



DRAFT

## NLC Management Action Plan 2013



# Who we are

NLC is an independent statutory authority of the Commonwealth, responsible for assisting Aboriginal people to acquire and manage their traditional lands and seas under the Aboriginal Land Rights (Northern Territory) Act 1976 and Native Title Act 1993. NLC is accountable to the Parliament and the Indigenous Affairs Minister, and must operate in accordance with the requirements under the Commonwealth Authorities and Companies Act 1997.

Land Councils are important bodies as they give Aboriginal people a voice on the issues that affect their lands, seas and communities. Our key constituents are the traditional owners and residents of our region.

Many major resource developments are taking place on Aboriginal land, subject to native title, and/or land and waters over which Aboriginal peoples assert interests. The challenge for the NLC is to ensure the social, economic and cultural benefits flow to Aboriginal people from these developments.

## Our Vision

Our vision is a Territory in which the land rights of every traditional owner are legally recognised and in which Aboriginal people benefit economically, socially and culturally from the secure possession of their lands and seas.

This plan is a living document and will be updated as required with proper consultation involving the NLC Executive Council and NLC senior management.

## Our corporate governance framework

Underpinning our success are sound systems of corporate governance. Our key strategy for monitoring excellence in corporate governance is adherence to our corporate governance philosophy. All aspects of our Corporate Governance Framework are informed by our corporate governance philosophy which is founded upon the following principles:

- Accountability
- Transparency and openness
- Integrity
- Leadership
- Commitment.

Corporate Governance refers to the processes by which the NLC is directed and managed, its corporate and other structures, its culture, its policies and strategies and the ways in which it deals with its various stakeholders. It

encompasses the authority, accountability, leadership and control exercised in the organisation. The term also refers to the manner in which the NLC acquits its responsibilities of stewardship by being open, accountable and prudent in decision making and in managing and delivering its services.

Good corporate governance ensures that the NLC achieves its required outcome in such a way as to enhance confidence in its decisions and its actions so that its stakeholders can rely on it to do its work well and with full probity and accountability.

The NLC focuses on two main requirements of corporate governance:

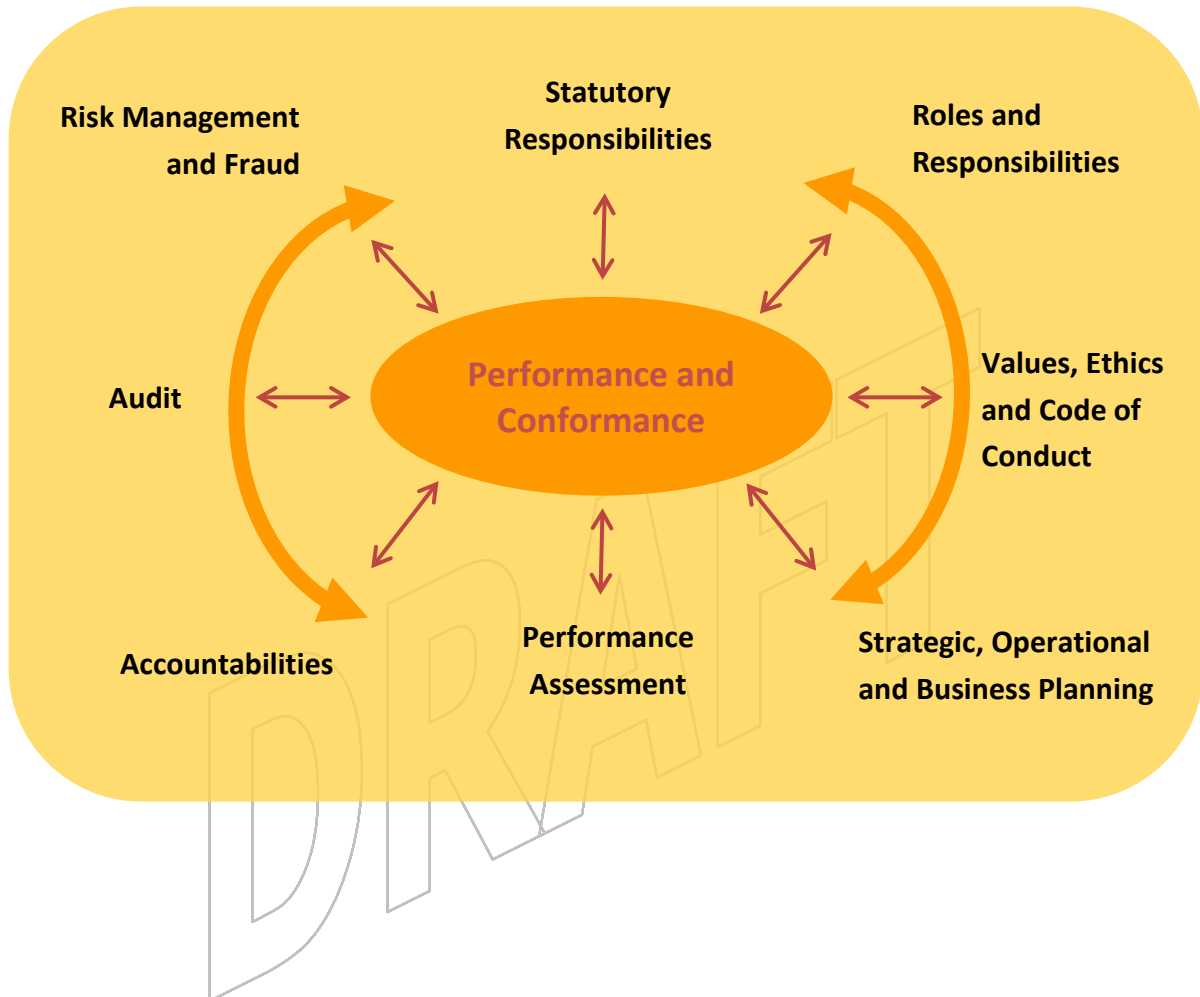
- **performance**, whereby the NLC uses its corporate governance arrangements to contribute to its overall performance and

the delivery of its services and programs;  
and

- **Conformance**, whereby the NLC uses its corporate governance arrangements to ensure it meets the requirements of the law,

regulations, published standards and community expectations of probity, accountability and openness.

The NLC's corporate governance framework is depicted below:



# Management action plan

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<b>Governance</b>					
<p>The NLC Full Council Members Induction Book 2011-2013, and 2011 Annual Report have the following gaps:</p> <ul style="list-style-type: none"> <li>• There is no linkage of key roles to the specific parts of the legislation.</li> <li>• There is limited information that outlines the relationship between key NLC participants, the Minister and FaHCSIA</li> <li>• There is no 'mapping' of responsibilities and accountabilities across the broader structure of the NLC and its Council participants.</li> </ul>	<ul style="list-style-type: none"> <li>• Review and develop an appropriate Executive Council Charter that clearly defines:               <ul style="list-style-type: none"> <li>- The responsibilities and obligations of the Chairperson and the Executive Council Members</li> <li>- The responsibilities and accountabilities of all Council Members and NLC to the community and its members/stakeholders</li> <li>- Relevant legislation that is linked to the defined roles and responsibilities of key personnel</li> <li>- The role of the Executive Council, Full Council and Regional Council</li> <li>- Members and how they interact with each other and the NLC</li> <li>- The relationship between NLC, the Minister and FaHCSIA.</li> </ul> </li> <li>• Communicate the updated Executive Council Charter to the Executive and Full Council Members through meetings, awareness sessions and any other appropriate channels.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Policy Officer</li> <li>• Senior Policy Officer</li> </ul>	3-6 Months		
	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>			
	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>			

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>There is a lack of accuracy and level of detail of meeting minutes taken including inconsistent application of minutes recording process followed e.g. only some meetings were taped and transcribed.</p>	<ul style="list-style-type: none"> <li>Establish and communicate a requirement that all Executive Council meetings are recorded and transcribed with appropriate minutes documented from these recordings to ensure their accuracy.</li> <li>Create a register to appropriately record a list of tapes recorded from each meeting and store this register in a secured, locked receptacle under the direct supervision of the SPO.</li> </ul>	<ul style="list-style-type: none"> <li>Senior Policy Officer</li> </ul>	<p>1-3 Months</p>		
<p>The process for addressing conflict of interest (COI) within NLC is not clearly defined.</p>	<p>Establish and clearly communicate a clear and defined process for addressing conflict of interests within NLC. The process to include the following:</p> <ul style="list-style-type: none"> <li>Have a standing Agenda item on any materials of personal interest at the commencement of each meeting during which the Executive Council decides whether a declared personal interest is material and whether the Executive Council Member should participate or vote on the matter.</li> <li>Record details of personal interest declaration, including management of those interests in the minutes of the meeting.</li> <li>Develop a register that records the other boards, committees and independent bodies that Executive Council members sit on.</li> <li>Ensure the Principal Legal Officer is present throughout the establishment of process for addressing conflicts of interest.</li> </ul>	<ul style="list-style-type: none"> <li>Principal Legal Officer</li> <li>Internal Audit/ Risk Management</li> </ul>	<p>3-6 Months</p>		
<p>The Executive Council Code of Conduct included in the NLC</p>	<ul style="list-style-type: none"> <li>Update and communicate the Executive Council Code of Conduct to include all relevant operational</li> </ul>	<ul style="list-style-type: none"> <li>Senior Policy Officer</li> </ul>	<p>6-12 Months</p>		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>Induction Book does not provide the same level of detail on the operational elements as the Employee Code of Conduct.</p>	<p>elements such as proper use of confidential information, gifts and benefits and conflicts of interest.</p> <ul style="list-style-type: none"> <li>• Ensure the Code of Conduct is being adhered to by Executive Council Members through the following means: <ul style="list-style-type: none"> <li>- Incorporate assessment of staff and Council member's performance and adherence to Code of Conduct and other policies reflecting ethics and good governance in their performance evaluation program to ensure their commitment and adherence to the Code of Conduct.</li> </ul> </li> <li>• CEO and Executive Council should allocate responsibility to a management position to ensure the Code and its principles are communicated, monitored and updated accordingly.</li> </ul>				
<p>The consultation process between NLC and its communities when conducting the Section 19 Land Rights agreements has become disconnected in that the role and contribution of Regional Members had become less over time.</p> <p>There were no regular business wide techniques aimed at</p>	<p>Review the Structure of NLC Committees &amp; communication</p> <ul style="list-style-type: none"> <li>• Establish and communicate a number of formal and informal mechanisms to improve communication, consultation and coordination with key stakeholders. This may include:</li> <li>• Undertake a review of the connection between NLC regional staff members and management at NLC head office to help ensure that appropriate processes are in place to allow regional staff to</li> </ul>	<ul style="list-style-type: none"> <li>• HR Manager</li> </ul>	<p>12-18 Months</p>		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>obtaining independent feedback from NLC’s community and business groups.</p> <p>Further, there is a division between Branch Managers, and the former CEO, which had led to the branches operating in silos. Concerns were also raised by regional staff members that suggested that staff could not complete their duties, because of unreasonable internal processes and restrictions. E.g. authorisations for nominal expenditures are required from the GMCC.</p>	<p>carry out their duties.</p> <ul style="list-style-type: none"> <li>Appoint a senior individual with appropriate skills and knowledge to the currently vacant position of General Manager of Corporate Compliance (GMCC).</li> </ul>	<ul style="list-style-type: none"> <li>NLC Executive Council &amp; Branch Management Team</li> </ul>			
<p>Executive Council Members commented that it would help if information was provided in advance to help them make more informed decisions.</p>	<p>Circulate meeting agenda pack to all invitees for review and comments at least seven days in advance.</p> <p>Information deemed to be of confidential or sensitive nature should not be included in the distribution where there is a risk the delivery of such information could be compromised.</p>	<ul style="list-style-type: none"> <li>Senior Policy Officer</li> </ul>	<p>1-3 Months</p>		
<b>Training</b>					
<p>The Executive Council members do not possess the collective mix of legal, financial and regulatory skills. Although relying on the senior management team for advice and support to make</p>	<p>Enrol the Executive Council Members with relevant training to equip them with necessary skills and knowledge across legal, financial and regulatory matters to carry out their role on the Executive Council. The objective of these programs should take into account</p>	<ul style="list-style-type: none"> <li>Senior Policy Officer</li> </ul>	<p>6-12 Months</p>		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>appropriate decisions for NLC is reasonable approach however some form of external training to assist them to perform their roles with greater understanding of financial, governance and strategic responsibilities would be useful.</p> <p>In addition, the Executive Council had not received any form of induction, or ongoing training since the previous CEO commenced in his role at NLC in 2008.</p>	<p>the traditional and cultural traits of the Executive Council members and how these may be in direct conflict with the principles of independence and conflict of interest, i.e. 'kinship'. Relevant courses to be considered are:</p> <ul style="list-style-type: none"> <li>• Australian Institute of Company Directors (AICD) Indigenous Governance Program. It provides a three day course designed specifically for the directors, senior executives and leaders of Indigenous organisations.</li> <li>• The Office of Registrar of Indigenous Corporations (ORIC) indigenous training courses. Courses offered include Introduction to Corporate Governance; Certificate IV in Business (Governance) and Diploma of Business (Governance).</li> </ul>				
<p>There are limited training and awareness initiatives provided to the Executive Council Members and staff in recent years in relations to ethical and behavioural expectations.</p>	<p>Facilitate a series of awareness sessions and other appropriate internal training for all staff to help promote the expected behaviours of NLC. Content of the session to include:</p> <ul style="list-style-type: none"> <li>• The roles, responsibilities and expected behaviours of Executive Council members and staff</li> <li>• Independence and conflicts of interest</li> <li>• Awareness on the Code of Conduct and other relevant policies</li> <li>• Reporting channels in place to raise concerns of an ethical nature.</li> <li>• Appropriate case studies to help demonstrate the importance of the above framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Policy Officer</li> </ul>	<p>6-12 Months</p>		



Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>NLC does have a HR Coordinator however the responsibilities of this position do not include managing ethical issues and compliance to a Code of Conduct.</p>	<p>Allocate responsibility to manage issues of compliance and ethical concerns to a position of senior management within NLC. The responsibilities should include:</p> <ul style="list-style-type: none"> <li>The ability to act on behalf of all staff and management and report directly to the CEO in addressing issues of an ethical or Code of Conduct nature.</li> </ul>	<ul style="list-style-type: none"> <li>Senior Policy Officer</li> </ul>			
<b>Financial Management</b>					
<p>There is a lack of consultation between finance and other departments either through the year or as part of the full year budget process.</p>	<p>Review NLC’s budgeting process to ensure it is a collaborative process involving representatives across all branches.</p> <ul style="list-style-type: none"> <li>Schedule quarterly meetings with Branch Managers or nominated representatives to monitor financial performance and budget allocation and to discuss matters for each respective Branch including: <ul style="list-style-type: none"> <li>Forecasts and budgets to date</li> <li>Financial performance to date against budget.</li> </ul> </li> <li>Adjustments or financial demands not previously factored into the budget.</li> </ul>	<ul style="list-style-type: none"> <li>General Manager of Corporate Compliance</li> </ul>	6-12 Months		
<p>The Executive Council noted that the level of detail in the monthly report was excessive and not able to be readily understood to be able to make informed decisions.</p>	<p>Review and revise the structure and content of NLC’s monthly management report, in particular the manner in which financial information is reported to the Executive Council, to enable Members to clearly understand key financial metrics within the report. Consider:</p>	<ul style="list-style-type: none"> <li>General Manager of Corporate Compliance</li> </ul>	6-12 Months		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
	<ul style="list-style-type: none"> <li>• Simplifying the reporting template by developing a one-page dashboard that illustrates clearly the financial position of the NLC</li> <li>• Where required, allow appropriate representation from NLC Branches to the Executive Council meeting to answer any questions raised by the Executive Council members</li> <li>• Inviting the Audit Committee Chair to attend the quarterly Executive Council meetings to ensure that the financial and non-financial information reported is of a high quality and appropriate to addressing the risk profile of the NLC.</li> </ul>				
<b>Risk Management</b>					
<p>Whilst there are a number of policies in place that relate to risk function, it appears there is no internal audit or risk management program in place at NLC nor has the Audit Committee been involved in the approval or monitoring of these policies.</p>	<ul style="list-style-type: none"> <li>• Undertake an operational risk assessment or internal controls review that will provide a report on the current status, prior to any program being implemented. Refer to Internal Audit section below.</li> <li>• Review and update the current suite of NLC policies focusing on risk in NLC and consider their appropriateness in their current form. i.e. ensure these policies are updated accordingly to address and manage the risks identified in the operational risk assessment/ internal controls review. Policies to be reviewed include: <ul style="list-style-type: none"> <li>- Risk Management Policy</li> <li>- Record retention Policy</li> <li>- Credit Card Policy</li> <li>- Fraud Protection and Control Plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee Chair</li> <li>• Senior Policy Officer</li> </ul>	12-18 Months		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
	<ul style="list-style-type: none"> <li>- Procurement Policy</li> <li>- Investment Policy</li> <li>- Travel Policy</li> <li>- Motor Vehicle Policy</li> <li>- Computer Policy</li> <li>- Ceremonial/Burial Grant Policy.</li> </ul>				
<b>Strategy</b>					
<p>A new draft five year strategic plan for the NLC was completed in September 2012 however this document did not incorporate consultation from all Branch Managers and relevant stakeholders including Regional Members.</p> <p>Further, some of the strategic plan's objectives are inconsistent with NLC's legislative requirements stated in the Commonwealth Statutory Authority e.g. these statements appear to suggest that organisations will be formed with the objective of developing an income stream and making a profit.</p>	<p>Conduct a review of and update the content, objectives and implications of NLC's five year Strategic Plan, in particular ensure the following has been considered:</p> <ul style="list-style-type: none"> <li>• That NLC's objectives at the present and in the foreseeable future are aligned with the overall objective of the NLC as a Statutory Authority.</li> <li>• That any initiatives are not in conflict with NLC's legislative requirements, such as entities being set-up to make a profit.</li> <li>• That the Strategic Plan has covered it's community service obligations, by undertaking appropriate consultation with Regional Members and other relevant stakeholders including Executive and Full Council Members, the Minister and NLC employees.</li> <li>• That there is consistency in the approach and measurability of business and employees' PEP objectives to the overall objectives stated in the Strategic Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Policy Officer</li> <li>• Principal Legal Officer</li> </ul>	6-12 Months		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
<p>Performance measures are not clearly articulated in NLC’s 2012 Draft Strategic plan and staff KPIs and processes in performance evaluation were applied inconsistently throughout each branch.</p>	<p>Perform a review of the current PEP framework to ensure this is aligned with strategic, business and individual business plans and ensure PEP measures and objectives are consistently applied across all branches.</p> <p>This could be achieved in the form of staff and counselling meetings, defined objectives in PEP, etc.</p>	<ul style="list-style-type: none"> <li>HR Manager</li> </ul>	<p>6-12 Months</p>		
<b>Internal Audit</b>					
<p>There is no internal audit program currently in place due to funding constraints. There is also no barrier to seeking input from employees.</p>	<ul style="list-style-type: none"> <li>Develop an Internal Audit program. <ul style="list-style-type: none"> <li>Perform an initial operational risk assessment or controls review</li> <li>Provide a report on the NLC current status to the Audit Committee and agree on relevant risk management/ internal audit plans to be put in place to assess, address and manage the identified risks</li> <li>Develop an Internal Audit program based on the agreed plan. Ensure this program focuses on prioritised areas of internal risk and financial reporting obligations</li> <li>Create an internal audit function that will be responsible for testing controls stated in the Internal Audit program. If there is no resource internally, consider recruitment (contracting) or outsourcing to a third party</li> <li>Appoint an Internal Audit/ Risk role within NLC as the point of connection between the Audit</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>General Manager of Corporate Compliance</li> <li>Audit Committee Chair</li> </ul>	<p>12-18 Months</p>		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
	<p>Committee and the NLC</p> <ul style="list-style-type: none"> <li>- Report results to the Audit Committee and the Executive Council.</li> <li>• Review the scope and content of the Audit Committee charter and ensure the Audit Committee Chair is held responsible and accountable for the implementation of this program.</li> </ul>				
<p>There appear to be limited formal communications between the Audit Committee, Executive Council and Full Council E.g. there have been only two occasions since October 2011 when the Audit Committee has met. These meetings addressed budget and end of year financial performance but did not address issues relating to internal controls, governance and risk management.</p>	<p>Review and update the Audit Committee Charter to include the following:</p> <p><b>Meeting frequency</b></p> <ul style="list-style-type: none"> <li>• Schedule a quarterly Audit Committee meeting to ensure continuous flow of communication between the Audit Committee, Executive Council and Full Council.</li> <li>• Extend the invitation to the Audit Committee meeting to those people responsible for undertaking the agreed tasks to enable discussion and question on the results and risks identified and/ or addressed.</li> <li>• Develop and circulate information packs outlining the status and results of programmed pieces of work forwarded to Audit Committee Members at least fourteen days prior to the meeting.</li> <li>• The Audit Committee should provide regular reporting to the CEO, Executive and Full Council on the agreed Internal Audit program being undertaken.</li> </ul> <p><b>Agenda items</b></p>	<ul style="list-style-type: none"> <li>• Senior Policy Officer</li> <li>• Audit Committee Chair</li> </ul>	<p>3-6 Months</p>		

Current Issues Identified	Action	Responsibility	Timing	Performance Measures	Status
	<ul style="list-style-type: none"> <li>Incorporate issues relating to internal controls, governance and risk management to the meeting agenda.</li> </ul>				

## Legend

<b>Current Issues Identified</b>	Identified weaknesses in the NLC's governance framework processes	<b>Action Leader</b>	NLC staff responsible to ensure the action plan is completed on time	<b>Performance Measures</b>	KPI to evaluate the implementation of the action plan
<b>Action</b>	Step by step action plan to address the current issues	<b>Timing</b>	Estimated timeframe to complete the action	<b>Status</b>	Status of the action plan's implementation

DRAFT

# MAP implementation timeline

DRAFT



Northern Land Council