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ACT AUDITOR–GENERAL'S

PERFORMANCE AUDIT REPORT

Governing boards of selected ACT Government entities

Report No. 11 / 2024

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The Speaker
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Dear Speaker

I am pleased to forward to you a Performance Audit Report titled 'Governing boards of selected ACT Government entities' for tabling in the Legislative Assembly pursuant to Subsection 17(5) of the *Auditor-General Act 1996*.

The audit has been conducted in accordance with the requirements of the *Auditor-General Act 1996* and relevant professional standards including *ASAE 3500 – Performance Engagements*.

Yours sincerely

Michael Harris
Auditor-General
29 November 2024

Contents

Summary

Governing boards are a feature of the governance and oversight of some public sector organisations. They set the overall strategic direction for an organisation and monitor and manage the performance of senior management.

This audit considers the activities of the governing boards of three ACT Government statutory authorities:

- Cultural Facilities Corporation;
- Cemeteries and Crematoria Authority; and
- ACT Long Service Leave Authority (ACT Leave).

The audit considered whether the boards are performing effectively and contributing to effective organisational governance.

Conclusions

Board governance and administration

The governing boards for the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave have established effective governance and administrative arrangements that comply with the relevant sections of the *Financial Management Act 1997* and enabling legislation. This includes having in place:

- board charters that define the boards' roles and responsibilities;
- consistent and comprehensive induction processes for new board members;
- policies to support board operations; and
- procedures for conducting and recording board meetings.

For all entities, however, there is an opportunity to better define the relationship between the board and the relevant Minister as well as the sub-committees to the board. There is also a need to better clarify what constitutes a material conflict of interest for a board member and the circumstances in which it needs to be recorded and reported to the Minister.

Board monitoring and oversight

The governing boards of the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave have established effective arrangements for the strategic monitoring and oversight of the entity. This includes setting strategic goals and objectives, identifying and monitoring risk and monitoring the performance of the entity.

There is, however, an opportunity to improve the boards' monitoring and review of their own performance and ensuring this is done on a regular basis and that the outcomes of the reviews are monitored.

Key findings

Board governance and administration	Paragraph
Roles and responsibilities of the governing boards	
The Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave all have in place a board charter that describes the boards' roles and responsibilities. The charters are endorsed by the board and up to date. The charters outline the roles and responsibilities of the boards and the procedures for board meetings and clearly define the CEO's role in relation to the board.	3.13
The Cultural Facilities Corporation board charter provides a detailed description of the board's responsibilities to the Minister and what the relationship between the Minister and the board looks like. The Cemeteries and Crematoria Authority and ACT Leave board charters note that the boards are accountable to their Ministers but do not define what the relationship will look in practical terms.	3.20
Neither the FMA Act or the establishing legislation for the entities includes any guidance on the nature of the relationship between the board and the Minister, including the board's accountability to the Minister or the board's reporting requirements to the Minister.	3.21
Each of the three entities' boards have an audit and risk sub-committee tasked with providing independent assurance in relation to risk management. The Cultural Facilities Corporation and Cemeteries and Crematoria Authority have also established additional advisory or sub-committees to the board. The Cultural Facilities Corporation's advisory committees are established by legislation. The committees do not report to the board, nor is the work of the advisory committees informed by the strategic objectives and goals of the organisation. The *Review of the Cultural Facilities Corporation Act 1997* recommended that the CFC Act be amended to remove the mandatory requirement for the board to establish the advisory committees.	3.40
In addition to the Audit and Risk sub-committee, the Cemeteries and Crematoria Authority has three other sub-committees to the board – the Finance, Special Projects and Governance sub-committees. These sub-committees have clearly defined terms of reference and include a commitment to periodically review the purpose of the sub-committees. One CEO advised that by delegating authority for decisions to relevant sub-committees, the board can focus more efficiently on the strategic oversight of the entity. A review of the board meeting minutes for the three	3.41

entities also shows that the boards regularly engage the services of those with specialist skills and knowledge to advise the board on specific matters.

Each of the three governing boards have established consistent induction processes for new board members that provide a comprehensive overview of the entities' strategies, operations, and organisational and financial performance. During the audit, however, board members identified that there is a lack of guidance available for ACT government governing boards on how to operate in the ACT Government public sector context. The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) does not include guidance on the ACT public sector context in which the boards operate. 3.48

Policies supporting the governing boards

Sections 86 to 89 of the FMA Act require governing boards to ensure members take reasonable steps to avoid conflicts of interest, disclose material interests at board meetings and report material interests to the Minister within three months. All three boards have developed a code of conduct policy. The Cultural Facilities Corporation and ACT Leave have developed a conflicts of interest policy, but only ACT Leave has developed board-specific policies for conflicts of interest and code of conduct. All three boards have developed guidance for board members to avoid conflicts of interest and have established a regular item at each board meeting for members to disclose material interests. 3.61

For 2021, 2022 and 2023, all three boards have recorded conflict of interest disclosures in their board meeting minutes; none of the boards determined that any of these disclosures were material and therefore none were reported to the Minister. There is an absence of clear guidance and procedural advice in the FMA Act on what constitutes a material interest for the purpose of reporting. Further guidance and information is required in the boards' policies or charters with respect to: 3.71

- how material interests should be defined;
- the type of interests that should be disclosed at board meetings; and
- procedures for how material interests are reported to the Minister.

Conduct of board meetings

The Cemeteries and Crematoria Authority and ACT Leave use dedicated board management software for the preparation and distribution of board agenda papers: the Cemeteries and Crematoria Authority has been using the Board Effect management software since 2014; and ACT Leave has been using the Diligent board management software since at least 2018 but changed to Convene at its October 2024 board meeting. The Cultural Facilities Corporation began using Diligent board management software at its October 2024 meeting. 3.80

There are benefits in using dedicated software for the distribution and management of governing board meeting and agenda papers including: ease of access to 3.81

information through centralised access to agenda papers and previous board minutes, and improved administrative efficiency in creation of board agendas, meeting papers and drafting meeting minutes. However, two of the entities have not yet completed an Information Security Assessment for the use of such software, to determine whether a security plan is required for the business system. This represents a risk to the security of information.

A review of board meeting minutes for each of the boards for 2021, 2022 and 2023 shows that: 3.90

- all three boards complied with the requirements for the conduct of board meetings as outlined in sections 93 to 97 of the FMA Act, including that board meetings are held regularly, all board meetings are minuted, quorum requirements are met and that the chair or deputy chair presided;
- all three boards applied elements of better practice including having standard procedures and templates for the conduct of board meetings and recording regular consideration of items in relation to strategy, performance and risk;
- all three boards complied with the requirements in their establishing Act on the number of board members; and
- ACT Leave's board met specific requirements under the *Long Service Leave (Portable Schemes) Act 2009* (ACT Leave Act) for the board's functions, position of chair, registrar and the deputy chair of the board.

Board monitoring and oversight

Strategic oversight

All three entities have established up to date strategic plans, with the boards having an active role in the development and endorsement of the plans. The Cemeteries and Crematoria Authority strategic plan links the objectives to the entity's performance and risks. The ACT Leave strategic plan links the objectives to performance, but not the entity's risk. The Cultural Facilities Corporation strategic plan does not provide a clear link between the objectives and the entity's performance and risk. 4.13

All three boards have established a business plan, delivery program or program of work to implement the goals and objectives outlined in their strategic plans. Board meeting minutes demonstrate that the boards are updated at regular intervals on the progress of the business activities to implement the strategic goals and objectives. 4.16

Risk monitoring and management

Each of the entities has developed a framework of risk management documentation including a risk appetite statement that defines the entity's tolerance and treatments for different types of risks, and a risk register that lists specific strategic 4.32

and operational risks and the mitigation strategies in place. The boards have taken an active role in the development of the risk management documentation at specific sessions at board meetings focussed on risk, and/or through strategic planning days.

While the boards are responsible for the setting the risk management framework for the entities, the primary mechanism for monitoring risks is through the audit and risk committee. Audit and risk committee meeting minutes show that, in accordance with the roles and responsibilities documented in their terms of reference, the committees provide assurance to the board on matters of risk, compliance and audit. Board meeting minutes also show that the boards have appropriate oversight of the audit and risk committees' work through the receipt of regular updates. 4.33

Performance monitoring and reporting

As required under the FMA Act, the boards endorse the key performance indicators in the Statement of Intent, and the board chairs endorse the Statement of Performance in the Annual Report. Only the Cultural Facilities Corporate board appears to review the draft Statement of Performance, however. To assure themselves of the performance information in the Statement of Performance, the boards receive regular reports at each board meeting from the CEO on the strategic objectives, operational matters, and the progress of key projects, and regular updates every 3 to 6 months on entity performance. 4.43

It is important for boards to regularly evaluate their own performance to assess and improve on their own effectiveness. The boards of the Cultural Facilities Corporation and Cemeteries and Crematoria Authority include provision in their charter for regular evaluation of board performance, while all of the boards have undertaken a review of board performance, with mixed efforts in monitoring the implementation of the outcomes of the review. There is value in the boards for the three entities in formalising and strengthening their processes in evaluating their own performance. 4.54

Recommendations

Recommendation 1	Board accountability to the Minister
The Cemeteries and Crematoria Authority and ACT Leave should enhance their board charters by clarifying the board's relationship with, and accountability to, the Minister including linking the statement of operational intent to the Ministerial statement of expectations.	

Recommendation 2	Cultural Facilities Corporation advisory committees

The ACT Government and Cultural Facilities Corporation should:

a) determine the status of the Corporation's advisory committees (in accordance with the recommendation of the *Review of the Cultural Facilities Corporation Act 1997*); and

b) (should advisory committees be retained) review and revise the board charter and advisory committees' terms of reference to clarify:

   i) the lines of accountability from the advisory committees to the board; and

   ii) the decision-making authority of any advisory committees.

Recommendation 3 Strengthening guidance to ACT Government boards

The Chief Minister, Treasury and Economic Development Directorate should review the *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) document, and as part of this review:

a) strengthen guidance on the ACT public sector context in which governance boards operate, including further explanation on the applicable legislation and the roles and relationships between boards, statutory authorities, directorate and Ministers; and

b) strengthen guidance on the management of conflicts of interest for governing boards, including with respect to *material interests*.

Recommendation 4 Guidance for managing conflicts of interest

To ensure compliance with sections 86 to 89 of the *Financial Management Act 1997*, the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave should update their boards' conflict of interest policies and/or board charters to:

a) clearly define the meaning of a *material interest*; and

b) document procedures on how *material interests* will be reported to the Minister when they arise.

Recommendation 5 Linkage between strategic plan and organisational risk

The Cultural Facilities Corporation and ACT Leave should strengthen the link between the entity's strategic objectives and organisational risks in future iterations of their strategic plans.

Recommendation 6	Review of board performance

The Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave should strengthen and formalise processes for reviewing board performance, including ensuring that:

a) reviews occur on a regular basis;

b) outcomes from the reviews are documented; and

c) the implementation of the outcomes from the reviews are monitored by the board.

Agencies' responses

In accordance with subsection 18(2) of the *Auditor-General Act 1996*, the Cultural Facilities Corporation, the Cemeteries and Crematoria Authority, ACT Leave and the Head of Service were provided with:

- a draft proposed report for comment. All comments were considered and required changes were reflected in the final proposed report; and
- a final proposed report for further comment. All comments were considered and required changes were reflected in the final report.

In accordance with subsection 18(3) of the *Auditor-General Act 1996*, other entities with an interest in the report were provided with:

- a draft proposed report for comment. All comments were considered and required changes were reflected in the final proposed report; and
- a final proposed report for further comment. All comments were considered and required changes were reflected in the final report.

1 Introduction

Governing boards

1.1 Governing boards are a feature of the governance and oversight of some public sector organisations. They set the overall strategic direction for an organisation and monitor and manage the performance of senior management.

1.2 Governing boards are a group of individuals who are legally responsible for the governance, control, direction and management of an organisation. Typically:

- legislation and regulations are in place that set out the responsibilities and liabilities of the board and its directors;
- the board is accountable for the performance of the organisation in line with its goals and objectives and meets at regular intervals to provide general business oversight and set corporate policies; and
- the board comprises a combination of executive managers from within the business, along with external, independent directors who can provide an objective and impartial perspective.

1.3 Governing boards have a different role to advisory boards. Advisory boards are a group of individuals appointed by an organisation to provide specialist or strategic advice to help solve a range of difficult or complex business problems. Typically:

- advisory boards comprise key business representatives, an independent Chair and external professionals (advisors) who are appointed based on their specialist knowledge or technical expertise; and
- (unlike a governing board) the members are not authorised to act for, or make binding decisions on behalf of, the organisation and they do not have any fiduciary responsibility.

1.4 This audit considers the activities of the governing boards of three ACT Government statutory authorities:

- Cultural Facilities Corporation;
- Cemeteries and Crematoria Authority; and
- ACT Long Service Leave Authority (ACT Leave).

Governing board oversight

1.5 Effective oversight by a governing board is a key component of good governance. Oversight is defined as:

> … actions taken to review and monitor public sector organisations and their policies, plans, programs, and projects to ensure that they:
>
> - are achieving expected results;
> - represent good value for money; and
> - are in compliance with applicable polices, laws, regulations, and ethical standards.[1]

1.6 Effective governing boards:

- have a good understanding of the strategic environment in which the organisation operates and the oversight role of the board;
- have well established procedures to ensure accountability and transparency for decision making; and
- identify, review and monitor the organisation's risk and performance regularly.

1.7 Conversely, ineffective governing boards have inadequate oversight of the organisation's activities. This can result in the mismanagement of risks and the inefficient and ineffective use of public resources and can lead to a loss of public trust.

Governing boards in the ACT Government

1.8 ACT Government organisations may be supported by boards, commissions, advisory councils or committees. All appointments to boards, committees and councils must be recorded on the ACT Government Appointment Register. A summary of the information recorded in the ACT Government Appointment Register is shown in Table 1-1.

[1] Canadian Audit and Accountability Foundation, *Practice guide to auditing oversight*, 2013.

Table 1-1 Snapshot of ACT Government boards, committees and councils (July 2024)

Category of information	
No. of ACT Government boards, committees and councils	111
No. of governing boards recorded in the ACT Government Appointment Register	11
The size of boards and committees	Generally between 5 to 14 members with 10 members on average
No. of boards, committees and councils appointments	2021 – 138 appointments 2022 – 100 appointments 2023 – 306 appointments
Remuneration of board, committee and council members	\$1,200 - \$615 per diem for Chairs (with \$615 being the standard per diem remuneration rate) \$875 - \$525 per diem for members (with \$525 being the standard per diem remuneration rate)

Source: ACT Government Appointment Register.

Legislation

1.9 The overarching legislation for governing boards of territory authorities is Part 9 (*Governance of territory authorities*) of the *Financial Management Act 1996* (FMA Act). Table 1-2 shows:

- a summary of the requirements set out in the relevant divisions and sections of the FMA Act;
- what was considered as part of this audit; and
- a high-level summary of the measures used to assess compliance with the requirements for the purpose of the audit (further detail on measures used to assess compliance are outlined throughout the report).

Table 1-2 Relevant sections of Part 9 of the *Financial Management Act 1996* (FMA Act)

Division and section(s) of the Act	In scope of the audit?	Summary of measures to assess compliance
Definitions and important concepts (Division 9.1, section 77) Sets out when a governing board of a territory authority should be established and their role.	✓	• The board sets the entity's strategies and policies. • The board has in place a charter that clearly documents roles and responsibilities. • There are clearly defined relationships between the board, sub-committees, senior management and the Minister.

Division and section(s) of the Act	In scope of the audit?	Summary of measures to assess compliance
		• Boards members are inducted into their role and have access to guidance and specialists to assist in undertaking their role.
Governing board member appointments (Division 9.2, sections 78-81) Sets out how board members should be appointed including the chair, deputy chair and Chief Executive Officer (CEO), and the conditions under which a Minister may end a board member's appointment.	Partially	• The audit assessed that the CEOs left board meetings during discussions relating to their employment or appointment conditions. • Board member appointments, including that of the CEO, were out of scope for this audit.
Functions of governing board members (Division 9.3, sections 82-92) Sets out the functions of the chair, deputy chair and CEO in relation to the governing board. This division of the FMA Act also sets out: • how conflicts of interest should be managed; • how disclosures of interest are declared and reported; • the circumstances in board members are deemed not to be liable when exercising a function of territory law; • the circumstances in which governing board members must not be indemnified; and • the circumstances in which governing board members can claim compensation from the Territory.	Partially	• The roles of the chair and deputy chair are adequately defined and there is evidence that they have fulfilled their roles. • The CEO regularly advises the board on the operational and financial performance of the entity. • The board manages conflicts of interests and disclosures in accordance with the FMA Act requirements. • The indemnification and exemption of governing board members from liability was out of scope for this audit.
Governing board meetings (Division 9.4, sections 93-97) Sets out how the time and place of governing board meetings are determined, who should preside at meetings, the required quorum, how voting is carried out at board meetings, and how meetings are held including how resolutions are agreed to.	✓	The governing board held meetings in accordance with the requirements including: • board meetings are held regularly and records kept. • there is a presiding board member for meetings such as the chair or deputy chair. • quorum requirements been met for board meetings. • decisions arising from voting at board meetings recorded in minutes.

Source: Divisions 9.1 to 9.4 of the *Financial Management Act 1996.*

1.10 In addition to the requirements for governing boards under Part 9 of the FMA Act shown in Table 1-2, sections 56(4), 61 and 69 of the FMA Act require:

- the board to assist in the preparation of a Statement of Intent that sets out the performance criteria and other measures by which the performance of the authority may be assessed;
- the board to review the draft Annual Report and the Statement of Performance that records the performance of the entity against the measures outlined in the Statement of Intent, and
- the Chair of the board to sign off on these documents.

1.11 The annual *ACT Auditor-General's Financial Audit Report* provides a summary of the results from the independent audit of the financial statements and limited assurance engagement on the Statements of Performance of reporting agencies, including all statutory authorities. This performance audit considered the governing boards' processes for reviewing the draft Statements of Performance, but not the effectiveness or accuracy of reporting against accountability indicators in the Statements of Performance.

1.12 The ACT Government entities examined as part of this audit also have their own governing legislation that sets out other requirements for their boards. This is discussed in Chapter 2.

Guidance material for ACT Government boards

1.13 Guidance on the procedures for Ministerial and Executive appointments for boards and committees is provided in the ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021). The document also includes a section on 'Governance and Accountability' that provides guidance on:

- developing terms of reference for boards;
- creating a board-specific code of conduct;
- recognising and managing conflicts of interest;
- declaring private interests;
- conducting board meetings; and
- monitoring board performance.

1.14 Principles and other requirements outlined in the ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) were referred to as required for the purpose of the audit.

Selected ACT Government entities

1.15 The audit focussed on boards of selected ACT statutory authorities. Statutory authorities are established through legislation for a public purpose. The performance audit considered the governing boards of three authorities:

- the Cultural Facilities Corporation (CFC);
- the Cemeteries and Crematoria Authority; and
- the ACT Long Service Leave Authority (ACT Leave).

1.16 The size, budget and annual expenditure of these authorities is summarised in Table 1-3.

Table 1-3 Size, budget and expenditure of selected ACT Government entities

Entity and establishing Act	Entity size (FTE) (2022-23)	Budget income (2022-23) ($'000)	Actual expenditure (2022-23) ($'000)
Cultural Facilities Corporation *Cultural Facilities and Corporation Act 1997*	116	20,335	26,026
ACT Leave *Long Service Leave (Portable Schemes) Act 2009*	23	45,108	31,363
Cemeteries and Crematoria and Authority *Cemeteries and Crematoria Act 2020*	19	6,234	4,775

Note: For statutory authorities and corporations, budget income is derived through a combination of budget appropriations, and their operations.

Source: *2022-23 Annual Reports* for the Cultural Facilities Corporation, ACT Leave and the Cemeteries and Crematoria Authority.

1.17 The responsibilities of the three authorities, their organisational arrangements and the characteristics of their boards are outlined in Chapter 2.

Audit objective and scope

Audit objective

1.18 The objective of the audit was to assess whether selected ACT Government boards are performing effectively and contributing to effective organisational governance.

Audit scope

1.19 The audit considered the operation of the governing boards of:

- the Cultural Facilities Corporation;
- the Cemeteries and Crematoria Authority; and
- the Long Service Leave Authority.

1.20 The audit focussed on the governing board's oversight of the management of the agency, and the relationship between the board and the management of the agency.

1.21 The audit considered whether the boards have been established, and adhere with, requirements outlined in the *Financial Management Act 1996* (FMA Act) and the agency's enabling legislation.

1.22 The audit also considered whether the boards:

- have a clear understanding of their roles and responsibilities;
- focus on strategic management of the organisation;
- identify, review and monitor risks regularly; and
- assess and report on their performance.

1.23 A key principle of the audit was to assess whether the activities of the boards ensure transparency and accountability in their operation and the operation of the agency.

Out of scope

1.24 The audit scope did not consider:

- the day-to-day management of the selected entities and the extent to which the entity is meeting performance outcomes and expectations;
- processes for the appointment of members to the governing boards, including the skills, diversity and experience of board members; and
- the remuneration of board members.

Audit criteria, approach and method

Audit criteria

1.25 To form a conclusion against the objective, the following criteria were used:

- Criterion 1: Are the boards' governance and administrative arrangements consistent with relevant legislative requirements?
  - The boards' roles and responsibilities are clearly defined and documented and comply with legislative requirements.
  - The functions of the boards are documented in policies and procedures and comply with legislative requirements.
  - The boards' meetings are held and documented in accordance with legislative requirements.
- Criterion 2: Have the boards structured their operations based on elements of good practice to support effective governance?
  - The boards effectively focus on the strategic management of the entity.
  - The boards effectively identify, review and monitor risks regularly.
  - The boards effectively consider and report on performance.

Audit approach and method

1.26 The audit considered board activities against relevant legislation, such as the FMA Act and each of the entities' establishing Acts. The audit also assessed common indicators of good practice in board governance based on the following resources:

- the better practice principles and measures developed by the Victorian Auditor-General's Office in its 2017 audit of *Board Performance* (referred to in Appendix A); and
- the Governance Institute of Australia publication *Governance principles for boards of public sector entities in Australia* (2nd edition, 2023).

1.27 The audit approach and method consisted of:

- reviewing work undertaken on this subject by other jurisdictions to identify common indicators of better practice in board governance;
- reviewing entity corporate plans, strategy documents, board and audit committee charters, risk registers, conflict of interest declarations and supporting policies and procedures;
- reviewing board agendas, papers and minutes for each of the three entities for the last three years (2021, 2022, and 2023), and observed a board meeting for each of the entities;

- identifying and documenting internal controls, procedures and performance measures used to give effect to the policies and guidelines and to ensure compliance and evaluating the effectiveness of these controls; and
- interviews and discussions with key staff at the selected agencies and with board members.

1.28 The audit was performed in accordance with *ASAE 3500 – Performance Engagements.* The audit adopted the policy and practice statements outlined in the Audit Office's *Performance Audit Methods and Practices* (PAMPr) which is designed to comply with the requirements of the *Auditor-General Act 1996* and *ASAE 3500 – Performance Engagements*

1.29 In the conduct of this performance audit the ACT Audit Office complied with the independence and other relevant ethical requirements related to assurance engagements.

2 Overview of selected ACT Government entities

2.1 This chapter provides an overview of the three ACT Government entities selected for the audit and their governing boards.

Cultural Facilities Corporation

2.2 The Cultural Facilities Corporation commenced operating in November 1997. The functions of the Cultural Facilities Corporation are to:

- manage, develop, present, coordinate and promote cultural activities at designated locations and other places in the ACT;
- establish and research collections;
- conserve and exhibit collections in the possession or under the control of the Cultural Facilities Corporation;
- undertake activities, in cooperation with other people if appropriate, to exercise its other functions; and
- exercise other functions given to the Cultural Facilities Corporation under the *Cultural Facilities Corporation Act 1997* or another Territory Law.

2.3 Members of the board are appointed by the Minister and include: an independent Chair and an independent Deputy Chair; and four other members. The Cultural Facilities Corporation's Chief Executive Officer (CEO) is also a member of the board. The board reports to the Minister for the Arts.

2.4 Board appointments are managed by artsACT, which is part of Economic Development within CMTEDD.

2.5 The board is supported by an Audit Committee that provides 'independent assurance and assistance to the Board on the Cultural Facilities Corporation's financial management, risk, control and compliance framework, and its external accountability responsibilities'.

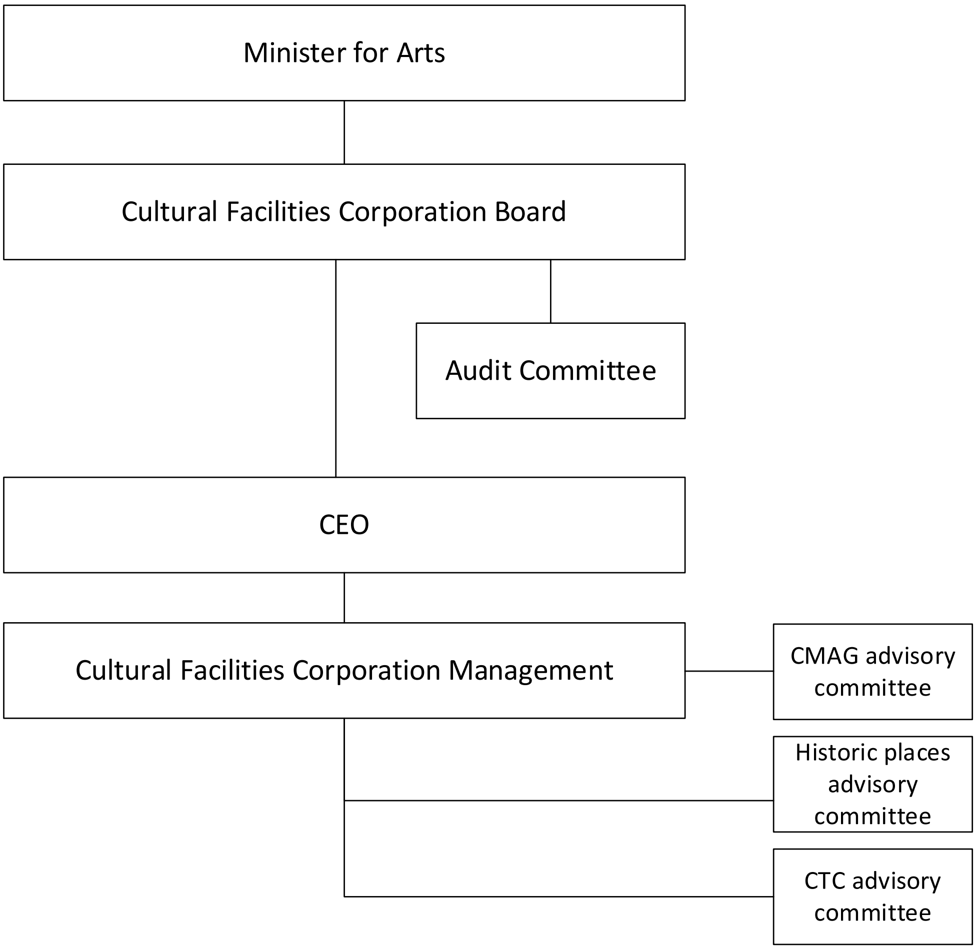
2.6 The *Cultural Facilities Corporation Act 1997* specifically requires the establishment of advisory committees for museum collections, historic places and the performing arts. This has resulted in the establishment of:

- the Canberra Theatre Centre (CTC) Advisory Committee;
- the Canberra Museum and Gallery (CMAG) Advisory Committee; and
- the Historic Places Advisory Committee.

2.7 The advisory committees provide strategic and policy advice within the context of the Cultural Facility Corporation's strategic plan and annual corporate and business plans.

2.8 Figure 2-1 represents the organisational governance structure for the Cultural Facilities Corporation.

Figure 2-1 Organisational governance structure of the Cultural Facilities Corporation



Source: ACT Audit Office, based on CFC documentation.

Review of the *Cultural Facilities Corporation Act 1997*

2.9 In 2022 the *Canberra: Australia's Arts Capital – Arts, Culture and Creative Policy 2022-2026* and associated action plan identified a review of the *Cultural Facilities Corporation Act 1997* (CFC Act) as a priority for 2022-23. The review was to ensure 'the legislative purpose and governance structures are well placed to support current and future needs of the ACT's cultural sector including future redevelopment of the Canberra Theatre Centre'.

2.10 In mid-2023, a consultant was engaged by artsACT to conduct the review. The review focused in part on best practice models for governance and accountability, including the powers and responsibilities of the governing board. The review made a number of findings, including:

- the CFC Act does not provide a mechanism for the Minister to give a statement of expectations to the governing board and for the board to respond with a statement of operational intent on how it proposes to implement the statement of expectations;
- the CFC Act does not specify the skills required of the board and the size of the board is capped at seven, which limits the range of skills available to manage its broad portfolio of functions;
- there is no formal performance review requirement for the board;
- the advisory committees, as required by the *Cultural Facilities Corporation Act 1997*, are of limited relevance to its current operations; and
- the CEO is not appointed by the board, which blurs the line of accountability from the CEO through the board to the Minister and the Legislative Assembly.

2.11 The review made six recommendations relevant to the governing board and advisory committees. They require amendment of the CFC Act in the following areas:

- **Board skillsets** – specify the desired range of skillsets and experience of the board.
- **Board size** – increase the board size to at least seven, but not more than nine members.
  - the purpose of increasing the board's numbers would be to balance the requirement for adequate skills coverage with the challenge of recruiting suitable members and the costs associated with running a larger board.
- **Board duties, functions and delegations** – require board members to have an explicit duty to the Minister; this was to clarify accountability between the board and the responsible Minister.
- **Board performance review** – require the governing board to ensure the performance of the board and its individual members are assessed on a regular basis and the results provided to the responsible Minister.
- **Advisory committees** – remove the requirement for the board to establish the identified advisory committees and to:
  - require the mandatory establishment of an audit and risk management committee; and
  - provide the board with the flexibility to establish other committees as required to help the CFC to exercise its functions.
- **CEO appointment and duties** – require that:
  - the CEO is appointed by the board and must be a public servant;
  - public servants are excluded from being a board member, thereby excluding the CEO from the governing board; and
  - a duty of good conduct be placed on the CEO and the board.

2.12 The Cultural Facilities Corporation informed the Audit Office that the findings and recommendations from this review are under consideration by the ACT Government, and any implementation of recommendations will not occur until after the third quarter of 2024.

Governing board requirements under the *Cultural Facilities Corporation Act 1997*

2.13 The CFC Act includes one requirement for the governing board. This requirement is outlined in Table 2-1.

Table 2-1 Governing board requirements in the CFC Act

Section of the CFC Act and Description	In scope for the audit?	What was assessed
Section 10 The governing board has 7 members.	✓	The Cultural Facilities Corporation board had 7 members for the three-year period examined for the audit (2021, 2022 and 2023).

Source: *Cultural Facilities Corporation Act 1997.*

Cemeteries and Crematoria Authority

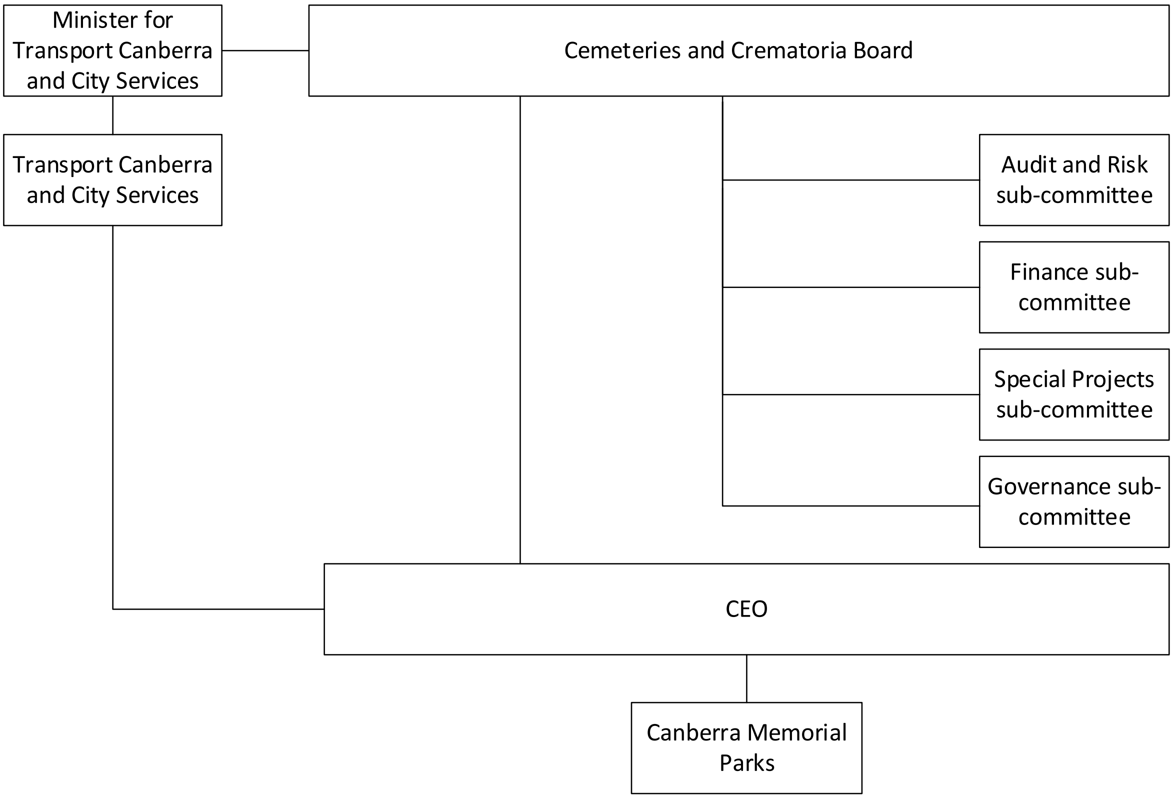
2.14 Trading as Canberra Memorial Parks, the Cemeteries and Crematoria Authority is a statutory authority that was established on 23 August 2020 under the *Cemeteries and Crematoria Authority Act 2020* to manage and operate:

- public cemeteries at Gungahlin, Woden and Hall;
- a public crematorium on the grounds of Gungahlin Cemetery; and
- a mausoleum on the grounds of Woden Cemetery.

2.15 The board of the authority consists of a Chair, Deputy Chair and eight members including the CEO. The board reports to the Minister for Transport and City Services. Board appointments are managed by the Governance and Ministerial Services team, in the Chief Operating Officer Group in the Transport Canberra and City Services Directorate.

2.16 The work of the board is supported by four sub-committees covering audit and risk, finance, governance and special projects. The board oversees risk management through a program of internal audits carried out by external specialists. Figure 2-2 represents the organisational governance structure for the Cemeteries and Crematoria Authority.

Figure 2-2 Organisational governance structure of the Cemeteries and Crematoria Authority



Source: ACT Audit Office, based on Cemeteries and Crematoria Authority documentation.

Governing board requirements under the *Cemeteries and Crematoria Authority Act 2020*

2.17 The *Cemeteries and Crematoria Authority Act 2020* (Cemeteries Act) includes two requirements for the governing board. Of these two requirements, one was in scope for this audit. These requirements are outlined in Table 2-2.

Table 2-2 Governing board requirements in the Cemeteries Act

Section of the Cemeteries Act and description	In scope for the audit?	What was assessed
Section 118(1) The governing board has at least six, and not more than 12 members.	✓	The Cemeteries and Crematoria Authority board had between 6 and 12 members for the three-year period examined for the audit (2021, 2022 and 2023).

Section of the Cemeteries Act and description	In scope for the audit?	What was assessed
Section 118(2) The governing board must— (a) be sufficiently diverse to carry out its functions; and (b) include at least 2 members who, in the Minister's opinion, represent the general community and religious denominations.	✗	Appointment of governing board members, including the skills and diversity of board members, were not examined as part of this audit.

Source: *Cemeteries and Crematoria Authority Act 2020*.

ACT Long Service Leave Authority (ACT Leave)

2.18 The Long Service Leave Authority (ACT Leave) was established to ensure workers in covered industries are able to access the benefits of portable long service leave, and to provide employers the information they need to meet their responsibilities under the *Long Service Leave (Portable Schemes) Act 2009.*

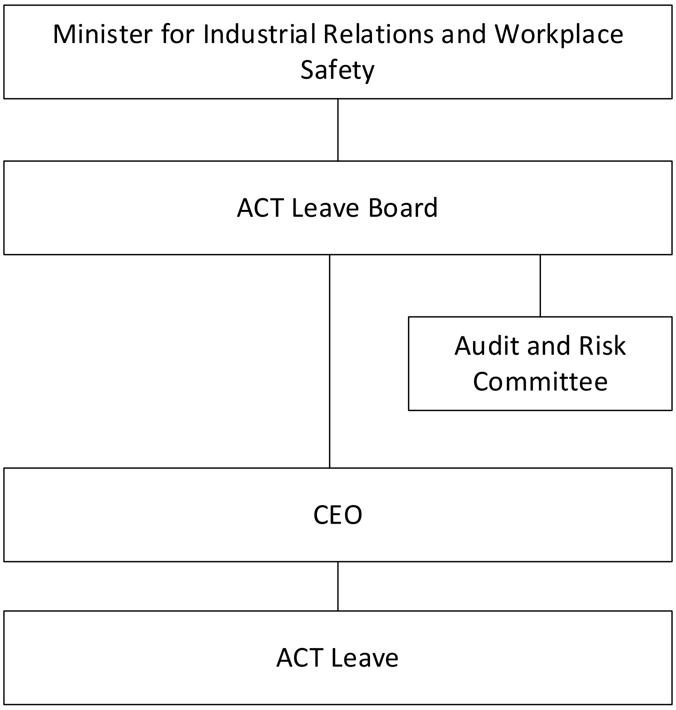
2.19 Members of the board include an independent Chair and Deputy Chair, four members and the CEO as a non-voting member. Board appointments are managed by the Office of Industrial Relations and Workforce Strategy in CMTEDD.

2.20 The board reports to the Minister for Industrial Relations and Workplace Safety. The Authority prepares an annual Statement of Intent, which is agreed between the Chair of the board, the Minister and the ACT Treasurer.

2.21 The Board is supported by an Audit and Risk Committee, which provides 'independent assurance and assistance to the Board in fulfilling its governance responsibilities relating to the Authority's risks, control and compliance frameworks, and its external accountability responsibilities'.

2.22 Figure 2-3 represents the organisational governance structure for ACT Leave.

Figure 2-3 Organisational governance structure of ACT Leave



Source: ACT Audit Office, based on ACT Leave documentation.

Governing board requirements under the *Long Service Leave (Portable Schemes) Act 2009*

2.23 The *Long Service Leave (Portable Schemes) Act 2009* (ACT Leave Act) includes nine requirements for the governing board. Of these nine requirements, five were in scope for this audit. The requirements are outlined in Table 2-3.

Table 2-3 Requirements for governing board in the ACT Leave Act

Section of the ACT Leave Act and description	In scope for the audit?	What was assessed
Section 79I The governing board has the following functions: (a) making recommendations to the Minister under section 51 (Determination of levy—employers) and section 56 (Determination of levy—voluntary members); (b) determining a levy for a covered industry under section 56A (Minor changes to levy—employers and voluntary members); and	✓	The ACT Leave board's functions defined in section 79I are included in the board charter.

Section of the ACT Leave Act and description	**In scope for the audit?**	**What was assessed**
(c) recommending to the Minister laws to be declared to be corresponding laws under section 87 (Declaration of corresponding laws); (d) any other function given to the governing board under this Act or another territory law.		
Section 79F(1) The governing board has at least 3 and not more than 7 members.	✓	The ACT Leave board had between 3 and 7 members for the three-year period examined for the audit (2021, 2022 and 2023).
Section 79F(2) The governing board must have the following members: (a) at least 1 member appointed to represent employer organisations for the covered industries; (b) at least 1 member appointed to represent employee organisations for the covered industries; (c) at least 1 other member who is not appointed to represent an employer or employee organisation.	✗	Appointment of governing board members, including the skills and diversity of board members, were not examined as part of this audit.
Section 79F(3) In appointing the members for subsection (2) (a) and (b), the Minister must, as far as practicable, ensure that there is equal representation for employer organisations and employee organisations.	✗	Appointment of governing board members, including the skills and diversity of board members, were not examined as part of this audit.
Section 79F(4) The chair of the governing board must not be a member mentioned in subsection 79F (2) (a) or (b).	✓	The chair of the ACT Leave board is neither an employer nor an employee representative board member.
Section 79F(5) A member of the governing board must not be appointed for a term longer than 5 years.	✗	Appointment of governing board members were not examined as part of this audit.
Section 79F(6) The Minister may, under the Legislation Act, section 209, appoint a person to act as a member.	✗	Appointment of governing board members were not examined as part of this audit.

Section of the ACT Leave Act and description	In scope for the audit?	What was assessed
Section 79F(7) The registrar is a non-voting member of the governing board.	✓	The board minutes show that the registrar was a non-voting member of the board for the three-year period examined for the audit (2021, 2022 and 2023).
Section 79G The Minister must appoint a member of the governing board mentioned in section 79F (2) (c) as the deputy chair.	✓	The deputy chair of the ACT Leave board is neither an employer nor an employee representative board member.

Source: *Long Service Leave (Portable Schemes) Act 2009*.

Costs of administering governing boards

2.24 There is no publicly available information on the administrative costs of the governing boards of Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave. Table 2-4 shows the Audit Office's estimation of the 2022-23 administrative costs of operating the governing boards, which shows:

- the fees paid to board members; and
- the approximate costs of staff salaries that provide secretariat support to the board, based on advice from the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

Table 2-4 Approximate annual running costs of governing boards

Annual Costs	Cultural Facilities Corporation	Cemeteries and Crematoria Authority	ACT Leave
Board fees (2022-23 costs)	$85,800	$83,000	$59,000
Estimated annual staffing costs in secretariat support	$53,406	$11,007	$29,611
Total annual costs	**$139,206**	**$94,007**	**$88,611**

Note: Board member fees or administrative costs do not include the cost of the salary of the CEO. The annual staffing costs do not include the salary costs for the senior leadership team that provide regular updates to the board.

Source: ACT Audit Office based on annual reports and advice from Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

3 Board governance and administration

3.1 This chapter considers the governance and administrative arrangements for the boards of the selected entities and their compliance with relevant sections of the *Financial Management Act 1997* (FMA Act) and enabling legislation. This includes consideration of:

- board roles and responsibilities;
- induction processes for new board members;
- policies and procedures for the operation of the board; and
- conduct of board meetings.

Summary

Conclusions

The governing boards for the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave have established effective governance and administrative arrangements that comply with the relevant sections of the *Financial Management Act 1997* and enabling legislation. This includes having in place:

- board charters that define the boards' roles and responsibilities;
- consistent and comprehensive induction processes for new board members;
- policies to support board operations; and
- procedures for conducting and recording board meetings.

For all entities, however, there is an opportunity to better define the relationship between the board and the relevant Minister as well as the sub-committees to the board. There is also a need to better clarify what constitutes a material conflict of interest for a board member and the circumstances in which it needs to be recorded and reported to the Minister.

Key findings

Roles and responsibilities of the governing boards	Paragraph
The Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave all have in place a board charter that describes the boards' roles and responsibilities. The charters are endorsed by the board and up to date. The charters outline the roles and responsibilities of the boards and the procedures for board meetings and clearly define the CEO's role in relation to the board.	3.13

The Cultural Facilities Corporation board charter provides a detailed description of the board's responsibilities to the Minister and what the relationship between the Minister and the board looks like. The Cemeteries and Crematoria Authority and ACT Leave board charters note that the boards are accountable to their Ministers but do not define what the relationship will look in practical terms. 3.20

Neither the FMA Act or the establishing legislation for the entities includes any guidance on the nature of the relationship between the board and the Minister, including the board's accountability to the Minister or the board's reporting requirements to the Minister. 3.21

Each of the three entities' boards have an audit and risk sub-committee tasked with providing independent assurance in relation to risk management. The Cultural Facilities Corporation and Cemeteries and Crematoria Authority have also established additional advisory or sub-committees to the board. The Cultural Facilities Corporation's advisory committees are established by legislation. The committees do not report to the board, nor is the work of the advisory committees informed by the strategic objectives and goals of the organisation. The *Review of the Cultural Facilities Corporation Act 1997* recommended that the CFC Act be amended to remove the mandatory requirement for the board to establish the advisory committees. 3.40

In addition to the Audit and Risk sub-committee, the Cemeteries and Crematoria Authority has three other sub-committees to the board – the Finance, Special Projects and Governance sub-committees. These sub-committees have clearly defined terms of reference and include a commitment to periodically review the purpose of the sub-committees. One CEO advised that by delegating authority for decisions to relevant sub-committees, the board can focus more efficiently on the strategic oversight of the entity. A review of the board meeting minutes for the three entities also shows that the boards regularly engage the services of those with specialist skills and knowledge to advise the board on specific matters. 3.41

Each of the three governing boards have established consistent induction processes for new board members that provide a comprehensive overview of the entities' strategies, operations, and organisational and financial performance. During the audit, however, board members identified that there is a lack of guidance available for ACT government governing boards on how to operate in the ACT Government public sector context. The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) does not include guidance on the ACT public sector context in which the boards operate. 3.48

Policies supporting the governing boards

Sections 86 to 89 of the FMA Act require governing boards to ensure members take reasonable steps to avoid conflicts of interest, disclose material interests at board meetings and report material interests to the Minister within three months. All three boards have developed a code of conduct policy. The Cultural Facilities Corporation and ACT Leave have developed a conflicts of interest policy, but only ACT Leave has 3.61

developed board-specific policies for conflicts of interest and code of conduct. All three boards have developed guidance for board members to avoid conflicts of interest and have established a regular item at each board meeting for members to disclose material interests.

For 2021, 2022 and 2023, all three boards have recorded conflict of interest disclosures in their board meeting minutes; none of the boards determined that any of these disclosures were material and therefore none were reported to the Minister. There is an absence of clear guidance and procedural advice in the FMA Act on what constitutes a material interest for the purpose of reporting. Further guidance and information is required in the boards' policies or charters with respect to: 3.71

- how material interests should be defined;
- the type of interests that should be disclosed at board meetings; and
- procedures for how material interests are reported to the Minister.

Conduct of board meetings

The Cemeteries and Crematoria Authority and ACT Leave use dedicated board management software for the preparation and distribution of board agenda papers: the Cemeteries and Crematoria Authority has been using the Board Effect management software since 2014; and ACT Leave has been using the Diligent board management software since at least 2018 but changed to Convene at its October 2024 board meeting. The Cultural Facilities Corporation began using Diligent board management software at its October 2024 meeting. 3.80

There are benefits in using dedicated software for the distribution and management of governing board meeting and agenda papers including: ease of access to information through centralised access to agenda papers and previous board minutes, and improved administrative efficiency in creation of board agendas, meeting papers and drafting meeting minutes. However, two of the entities have not yet completed an Information Security Assessment for the use of such software, to determine whether a security plan is required for the business system. This represents a risk to the security of information. 3.81

A review of board meeting minutes for each of the boards for 2021, 2022 and 2023 shows that: 3.90

- all three boards complied with the requirements for the conduct of board meetings as outlined in sections 93 to 97 of the FMA Act, including that board meetings are held regularly, all board meetings are minuted, quorum requirements are met and that the chair or deputy chair presided;
- all three boards applied elements of better practice including having standard procedures and templates for the conduct of board meetings and recording regular consideration of items in relation to strategy, performance and risk;

- all three boards complied with the requirements in their establishing Act on the number of board members; and
- ACT Leave's board met specific requirements under the *Long Service Leave (Portable Schemes) Act 2009* (ACT Leave Act) for the board's functions, position of chair, registrar and the deputy chair of the board.

Roles and responsibilities of the governing boards

3.2 Section 77 of the FMA Act defines the functions of governing boards for Territory authorities as follows:

> (a) setting the authority's policies and strategies;
>
> (b) governing the authority consistent with the authority's establishing Act and other relevant legislation;
>
> (c) ensuring, as far as practicable, that the authority operates in proper, effective and efficient way; and
>
> (d) ensuring, as far as practicable, that the authority complies with applicable governmental policies (if any).

3.3 In reviewing the functions of the selected governing boards, and that these functions comply with section 77 of the FMA Act, the Audit Office considered whether:

- the board has a charter that clearly documents the board's roles and responsibilities;
- the board has a clearly defined relationship with:
  - the senior management of the entity; and
  - the relevant Minister;
- sub-committees supporting the board have terms of reference that clearly outline their role and relationship with the board;
- there are procedures to induct new board members; and
- board members have access to guidance and specialists to assist them in undertaking their role.

Board charters

3.4 The Australian Institute of Company Directors identify board charters as 'an important tool to aid governance' and 'a policy document covering how the board will function'.

3.5 The Governance Institute for Australia's *Governance principles for boards of public sector entities in Australia* (Second edition, 2023) notes the importance of board charters and states that:

> It is good practice to clearly define the relationships in a board charter, or other governing document that is regularly reviewed, to ensure it remains current, even where there is applicable legislation.

3.6 The governing boards for the Cultural Facilities Corporation, Cemeteries and Crematoria Authority, and ACT Leave all have a board charter that describes roles and responsibilities. Table 3-1 summarises the key elements of the board charters for each of the three entities, and the Audit Office's assessment of the charters.

Table 3-1 Key elements of the board charters for the selected entities

Board charter contents and use	Cultural Facilities Corporation	Cemeteries and Crematoria Authority	ACT Leave
Charter overview			
Date of last review documented in charter and noted in board minutes?	28 April 2022	18 October 2023	19 February 2021
Charter review cycle specified in board charter?	✓	✓	✓
Charter published on entity website?	✓	✓	✗
Charter explains its link to relevant legislation?	✓	✓	✓
Culture statement or Code of Conduct included in charter?	✓	✓	Partial
Definitions of roles and responsibilities			
Role of the board defined in charter including board's remit and responsibilities?	✓	✓	✓
Role of the Chair and Deputy Chair defined in charter?	✓	✓	Partial
Role of the CEO defined and relationship between the CEO and board defined?	✓	✓	✓
Role of sub-committees and relationship to board defined?	✓	✓	Partial
Role of entity's senior management and relationship to board documented in charter?	✓	✓	✓
Role of Minister and relationship to the board defined?	✓	Partial	Partial
Characteristics of board meetings			
Frequency of board meetings documented?	✓	✓	✓
Quorum requirements documented?	✓	✓	✓
Process for the distribution of board meeting agenda and papers explained?	✓	✓	✓

Source: Audit Office review of board charters for Cultural Facilities Corporation, Cemeteries and Crematoria Authority, and ACT Leave.

3.7 The Audit Office's assessment of board charters shows:

- **Charter currency and endorsement -** all three entities' charters are dated, subject to a regular cycle of review every one to three years and the boards' endorsements of the charters are recorded in board meeting minutes;
- **Inclusion of a Code of Conduct or values statement -** the Cultural Facilities Corporation's and Cemeteries and Crematoria Authority's charters include a Code of Conduct or a values statement outlining the expected behaviours of board members;
  - while ACT Leave's charter includes references to culture and expected behaviours, board conduct is not explicitly defined;
  - ACT Leave has in place a separate board Code of Conduct but this is not referenced in the charter;
- **Defined roles for the chair and deputy chair -** the Cultural Facilities Corporation and Cemeteries and Crematoria Authority charters define the role of the Chair and the Deputy Chair while the ACT Leave charter only defines the role of the Chair but not the Deputy Chair;
- **Defined role of the sub-committees -** the Cultural Facilities Corporation and Cemeteries and Crematoria Authority charters define the roles and responsibilities of the sub-committees to the board, and where applicable refer to the terms of reference for the sub-committees. The ACT Leave charter does not define the role of the sub-committee and its relationship to the board;
- **Board's relationship with the Minister -** the Cultural Facilities Corporation charter provides a detailed description of the board's responsibilities and relationship to the Minister. The ACT Leave and Cemeteries and Crematoria Authority charters acknowledge that the board is accountable to the Minister, but do not describe what the relationship looks like in practical terms; and
- **Procedures for board meetings -** all board charters document how board meetings will be conducted including frequency, quorum requirements and procedures for distribution of agenda papers.

3.8 In assessing the board charters of the selected entities, the Audit Office identified the following elements of better practice:

- the Cemeteries and Crematoria Authority's board charter includes a section at the beginning that highlights the culture and values of the board, clearly setting the standard of behaviour for the board;
- the Cultural Facilities Corporation's board charter clearly defines the separation of roles and responsibilities between the Chair and the CEO on key oversight and management activities including in relation to leadership and vision, relationship with the Minister, strategic plans, financial oversight and entity performance; and

- ACT Leave's board charter documents the elements of the board meeting minutes and how they will be recorded, assisting in accurate and consistent record keeping of board decisions and actions.

Relationship between the board and senior management

3.9 The Governance Institute of Australia's *Governance principles for boards of public sector entities in Australia* (2023) highlights the importance of the relationship between the board and senior management, and the distinction between their roles. The publication notes that the board should steer the direction of the entity, while management is responsible for administering the day-to-day affairs of the entity.

3.10 Since the CEO is accountable to the board, and is also a member of the board, it is important that the CEO's role and relationship to the board is clearly defined, including that the roles of the CEO and the board are differentiated.

3.11 As noted in Table 3-1, the board charters of all three entities clearly define the CEO's role. The Cemeteries and Crematoria Authority charter outlines the board's role in appointing the CEO and assessing the performance of the CEO and also state that the CEO cannot be appointed Chair or Deputy Chair. The Cultural Facilities Corporation board does not appoint the CEO, but its charter outlines the board's role in assessing the performance of the CEO.

3.12 In reviewing the board meeting minutes the Audit Office noted:

- the CEOs regularly attend and provide updates to the boards on the operational performance of the entity;
- as per the requirements of the FMA Act (paragraphs 80(5)a and b), the meeting minutes record that when discussions relate to the appointment, employment conditions or performance of the CEO, the CEO has left the room for those discussions;
- for the Cultural Facilities Corporation and ACT Leave the senior leadership team, including the Chief Operating Officer and the Chief Financial Officer (and the Deputy Registrar for ACT Leave) regularly attend the board meetings as guests and provide reports to the boards on their respective business areas; and
- the boards have in-camera sessions, which provide an opportunity for the board to discuss matters without senior management present in order to preserve the board's oversight function.

3.13 The Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave all have in place a board charter that describes the boards' roles and responsibilities. The charters are endorsed by the board and up to date. The charters outline the roles and responsibilities of the boards and the procedures for board meetings and clearly define the CEO's role in relation to the board.

Relationship between the board and the Minister

3.14 The FMA Act includes the following requirements with respect to the accountability of the board to the Minister:

- under paragraph 82(c) the Chair of a governing board of a territory authority must ensure 'that the responsible Minister is kept informed about the operations of the authority'; and
- under section 89 there are requirements with respect to the reporting of disclosed governing board interests to the Minister.

3.15 None of the establishing Acts for the entities include any guidance on the nature of the relationship between the board and the Minister, including the board's accountability to the Minister or the board's reporting requirements to the Minister.

3.16 This was highlighted in the *Review of the Cultural Facilities Corporation Act 1997* (February 2024), which identified that the *Cultural Facilities Corporation Act 1997* (CFC Act) did not clearly define the relationship between the board and the Minister. The review recommended amending the CFC Act to include:

- clarification of the line of accountability between board members and the responsible Minister, with board members required to have an explicit duty to the Minister; and
- board functions that supplement the FMA Act requirements, including a link to the statement of expectations and statement of operational intent.

3.17 The review identified similar legislation, namely the Victorian *Public Administration Act 2004* and other establishing Acts, that provide guidance on the role of the Minister and the relationship between the board and the Minister. This includes the type of information the board should report to the Minister and the board's accountability to the Minister. The relevant requirements of these Acts are described in Table 3-2.

Table 3-2 Relationship between the governing board and the Minister in comparative legislation

Legislation	Sections that define the relationship of the board to the Minister
Public Administration Act 2004 (Victoria)	• Section 81(1)(b) requires the boards to inform the Minister of any known major risks to the effective operation of the entity and risk management strategies in place. • Section 81(1)(c) requires the board to provide the Minister with any information relating to the entity or its operations as requested by the Minister.
City Renewal Authority and Suburban Land Agency Act 2017 (CRASLA Act)	Section 13, 16, 17, and 18 of the CRASLA Act define the relationship between the Minister and board. • Section 16 links the CRA board's functions to the Ministerial statement of expectations and the board's statement of operational intent.

Legislation	Sections that define the relationship of the board to the Minister
	• Section 17 and 18 provide a mechanism for formal and public direction setting by the Minister, through a statement of expectations and statement of operation intent. • Section 20 requires board members to have an explicit duty to the Minister.
Tasmanian Museum and Art Gallery Act 2017	Division 3 of the Act outlines the board's role in strategic oversight and direction of the entity. • Section 19 links the Ministerial statement of expectation with the entity's objectives and the board's obligations to those objectives. • Section 20 outlines that the Minister may at any time provide the Board directions regarding the discharge of its responsibilities. • Sections 21 and 22 requires the board to prepare strategic and business plans that is consistent with the Ministerial statement of expectation and directions.

Source: *Public Administration Act 2004, City Renewal Authority and Suburban Land Agency Act 2017* and *Tasmanian Museum and Art Gallery Act 2017.*

3.18 While these findings specifically relate to the Cultural Facilities Corporation board and its establishing Act, they are also relevant to the boards of the Cemeteries and Crematoria Authority and ACT Leave as their establishing Acts are similarly unclear on the accountability of the boards to their Ministers.

3.19 In the absence of sufficient guidance in the FMA Act and the enabling legislation, the board charters for the Cemeteries and Crematoria Authority and ACT Leave could more clearly define the accountability of the board to the Minister. This could include making an explicit link between the board's statement of operational intent and the Ministerial statement of expectations.

3.20 The Cultural Facilities Corporation board charter provides a detailed description of the board's responsibilities to the Minister and what the relationship between the Minister and the board looks like. The Cemeteries and Crematoria Authority and ACT Leave board charters note that the boards are accountable to their Ministers but do not define what the relationship will look in practical terms.

3.21 Neither the FMA Act or the establishing legislation for the entities includes any guidance on the nature of the relationship between the board and the Minister, including the board's accountability to the Minister or the board's reporting requirements to the Minister.

Recommendation 1	**Board accountability to the Minister**

The Cemeteries and Crematoria Authority and ACT Leave should enhance their board charters by clarifying the board's relationship with, and accountability to, the Minister including linking the statement of operational intent to the Ministerial statement of expectations.

Sub-committees to the board

3.22 The Governance Institute of Australia's *Governance principles for boards of public sector entities in Australia* (2023) states that to assist in their oversight role, governing boards may delegate authority to subcommittees, individual board members, management, employees or other persons within prescribed limits.

3.23 In relation to legislative requirements for sub-committees:

- the FMA Act, the Cemeteries Act, and the ACT Leave Act *do not* include any requirements for sub-committees to the governing boards; and
- section 8 of the CFC Act specifically requires the establishment of advisory committees for the museum collections, historic places and performing arts.

3.24 Each of the three entities' boards have an audit and risk sub-committee tasked with providing independent assurance in relation to risk management. The role of the audit and risk sub-committees is discussed in Chapter 4 of this report.

3.25 Both the Cultural Facilities Corporation and Cemeteries and Crematoria Authority have additional advisory or sub-committees. ACT Leave's board does not have any additional sub-committees. The roles and responsibilities of the sub-committees and their relationship to the governing boards are outlined in the following sections.

Cultural Facilities Corporation advisory committees

3.26 The Cultural Facilities Corporation has three advisory committees:

- **Canberra Theatre Centre Advisory Committee** - provides strategic and policy advice in relation to how the planned development of the Canberra Theatre Centre can provide cultural leadership, excellence and innovation;
- **Canberra Museum and Gallery Advisory Committee** - provides strategic and policy advice on how CMAG can provide cultural leadership, excellence and innovation in the presentation and interpretation of visual arts and social history through its collection and exhibition functions; and

- **Historic Places Advisory Committee** - provides strategic and policy advice on how ACT Historic Places[2] can provide cultural leadership, excellence and innovation in cultural heritage management and interpretation.

3.27 The advisory committees:

- have between five and seven members;
- meet three to four times a year;
- comprise of members with expertise or experience in the heritage, the arts, museums, business and/or marketing and tourism;
- do not include members of the governing board, although the board is responsible for appointing members of the advisory committees; and
- do not advise on operational or programming matters.

Relationship of the advisory committees to the board

3.28 The charter for the Cultural Facilities Corporation board states that: 'the Advisory Committees are responsible to the Board of the CFC through the CFC's Chief Executive Officer (CEO) and through the Director of the relevant program area'.

3.29 Cultural Facilities Corporation board members advised that there was no reporting link between the advisory committees and the board, and that the work of the advisory committees was not informed by the strategic objectives and goals of the organisation.

3.30 The *Review of the Cultural Facilities Corporation Act 1997* likewise identified that the relationship between the advisory committees and the board is unclear. The review noted stakeholder feedback indicating that the advisory committees had:

> … no clear purpose [and that] the only mandatory committee should be a risk and audit committee and that the board should have the flexibility to determine additional advisory committees as required.

3.31 The *Review of the Cultural Facilities Corporation Act 1997* recommended that the CFC Act be amended to remove the mandatory requirement for the board to establish advisory committees for museum collections, historic places and the performing arts. As section 8 of the CFC Act specifically requires the establishment of advisory committees, the decision to retain the advisory committees is a legislative matter and is under consideration by the ACT Government.

3.32 While the terms of reference for the Cultural Facilities Corporation advisory committees note that the committees do not advise on operational or programming matters, neither the terms of reference for the advisory committees nor the Cultural Facilities Corporation

[2] The ACT Historic Places are Lanyon Homestead, Calthorpes' House and Mugga-Mugga Cottage.

board charter clarify the committees' relationship and accountability to the board or specify limitations on the advisory committees' powers.

3.33 There is a risk that the work of the advisory committees could undermine the board's authority and oversight of the entity if the following two elements are not in place:

- a clear line of reporting by the advisory committees to the board; and
- an alignment of the objectives of the advisory committees with the strategic goals and objectives that have been endorsed by the board.

3.34 If the three advisory committees currently in place for the Cultural Facilities Corporation are retained, the board's charter should be updated to clarify the relationship between the advisory committees and the board.

Cemeteries and Crematoria Authority board sub-committees

3.35 In addition to the Audit and Risk sub-committee, the Cemeteries and Crematoria Authority has three other sub-committees:

- **Finance sub-committee** - provides assurance to the board that the authority has adequate financial processes in place and provides recommendations and advise to the board on financial management and business development activities undertaken by the authority;
- **Special Projects sub-committee** - provides advice to the authority on the prioritisation, planning and delivery of significant projects and liaises with relevant departments in the Transport Canberra and City Services Directorate through a governance framework; and
- **Governance sub-committee** - provides assurance to the board that the authority has in place adequate processes to fulfill its governance function and provide advice and recommendations to the board on governance.

3.36 The sub-committees:

- have between four and five members;
- meet quarterly (the Finance and Governance sub-committees) or as required (Special Projects sub-committee);
- are chaired by board members (not including the board Chair or the CEO);
- include both the Chair of the board and the CEO as members;
- include arrangements which ensure the board periodically reviews the purpose of the sub-committees and can amend the objectives of the sub-committee or decide if the sub-committee has fulfilled its purpose and should be disbanded; and

- table their minutes at board meetings to ensure that the board has appropriate oversight of the work of the sub-committees.

3.37 During fieldwork discussions, Cemeteries and Crematoria Authority board members indicated that the sub-committees work well for the board. The CEO noted that that by delegating the more detailed work to the relevant sub-committees, the board can focus more efficiently on the strategic oversight of the entity.

Access to specialists

3.38 To assist in undertaking their role, board members may access guidance or engage specialist skills and knowledge to advise the board on specific matters.

3.39 In reviewing three years of board minutes for the three entities, the Audit Office observed that all of the boards accessed specialist skills as required, for example:

- financial accounting and actuarial specialists periodically attended ACT Leave board meetings to provide advice on matters of investment and market updates;
- the Cemeteries and Crematoria Authority board has sought legal advice from the ACT Government Solicitor's Office on potential risks that arise with major projects underway; and
- Major Projects Canberra has attended the Cultural Facilities Corporation board meeting for the purpose of strategic discussions on the Canberra Theatre Centre Redevelopment Project.

3.40 Each of the three entities' boards have an audit and risk sub-committee tasked with providing independent assurance in relation to risk management. The Cultural Facilities Corporation and Cemeteries and Crematoria Authority have also established additional advisory or sub-committees to the board. The Cultural Facilities Corporation's advisory committees are established by legislation. The committees do not report to the board, nor is the work of the advisory committees informed by the strategic objectives and goals of the organisation. The *Review of the Cultural Facilities Corporation Act 1997* recommended that the CFC Act be amended to remove the mandatory requirement for the board to establish the advisory committees.

3.41 In addition to the Audit and Risk sub-committee, the Cemeteries and Crematoria Authority has three other sub-committees to the board – the Finance, Special Projects and Governance sub-committees. These sub-committees have clearly defined terms of reference and include a commitment to periodically review the purpose of the sub-committees. One CEO advised that by delegating authority for decisions to relevant sub-committees, the board can focus more efficiently on the strategic oversight of the entity. A review of the board meeting minutes for the three entities also shows that the boards regularly engage the services of those with specialist skills and knowledge to advise the board on specific matters.

Recommendation 2 **Cultural Facilities Corporation advisory committees**

The ACT Government and Cultural Facilities Corporation should:

a) determine the status of the Corporation's advisory committees (in accordance with the recommendation of the *Review of the Cultural Facilities Corporation Act 1997*); and

b) (should advisory committees be retained) review and revise the board charter and advisory committees' terms of reference to clarify:

   i) the lines of accountability from the advisory committees to the board; and

   ii) the decision-making authority of any advisory committees.

Induction of new board members

3.42 The Governance Institute of Australia recommends that governance boards have a comprehensive induction process to familiarise new board members with the 'unique circumstances, challenges and regulatory frameworks of the public sector'.

3.43 For each of the three governing boards the Audit Office assessed whether:

- there was an induction process for new board members;
- the induction provided information on the entity's purpose and reason for its formation set out in legislation; and
- the induction provided information on the entity's governance framework including strategy and operations.

3.44 The governing boards for the three entities have in place the following induction processes for new board members:

- the Cultural Facilities Corporation has an induction presentation by the board chair and the CEO. New board members are also provided with:
  - comprehensive induction guidelines that include an overview of the entity's functions, financial position, key legislation, governance arrangements, strategic goals, current and future priorities and risks and challenges;
  - key documents including the strategic plan, business plan, board charter and relevant legislation.
- the Cemeteries and Crematoria Authority has an induction presentation for new board members which is provided by the CEO and the Chair of the board and covers organisational structure, strategic priorities and operational and financial performance.

- ACT Leave's board induction for new members is conducted by the Chair of the board, the CEO and key leadership staff including the Deputy Registrar, Chief Finance Officer and Chief Operation Officer.
  - the induction covers roles and responsibilities, organisational and financial performance, strategy and key projects, risk management and the conduct of board meetings.

3.45 Each of the three governing boards have established consistent induction processes for new board members that provide a comprehensive overview of the entities' strategies, operations, and organisational and financial performance. All board members interviewed for the audit found the induction a useful and thorough introduction to the entity and the operations of the board.

Board member access to guidance

3.46 During discussions for this audit, one board chair identified that there is a lack of guidance available for governing boards on how to operate in the ACT public sector context. Some board members expressed an interest in further guidance from the ACT Government on their role as board members of a statutory authority.

3.47 The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) provides guidance on the functions and operations of governing boards such as developing terms of reference and a code of conduct, managing conflicts of interest, conducting board meetings and monitoring board performance. The publication does not, however, include guidance on the ACT public sector context in which the boards operate. This could include further explanation on the applicable legislation, and describing the roles and relationships between the boards, statutory authorities, directorates and the Ministers.

3.48 Each of the three governing boards have established consistent induction processes for new board members that provide a comprehensive overview of the entities' strategies, operations, and organisational and financial performance. During the audit, however, board members identified that there is a lack of guidance available for ACT government governing boards on how to operate in the ACT Government public sector context. The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) does not include guidance on the ACT public sector context in which the boards operate.

Recommendation 3	**Strengthening guidance to ACT Government boards**

The Chief Minister, Treasury and Economic Development Directorate should review the *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) document, and as part of this review:

a) strengthen guidance on the ACT public sector context in which governance boards operate, including further explanation on the applicable legislation and the roles and relationships between boards, statutory authorities, directorate and Ministers; and

b) strengthen guidance on the management of conflicts of interest for governing boards, including with respect to *material interests*.

Policies supporting the governing boards

3.49 The Governance Institute of Australia's *Governance principles for boards of public sector entities in Australia* (2023) highlights the importance of well documented policies and procedures to guide board behaviour and conduct:

> It is important that the public sector entity can demonstrate that there are policies and procedures in place to guide board members in acting appropriately. Boards also need to demonstrate they are abiding by these standards. For example, the chair may ensure conflicts of interests and other ethical issues are a standing agenda item at board meetings, and the board may include in the annual report how it aligns its decision-making to ethical expectations.

3.50 In reviewing the policies supporting the work of the governing boards, the Audit Office identified:

- there are established policies that set out the standards and culture of the board including:
  - code of conduct;
  - conflict of interest;
  - delegations of authority;
  - financial delegations;[3] and
- the policies and procedures are regularly reviewed, up to date and complete.

3.51 Table 3-3 provides a summary of the policies in place to support the operations of the three governing boards.

[3] Based on the policies identified in the 'Better practice principles for board governance' included in the Victorian Auditor-General Office performance audit report on *Board Performance (2017).*

Table 3-3 Policies supporting the operations of the boards

Policies	Cultural Facilities Corporation	Cemeteries and Crematoria Authority	ACT Leave
Code of conduct	Partial	✓	✓
Conflict of interest	Partial	✗	✓
Delegations of authority	✓	✗	✓
Financial delegations	CEO only	✓	✓

Source: Audit Office review of policies and procedures for Cultural Facilities Corporation, Cemeteries and ACT Leave.

3.52 A review of board policies showed:

- all policies are dated and have been reviewed within the last two years;
- in relation to the code of conduct policy:
  - ACT Leave has a standalone code of conduct policy for the board;
  - the Cultural Facilities Corporation's charter includes a section on board code of conduct;
  - the Cemeteries and Crematoria Authority has a code of conduct policy that applies to employees, board members, contractors and volunteers;
- in relation to the conflict of interest policy:
  - ACT Leave has a standalone conflict of interest policy for the board;
  - the Cultural Facilities Corporation's charter includes a section on the board's management of conflicts of interest;
  - the Cemeteries and Crematoria Authority does not have a conflict of interest policy; and
- all three entities have financial delegations and the Cultural Facilities Corporation and ACT Leave have delegations of authority with respect to the role of the board.

Board-specific code of conduct

3.53 The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* recommends that it is better practice for boards to develop their own code of conduct:

> It is recommended that a board-specific code of conduct be developed in addition to the ACT Government Code of Conduct. In order to develop a code of conduct, a board or committee should identify the core activities it undertakes and frame an appropriate statement of values and rules of behaviour. The board-specific code of conduct should address areas of concern or risk to the board or committee and include specific examples where possible.

3.54 Of the three boards considered for the audit, only ACT Leave has developed a standalone board-specific code of conduct. The Cultural Facilities Corporation's board charter includes a section on code of conduct and the Cemeteries and Crematoria Authority has a code of conduct policy that applies across the authority.

Management of conflict of Interests

3.55 The FMA Act includes the following requirements for the management of conflicts of interests by governing boards:

- board members must take reasonable steps to avoid conflict of interests (section 86);
- board meeting agendas must include an item requiring disclosure of material interests (section 87);
- if a board member has a material interest, the member must disclose the interest at a board meeting as soon as practicable (section 88); and
- within three months of a material interest being disclosed the chair of the board must report to the responsible Minister in writing on the disclosure (section 89).

3.56 The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* provides the following guidance on the management of conflicts of interests by boards:

> When an issue arises, the appointee must, as soon as practicable, disclose full and accurate details of the interest or issue to the board or committee or to the appointer for individual offices (eg. the relevant Minister or Director-General) …
>
> The board or committee (or Director-General or Minister) should make a decision as to how to manage the conflict of interest and record reasons for that decision.
>
> There are different ways of managing conflicts of interest. For boards and committees, one method may be for the member not to take part in discussion of the board or committee relating to the interest or issue, and not vote on the matter. This would include a requirement for the member to be absent from the meeting room when any discussion or vote is taking place and to not receive any relevant board or committee papers. This should also be recorded in the board or committee minutes.
>
> Other means may be more appropriate to the management of the conflict of interest issue:
>
> - the appointee may be required to resign (in an extreme case);
> - divestment of the interest/issue that is creating the conflict (for example, the sale of shares); and
> - ending the connection (for example, resignation from a position in another organisation giving rise to the conflict).

Entities' implementation of legislative requirements

3.57 Table 3-4 summarises how entities considered as part of this audit have implemented sections 86 to 89 of the FMA Act with regard to the board's management of conflicts of interest and disclosures over the last three years (2021, 2022 and 2023).

Table 3-4 Management of conflicts of interest and disclosures – implementation of the FMA Act requirements

FMA Act requirement	Cultural Facilities Corporation	Cemeteries and Crematoria Authority	ACT Leave
Board members must take reasonable steps to avoid conflict of interests (section 86)	**Yes** The board charter states that 'a Board member must take all reasonable steps to avoid being placed in a position where a conflict of interest arises during the exercise of the member's functions.'	**Yes** The board charter states that boards members should 'avoid conflicts of interest (real or perceived) where possible'.	**Yes** ACT Leave's board conflict of interest policy states that board members must consider material personal interests that may give rise to conflicts of interest.
Board meeting agendas must include an item requiring disclosure of material interests (section 87)	**Yes** Disclosures are a standard agenda item at all board meetings and recorded in minutes.	**Yes** Disclosures are a standard agenda item at all board meetings and recorded in minutes.	**Yes** Disclosures are a standard agenda item at all board meetings and recorded in minutes.
If a board member has a material interest, the member must disclose the interest at a board meeting as soon as practicable (section 88)	Nil identified	Nil identified	Nil identified
Within three months after a material interest is disclosed the chair of the board must report to the responsible Minister in writing on the disclosure (section 89)	n/a	n/a	n/a

Source: Audit Office review of Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave documentation.

Definition of material interests

3.58 The FMA Act defines material interest as follows:

> ***material interest***—a governing board member has a ***material interest*** in an issue if the member has—
>
> (a) a direct or indirect financial interest in the issue; or
>
> (b) a direct or indirect interest of any other kind if the interest could conflict with the proper exercise of the member's functions in relation to the board's consideration of the issue.

3.59 The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (April 2021) does not define material interests nor does it provide guidance on the boards' reporting of material interests to the relevant Minister.

3.60 The Audit Office reviewed the entities' board charters and, where applicable, conflicts of interest policies to assess if material interests are defined and if there is a documented procedure for reporting to the Minister on material interests:

- the Cultural Facilities Corporation board charter states that board members must report on material interests at board meetings but does not define material interests nor outline how material interests will be reported to the Minister;
- the Cemeteries and Crematoria Authority board charter states that board members will comply with statutory requirements in relation to conflicts of interest but does not define material interests nor outline how material interests will be reported to the Minister; and
- the ACT Leave board's *Conflict of Interest Policy* (July 2023) refers to the relevant sections of the FMA Act that detail the responsibilities and obligations of board members in relation to conflicts of interest but does not define material interests or how material interests will be reported to the Minister.

3.61 Sections 86 to 89 of the FMA Act require governing boards to ensure members take reasonable steps to avoid conflicts of interest, disclose material interests at board meetings and report material interests to the Minister within three months. All three boards have developed a code of conduct policy. The Cultural Facilities Corporation and ACT Leave have developed a conflicts of interest policy, but only ACT Leave has developed board-specific policies for conflicts of interest and code of conduct. All three boards have developed guidance for board members to avoid conflicts of interest and have established a regular item at each board meeting for members to disclose material interests.

Disclosures recorded in entities' board meeting minutes

3.62 The Audit Office reviewed how disclosures were recorded by the three governing boards in their meeting minutes. For each of the three boards, the board meeting minutes that were reviewed included consideration of disclosures of interest as a regular agenda item. Where a disclosure was noted, the minutes also recorded if further actions was required in relation to the disclosure.

3.63 Table 3-5 summarises the number of disclosures recorded in board minutes for the three governing boards in 2021, 2022 and 2023.

Table 3-5 No. of disclosures recorded in board minutes 2021, 2022 and 2023

Governing board	2021 disclosures	2022 disclosures	2023 disclosures
Cultural Facilities Corporation	3	0	0
Cemeteries and Crematoria Authority	5	2	3
ACT Leave	0	1	1

Source: Audit Office review of board minutes for Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave governing boards.

3.64 As documented in Table 3-5, in 2021, 2022 and 2023 the governing boards recorded the following number of disclosures in the board meeting minutes:

- three for the Cultural Facilities Corporation;
- ten for the Cemeteries and Crematoria Authority; and
- two for ACT Leave.

3.65 Reasons for disclosures included:

- the board member had a close relationship to a person who had applied for a position of employment at the entity;
- the board member was elected to, or employed in, a political position; and
- the board member was appointed to another board, advisory council or reference group.

3.66 In three instances, the CEO declared a financial interest in a matter on the agenda and the minutes record that the CEO left the meeting while those matters were discussed. For every other instance of disclosure recorded in the board minutes, the minutes documented that no further action was taken.

3.67 As noted in Table 3-5, each of the three boards have had several instances of disclosures documented at board meeting minutes in 2021, 2022 and 2023. In all instances the entities advised the Audit Office that the disclosures were not regarded as material and were therefore not reported to the relevant Minister (Table 3-4).

3.68 It is unclear from sections 86 to 89 in the FMA Act if:

- all potential conflicts of interests or only those regarded as material should be disclosed by board members at board meetings; and
- any disclosures made by board members at board meetings should be regarded as material as a matter of course and are therefore required to be reported the Minister.

3.69 In the course of this audit, there were two instances where it was unclear how reported conflicts of interest were managed by the boards:

- ACT Leave advised that due to a recent potential conflict of interest raised by a board member, the CEO and board Chair were considering if further clarification should be included in its conflict of interest policy on material interests (in addition to the current reference to the FMA Act); and
- at the June 2024 Cemeteries and Crematoria Authority board meeting, the Audit Office observed that a board member raised a potential conflict of interest in relation to a political position. The board was unsure on what action should be taken in response to the disclosure and requested that the TCCS representative at the meeting follow up this matter and advise on any further action required by the board in relation to the disclosure.

3.70 In the absence of clear procedural advice in the FMA Act, each of the three boards should include detailed information in their conflict of interest policies or board charters on:

- how material interests should be defined;
- the type of interests that should be disclosed at board meetings; and
- procedures for how material interests are reported to the Minister.

3.71 For 2021, 2022 and 2023, all three boards have recorded conflict of interest disclosures in their board meeting minutes; none of the boards determined that any of these disclosures were material and therefore none were reported to the Minister. There is an absence of clear guidance and procedural advice in the FMA Act on what constitutes a material interest for the purpose of reporting. Further guidance and information is required in the boards' policies or charters with respect to:

- how material interests should be defined;
- the type of interests that should be disclosed at board meetings; and
- procedures for how material interests are reported to the Minister.

Recommendation 4 Guidance for managing conflicts of interest

To ensure compliance with sections 86 to 89 of the *Financial Management Act 1997*, the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave should update their boards' conflict of interest policies and/or board charters to:

a) clearly define the meaning of a *material interest*; and

b) document procedures on how *material interests* will be reported to the Minister when they arise.

Conduct of board meetings

3.72 Having fit-for-purpose procedures in place for the conduct of board meetings assists in promoting an effective boardroom culture and achieving good governance.

Board agendas and meeting papers

3.73 The Audit Office reviewed agenda papers for each of the three governing boards and made the following observations:

- all three boards generally include a coversheet for each agenda item detailing the purpose of the item, background information and recommended action for the board;
- the agenda papers for the Cemeteries and Crematoria Authority and ACT Leave boards include a number of useful features for board members including:
  - having allotted times against agenda items to assist in keeping meetings on time and ensuring adequate consideration of each item;
  - listing the presenters for each agenda item, which provides clarity to board members on responsibilities for each item for consideration;
  - listing the action required by board members against each action item – for example whether the board was required to make a decision, discuss or note an item; and
  - having a coversheet for agenda items including a link to the strategic priorities, identified risks and, for the Cemeteries and Crematoria Authority, a link to the relevant performance indicators.
- ACT Leave's board meeting papers provided information on who prepared, and who endorsed each agenda item paper – this improves transparency and accountability for the information presented in the papers.

Use of board management software

3.74 The Cemeteries and Crematoria Authority and ACT Leave use dedicated board management software for the preparation and distribution of board agenda papers:

- the Cemeteries and Crematoria Authority has been using the Board Effect management software since 2014; and
- ACT Leave has been using the Diligent board management software since at least 2018 but changed to Convene at its October 2024 board meeting.

3.75 The Cultural Facilities Corporation began using Diligent board management software at its October 2024 meeting.

3.76 There are benefits in using dedicated software for the distribution and management of governing board meeting and agenda papers including:

- ease of access of information for board members with centralised access to agenda papers and previous board minutes; and
- improved administrative efficiency in creation of board agendas, meeting papers and drafting meeting minutes.

ACT Government security requirements

3.77 All ACT Government agencies that use business systems must comply with relevant information security requirements. Each business system must be registered with Digital, Data and Technology Solutions (DDTS) and an Information Security Assessment must be completed. The information in the Information Security Assessment can be used to determine if a security plan is required for the business system.

3.78 The Information Security Assessment assists agencies assess their information systems' security requirements, in line with the *Information Privacy Act (ACT) 2014.* This self-assessment tool collects information through five focus areas:

- **Information Asset Details** including a description of the information asset, the consumers, and the purpose of the system;
- **Official Information Identification** that assists in determining whether the business system contains official Australian or ACT Government information;
- **Privacy Threshold Assessment** to assess the potential information risk profile of a proposed or existing system in relation to privacy impacts;
- **Information Classification Assessment** to determine the security classification of information in the business system; and
- **Records management requirements** to confirm the records management obligations for the business system.

3.79 Of the three entities:

- the Cultural Facilities Corporation advised that as of November 2024 an Information Security Assessment is currently underway in collaboration with DDTS for its use of the Diligent board management software, but this has not yet been completed;
- the Cemeteries and Crematoria Authority has not completed an Information Security Assessment for the use of the Board Effect board management software. The Authority advised that Board Effect was implemented in 2014 and it is unclear whether a security assessment was required at this time;
- ACT Leave has not completed an Information Security Assessment for either of the Diligent board management software or Convene board management software.

3.80 The Cemeteries and Crematoria Authority and ACT Leave use dedicated board management software for the preparation and distribution of board agenda papers: the Cemeteries and Crematoria Authority has been using the Board Effect management software since 2014; and ACT Leave has been using the Diligent board management software since at least 2018 but changed to Convene at its October 2024 board meeting. The Cultural Facilities Corporation began using Diligent board management software at its October 2024 meeting.

3.81 There are benefits in using dedicated software for the distribution and management of governing board meeting and agenda papers including: ease of access to information through centralised access to agenda papers and previous board minutes, and improved administrative efficiency in creation of board agendas, meeting papers and drafting meeting minutes. However, two of the entities have not yet completed an Information Security Assessment for the use of such software, to determine whether a security plan is required for the business system. This represents a risk to the security of information.

Review of board meeting minutes

3.82 Sections 93 to 97 of the FMA Act outline requirements for the conduct of board meetings including:

- meetings must be held at least once every three months;
- the chair or deputy chair must preside at all meetings, or another board member if the chair or deputy chair are not present (excepting the CEO);
- business may be carried out if at least half the board members are present;
- meetings may be held how and when the board decides; and
- board meeting minutes must be kept.

3.83 A review of board meeting minutes show that the board meetings have been conducted in accordance with the requirements of the FMA Act.

3.84 A review of board minutes for each of the three governing boards for the past three years (2021, 2022 and 2023) shows that all three boards:

- met at least every three months and all meetings were minuted in accordance with FMA Act requirements;
- held extraordinary meetings to discuss financial statements or major projects for the entity that required board input or decision;
- met quorum requirements for board meetings;
  - the exception to this was a board meeting for ACT Leave where the quorum was not met. The minutes noted that the board did not make any decisions at this meeting in accordance with FMA Act requirements;

- included regular consideration of items including: disclosures of interest, confirmation of agenda and previous board minutes, a CEO's report and finance report;
  - risk and performance were not always included as standing agenda items but could be included in other agenda items including the CEO's report, discussion of strategic priorities, major projects, audit and risk committee updates and Work, Health and Safety reports.
- recorded attendance of board members and guests (including senior leadership and specialist advisors);
  - for all meetings the Chair attended and presided in accordance with FMA Act requirements.
- recorded whether the board made decisions on particular agenda items and any further action required.

3.85 The Audit Office noted the following elements of better practice in the board meeting minutes:

- ACT Leave's board meeting minutes templates demonstrated improvement from 2021 to 2023 with the agenda separated into two categories: matters for noting and matters for decision – this provided clear instruction to board members on what action was required of them;
- all minutes for the Cultural Facilities Corporation board meetings were consistently signed by the Chair – this demonstrated the board's endorsement of the meeting and actions recorded;
- the senior leadership team was regularly involved in providing updates to the board for the Cultural Facilities Corporation and ACT Leave – this built trust and the relationship between the board and the entities' senior management;
  - for example, the Chief Financial Officers for ACT Leave and the Cultural Facilities Corporation often attended board meetings and updated the board with a regular finance report.

Establishing Act requirements

Requirements for number of board members

3.86 The establishing Acts for each of the entities define the required number of board members for each of the governing boards, including:

- the Cultural Facilities Corporation board has seven members;
- the Cemeteries and Crematoria Authority board has between six and 12 members; and
- the ACT Leave board has between three and seven members.

3.87 A review of board meeting minutes (2021, 2022 and 2023) assessed if the number of board members met the required number of members specified in the establishing Acts. The result of this analysis is summarised in Table 3-6.

Table 3-6 Assessment of boards compliance with their establishing Acts on number of board members

	Number of board members listed in board meeting minutes		
Requirements for number of board members	**2021**	**2022**	**2023**
Cultural Facilities Corporation Act 1997, Section 10 The governing board has 7 members.	7	7	7*
Cemeteries and Crematoria Authority Act 2020, Section 118(1) The governing board has at least six, and not more than 12 members.	8 to 10	7 or 8	7 to 9
Long Service Leave (Portable Schemes) Act 2009, Section 79F(1) The governing board has at least 3 and not more than 7 members.	6 or 7	6 or 7	6 or 7

Note: * For the February and April 2023 board meetings for Cultural Facilities Corporation, the board had six members until the seventh member joined the board for the May 2023 board meeting.

Source: Cultural Facilities Corporation, Cemeteries and Crematoria Authority, and ACT Leave establishing Acts and Audit Office analysis of board meeting minutes.

3.88 Table 3-6 shows that all three governing boards met the requirements for the number of board members for 2021, 2022 and 2023.

Requirements in the Long Service Leave (Portable Schemes) Act 2009

3.89 The *Long Service Leave (Portable Schemes) Act 2009* (ACT Leave Act) includes four other requirements for its governing board. The ACT Leave board complied with the four requirements from the ACT Leave Act, as summarised in Table 3-7.

Table 3-7 Assessment of ACT Leave board's compliance with governing board requirements from the ACT Leave Act

Requirement from the *Long Service Leave (Portable Schemes) Act 2009*	**Assessment of ACT Leave board's compliance with requirement**
Section 79I The governing board has the following functions: (a) making recommendations to the Minister under section 51 (Determination of levy—employers) and section 56 (Determination of levy—voluntary members);	The ACT Leave board's functions defined in section 79I are included in the board charter.

Requirement from the *Long Service Leave (Portable Schemes) Act 2009*	**Assessment of ACT Leave board's compliance with requirement**
(b) determining a levy for a covered industry under section 56A (Minor changes to levy—employers and voluntary members); and (c) recommending to the Minister laws to be declared to be corresponding laws under section 87 (Declaration of corresponding laws); (d) any other function given to the governing board under this Act or another territory law.	
Section 79F(4) The chair of the governing board must not be an employer or employee representative.	The ACT Leave board meeting minutes record two separate chairs (one in 2021 and one for 2022 and 2023). The two board chairs for this period were not listed as employee or employer representatives in the board meeting minutes. The 2021, 2022, and 2023 ACT Leave annual reports list the chair of the board as an 'Independent Chair' with other members fulfilling the role of the employee and employer representatives.
Section 79F(7) The registrar is a non-voting member of the governing board.	The 2021, 2022, and 2023 ACT Leave annual reports list the CEO as the registrar. The 2021, 2022 and 2023 ACT Leave board meeting minutes record that the CEO was a non-voting member of the governing board.
Section 79G The deputy chair must be a member who is not an employer or employee representative.	The ACT Leave board meeting minutes record one deputy chair for 2021, 2022 and 2023. The deputy chair was not listed as employee or employer representatives in the board meeting minutes. The 2021, 2022, and 2023 ACT Leave annual reports list the deputy chair of the board as an 'Independent Deputy Chair' with other members fulfilling the role of the employee and employer representatives.

Source: *Long Service Leave (Portable Schemes) Act 2009,* and the Audit Office's assessment of ACT Leave's board meeting minutes and annual reports.

3.90 A review of board meeting minutes for each of the boards for 2021, 2022 and 2023 shows that:

- all three boards complied with the requirements for the conduct of board meetings as outlined in sections 93 to 97 of the FMA Act, including that board meetings are held regularly, all board meetings are minuted, quorum requirements are met and that the chair or deputy chair presided;

- all three boards applied elements of better practice including having standard procedures and templates for the conduct of board meetings and recording regular consideration of items in relation to strategy, performance and risk;
- all three boards complied with the requirements in their establishing Act on the number of board members; and
- ACT Leave's board met specific requirements under the *Long Service Leave (Portable Schemes) Act 2009* (ACT Leave Act) for the board's functions, position of chair, registrar and the deputy chair of the board.

Observation of board meetings

3.91 Characteristics of effective board meetings include that:

- the Chair sets the culture for the board and sets the tone for the meeting through facilitating discussion and working collaboratively with the CEO, senior leadership team and the rest of the board;
- board members contribute equally to the discussion, and ask probing questions of the material provided in agenda papers and the senior leadership team on the strategic and operational performance of the entity; and
- the CEO and the senior leadership team provide sufficient information to the board on the entity's risks, achievements against objectives and operational performance for the board to have appropriate oversight.

3.92 The Audit Office attended the June 2024 board meetings for each of the three governing boards and noted:

- for all three boards, the Chairs followed the agenda, kept discussions on time, encouraged participation and questions from board members on agenda items and assisted in facilitating discussions;
- for all three boards, board members actively asked questions of the material they had been provided;
- for all three boards, the CEO was active in discussions and provided operational, strategic, performance and risk updates to the board when required; and
- the board meetings for Cultural Facilities Corporation and ACT Leave demonstrated greater involvement of the senior leadership team compared to the Cemeteries and Crematoria Authority. This observation was consistent with the Audit Office's review of board minutes.

4 Board monitoring and oversight

4.1 This chapter considers the monitoring and oversight activities of the boards of the selected entities. This includes consideration of the activities of the boards to:

- provide strategic oversight, including the development and oversight of strategic plans;
- identify and monitor organisational risks; and
- monitor organisational performance and the boards’ own performance.

Summary

Conclusions

The governing boards of the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave have established effective arrangements for the strategic monitoring and oversight of the entity. This includes setting strategic goals and objectives, identifying and monitoring risk and monitoring the performance of the entity.

There is, however, an opportunity to improve the boards’ monitoring and review of their own performance and ensuring this is done on a regular basis and that the outcomes of the reviews are monitored.

Key findings

Strategic oversight	Paragraph
All three entities have established up to date strategic plans, with the boards having an active role in the development and endorsement of the plans. The Cemeteries and Crematoria Authority strategic plan links the objectives to the entity’s performance and risks. The ACT Leave strategic plan links the objectives to performance, but not the entity’s risk. The Cultural Facilities Corporation strategic plan does not provide a clear link between the objectives and the entity’s performance and risk.	4.13
All three boards have established a business plan, delivery program or program of work to implement the goals and objectives outlined in their strategic plans. Board meeting minutes demonstrate that the boards are updated at regular intervals on the progress of the business activities to implement the strategic goals and objectives.	4.16

Risk monitoring and management

Each of the entities has developed a framework of risk management documentation including a risk appetite statement that defines the entity's tolerance and treatments for different types of risks, and a risk register that lists specific strategic and operational risks and the mitigation strategies in place. The boards have taken an active role in the development of the risk management documentation at specific sessions at board meetings focussed on risk, and/or through strategic planning days. 4.32

While the boards are responsible for the setting the risk management framework for the entities, the primary mechanism for monitoring risks is through the audit and risk committee. Audit and risk committee meeting minutes show that, in accordance with the roles and responsibilities documented in their terms of reference, the committees provide assurance to the board on matters of risk, compliance and audit. Board meeting minutes also show that the boards have appropriate oversight of the audit and risk committees' work through the receipt of regular updates. 4.33

Performance monitoring and reporting

As required under the FMA Act, the boards endorse the key performance indicators in the Statement of Intent, and the board chairs endorse the Statement of Performance in the Annual Report. Only the Cultural Facilities Corporate board appears to review the draft Statement of Performance, however. To assure themselves of the performance information in the Statement of Performance, the boards receive regular reports at each board meeting from the CEO on the strategic objectives, operational matters, and the progress of key projects, and regular updates every 3 to 6 months on entity performance. 4.43

It is important for boards to regularly evaluate their own performance to assess and improve on their own effectiveness. The boards of the Cultural Facilities Corporation and Cemeteries and Crematoria Authority include provision in their charter for regular evaluation of board performance, while all of the boards have undertaken a review of board performance, with mixed efforts in monitoring the implementation of the outcomes of the review. There is value in the boards for the three entities in formalising and strengthening their processes in evaluating their own performance. 4.54

Responsibilities of governing boards

4.2 Sections 77(1)(c) and 56(3) of the *Financial Management Act 1996* (FMA Act) provides that governing boards in the ACT Government are 'responsible, under the responsible Minister, for the efficient and effective financial management of the resources for which the authority is responsible' and that the governing board must manage the authority in a way that promotes:

- the achievement of the purpose of the authority; and

- the financial sustainability of the authority.

4.3 To provide assurance over the 'achievement of the purpose of the authority' and the 'financial sustainability of the authority' governing boards must have effective:

- **strategic oversight** including taking an active role in:
  - the development of strategic plans and goals;
  - overseeing the implementation of the strategic plan and the entity's progress in achieving goals and objectives;
- **risk management** including:
  - taking a key role in the development of the risk management framework that outlines the entity's approach to risk;
  - receiving timely reports on the status of risks and their mitigation strategies;
- **performance monitoring** including:
  - endorsing external reporting of the entity's performance;
  - receiving regular reports of the entity's operational and financial performance; and
  - regularly reviewing the board's own performance.

4.4 The governing boards' approaches to strategic oversight, risk management and performance monitoring are considered throughout this chapter.

Strategic oversight

Development of strategic plans and goals

4.5 The Governance Institute of Australia's publication on *Governing principles for boards of public sector entities in Australia* outlines the role of boards in developing and approving strategic plans:

> In practice, boards generally delegate the responsibility for recommending and implementing strategy to management, but provide clear leadership in its development. Ideally, the strategic plan should be developed in collaboration with senior management with the chief executive (or equivalent) playing an active part in this process. The board cannot however delegate its ultimate accountability for strategy setting, nor should it passively approve management's recommended strategy. Board members should apply independent judgement and an enquiring mind when testing and approving strategy.

4.6 To understand the boards' roles in developing strategic goals and strategic plans the Audit Office held discussions with board members and reviewed board meeting minutes and strategic plans. The Audit Office identified that:

- the Cultural Facilities Corporation board undertakes the following in relation to the development of strategic plans:

  - the Minister for the Arts attends the opening meeting for the calendar year for the board to discuss strategic priorities with the board; and
  - the development of the strategic plan is discussed at board meetings. The December 2022 meeting minutes record the board's development of the mission and values for the strategic plan, and the April 2023 meeting minutes record the board's discussion of the strategic plan, including that board members worked with a consultant in the development of the plan.

- the Cemeteries and Crematoria Authority board holds an annual two-day strategic planning workshop. At the most recent workshop on 26 February 2024, which was also attended by the CEO:
  - the agenda included a review of the strategic intent, strategic implementation and the Memorandum of Understanding with the Transport Canberra and City Services Directorate; and
  - the board provided input into the development of the strategic plan and a three-year delivery program and also reviewed the strategic risk register.

- ACT Leave holds an annual one-day business strategy workshop covering strategy, culture, leadership and risk. At the most recent workshop on 23 March 2023:
  - the board members and ACT Leave's senior leadership team attended;
  - the agenda included:
    - an organisational strategy workshop and development of the risk appetite statement;
    - development of the organisation's vision and strategy;
    - identification of areas where long-term planning is required to achieve strategic goals; and
    - assessment of risks in relation to the strategic vision; and
  - the outcomes of the day included the development of the draft business strategy and draft risk appetite statement.

4.7 ACT Leave's 2024 business strategy workshop was delayed until December 2024 to allow for the expansion of the scheme[4], and to consider the results of the ACT Leave staff engagement survey that was scheduled for September 2024.

Review of the strategic plan

4.8 Each of the three entities has in place a current strategic plan:

- *Cultural Facilities Corporation Strategic Management 2023-2027;*
- *Canberra Memorial Parks Statement of Strategic Guidance* (April 2024); and

[4] On 29 March 2023, the ACT Legislative Assembly passed the *Long Service Leave (Portable Schemes) Amendment Act 2023*, which expands portable long service leave schemes in the ACT to additional industries. The expansion allows workers in the hairdressing and beauty services industry and the accommodation and food services industry to accrue long service leave on their length of service within these industries and be registered with the Authority for this purpose.

- *ACT Leave Strategic Plan 2023-2026.*

4.9 The Audit Office reviewed the three strategic plans to assess that:

- the strategic plan included a date of approval;
- there was evidence in the board meeting minutes, and/or the records of strategic planning days, that the board had an active role in the development and approval of the strategic plan;
- the strategic plan clearly identified the entity's vision, values and strategic objectives and goals; and
- the strategic plan was clearly linked to performance outcomes and organisational risks.

4.10 A summary of the Audit Office's review of the strategic plans for the three entities is shown in Table 4-1.

Table 4-1 Audit Office review of strategic plans for three entities

Characteristics of the strategic plans	*Cultural Facilities Corporation Strategic Plan 2023-2027*	*Canberra Memorial Parks Statement of Strategic Guidance April 2024*	*ACT Leave Strategic Plan 2023-2026*
Evidence of endorsement and approval by the board			
Date of approval by the board	23 February 2023	19 April 2024	29 June 2023
Evidence of boards' endorsement of strategic plans	✓	✓	✓
Evidence of boards' involvement into the development of strategic plans recorded in board minutes and/or strategic planning days	✓	✓	✓
Identification of entity values, strategic goals and objectives			
Identification of entity's vision	✓	✓	✓
Identification of entity's values	✓	✓	✓
Identification of strategic goals and objectives	✓	✓	✓
Link to performance and risk			
Link to entity's operational outcomes	Partially	✓	✓
Link to entity's risks and challenges	✗	✓	✗

Source: Audit Office review of strategic plans for Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

4.11 As shown in Table 4-1:

- the strategic plans for all three of the entities include dates of approval and there is evidence in meeting minutes, and records of strategic planning days, that the boards had an active role in the development and endorsement of the plans;
- the entities' values, strategic goals and objectives are clearly identified in the plans;
- the Cemeteries and Crematoria Authority's strategic plan links the strategic objectives to the entity's performance and organisational risks;
- ACT Leave's strategic plan links the strategic objectives to performance but not organisational risk; and
- the Cultural Facilities Corporation's strategic plan does not provide a clear link between the organisation's strategic objectives and its performance and organisational risk.

4.12 Elements of better practice identified through this review include:

- *ACT Leave Strategic Plan 2023-2026* includes a foreword from the Chair of the Board, illustrating the board's endorsement of the strategic goals and objectives in the entity's plan; and
- the Cemeteries and Crematoria Authority's *Statement of Strategic Guidance* (April 2024) lists its strategic goals and links each of the goals to key action items and measures of success, thereby illustrating a path for how the entity will achieve its strategic objectives.

4.13 All three entities have established up to date strategic plans, with the boards having an active role in the development and endorsement of the plans. The Cemeteries and Crematoria Authority strategic plan links the objectives to the entity's performance and risks. The ACT Leave strategic plan links the objectives to performance, but not the entity's risk. The Cultural Facilities Corporation strategic plan does not provide a clear link between the objectives and the entity's performance and risk.

Recommendation 5	**Linkage between strategic plan and organisational risk**
The Cultural Facilities Corporation and ACT Leave should strengthen the link between the entity's strategic objectives and organisational risks in future iterations of their strategic plans.	

Oversight of the implementation of the strategic plan

4.14 The Governance Institute of Australia's publication on *Governing principles for boards of public sector entities in Australia* outlines the ways in which boards can oversee the implementation of the strategic plan and objectives of the entity:

> The board should review and update the strategy regularly to ensure it remains relevant and is responsive to changing conditions. This may involve setting annual strategic planning days in the board's annual workplan, periodic board meetings devoted to strategy, or including strategy as a recurring board meeting agenda item. Boards may also consider using an executive committee with the responsibility for monthly horizon scanning, identification of new or emerging risks to the strategy and reporting back to the board with any recommendations.

4.15 The governing boards seek to support the implementation of strategic goals and objectives as follows:

- the Cultural Facilities Corporation has developed a *Business Plan 2024-25*, which was endorsed by the board on 20 June 2024:
  - for each of the strategic objectives and goals from the strategic plan, the business plan lists the accountability indicators, internal performance measures, key business activities to implement the goals, and key plans, policies and procedures the support the goals; and
  - as part of the CEO's regular reporting to the board, the board receives a report on operational performance against strategic objectives.
- the Cemeteries and Crematoria Authority implemented a *Delivery Program 2022-2025* in November 2022:
  - the delivery program identifies the challenges for the board and the intended position at the end of the program in 2025, which aligns with the strategic goals of the entity;
  - for each of the strategic goals, the delivery program lists related programs and projects, the timeframe for implementation and the relevant risks from the strategic risk register; and
  - the board receives updates from the CEO every six months on the progress of action items.
- the *ACT Leave Strategic Plan 2023-2026* includes a section on the organisation's *Business Transformation Program 2023-25*:
  - the *Business Transformation Program 2023-25* is the cornerstone of the ACT Leave strategic plan and its deliverables;
  - the ACT Leave strategic plan describes it as 'a significant program of work' that seeks to 'drive organisational development and improvement';
  - the program consists of six projects and initiatives including the scheme expansion, a brand refresh, a communications and stakeholder engagement strategy, the replacement of the authority's current administration system, business process mapping and migration to the ACT Government network;

- each of the projects is linked to the goals and outcomes in the strategic plan;
- the board is regularly updated on the progress of the *Business Transformation Program 2023-25* and its projects; and
- when the program has been implemented by 2026, it is anticipated that the authority will move to a business as usual state and develop a business or operational level plan to support the strategic plan.

4.16 All three boards have established a business plan, delivery program or program of work to implement the goals and objectives outlined in their strategic plans. Board meeting minutes demonstrate that the boards are updated at regular intervals on the progress of the business activities to implement the strategic goals and objectives.

Risk monitoring and management

4.17 The Governance Institute of Australia's publication on *Governing principles for boards of public sector entities in Australia* identifies three elements to the role of governing boards in relation to risk:

- establishing a risk management framework;
- oversighting the management of risk; and
- actively considering significant and emerging risks.

4.18 To assess the boards' roles in relation to the management and oversight of risk, the Audit Office considered whether the boards:

- have defined their role in relation to risk management and oversight in their charters and recognised this role in the entity's annual report;
- have developed a risk management policy and framework;
- have established a risk register that records the identification, management and monitoring of actions taken to mitigate risks; and
- receive timely reporting on the status of risk management.

Board role for risk management and monitoring

4.19 Table 4-2 summarises the roles of the boards in relation to the management of risk as outlined in the board charters and recognised in the entity's annual report.

Table 4-2 The role of the boards in the management of risk

Board charter	Board's role in risk identification, monitoring and management
Cultural Facilities Corporation	The board charter states that: • through board oversight 'the Board ensures that risks facing the CFC have been identified, assessed and that the risks are being properly managed'. • the CFC's risk management 'is supported by the work of the Audit Committee of the Board and through the CFC's Strategic Risk Management Plan, Internal Audit Program and Fraud Control Plan'. The Annual report lists risk management as a specific responsibility of the Audit Committee.
Cemeteries and Crematoria Authority	The board charter states that the board is responsible for 'the development of an appropriate risk management framework which is regularly monitored, reviewed and updated' and 'periodic monitoring of business-critical risks'. The Annual Report notes that the board oversees risk management through a program of internal audits carried out by external specialists.
ACT Leave	The board charter lists one of the responsibilities of the board as 'ensuring a sound policy framework exists, risks are managed, there is a strong culture of compliance and a well -functioning audit committee'. The Annual Report states that the authority's 'risk management framework is overseen by the Audit Committee'.

Source: Board charters and *Annual Reports 2022-23* for the Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

Development of risk management plans and policies

4.20 Each of the selected entities has established documentation for the management of risk, including risk management plans and policies. These are summarised in Table 4-3.

4.21 In addition to risk management documentation listed in Table 4-3, the entities have fraud and corruption prevention plans:

- *Cultural Facilities Corporation Fraud and Corruption Prevention Plan and Policy* (December 2021);
- *Canberra Memorial Parks Fraud and Corruption Prevention Plan* (April 2024); and
- *ACT Leave Fraud and Corruption Prevention Plan 2024* (August 2024).

4.22 The fraud and corruption prevention plans describe the entities' fraud and corruption prevention strategies and processes; these were not examined in detail for this audit.

Table 4-3 Risk management plans, policies and registers

Risk management document	Description
Cultural Facilities Corporation	
Risk Management Framework and Policy (April 2024)	Outlines the roles and responsibilities of board, audit committee, CEO and senior leadership in relation to the management of risk for the entity. Supports strategies and operational plans for the entity including the fraud control plan, business continuity and disaster preparedness plans.
Cultural Facilities Corporation Risk Management Plan (April 2024)	The objectives of the plan are to: • provide a detailed guide to support the effective implementation of the CFC Risk Appetite Statement and Risk Management Framework and Policy; and • outline the risk management process to be followed by the CFC.
Risk Appetite Statement (December 2023)	The purpose of the risk appetite statement is to document: 'the attitudes and boundaries of risk that the board expects management to take in pursuing the organisation's strategic objectives'.
Strategic Risk Register (April 2024)	Informs the prioritisation of projects for the internal audit program and resources for projects. Each risk identified in the Strategic Risk Register includes a risk description and risk rating, the area of business to which the risk relates, mitigation strategies; and progress in managing the risk.
Cemeteries and Crematoria Authority	
Strategic Risk Register (April 2024)	The strategic risk register includes: • the risk appetite of the entity including its tolerance for different types of risks; and • the current risks for the organisation including the category of risk, source of risk, impact, risk rating, risk owner, controls in place and any further action required.
ACT Leave	
Risk Appetite Statement (July 2023)	The risk appetite statement describes: • the authority's approach to strategic and operational risks; • roles and responsibilities of various parties including the board, audit and risk committees and the CEO; and • defines risk appetite tolerances and the risk appetite categories.
Risk Register (April 2023)	The risk register lists the entity's risks including: • by risk type (strategic or operational); • a description of the risk including its source and the risk owner; • the likelihood and consequences of the risk and subsequent risk rating; and • the risk controls in place.

Source: Audit office based on documentation from Cultural Facilities Corporation, Cemeteries and Crematoria Authority, and ACT Leave.

4.23 As shown in Table 4-3:

- both the Cultural Facilities Corporation and ACT Leave have a framework of risk management documents:
  - the Cultural Facilities Corporation has an overarching framework that describes its approach to risk management and roles and responsibilities in relation to risk including the roles of the board, audit committee, CEO and senior leadership staff;
  - the Cultural Facilities Corporation and ACT Leave have developed risk appetite statements that describe their tolerance of different types of risk (e.g. strategic or operational risks) and how the types of risks will be managed; and
  - the Cultural Facilities Corporation and ACT Leave have risk registers that document strategic and operational risks for the entities and risk treatments.
- the Cemeteries and Crematoria Authority has a Strategic Risk Register that describes the risk appetite for the entity and documents specific risks for the organisation and the risk controls in place.

4.24 The boards' roles in developing and endorsing the risk management framework, plans, policies, and registers are discussed in the following sections.

Cultural Facilities Corporation

4.25 At its December 2023 board meeting, the Cultural Facilities Corporation held a discussion 'to develop an organisational risk appetite for the Cultural Facilities Corporation, to guide the implementation of the Strategic Plan, and to provide a risk framework for management's decisions'. An out of session resolution was subsequently considered by the board between 17 to 19 January 2024 and the risk appetite statement was endorsed by the board. The April 2024 meeting minutes record that the risk management plan and framework was updated and endorsed by the board.

Cemeteries and Crematoria Authority

4.26 The Cemeteries and Crematoria Authority board reviewed the Strategic Risk Register at its annual strategic planning workshop in 2023, including the alignment of strategic risks to the goals identified in the *2022-25 Statement of Strategic Guidance*. The board meeting minutes show that:

- the board endorsed the Strategic Risk Register on 19 April 2023; and
- the board further reviewed the Strategic Risk Register at its June 2024 meeting. This review was linked to the authority's goal in the statement of strategic guidance item 'demonstrating sound governance'.

ACT Leave

4.27 ACT Leave's board developed the risk appetite statement at the one-day business strategy workshop that was held in March 2023. The board meeting minutes show that:

- the risk appetite statement was endorsed by the board at its June 2023 meeting, but the board identified a number of amendments to the document and requested the amended version be tabled at the next board meeting; and
- the board approved the amendments to the risk appetite statement at its following board meeting on 10 August 2023.

4.28 The ACT Leave risk register is provided to the Audit and Risk Committee at every meeting for review and approval, and to the board at the last meeting of each calendar year for review and approval. ACT Leave also documents project-related risks (e.g. with respect to the Business Transformation Program). High and critical risks associated with the Program are reported to the Board at each meeting and other risks can be escalated to the board if necessary.

Monitoring risk

4.29 The boards are responsible for setting the risk management framework for the entity, but the primary mechanism for monitoring risk is through audit and risk committees.

4.30 The roles and responsibilities of the audit and risk committees, and the boards' oversight of these committees, is summarised in Table 4-4.

Table 4-4 Role of audit and risk committee for Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave

Characteristics of the sub-committee	Audit Committee (Cultural Facilities Corporation)	Audit and Risk sub-committee (Cemeteries and Crematoria Authority)	Audit and Risk Committee (ACT Leave)
Terms of reference outlines roles and responsibilities			
Terms of reference established and date of approval	**Yes**, 24 April 2024	**Yes**, 18 October 2023	**Yes**, 30 November 2023

Characteristics of the sub-committee	Audit Committee (Cultural Facilities Corporation)	Audit and Risk sub-committee (Cemeteries and Crematoria Authority)	Audit and Risk Committee (ACT Leave)
Objective of the sub-committee defined	To provide independent assurance and assistance to the board on the entity's financial management, risk, control and compliance.	To provide independent assurance and advice to the board on risk management processes and audit activities including internal audits.	To provide independent assurance and assistance to the board on the authority's risks, control and compliance frameworks, and its external accountability responsibilities.
Roles and responsibility of the sub-committee in relation to risk outlined	• ensuring there is a current and comprehensive risk management framework; and • overseeing the internal audit function.	• ensuring there is a current and comprehensive risk management framework; • ensuring there is policy and procedures for effective identification and management of risks; and • managing the internal audit work program.	• overseeing the risk management framework and processes; • evaluating the adequacy of the internal control system; and • overseeing the annual audit work plan and internal audit function.
Terms of reference defines committee size and meeting regularity			
No. of members	Between two and four	Five including the CEO	Three
No of meetings per year	Every two months. A special meeting may be held to review the financial statements.	Meets quarterly with extra meetings as required.	Meets at least four times per year with additional meetings as required.
Evidence of board's oversight of audit committee's activities			
Meetings minuted and tabled at board meetings	**Yes** The committee reports to the board on its operations by providing the draft minutes of its most recent meeting to each board meeting.	**Yes** The committee's meeting minutes are tabled at board meetings and endorsed by the Chair.	**Yes** The committee's meeting minutes are tabled at board meetings and endorsed by the Chair.

Source: Audit Office review of audit committees' terms of reference and board meeting minutes for Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

4.31 The audit committee meeting minutes of the three entities show that, in accordance with documented roles and responsibilities in their terms of reference, the committees provide assurance to the board on matters of risk, compliance and audit:

- the Cultural Facilities Corporation's Audit Committee regularly considers and monitors the entity's internal audit work program as well as the Strategic Risk Register and associated risk management activities;
- the Cemeteries and Crematoria Authority's Audit and Risk sub-committee reviews the entity's Strategic Risk Register and determines the internal audit work program. The sub-committee has also undertaken a 'deep dive' review of key strategic risks. The sub-committee also reviews key policy documents including the Code of Conduct policy prior to referring the document to the board for endorsement;
- ACT Leave's Audit and Risk Committee regularly reviews the internal audit program, including status of audit recommendations and reviews and approves the updated risk register as each meeting.

4.32 Each of the entities has developed a framework of risk management documentation including a risk appetite statement that defines the entity's tolerance and treatments for different types of risks, and a risk register that lists specific strategic and operational risks and the mitigation strategies in place. The boards have taken an active role in the development of the risk management documentation at specific sessions at board meetings focussed on risk, and/or through strategic planning days.

4.33 While the boards are responsible for the setting the risk management framework for the entities, the primary mechanism for monitoring risks is through the audit and risk committee. Audit and risk committee meeting minutes show that, in accordance with the roles and responsibilities documented in their terms of reference, the committees provide assurance to the board on matters of risk, compliance and audit. Board meeting minutes also show that the boards have appropriate oversight of the audit and risk committees' work through the receipt of regular updates.

Performance monitoring and reporting

4.34 Paragraph 77(c) of the *Financial Management Act 1996* requires governing boards to ensure 'as far as practicable, that the authority operates in proper, effective and efficient way'.

4.35 ACT Government entities, including statutory authorities, are required to report annually on their performance through:

- **Statement of Performance** reports on achievement against the performance measures included in its **Statement of Intent**; and
- the **Annual Report** which includes the Statement of Performance.

4.36 Under sections 55(5) and 69 of the FMA Act, the board is required to review the draft Annual Report and Statement of Performance and the Chair of the board is required to sign off on these documents.

4.37 The accountability indicator[5] that the entities have in place to monitor their organisational and financial performance are included in Appendix B. These accountability indicators are included in the entities' Statement of Intent.

4.38 The charters for the three entities include the following in relation to the board's involvement and/or endorsement of the Statement of Intent, Statement of Performance and Annual Report:

- the Cultural Facilities Corporation board charter states that in relation to the Statement of Performance, the board must:
  - review the draft Statement;
  - ensure that the Statement addresses any relevant audit recommendations; and
  - ensure that the Statement is supported by appropriate internal controls and is signed by the Chair of the Board.
- the Cemeteries and Crematoria Authority board charter states that the board will actively review the entity's performance, but does not specify the role of the board in relation to the annual report or Statement of Performance.
  - the Finance sub-committee terms of reference states that it will monitor financial performance against the indicators set out in the Statement of Intent, and review and advise the board on the annual reports and financial statements of the authority.
- the ACT Leave board charter states that the board must review and approve the annual report of the entity and Statement of Performance.

Board oversight of entity performance

Board endorsement of Statement of Intent and Statement of Performance

4.39 Table 4-5 shows that for each of the entities, the board meeting minutes for 2023 record that the boards:

- endorse the Statement of Intent for the entity (including accountability indicators); and
- only Cultural Facilities Corporation board reviews the draft Statement of Performance that records the entities' performance against the accountability indicators.

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[5] Accountability indicators are a measure of an agency's performance (effectiveness and efficiency) in providing each class of the outputs identified in the annual Budget Papers. Source: Chief Minister, Treasury and Economic Development Directorate, Strengthening Performance and Accountability: A Framework for the ACT, February 2020, p. 25.

4.40 The entities' annual reports show that the board chairs endorsed the Statement of Performance.

Table 4-5 Board endorsement of Key Performance Indicators, Statement of Intent and Statement of Performance

Measure based on requirement under the FMA Act	Cultural Facilities Corporation	Cemeteries and Crematoria Authority	ACT Leave
Boards' endorsement of Key Performance Indicators and the Statement of Intent	✓	✓	✓
Boards' review of the draft Statement of Performance	✓	✗	Partial
Board chair's endorsement of the Statement of Performance in the Annual Report	✓	✓	✓

Note: While the ACT Leave board does not review the draft Statement of Performance, it is reviewed by the Audit and Risk Committee along with the Financial Statements, and the Statement of Performance is provided in the board papers for information.

Source: Audit Office based on documentation from Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave.

Boards ongoing monitoring of entities' performance

4.41 To assure themselves of the information included in the Statement of Performance, boards must receive regular reports on the operational and financial performance of the entity.

4.42 Board meeting minutes and agenda papers for the three boards show that the boards receive regular reporting on, and undertake an active role in oversighting, organisational performance. The boards' activities are outlined below.

- the Cultural Facilities Corporation board:
  - receives regular reports from the CEO at board meetings that include operational reporting against strategic priorities;
  - receives regular reports from the Chief Financial Officer at board meetings on the major projects and current financial position of the entity; and
  - has established internal performance measures, in addition to the accountability indicators, to monitor performance. In December 2023, the board approved 38 key performance indicators (KPIs) and targets against the entities' business plan; and the board requested six monthly updates against the KPIs.
- the Cemeteries and Crematoria Authority board:
  - is provided with six monthly updates by the CEO on achievement against performance measures and financial performance; and
  - receives regular updates on the performance and progress of major projects for the entity.

- the ACT Leave board:
  - receives regular reports by the CEO, Deputy Registrar, Chief Finance Officer and Chief Operations Officer on strategic and operational matters at board meetings;
  - is provided with quarterly updates on key performance indicators at board meetings; and
  - is provided with updates on the progress and performance of major projects.

4.43 As required under the FMA Act, the boards endorse the key performance indicators in the Statement of Intent, and the board chairs endorse the Statement of Performance in the Annual Report. Only the Cultural Facilities Corporate board appears to review the draft Statement of Performance, however. To assure themselves of the performance information in the Statement of Performance, the boards receive regular reports at each board meeting from the CEO on the strategic objectives, operational matters, and the progress of key projects, and regular updates every 3 to 6 months on entity performance.

Board evaluation of its own performance

4.44 The ACT Government's *Governance Principles: Appointments, Boards and Committees in the ACT* (2021) identifies the importance of boards regularly assessing their own performance:

> A board or committee should monitor and evaluate its performance in order to determine the extent to which it is working in line with its original purpose. The degree to which each member is contributing to the output of the board or committee should also be monitored by the chair.

4.45 The Governance Institute of Australia's *Governance Principles for Boards of Public Sector Entities in Australia* publication also highlights the importance of board evaluation of its own performance:

> A board evaluation is an essential tool to assist in achieving better board performance and effectiveness. Effective board evaluations lead to better governance and enhanced entity performance outcomes. Conducting these reviews periodically enables a board to address weaknesses, vulnerabilities or warning signs that can lead to governance failures.

4.46 The board charter for the Cultural Facilities Corporation and Cemeteries and Crematoria Authority require the board to assess its own performance regularly:

- the Cultural Facilities Corporation board charter requires the board to undertake an evaluation of its own performance 'at least once every two years to ensure continuing performance improvements'; and
- the Cemeteries and Crematoria Authority board charter states that the board and directors are subject to: 'evaluation process at regular periods not exceeding two years'.

4.47 ACT Leave's board charter does not include a requirement that the board assess its own performance on a regular basis.

4.48 The boards have undertaken the following actions to review their own performance:

- in early 2023, the Cemeteries and Crematoria Authority board reviewed its effectiveness and used the findings to inform the Board's operations. The review was facilitated by an external consultant and based on an Australian Institute of Company Directors (AICD) board questionnaire. As a result of the review the Governance sub-committee was established, the board charter was updated to include a culture statement, and the content of agenda papers for board meetings were improved;
- in August 2023, the Chair of the Cultural Facilities Corporation board initiated a review of the board's performance. The Chair developed a five-question survey and interviewed each board member in an informal discussion. The outcomes of the review included: lengthening board meetings to deal with major projects; implementing in-camera sessions to increase collaboration between members; and a need to clarify the roles of the Board, Chair and CEO; and
- in October 2022, the ACT Leave board reviewed its performance using a self-evaluation tool that considered aspects of board performance such as strategy, management of board meetings, management of board relationships, board skills and risk and control frameworks. The results of this evaluation were consolidated and presented to the board for discussion at the 16 February 2023 board meeting.

4.49 The Cemeteries and Crematoria Authority advised the Audit Office that:

> In relation to the last Board Effectiveness Survey, the Board developed an action plan for implementation of the findings, which included the establishment of a Governance Sub-committee, which has commenced meeting.
>
> The Board has now discussed the finding and will be conducting an "internal" survey every second year with the alternate year undertaking an "external" review.

4.50 The Cemeteries and Crematoria Authority also advised the Audit Office that it had discussed opportunities for the conduct of a review of Board effectiveness and concluded that:

> … a Board Effectiveness Review should be conducted at the midpoint of the Board term. The rationale for this is that it gave new Board members time to understand the Authority and the operation of the Board and then the second half of the term to implement any findings from the review to handover to the next term a "better" Board.

4.51 Although the Cultural Facilities Corporation undertook a review of its board's performance in August 2023, the *Review of the Cultural Facilities Corporation Act 1997* (2024) identified 'an absence of a formal process for reviewing CFC board performance'. Recommendation 12 of the review was to:

> Amend Division 2.2 of the CFC Act to require the CFC board to ensure adequate procedures are in place for assessing the performance of the board and its individual members on a regular basis and to provide the results of an assessment to the responsible Minister.

4.52 While the Cultural Facilities Corporation and Cemeteries and Crematoria Authority board members interviewed for this audit found the review of performance a useful exercise the implementation of the outcomes of the review was not monitored on an ongoing basis.

4.53 ACT Leave advised that the board also discusses its own performance informally through in camera discussions prior to board meetings and by setting a culture where board members can provide feedback on performance.

4.54 It is important for boards to regularly evaluate their own performance to assess and improve on their own effectiveness. The boards of the Cultural Facilities Corporation and Cemeteries and Crematoria Authority include provision in their charter for regular evaluation of board performance, while all of the boards have undertaken a review of board performance, with mixed efforts in monitoring the implementation of the outcomes of the review. There is value in the boards for the three entities in formalising and strengthening their processes in evaluating their own performance.

Recommendation 6 Review of board performance

The Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave should strengthen and formalise processes for reviewing board performance, including ensuring that:

a) reviews occur on a regular basis;

b) outcomes from the reviews are documented; and

c) the implementation of the outcomes from the reviews are monitored by the board.

Appendix A: Better practice in board governance

The table below is derived from *Appendix B: Better practice in board governance* from the 2017 Victorian Auditor-General's Office's performance audit of *Board Performance*.

The better practice principles and proposed measures identified in this table formed the basis of the ACT Audit Office's assessment of better practice elements for the governing boards considered in this audit.

Better practice principles for board governance

Principle	Measure
Boards focus on strategic management of their organisation	• The board has a good understanding of the strategic environment it operates in and the risks. • The board establishes the entity's strategic goals and is strongly involved in development of the strategic plan. • The board establishes an implementation plan and receives regular reporting on the entity's progress in achieving its strategic goals.
Boards have procedures to ensure accountability and transparency in their decision-making	• The board establishes policies that set out standards for board director conduct. These include but are not limited to: – code of conduct – conflict of interest – declaration of private interests – delegations of authority – gifts, benefits and hospitality. • Board directors disclose any financial or non-financial interest at every board meeting, and disclosures are minuted. • The board establishes standard procedures for conduct at board and subcommittee meetings, specifically: – meeting papers are provided no less than five working days before the meeting – meeting papers include draft minutes of the previous meeting for the board's approval – all meetings are minuted, specifically including a record of decisions made or any actions to be undertaken.
Boards have a clear understanding of their roles and responsibilities	• The board has a board charter or equivalent that clearly sets out the roles and responsibilities of the board collectively and individual board directors. – The board has established terms of reference for each board subcommittee. – The board has procedures in place to induct new board members. – The board actively reviews its risk management approach and controls.

Principle	Measure
Boards identify, review and monitor risks regularly	• The board establishes a risk management policy and framework that sets out the entity's approach to risk management. • A risk register is in place to identify, manage and monitor actions taken to mitigate risks. • The board receives timely reporting on the status of risk management.
Boards have the relevant skills and diversity to discharge their duties	• The board maintains a skills matrix to identify the appropriate mix of skills and knowledge of the board and to identify skill gaps. • There is sufficient diversity on the board.
Boards assess the performance of the board at least annually	• The assessment process and outcomes should be documented. • The board addresses issues identified through the assessment and documents any actions taken.

Source: *Board Performance,* Appendix B. Better practice in board governance, Victorian Auditor-General's Office, 2017.

Appendix B: Accountability indicators

The table below outlines the accountability indicators that the entities have in place to monitor their organisational and financial performance and associated performance targets for 2022-23.

Accountability indicators are identified in the budget papers for Territory entities and are reported on in annual reports.

Accountability indicators for Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave (2022-23)

Accountability Indicators	Target for 2022-23
Cultural Facilities Corporation (CFC)	
1. Estimated number of visitors/patrons to CFC facilities/programs	261,500
2. Number of exhibitions at facilities managed by CFC	27
3. Number of education and community programs provided by CFC	205
4. Number of days venue usage at the Canberra Theatre Centre's venues	475
5. Customer satisfaction with quality of services provided by CFC, measured by annual survey	90%
6. Cost to Government per estimated visitor/patron to CFC facilities/programs	$39.02
7. Own sourced revenue as a proportion of total revenue for CFC	49.8%
Cemeteries and Crematoria Authority	
1. Percentage of deaths in the ACT that inter human remains at an Authority Cemetery	35%
2. Share of cremations performance in the ACT	20%
3. Level of client and stakeholder satisfaction with Canberra Cemeteries	98%
4. Level of matters raised by unsatisfied clients and stakeholders resolved by Canberra Cemeteries operations	100%
5. Average number of years of supply of interment spaces for major denominational groups	4
ACT Leave	
1. Percentage of employer registrations completed within 10 working days of receipt of a correctly completed and verified application form.	100%
2. Number of employers identified for registration as a result of the Authority's compliance activities.	120
3. Percentage of employer returns and payments submitted by due date (five working days after the end of the month following the relevant quarter).	80%
4. Percentage of payments completed within 10 working days of receipt of a correctly completed and verified claim form.	95%
5. Annual net return for each administered scheme on funds under management is in accordance with the Investment Plan.	2.5% above the Australia Average

Accountability Indicators	**Target for 2022-23**
	Weekly Ordinary Time Earnings averaged over five years for each scheme
6. The ratio of total assets over total liabilities as at 30 June of the financial year for each administered scheme is maintained at least of the target.	110%

Source: Cultural Facilities Corporation, Cemeteries and Crematoria Authority and ACT Leave Annual Reports for 2022-23.

Audit reports

Reports Published in 2024-25	
Report No. 10 – 2024	Safer Families Levy
Report No. 09 - 2024	2023-24 Financial Audits - Overview
Report No. 08 - 2024	Annual Report 2023-24
Report No. 07 - 2024	Reusable Facility Services Procurement
Report No. 06 - 2024	Business Transformation Program: ICT renewal activities
Reports Published in 2023-24	
Report No. 05 - 2024	Management and oversight of ACT Policing services
Report No. 04 - 2024	Planning and delivery of services for young people with moderate to severe mental health illness
Report No. 03 - 2024	Management of the Growing and Renewing Public Housing Program
Report No. 02 - 2024	Management of key contracts under A Step Up For Our Kids
Report No. 01 - 2024	Urban Tree Management
Report No. 11 - 2023	2022-23 Financial Audits – Financial Results and Audit Findings
Report No. 10 - 2023	Human Resources Information Management System (HRIMS) Program
Report No. 09 - 2023	2022-23 Financial Audits Overview
Report No. 08 - 2023	Supports for students with disability in ACT public schools
Report No. 07 - 2023	Annual Report 2022-23
Report No. 06 - 2023	Implementation of the ACT Aboriginal and Torres Strait Islander Agreement
Report No. 05 - 2023	Activities of the Government Procurement Board
Reports Published in 2022-23	
Report No. 04 - 2023	Procurement of a hybrid electric fire truck
Report No. 03 - 2023	Financial Management Services for Protected Persons
Report No. 02 - 2023	Management of Operation Reboot (Outpatients)
Report No. 01 - 2023	Construction occupations licensing
Report No. 10 - 2022	2021-22 Financial Audits Financial Results and Audit Findings
Report No. 09 - 2022	ACT Emergency Services Agency cleaning services arrangement
Report No. 08 - 2022	2021-22 Financial Audits – Overview
Report No. 07 - 2022	ACT Childhood Healthy Eating and Active Living Programs
Report No. 06 - 2022	Annual Report 2021-22
Report No. 05 - 2022	Procurement and contracting activities for the Acton Waterfront Project

These and earlier reports can be obtained from the ACT Audit Office's website at http://www.audit.act.gov.au.