied with all of the standards for financial management, accountability, governance, performance, sustainability, reporting and practice in the Standing Directions. Any significant issues notified to DELWP must be disclosed in your agency’s annual report.

Guidance and support to meet your agency’s obligations are available from DELWP’s Finance and Planning Division and your agency’s relationship manager in DELWP. Agencies are encouraged to engage with the department early where support is needed to rectify non-compliance with the Standing Directions.

# Complying with the Charter of Human Rights and Responsibilities

The Victorian Secretaries Board recently reconfirmed its commitment to strengthening a human rights culture across the Victorian public sector. As part of the public sector, your agency must ensure that all of its decisions, policies, plans, procedures, performance of public functions, delivery of services, and handling of complaints are consistent with the 20 fundamental rights in Victoria’s Charter of Human Rights and Responsibilities (e.g. the right not to be discriminated against).

Your agency should have processes in place to resolve any complaints it receives from members of the public about its compliance with the Charter. If a complaint is unresolved, it may result in:

* the complainant contacting the Victorian Ombudsman
* an investigation being undertaken by the Ombudsman.

The Victorian Equal Opportunity and Human Rights Commission (VEOHRC) hosts an annual Human Rights Oration to recognise International Human Rights Day. This year Stan Grant is the keynote speaker at 11.45am on Friday 8 December 2017 at Deakin Edge, Federation Square. As an alternative, you can watch the event on livestream. For details of this event and other activities during Human Rights week go to the VEOHRC [website](https://www.humanrightscommission.vic.gov.au/human-rights/the-charter).

# Annual reporting – feedback sought on new guide

By now, DELWP agencies that are subject to the Financial Management Act or other annual reporting requirements will have finalised their 2016-17 annual report, which will have been, or will soon to be, reported or tabled in Parliament by the responsible Minister. This year, the [DELWP guide to annual reporting](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/annual-reporting/_nocache) was trialled in a new format.

We are interested to receive **feedback from your agency** as to whether you prefer the new style of three different booklets to the ‘all in one’ guide of previous years, and any other feedback you would like to provide, to help us determine how to present the guide next time. Please contact your agency’s DELWP governance relationship team to assist us with your views.

## Annual report 2017DELWP annual report

The department’s 2016-17 annual report is available on the [DELWP website](https://www2.delwp.vic.gov.au/our-department/annual-report). It has information about the department’s operations, including key initiatives and projects that involve, and are of interest to, DELWP agencies.

# Support from DELWP

The department provides support to its portfolio agencies through:

* governance relationship managers and teams
* DELWP’s governance website for boards, On Board ([www.delwp.vic.gov.au](http://www.delwp.vic.gov.au)/onboard).

On Board has support modules on key integrity and other governance topics, such as [Conflict of interest](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/conflict-of-interest), [Gifts, benefits and hospitality](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/gifts,-benefits-and-hospitality), [Board meetings and decisions](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/meetings-and-decisions), and [Induction and continuing education](https://www2.delwp.vic.gov.au/boards-and-governance/on-board/induction-and-continuing-education). Support modules include model board policies, guidance notes, templates, guides, and direct links to the topic on the VPSC and other useful websites. Your board’s policies should be consistent with DELWP’s model policies.

**Your agency can contact its usual DELWP relationship manager or team directly.** If unsure who to contact, phone the Customer Service Centre on 136 186 or email governance@delwp.vic.gov.au.

# Other interested readers?

If you know someone who may be interested in receiving DELWP governance e-alerts, please forward this email to them. Interested readers can [subscribe to receive e-alerts](http://eepurl.com/bfeumr). Board members, executives and staff of DELWP agencies and DELWP governance staff are particularly encouraged to subscribe.

Regards,

John

**John Bradley | Secretary**

**Department of Environment, Land, Water and Planning**

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##### Other subscriptions you may like

You may be interested in also subscribing to: Victorian Public Sector Commission [e-news](http://vpsc.vic.gov.au/about-vpsc/subscribe-to-enews/); Victorian Ombudsman [media alerts](https://www.ombudsman.vic.gov.au/Media/Register-for-Media-Alerts); Victorian Auditor-General's Office [news service](https://www.audit.vic.gov.au/subscribe); Independent Broad-based Anti-corruption Commission [Insights e-news](http://www.ibac.vic.gov.au/subscribe); Department of Treasury and Finance [Accounting policy update](http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-reporting-policy/Accounting-policy-update-Newsletters) newsletters.

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