Office of Sport

Compliance Management Framework

April-2023

Summary

This document describes overarching information on Compliance Management and should be read in conjunction with the Compliance Management Policy and Procedure. Compliance Management is an important aspect of corporate governance and all employees and managers have a role to play. This includes identifying and recording compliance obligations in the Compliance Management Register, resourcing compliance needs, improving controls, complying with obligations, supporting a compliance culture, and reporting or managing compliance improvements and breaches.

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Related Internal Policies/Procedures:	Compliance Management Policy and Procedure Enterprise Risk Management Framework, Policy and Procedures Public Interest Disclosure Policy
Related External Policies or Links:	Public Service Commission: The Code of Ethics and Conduct for NSW government sector employees AS ISO 37301:2023 Compliance management systems — Requirements with guidance for use ISO 37000:2021 Governance of organizations – Guidance ISO 37002:2021 Whistleblowing management systems — Guidelines AS ISO 31000:2018 Risk Management - Guidelines. TPP 20-08 Internal Audit and Risk Management Policy for the General Government Sector. Public Interest Disclosures Act 2022

Version	Amendments**	Prepared by title, unit	Date	Record No.
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Framework

1   Purpose Statement

Compliance management fits within the broader context of corporate governance. This Compliance Management Framework (the framework) describes a system that is integrated with financial, risk, planning, quality, environmental, health and safety management processes and operational procedures at the Office of Sport (OoS).

OoS will maintain a culture of integrity and compliance as a basis for a successful and sustainable organisation and will consider the needs and expectations of stakeholders.

The framework describes how compliance risks are managed at the OoS. It will:

- ensure the appropriateness and consistency of approach between external compliance requirements and internal policies, procedures, regulations and the Code of Ethics and Conduct for NSW government sector employees (Code of Conduct), and

- strengthen the OoS governance arrangements through a uniform approach to compliance and the promotion of a compliance culture.

Policies and procedures to enable compliance are integrated with all OoS operations and the framework supports the achievement of OoS objectives.

2   Scope

This framework applies to all OoS employees (ongoing, temporary, casual and contractors) and it should be read in conjunction with the Compliance Management Policy and Procedure.

3   Definition

Compliance was defined in AS/ISO 19600 as meeting obligations set out in an organisation's operating procedures.

AS ISO 37301:2023 expands on this to define compliance as "*meeting all the organization's compliance obligations*".

4   Alignment with Standards

This Framework is aligned to AS/ISO 19600, pending a full review and alignment with AS ISO 37301:2023 - Compliance management systems —due for completion by December

2023. This timeframe will also facilitate alignment with the commencement of the new *Public Interest Disclosures Act 2022*, on 13 October 2023.

5 Key Themes and Elements

The OoS values, ethics and culture are the core drivers that influence direction. The OoS objectives and functions provide the foundation for understanding and embedding compliance policy and processes into business operations.

The current Australian Standard is AS ISO 37301:2023 - Compliance management systems — Requirements with guidance for use. The key change compared to ISO 19600:2014 is that it "specifies requirements and provides guidelines for establishing, developing, implementing, evaluating, maintaining and improving an effective compliance management system…".

Historically, the standards have provided guidance grouped around elements within seven themes:

1. Context of the organisation
2. Leadership
3. Planning
4. Support
5. Operation
6. Performance evaluation
7. Improvement.

This current framework aligns to these themes and describes the coordinated activity to:

- Identify, assess and document compliance obligations,

- Ensure responsibility for meeting obligations is clearly allocated and understood,

- Monitor and report assessment for how well obligations are being met, and

- Manage addressing a compliance failure (or potential failure) and continually improve systems for meeting obligations.

5.1 Context of the Organisation

This first theme of the framework is about gaining an understanding of the OoS context as this is vital in assisting with the achievement of intended compliance results. Exploring the context will provide information on internal and external issues that are relevant to the purpose and strategic direction of the OoS. This includes:

- identifying, considering and understanding the needs and expectations of interested parties who have valuable input and influence into controls,

- identifying and documenting compliance obligations in summary form in the Compliance Management Register (the register), and

- identifying, analysing and evaluating compliance risk using the Enterprise Risk Management Framework to support efficient and cost-effective management of compliance risk through the use of a consistent and appropriate methodology.

The Compliance Management Register was created through a review of the compliance requirements within the OoS. This was performed by the Audit, Risk & Governance branch with the assistance of Legal Services and management across the OoS. As a dynamic document, the contents evolve over time as management review and identify compliance requirements in their area of work.

5.2 Leadership and Commitment

Compliance is an outcome of an organisation meeting its obligations and the OoS is made sustainable by embedding compliance in the culture and in the behaviour and attitude of employees. This theme depends on:

- leadership at all levels,

- clear OoS values, and

- implementation of measures to promote compliant behaviour.

The OoS commitment is articulated in the Compliance Management Policy and Procedure, which should be read in conjunction with this document.

This Policy also outlines compliance roles and specific responsibilities, including the responsibility for all employees to comply with relevant obligations. This includes ensuring an understanding of relevant policies and procedures.

5.3 Planning

Compliance management must be integrated with OoS strategic and business planning. Through this, compliance risk can be addressed and a compliance culture supported.

5.4 Support

An important theme of the framework is the provision of appropriate support resources and mechanisms to manage compliance risk, compliance breaches and the maintenance of the Compliance Management Register.

Appropriate resources have been allocated to develop, maintain and improve the Compliance Management Framework. This includes the Audit, Risk and Management Branch and the Audit and Risk Committee (ARC).

OoS management must supply employees with suitable access to and awareness of how to meet compliance obligations. This also includes the provision of appropriate

training and communications to support both compliance needs and the promotion of a compliance culture, as well as knowledge of the implications of not conforming with the framework.

There is a broad understanding amongst managers of the requirements of compliance and the management of relevant issues. All current owners and responsible officers are expected to maintain familiarity with the contents of the Compliance Management Register and the reporting requirements associated with compliance management.

The Audit, Risk & Governance Branch and the Legal Services team are available to provide advice to employees on the framework.

5.5 Operation

Control processes must be implemented by management to meet compliance obligations through defining objectives, establishing criteria, implementing controls in accordance with the criteria and documenting that the processes have been carried out as planned. It includes ensuring controls are periodically evaluated and that outsourced processes are controlled and monitored.

Compliance management is to be integrated with OoS financial, risk, planning, quality, environmental, health and safety management processes and operational procedures.

5.6 Performance Evaluation

Performance evaluation is supported through the maintenance of a compliance management register, compliance reporting and audit and assurance activities.

The Compliance Management Register is a summary list of known key obligations under laws, regulations, codes or standards that are applicable to the OoS. It is a tool to demonstrate to interested stakeholders and oversighting central agencies that the OoS has given due consideration to its compliance obligations and is continually acting to maintain effective compliance.

The register provides a clear summary of key compliance requirements, including responsibilities, risk ratings, related policies and controls, and compliance ratings. It is a dynamic document that is reviewed at least annually by responsible owners/leads and updated whenever significant changes occur, or new obligations are identified.

Quarterly reporting forms part of the OoS governance arrangements. As part of this, a quarterly compliance report is compiled by the Audit, Risk & Governance Branch from information supplied by Legal Services, owners, responsible officers and managers. The report is provided to the Audit and Risk Committee (ARC). This includes information provided on any compliance breaches and the management actions taken.

Audit and Assurance activities include:

- oversight of compliance management by the ARC,

- internal and external audits on the effectiveness of controls to manage compliance risk and the Compliance Management Framework,

- annual formal management review of the Compliance Management Register and provision to the ARC for endorsement, and

- provision of the Compliance Management Register to the Audit Office of NSW (on request).

5.7 Improvement

Continuous improvement is a key element of an effective compliance management system. This includes:

- review of the framework, incorporating feedback from employees and interested parties, including the ARC,

- regular review of the management of breaches, and

- improvements informed by the identification, assessment and treatment of nonconformity and noncompliance events, which have the potential to reduce compliance risk and improve overall governance arrangements.

The OoS also provides a confidential arena for the reporting of non-compliance matters, in alignment with the current Public Interest Disclosures (PID) Act. Non-compliance issues of a confidential or sensitive nature can be reported directly to the Director, Human Resources, or to a PID Disclosure Officer (see the PID Policy).