

# ***Oversight and Accountability of Committees of Management***

Tabled 5 February 2014

## Background

- Crown land reserves—public land for the benefit of Victorians, with a range of purposes.
- Community-based committees of management (CoM):
  - around 1 200 CoMs with 8 000 volunteer members
  - manage around 1 500 reserves across Victoria
  - manage prominent state sites and locally important reserves
  - volunteer labour of 840 000 hours per year—worth up to \$32 million.
- Reviews over 20 years identifying concerns with support and oversight of CoMs.

## Audit objective

To assess adequacy of the Department of Environment and Primary Industries' (DEPI) governance and support for CoMs:

- establishment and governance arrangements
- guidance and support
- monitoring, transparency and accountability of CoMs.



*Gippsland Plains Rail Trail.  
Photo used with permission of  
the Gippsland Plains Rail Trail  
Committee of Management Inc.*

## Roles and responsibilities

### Roles of the minister and DEPI

- Appointment roles—minister can establish CoMs and appoint members.
- Oversight roles—a range of legislated powers.

### Roles of CoMs

- Manage, improve, maintain and control reserves:
  - leasing
  - licensing
  - contracting
  - employing people
  - enforcing regulations
  - using revenue.

## Audit conclusions

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- Governance of CoMs needs significant improvement:
  - need consistent and appropriate governance arrangements
  - insufficient consideration of environmental and social risks
- Insufficient support and guidance for CoMs:
  - not adequately targeted
  - not informed by analysis of key information
  - gaps in DEPI internal coordination and communication.
- Sustainability of CoMs is not assured.

## Audit approach

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- VAGO focused on early agreement and identifying solutions.
- DEPI acknowledged issues at an early stage.
- DEPI has since committed to a series of improvement initiatives:
  - 11 audit recommendations—actions will fully address four and substantially address seven.
  - DEPI project team established October 2013.
  - Actions expected to be fully implemented by December 2014.

## Governance – findings

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DEPI's categorisation framework is not sufficient:

CoM category	Annual expenditure and/or cash balance	No. of CoMs
A	\$1 million or higher	11
B	\$250 000 up to \$1 million	27
C	\$10 000 up to \$250 000	495
D	Less than \$10 000	639
Total		1 172

Categorisation framework has not been applied to appropriately tailor governance arrangements:

- Appointment methods for higher-risk CoMs not consistent nor sufficiently robust.
- Probity checks not tailored according to risk.
- Higher-risk CoMs do not all have adequate internal governance processes, and their remuneration is inconsistent.

## Governance – recommendations and actions

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		Accept
That the Department of Environment and Primary Industries:		
1.	further develop its categorisation framework for committees of management, based on an analysis of financial, social and environmental risks	✓
2.	apply its categorisation framework to develop a tailored and consistent approach to governance processes	✓
3.	review and revise its appointment procedures for skills-based committees of management to ensure that they are robust and are applied consistently.	✓

DEPI has commenced actions that will fully address all three recommendations.



## Support and oversight – findings

DEPI's support and guidance for CoMs is not strategic nor sufficient:

- Approach to supporting and guiding CoMs is not sufficiently risk-based, tailored or strategic.
- Guidance material is lacking in key areas, or not adequately communicated.
- Inadequate collection, collation and analysis of information about CoMs.
- Significant gaps in DEPI's internal coordination and communication.



*The Royal Melbourne Mint, managed by the Mint Inc. CoM.  
Photo courtesy of Wikimedia Commons.*

## Support and oversight – recommendations and actions

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		Accept
That the Department of Environment and Primary Industries:		
4.	develop and implement an engagement guideline to guide its approach to providing support and guidance to committees of management	✓
5.	take steps to improve the support and guidance it provides to committees of management, including its guidelines, networking and website	✓
6.	evaluate its current collection and use of information and develop and implement a strategy to guide information collection	✓
7.	clarify staff roles and responsibilities through group and work performance plans	✓
8.	develop and implement an internal communication strategy to improve information sharing.	✓

DEPI is currently implementing actions that will substantially address these recommendations.

## Ongoing management – findings

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DEPI has not taken adequate steps to ensure the sustainability of CoMs:

- Does not select delegated land managers strategically.
- Has not ensured a sufficient volunteer base for CoMs.
- Allocation of limited funds to CoMs is not fully informed.

Funding of particular concern:

- Operational and maintenance costs problematic for CoMs.
- No direct funding from DEPI and limited grant funding.
- Consequent risks—public safety, strain on CoMs.

## Ongoing management – recommendations and actions

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		Accept
That the Department of Environment and Primary Industries:		
9.	develop and implement strategies to better identify the most appropriate managers for Crown land reserves, and align reserves accordingly	✓
10.	develop and implement strategies to ensure that committees of management have an adequate volunteer base, including by investigating opportunities to amalgamate committees	✓
11.	develop an informed approach to understanding the funding needs of committees of management, so that funding decisions appropriately consider and address risks, including the sustainability of committees.	✓

DEPI has commenced actions that will substantially address all of these recommendations.

## Final comment

- DEPI's constructive and proactive approach throughout audit was pleasing.
- Must follow through with committed actions.
- Lessons apply more broadly.
- Auditor-General will follow up in the future.



*The Great Ocean Road Coast Committee manages 37 km of coastal Crown land reserves along the Great Ocean Road.  
Photo by Christina Bagot.*



## Contact details

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