

Induction and education

(4) Summary chart of roles and responsibilities

Guidance note for boards of major DELWP agencies

This guidance note is for use by board members of the over 100 major public entities and other statutory boards, committees, councils, panels, etc. in the Department of Environment, Land, Water and Planning (DELWP) portfolio, including large (category 1 and 2) committees of management of crown land reserves

Overview

DELWP supports and oversees a wide range of agencies on behalf of the responsible ministers. This guidance note is a summary chart of the roles and responsibilities of the boards and CEOs of typical major agencies in the DELWP portfolio, and of the related roles and responsibilities of the minister and the department.

This guidance note is recommended for inclusion in induction and education kits for board members.

Further information

This guidance note is available from the [Induction and education](#) support module on DELWP's governance website, On Board (www.delwp.vic.gov.au/onboard).

For small voluntary (category 3) committees of management go to www.delwp.vic.gov.au/committees.

DELWP also offers support to its agencies through its divisions and regional offices. Please contact your agency's usual DELWP relationship manager or team or phone the Customer Service Centre on 136 186.

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This document is available from the internet at www.delwp.vic.gov.au/onboard

For more information contact the DELWP Customer Service Centre 136 186

20 September 2015 (version 2.05) – 53.05

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ISBN 978-1-74287-744-0 (online - set)

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Parliament	Minister	Department	Board	Chair	CEO
Reports to Community	Reports to Parliament	Reports to Minister	Reports to Minister	Reports to Minister (as representative of board)	Reports to Board
Establishes agency; sets functions & performance requirements.	Accountable to Parliament for agency's performance.	Provides advice to minister. Oversees and supports agency on behalf of the minister. An extension of the Minister.	Accountable to the minister for the agency's performance. Develops agency's strategic vision. Overseen and supported by department on behalf of the minister.	The role of the chair is in addition to his/her duties as a board member.	Accountable to board. Implements board's strategic vision & performance requirements.
<p>A. Establishes agency</p> <ul style="list-style-type: none"> Passes the establishing Act – i.e. the law that establishes the agency or enables the minister to establish agencies of that type (also known as the 'enabling' Act). * see below for other limited methods of establishing agencies. Determines the purpose, functions, powers, and responsibilities of the agency (set out in the establishing Act). Sets the agency's resourcing framework. <p>B. Performance monitoring</p> <ul style="list-style-type: none"> Sets accountability framework – i.e. the measures/reporting processes to enable monitoring of the agency's: <ul style="list-style-type: none"> satisfactory performance of its functions; compliance with its governance framework (i.e. establishing Act and other laws, government policies, etc. that bind the agency). Parliament can utilise any or all of the 	<p>A. Responsible for agency</p> <p>Responsible to Parliament for the agency, including:</p> <ul style="list-style-type: none"> performance of the functions set out in its establishing Act (and detailed in the agency's strategic and business plans); and compliance with its governance framework. <p>B. Sets strategic framework</p> <ul style="list-style-type: none"> Subject to Cabinet approval, sets Government policy in relation to the agency. Shapes proposed amendments to the establishing Act. Depending on the establishing Act, appoints and removes board members either directly or via recommendation to the Governor in Council. <p>C. Performance monitoring</p> <ul style="list-style-type: none"> Approves agency's strategic and business plans, where appropriate. 	<p>A. Oversight and support of agency</p> <p>Oversees and supports agency on behalf of the responsible minister - section 13A of the <i>Public Administration Act (PAA)</i>.</p> <p>B. Advice to Minister</p> <ul style="list-style-type: none"> As the minister's principal source of advice on agency issues, provides the minister with strategic and policy advice relating to the agency's performance, compliance, reported major risks, etc. * see next page for examples of typical advice topics. Undertakes high-level policy development and strategic planning on behalf of minister. Coordinates annual funding bids to Government by agencies; distributes funds allocated to agencies by Government. <p>C. Performance monitoring</p> <p>Oversight of agency on behalf of the minister includes monitoring the agency's:</p> <ul style="list-style-type: none"> standard of performance (e.g. strategic and business plans). compliance with governance framework. reporting to the minister. <p>D. Support</p> <ul style="list-style-type: none"> Induction and education: offers support materials for board members, executives and staff of agencies (e.g. model policies, guidance notes, e-alerts). See DELWP's governance website, On Board (www.delwp.vic.gov.au/onboard). 	<p>A. Governing body of agency</p> <p>As the governing body of the agency, the board:</p> <ul style="list-style-type: none"> is accountable to the minister for the agency's performance of its functions and for compliance with its governance framework; is overseen and supported by the department on behalf of the minister (section 13A of the Public Administration Act); has an obligation to provide the department with information requested under section 13A, unless prohibited by law. <p>The board is collectively accountable for its decisions. Each board member has a duty to actively participate in each decision, which must be made in the public interest.</p> <p>B. Strategic vision</p> <p>The board develops and monitors the implementation of the agency's strategic vision. As part of its role, the board:</p> <ul style="list-style-type: none"> Sets and regularly reviews the agency's strategic vision, which it documents in its strategic plan (i.e. medium/long term plan – e.g. 3 to 5 years) and which must be consistent with the agency's functions in the establishing Act. Approves the agency's business plan (usually an annual plan) to ensure its performance objectives and targets are consistent with and support the agency's strategic vision. Undertakes other strategic functions, such as: <ul style="list-style-type: none"> approves the agency's annual report; approves the agency's annual budget; approves decisions relating to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures, and disposals; ensures the agency has appropriate frameworks in place (e.g. systems and processes to manage risk, compliance requirements, etc.); monitors the performance of the CEO (see below). <p>C. Performance Monitoring</p> <p>Monitors the agency's performance, including:</p> <ul style="list-style-type: none"> the standard of performance of its functions compliance with its governance framework (and with any delegations). <p>To help ensure it is properly informed, the board regularly reviews the adequacy of the content and format of reports it receives (e.g. from the CEO, CFO, subcommittees, etc.).</p>	<p>A. Leadership of agency</p> <p>Leads agency and manages its principal relationships.</p> <p>B. Board meetings</p> <ul style="list-style-type: none"> Sets board meeting agendas; conducts meetings in a timely and effective manner, consistent with board policy. Ensures board members treat one another with respect and courtesy and have a balanced opportunity to express their views. Ensures key issues are discussed and determined in the public interest, with the active participation of all board members. <p>C. Conflict of Interest</p> <p>Has a key role in ensuring all conflicts of interest are declared and dealt with in accordance with board policy.</p> <p>D. Capacity Building</p> <ul style="list-style-type: none"> leads board members develops effective team with the necessary skills and capabilities; assists board members to understand their role, responsibilities, and accountability to minister; arranges adequate support for members; 	<p>A. Day-to-day management of agency</p> <p>Implements the strategic vision set by the board (i.e. translates the board's strategic decisions into action) by:</p> <ul style="list-style-type: none"> implementing the board's strategic plan and other board decisions. managing the agency's day-to-day operations. <p>B. Strategic functions</p> <ul style="list-style-type: none"> As required, prepares plans, annual reports, key procedures, policies, etc. in accordance with the board's specifications, for approval by the board. Provides advice/information to the board about the agency's: <ul style="list-style-type: none"> performance of its functions (e.g. strategy, finance, reporting obligations, major issues that arise, etc.); compliance with its governance framework (including information about new/changes to laws, ministerial directions, etc.). <p>C. Performance monitoring</p> <ul style="list-style-type: none"> Ensures the agency operates consistently with: <ul style="list-style-type: none"> its governance framework; the strategic direction set by the board the performance objectives and targets approved by the board in the business plan (which the CEO drafts); the board's other decisions;

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<p>following methods to monitor the agency:</p> <ul style="list-style-type: none"> reporting requirements (e.g. annual reporting requirements under the Financial Management Act and/or establishing Act); audits by the Auditor-General; investigations by the Ombudsman; Parliamentary inquiries; public forums to consider issues; questions in Parliament. <p>.....</p> <p>* Other methods of establishment</p> <p>Other methods of establishing an agency include:</p> <ul style="list-style-type: none"> Terms of Reference: some purely advisory agencies are not established/enabled by an Act of Parliament. Instead, the agency is established by the Minister using inherent powers granted and overseen by Parliament. In such cases, the establishing document which defines the agency's role etc. is the Terms of Reference set by the Minister. Occasionally: an older agency has been established by another means - e.g. Crown Grant, trust deed. 	<ul style="list-style-type: none"> May provide: <ul style="list-style-type: none"> ministerial directions and/or guidance; statements of expectation, obligation, and/or priorities etc. (based on inherent ministerial powers and/or explicit powers in some establishing Acts). May initiate a review of the agency's performance/ operations, etc. Where applicable, accepts and, if required, tables annual report. <p>D. Other</p> <p>Occasionally, a minister will use their inherent powers to establish an agency without Parliament passing an establishing Act. Such agencies are <i>purely advisory</i>. They <i>only</i> provide advice to the Minister, usually on a specific topic for a limited time.</p> <p>Disclaimer: This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that it is without flaw or is appropriate for your purposes and therefore disclaim all liability for any error, loss or other consequence which may arise from you relying on any information in it.</p>	<ul style="list-style-type: none"> Communicates with the agency's board and senior management regarding compliance and performance matters, for example: <ul style="list-style-type: none"> agency's role and responsibilities; government policies and procedures; and reporting frameworks and timelines to comply with Government requirements. <p>E. Whole of Government</p> <ul style="list-style-type: none"> Liaises with agency on 'whole of government' strategic, financial, and policy matters (e.g. Premiers' Circulars). Consolidates information from agencies for 'whole of government' reports. <p>* Typical advice topics</p> <p>The department's advice to the minister as to how well an agency is performing its functions may include advice on:</p> <ul style="list-style-type: none"> significant draft/documents (e.g. strategic plan, business plans, annual report, budget); significant/proposed contractual obligations, loans, purchases; risk management (e.g. emerging/existing risks); revenue management (e.g. asset investment, balance sheet); overall strategic capacity, operational sustainability, and achievement of the agency's performance objectives; compliance with its governance framework. 	<p>D. Risk Management</p> <ul style="list-style-type: none"> Integrates risk management into the agency's strategic planning; Monitors the effectiveness of the agency's internal control mechanisms, including systems for financial and operational risk management; compliance; and reporting; Ensures that the agency is operating within its powers. <p>E. Reporting</p> <ul style="list-style-type: none"> Reports to the minister via an annual report, if required by the Financial Management Act and/or by establishing Act). Provides information (e.g. reports) to the department as required (consistent with section 13A of the PAA). <p>F. Significant risks and other events/issues</p> <p>Must notify the minister and secretary of the department of:</p> <ul style="list-style-type: none"> significant risks (emerging and existing) to the agency's effective operation and the risk management systems in place to address those risks. other significant events and issues. <p>G. Stewardship</p> <ul style="list-style-type: none"> Leads by example, fostering a culture in the agency that reflects the values in the <i>Public Administration Act</i> and related codes (e.g. <i>Directors' Code of Conduct</i> and the <i>Code of Conduct for Victorian Public Sector Employees</i>). Annually reviews and assesses the performance of the board as a whole and of individual board members and the chair. Establishes and regularly reviews board policies on key topics (e.g. conflict of interest). Ensures the agency has appropriate policies in place for staff (e.g. workplace health and safety). <p>I. Conflict of Interest</p> <p>Identifies and deals with conflicts of interest (real, potential and perceived) in accordance with board policy. This usually requires a board member with a material conflict of interest to leave the room and abstain from any discussion or decision on the issue.</p> <p>J. CEO and staff</p> <ul style="list-style-type: none"> Appoints the CEO (where the establishing Act permits); establishes CEO's performance measures; assesses CEO's performance annually; develops a CEO succession plan. Ensures CEO has policies and procedures in place to apply the PAA's employment principles to all staff. <p>K. Stakeholders</p> <p>Ensures the development and maintenance of effective relationships with stakeholders.</p>	<ul style="list-style-type: none"> informs members of developments in government policy, etc.; welcomes new members and leads the induction process. ensures board members have access to all relevant policies. <p>E. Staff</p> <ul style="list-style-type: none"> Establishes constructive working relationship with the CEO; Key liaison between the board and the CEO/ senior management. <p>E. Board performance</p> <p>Manages evaluation of board's performance and the performance of CEO.</p> <p>F. Agency performance</p> <p>On behalf of the Board:</p> <ul style="list-style-type: none"> Notifies the minister and secretary of significant issues and events, in particular, significant risks to the agency and what is being done to manage these risks. Delivers required plans and reports to minister (e.g. strategic plan; annual report). <p>G. Stakeholders</p> <ul style="list-style-type: none"> Represents board to external parties. Acts as official spokesperson for the agency or authorises others (e.g. CEO) to do so to specified extent. Fosters relationship between board and internal audit committee. 	<ul style="list-style-type: none"> the agency's policies and processes (e.g. compliance and risk management processes; fraud, travel); the agency's budget. <ul style="list-style-type: none"> Measures performance and puts in place effective organisational frameworks (e.g. effective systems and processes for financial management, human resources, information systems, risk management, marketing, communications, fund raising, asset management, reporting). <p>D. Reporting</p> <p>Prepares reports which are required to meet the agency's reporting obligations, for approval by board prior to submission to Department, Treasury and Finance, etc.</p> <p>E. Staff</p> <ul style="list-style-type: none"> Main bridge between the board and the agency's staff. Oversees the employment, management, and performance review of staff. Ensures processes are in place that apply the public sector employment principles and related standards. Follows, and ensures that staff follow, the Code of Conduct for Victorian Public Sector Employees. <p>F. Stakeholders</p> <p>To the extent authorised by the board, maintains effective communication with stakeholders (e.g. liaises with, and where appropriate, reports to department on behalf of board).</p>