5 Department governance

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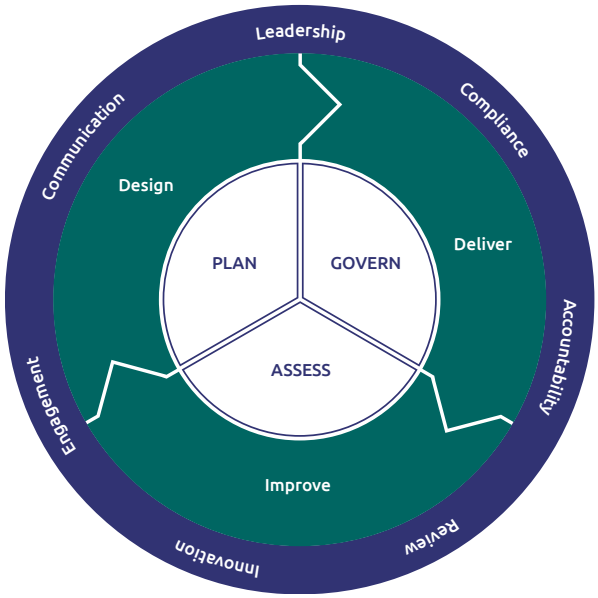
Governance model

Good governance refers to the systems that control an organisation, how it operates and the mechanisms by which its people are held to account.

The DCDD governance model guides delivery of the expected public standards of accountability, probity and transparency in our day-to-day operations. It guides the actions of our people by providing clarity and direction about appropriate behaviour and decision making. Governance is underpinned by our accountability, planning, performance and compliance activities.

The model is supported by the DCDD values and OneNTG principles, which guide the department's decision making and operational actions.

Diagram 3: DCDD governance model

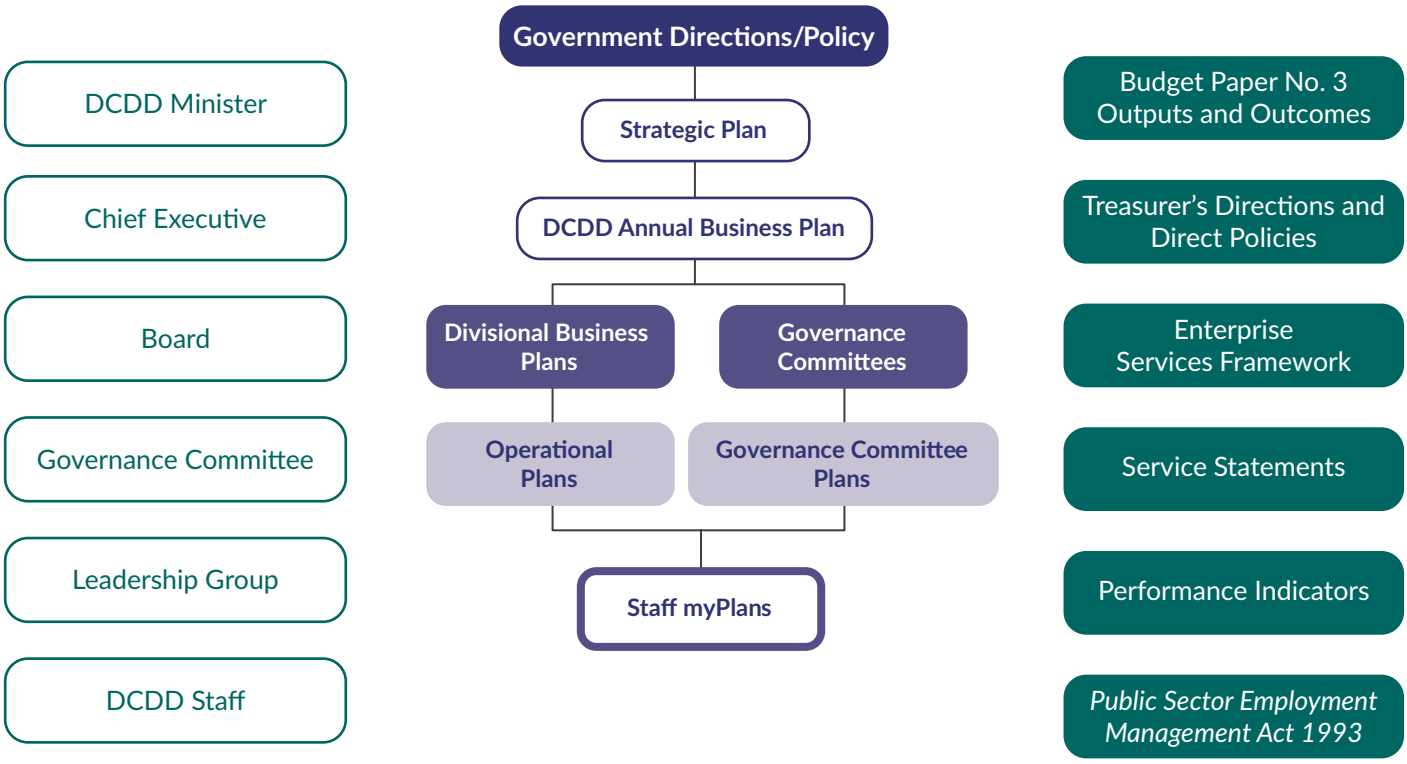


Governance structure

DCDD's corporate governance structure links and aligns planning and strategy with responsibilities, outputs and service delivery; ensuring outcomes are influenced from the top down and the bottom-up.

DCDD's corporate planning approach informs our strategic planning, business planning and flows into individual performance plans to ensure our business is coordinated and conducted in a transparent manner.

Diagram 4: Governance structure



Controls and compliance

Ensuring adequate internal controls are in place and monitoring compliance with those controls.

Risk management

The department's Risk Management Framework is consistent with AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines. DCDD uses this overarching framework to form its cohesive risk management approach.

The framework comprises risk management policy, procedures and information sheets, which provide staff with the tools to manage risk on a day to day basis. Risk management is integrated into our business planning processes and embedded across the department enabling a proactive risk management culture.

Risk appetite statement

The Risk Appetite Statement is an integral part of the Risk Management Framework. The statement defines the department's attitude towards risk and outlines the level of risk the department is willing to pursue or accept in order to achieve its strategic goals.

The statement:

- allows for a better understanding of our strategic goals, culture, context and sensitivity to risk
- contributes to embedding a risk culture that supports strategic planning and decision making
- facilitates a proactive risk management approach to mitigate risks that impact strategic operational objectives.

Additional controls

To further support our risk management obligations and enhance risk reporting, additional controls are in place to strengthen DCDD's risk oversight. These include the following:

Employment screening

Assesses suitability of people for employment to protect employees and clients from harm, and ensure the department provides services in a professional manner.

Fraud

DCDD has zero tolerance for fraud and is committed to minimising the incidence of fraud through our Fraud and Corruption Control Policy.

Improper conduct investigations and reporting

Employees are encouraged to recognise and report suspicions of improper conduct to ensure it is quickly exposed and eliminated in accordance with DCDD's Improper Conduct Investigations and Reporting Policy, and as defined under the *Independent Commissioner Against Corruption Act 2017*.

Whistleblowers

Employees with a concern of improper conduct, including potential fraud, corruption and dishonesty are encouraged to communicate their allegations or suspicions without fear of reprisal. The department has a Whistleblower Policy to clearly outline and support processes for whistleblowing.

Risk assessments

DCDD has a diverse range of activities with a number of risk assessments undertaken such as strategic, operational, fraud, procurement and project risks. Regular monitoring and reporting of risk assessments are undertaken to ensure risks are managed and mitigated through the Risk Management and Audit Committee, and other relevant governance committees.

Internal audits and reviews

In accordance with the *Financial Management Act 1995*, the department has an internal audit function to assist the Accountable Officer. A strategic audit plan is managed by the internal audit function and monitored by the Risk Management and Audit Committee. A summary of internal audits undertaken during the 2022-23 year is set out in the table below.

Audit/review	Objective	Outcome
Cabinet information security	Annual review of the department's Cabinet information access and handling controls, accountability and security culture.	No matters were identified.
Official travel	Assess department travel transactions for compliance with the Travel Policy Framework, legislation and policies.	No significant compliance issues were found. Opportunities for improvement were identified and are being addressed.
Value for Territory procurement	Independent audit to assess compliance with the NT Government's Procurement Framework, including Value for Territory Assurance.	Acknowledged a high compliance focus with regards to the Procurement Framework. Opportunities for improvement and minor matters of non-compliance are being addressed.
Leave at half pay	Independent audit to determine if half pay leave entitlements have been paid and applied in line with relevant agreements and By-Laws.	Opportunities for improvement were identified and are being addressed.
Review of casual employee allowances	Independent audit to determine if allowances paid to casual employees are in line with relevant regulations and agreements.	Opportunities for improvement were identified and are being addressed.

Audits by the Auditor-General

DCDD is subject to the Northern Territory Auditor-General's audit program under the powers and responsibilities established by the *Audit Act 1995*. Findings raised through this process are monitored and reported through the Risk Management and Audit Committee. A summary of external and performance management system audits undertaken during the 2022-23 year is set out in the table below.

External and performance management system audits undertaken in 2022-23

Audit/review	Objective	Outcome
DCDD Shared Services end of year review for the year ended 30 June 2022	To review the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCDD on behalf of NT Government departments.	There were no significant matters arising from this audit.
DCDD end of year review for the year ended 30 June 2022	To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances at DCDD, with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statements (TAFS).	One matter was identified and has been addressed.
DCS Financial Statement audit for the year ended 30 June 2022	To undertake sufficient audit procedures relating to the financial year accounts and records of Data Centre Services.	An unmodified audit opinion was issued.
NT Fleet Financial Statement audit for the year ended 30 June 2022	To undertake sufficient audit procedures relating to the financial year accounts and records of NT Fleet.	An unmodified audit opinion was issued.
Department compliance audit for the year ended 30 June 2023	The audit examined selected aspects of the systems in use as required in particular by Treasurer's Direction Part 3, Section 1 and Procurement Governance Policy and Procurement Rules, with the objective of obtaining reasonable assurance those requirements were being achieved.	One matter was identified and is being addressed.
Government Accounting System (GAS) controls audit for the year ended 30 June 2023	To determine there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and over the financial services provided to departments.	The audit identified there are satisfactory internal controls of the central maintenance of GAS and over the financial services provided to departments.
Personnel Information and Payroll System (PIPS) compliance audit for the year ended 30 June 2023	To determine if there is reasonable assurance that satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to departments.	The audit identified there are satisfactory internal controls. Three matters were identified and are being addressed.

Audit/review	Objective	Outcome
NT Fleet Interim Financial Statements audit the year ended 30 June 2023	To facilitate the end of financial year audit of NT Fleet's financial statements required by section 10 of the *Financial Management Act 1995*.	No matters were identified.
APEX system internal control audit	To understand, risk assess and test the internal controls over the APEX application system, relating to financial audit requirements.	The audit identified that controls have been effectively applied.
IT controls environment review	To understand, risk assess and test the internal control structure within the service-wide IT mainframe environment with particular reference to mainframe operations for GAS, PIPS and PAPMS.	The audit identified the controls tested are operating effectively. Two matters were identified and are being addressed.
Payment Gateway	To review the adequacy of controls present in the IT environment managed by DCDD that supports the integration of Payment Gateway to GAS.	The audit identified the controls tested have been designed and implemented effectively.
Service and Identity Management (SIM) program implementation review	To conduct a post implementation review of projects initiated to replace ePASS and HPSM.	The audit identified the program has delivered against expectation, resulting in a reduced risk profile across DCDD and general NT Government operations.
Implementation of the New Wages Policy and Lump Sum Payments PMS	To obtain reasonable assurance whether the performance management systems enable DCDD, DTF and OCPE to assess whether the objectives are being achieved effectively and with regard to the economy.	Seven improvement opportunities were identified and are being addressed.
DCDD Executive Contract Officers (ECOs) Christmas closedown leave 2021-22	To examine Christmas closedown leave taken by ECOs at DCDD relating to the 2021 Christmas period.	Four matters were identified and have been addressed.

Internal controls

DCDD has a robust set of key internal controls in place to detect and mitigate risks and assist the Accountable Officer in the performance of their duties under the relevant legislation.

Delegations

Authorised staff are delegated to undertake specific responsibilities of the Accountable Officer as prescribed in the applicable legislation.

Conflicts of interest

Employees are responsible for declaring and actively managing conflicts of interest through an annual process or as conflicts arise to maintain the department's integrity.

Gifts and benefits

The Code of Conduct under the *Public Sector Employment and Management Act 1993* and DCDD's Gifts and Benefits Policy outline clear direction for the conduct of employees in relation to gifts and benefits.

Data breaches

Requirements and management of data breach incidents to protect confidential information held within DCDD are set out in the Data Breach Policy and Data Breach Response Plan.

Procurement controls

A strong focus on procurement governance is maintained to comply with the NT Government's Procurement Framework as DCDD is a major procurer.

Accounting and Property Manual

The Accounting and Property Manual sets out finance procedures and internal controls to be applied across the department to ensure DCDD's processes are in accordance with the *Financial Management Act 1995* and Treasurer's Directions.

Policies and procedures

Policies, procedures and templates are in place to assist governance committees and employees with their work. These are required to be approved by the Executive Management Board, Chief Executive or Governance Committee.

Freedom of information

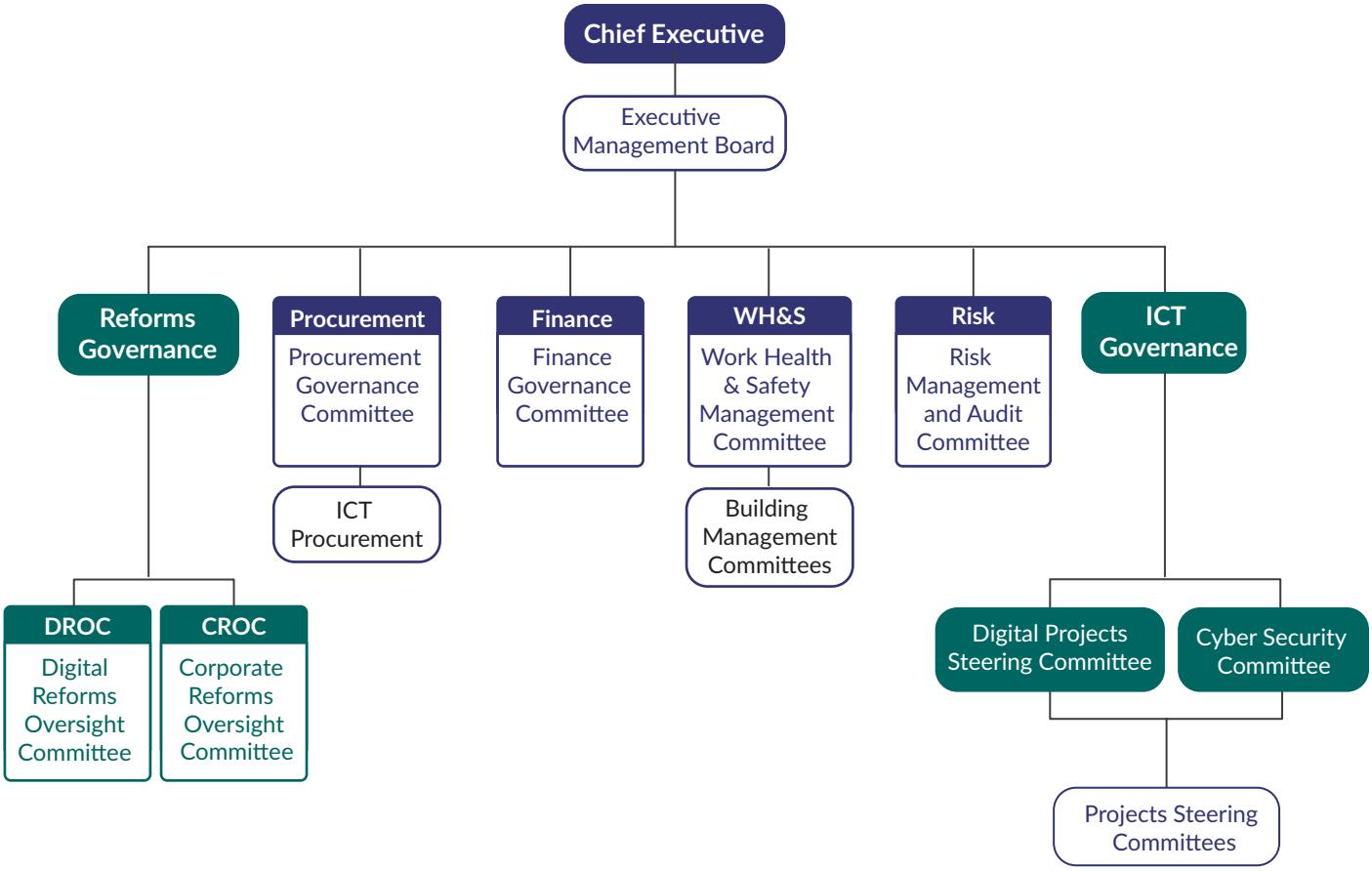
The *Information Act 2002* allows for access to government and personal information. DCDD received 15 Freedom of Information (FOI) applications in 2022-23.

Eight applications were for access to personal information, 5 to access government information and 2 to access mixed government and personal information.

DCDD governance committees

Our governance committee structure consists of the Executive Management Board and its supporting committees responsible for focusing on key governance requirements within DCDD.

Diagram 5: DCDD corporate governance committee structure



Executive management board

EMB is the senior governance and decision-making body of DCDD, providing strategic direction across the department and GBDs. Membership of the board as at 30 June 2023 is set out in the table below.

Executive Management Board members

Members	Role	Job title
Chris Hosking	Chair	Chief Executive
Lisa Watson	Member	Deputy Chief Executive Corporate Services
Greg Connors	Member	Acting Deputy Chief Executive Digital Services
Ewan Perrin	Member	Executive Director Office of Digital Government
Lou-anne Duncan	Member	Senior Director NT Property Management
Rex Schoolmeester	Member	Chief Financial Officer
Donald Young	Member	Senior Director Digital
Sonia Peters	Member	Director Executive Services
Jayne McAllister	Member	Director Regions
Malika Chanday	Member	DCDD HR Business Partner

In addition, 2 staff members are selected to participate on EMB on quarterly rotation to broaden their experience and knowledge at a strategic level. The practice also strengthens the capability of the senior leadership team.

EMB monitors performance across its span of functions through quarterly reporting against key indicators and monthly reports from divisions and business support services. Careful consideration is given to performance, trends and issues at board meetings.

EMB decisions and actions are conveyed through the regular staff newsletter and at staff meetings at whole of department and division levels.

The board meets monthly and met on 12 occasions in 2022-23.

Supporting governance committees

All the DCDD corporate governance committees outlined in diagram 5 above have a terms of reference and submit an annual self-assessment 'health check'. All committees operated in line with their terms of reference.

Two substantial changes were made during the year to streamline processes, increase efficiency and reduce duplication across the department:

- Audit and risk management committees were merged into the one Risk Management and Audit Committee.
- The Workforce Management Committee was closed to reduce administrative burden for our people and make it easier and streamline recruitment while maintaining good governance.

Digital governance frameworks

As part of our strategic ICT responsibilities, DCDD has developed a range of clearly defined governance frameworks for the use of departments across the NT Government to ensure compliance with core digital governance and accountability requirements.

ICT Governance Framework

The ICT Governance Framework (the Framework) ensures ICT investments and projects across departments are planned and supported by the Framework. The Framework requires assurance oversight, particularly for high risk, high value digital programs and sets out processes for department management of ICT programs. The Framework is enhanced by Treasurer's Directions (ICT series), digital policies, a reporting portal and ICT governance guidelines to assist departments.

ICT Governance Board (IGB)

The ICT Governance Framework (the Framework) is underpinned by IGB to ensure consistency and accountability for application of the Framework across the public sector by:

- applying stringent monitoring and analysis of major ICT investment proposals
- overseeing ICT projects from an all-of-government perspective.

The IGB considers digital policies, emerging ICT issues and risks and coordinates reporting to government, with membership comprising senior representatives across government.

Cyber Security Governance framework

The Cyber Security Governance Framework (the Framework) complements the NTG ICT Governance Framework to ensure cyber security is essential to the management of the NT Government's ICT environment and government service delivery. The Framework sets out:

- NT Government's cyber security policy intent and alignment to contemporary practice
- planning and investment approach for cyber security controls
- cyber security management responsibilities of the department and departments.

The Framework, Treasurer's Directions (ICT series), ICT policies, standards and guidelines, and the NTG ICT Governance Framework together provide an integrated package for the effective governance of cyber security across government.

The Cyber Security Committee operationalises the framework through monitoring and overseeing cyber security activities and readiness across DCDD's responsibilities and the NT Government's enterprise ICT environment. The committee also provides advice on cyber security matters to IGB.

Data Governance Framework

The Northern Territory Data Governance Framework provides the foundation for managing and sharing data across government effectively, respectfully and accountably, while enabling data and digital technology to foster innovation and economic development.

Safeguards are provided to assess risks and consider ethical and cultural aspects of data re-use. The framework ensures compliance with legislation, policies, standards and guidelines for the protection of sensitive data.

The NT is a signatory to Australia's intergovernmental agreement on data sharing. DCDD contributes to the national Data and Analytics Working Group to operationalise the agreement and improve data sharing between jurisdictions and with the Commonwealth.

The NT also participates on national Closing the Gap working groups to progress initiatives on data sharing and making data more accessible to Aboriginal communities.