

Compliance Management Policy

1 Purpose

IPART is committed to complying with its obligations in the performance of its functions. The objective of this policy is to establish the measures used by IPART to ensure it meets its compliance obligations.

You should read this Policy to:

- Understand IPART's direction regarding legislative compliance management. It outlines the principles, governance, high-level roles and responsibilities, activities, and reporting requirements.
- Understand the practices and key tools to consistently identify, record, risk assess, monitor, report and evaluate our overall compliance management. The Procedure also outlines actions to be taken on identification and remediation of compliance breaches.

2 Scope

This Policy applies to:

- All staff, Tribunal and Committee members and contractors of IPART. This includes temporary and casual staff, private contracts and consultants engaged by IPART to perform the role of a public official.
- Third party providers who hold compliance management responsibilities as outlined within law, legislation, regulation, contracts, agreements, or memoranda of understanding.

It applies to all activities conducted by or on behalf of IPART, and compliance management should be adopted across projects, functions and activities at all levels.

Every person to whom this policy applies is responsible for adhering to compliance obligations. These include laws and regulations, government directives and mandatory policies, industrial awards, IPART policies, and adopted industry standards, codes, and other commitments such as terms and conditions of agreements, contracts and licences.

This policy does not include compliance and enforcement within the meaning of the IPART [Compliance and Enforcement Policy](#), which is concerned with IPART's compliance monitoring and enforcement functions led by the Regulation and Compliance Division.

3 Policy intent

Compliance with obligations is fundamental to upholding IPART's core values and ensures IPART can demonstrate sound corporate governance. This Policy outlines how IPART intends to manage and demonstrate compliance with identified obligations. This policy:

- Assign roles and responsibilities for compliance management within IPART.
- Promotes a robust compliance culture, consistent with the highest standards of accountability.

- Provides a process for:
 - Identifying new, amended, superseded or discontinued compliance obligations.
 - recording compliance obligations, including both those imposed on IPART, and those IPART enters voluntarily, on an appropriate Register/s
 - assigning accountability for each compliance obligation to a member of the Executive Leadership Team (as an 'Obligation Owner')
 - managing compliance through establishing suitable controls (preventative and detective) to ensure IPART meets its obligations (including an assessment of compliance risks).
- Provides for monitoring and reviewing, by each Obligation Owner identified in the Organisational Compliance Register, regarding the effectiveness of the controls in place to manage compliance obligations.
- Provides for reviews of all compliance obligations to seek to improve compliance performance.
- Establishes proactive and reactive practices on the identification, recording, remediation and correction of identified non-compliance.
- Provides for regular communication and training to ensure IPART and other stakeholders are aware of their compliance obligations and have the necessary knowledge, skills and tools to be able to meet those obligations.
- Provides for reporting on the compliance management system, allowing for assessment and improvements of compliance performance across IPART, and effective oversight of the system.
- Provides independent assurance and evaluation mechanisms allowing for improvements of compliance performance across the compliance management system; and effective oversight of the system.

4 Roles and responsibilities

Roles	Alignment with Three Lines Model	Responsibilities
Tribunal Chair (Accountable Authority)	Accountable Authority	<ul style="list-style-type: none"> • Establish an effective system for risk management, internal control and assurance. However, the Chair’s accountable authority functions are delegated to the Chief Executive Officer (CEO). • Promote a culture of compliance that emphasises IPART’s requirements for ethical conduct and personal accountability.
Tribunal members and other Committee members		<ul style="list-style-type: none"> • Exercise (through the Tribunal, relevant Committee or individually under delegation) the regulatory functions conferred on IPART by legislation. • Demonstrate respect for the law in the performance of Tribunal responsibilities^a. • Give due consideration to the legal framework for decision-making and complying with any obligations imposed directly on a member in their capacity as a Tribunal member^a.
Chief Executive Officer (CEO)	Delegated accountability	<ul style="list-style-type: none"> • Operation of a fit-for-purpose, efficient and effective compliance management system that supports IPART to meet its objectives. • To ensure adequate resources are allocated for IPART to meet its compliance obligations.

^a Refer to IPART Code of Ethics and Conduct for Tribunal Members

Roles	Alignment with Three Lines Model	Responsibilities
		<ul style="list-style-type: none"> Provision of attestations, certifications or other declaration as to IPART's compliance with obligations to central agencies, and disclosures within IPART's Annual Report (as required).
Audit & Risk Committee (ARC)	Advisory (to CEO and Tribunal)	<ul style="list-style-type: none"> Provide independent advice to the CEO and Tribunal Chair on the management of compliance risk within IPART in accordance with TPP20-08, by: <ul style="list-style-type: none"> Determining whether management has appropriately considered legal and compliance risks as part of IPART's risk assessment or management arrangements. reviewing the effectiveness of the system for monitoring IPART's compliance with applicable laws and regulations, and associated government policies. reviewing and advising on the Compliance Policy and Code of Conduct to ensure that it contributes to the risk management processes within IPART, and including an assessment of IPART's compliance framework in the annual report.
Executive Leadership Team (ELT)	Management	<ul style="list-style-type: none"> Promote, demonstrate and facilitate a culture of compliance that emphasises IPART's requirements for ethical conduct and personal accountability. Provide leadership, strategic direction to ensure IPART is best placed to meet its compliance obligations and compliance risks. Act (as individual ELT members) as Obligation Owners Critically assess, and endorse IPART policies, procedures, manuals, guides and other controls (that support compliance management). Ensure open reporting of compliance adherence, including non-compliance matters. Make annual attestation statement as to the compliance or non-compliance with obligations (overseen by the ARC, and Tribunal Chair). Consider reports and determine whether immediate and/or systemic actions are required to achieve an acceptable level of compliance.
General Counsel / Chief Audit Executive	Second Line Defence	<ul style="list-style-type: none"> Is responsible for IPART's compliance management function and to ensure adequate resources are made available for the function. Maintain the Compliance Management Framework.
	Third Line Defence (Independent oversight and challenge)	<p>Separately as CAE, to:</p> <ul style="list-style-type: none"> Monitor, review and advise the CEO and Tribunal (with input from Internal Audit) on IPART's governance processes, risk management, control frameworks, and external obligations. Refer to the Compliance Management Framework (D24/19057) and Internal Audit Charter (D17/34906) on matters of independence.
Director Legal and Principal Risk Officer	Second Line Defence	<ul style="list-style-type: none"> Responsible for designing and supporting the implementation of the compliance management framework, conducting the day-to-day activities associated with coordinating, maintaining and embedding the framework, and maintaining an acceptable level of organisational compliance maturity. Undertake regular scanning and liaising with Obligation Owners to identify relevant new, emerging or superseded or ceased obligations. Central control of a Master Compliance Obligations Register and to keep current (by adding/removing obligations in consultation with Obligation Owners).

Roles	Alignment with Three Lines Model	Responsibilities
		<ul style="list-style-type: none"> • Provide advice relating to compliance management, including interpretation of compliance obligations to support implementation of effective internal controls, as necessary. • Report on compliance management including compliance issues and remediation plans to the ELT, ARC, and Tribunal. • Provide compliance-related technical advice, guidance and coaching to Obligation Owners, employees and public officers as well as promoting a good compliance behaviour, challenging compliance perceptions and supporting a positive compliance culture. • Prepares the annual self-assessment, attestation, maturity assessment and compliance management report (as required under TPP20-08).
Obligation Owner	First Line Defence (Ownership and responsibility)	<ul style="list-style-type: none"> • Uphold and champion IPART's core values including good governance and compliance management. • May delegate, in writing (role description, policy, governance calendar, plan or other method) the responsibility of the compliance obligation in full or part, to a responsible officer (Full Executive Member / Director or IPART Officer G). However, this does not devolve an Obligation Owner's accountability for the compliance obligation. • Undertake regular scanning to identify relevant new, emerging, amended or superseded, and discontinued compliance obligations. • To assist with the co-ordination and efficacy in managing the Compliance Obligations Register and other register aligned with compliance management (e.g., Contracts Register, Policy Register and Asset Register, and any other Divisional Register). • Set in place policy, procedures or other suitable practices to manage and identified compliance obligation. • Establish an appropriate set of internal controls (policy and procedures, system, practice, or other training and awareness) that will provide reasonable confidence that compliance will be achieved. • Ensure each obligation (or group of obligations) is risk assessed, which includes identification of controls and risk treatments, as required.^b • Comply with the requirements specified in respect to each of the obligations under their authority. • Set in place assurance practice (quality assurance, self-assessment or other method) to monitor, review, and act as necessary to ensure compliance throughout the year (as appropriate to each obligation). • Ensure mechanisms are in place for each obligation to identify, remediate and prevent reoccurrence of any non-compliance. • Ensure assessment and management of any compliance breaches occurs.

^a IPART applies a risk-based approach to compliance management. The risk of non-compliance will be monitored, and effective internal controls put in place to reduce compliance risk to within the risk appetite set by the Tribunal. The level of internal controls should be appropriate and proportionate to the level and nature of operational requirements of IPART and reflect the risk of non-compliance. The IPART Risk Management Framework provides guidance on:

- considering the nature and extent of the risk of non-compliance^a
- how to determine appropriate controls for specific obligations through a risk management lens, and
- minimum expectations on internal controls, monitoring compliance, and managing breaches.

These risk assessments should be conducted regularly, including identification of new or emerging compliance risks.

Roles	Alignment with Three Lines Model	Responsibilities
Obligation Owner delegate / Responsible officer		<ul style="list-style-type: none"> Report on any non-compliance issues including remediation via the incident management template (to PRO via the incident management template to internal.audit@ipart.nsw.gov.au) for reporting to ELT, ARC and Tribunal). Undertake the requirements in respect to the obligations assigned to them by the relevant Obligation Owner.
All staff		<ul style="list-style-type: none"> Maintain awareness of their compliance obligations Advise of new or emerging, amended or superseded, and discontinuation of general compliance obligations (generally identified during work conduct) Discharge their duties in line with compliance obligations in good faith and to the best of their capability. Promptly report (to PRO via the incident management template to internal.audit@ipart.nsw.gov.au) all known or suspected non-compliance issues. Maintain confidentiality regarding any review, reporting or investigations of any known or suspected compliance issues.

5 Compliance management in operation

Managing our compliance obligations largely falls across three key processes:

1. Identifying, registering, risk assessing, monitoring and reporting compliance obligations.
2. Identifying non-compliance, undertaking corrective and remediation actions and reporting compliance breaches
3. Compliance self-assessment, assurance and attestation processes.

6 Definitions

Definitions provided are developed In the context of this Policy and in line with AS ISO 37301:2023.

Term	Definition
Compliance breach	See non-compliance.
Compliance culture	Values, ethics, beliefs and conduct that exist through an organisation and interact with the organisation's structures and control systems to produce behavioural norms that are conducive to compliance.
Compliance obligation	Requirements that an organisation mandatorily has to comply with as well as those that an organisation voluntarily chooses to comply with. It is a duty or requirement on IPART to comply, as set out by law and regulation, NSW Government or central agency directions, policy, circulars, memorandums, and adopted industry standards, codes, licences or certifications, and IPART's own policy, procedures, and defined practices.
Compliance obligations register	List of external administrative and legislative obligations plus internally developed policies, manuals, guides. This register is used in conjunction with the Policy Register, Contracts Register, ICT Assets Register.
Compliance risk	Likelihood of occurrence and the consequences of non-compliance with the organisation's compliance obligations.

Term	Definition
Controls / control activities	Methods and mechanisms intended to prevent errors and irregularities, identify issues and ensure that corrective action is taken. Two types of controls: <ul style="list-style-type: none"> Preventative: training, awareness, communication on compliance obligations; manual, mechanical or e-processes, policies, procedures, guides and manuals and other courses of action such as separation of duties (separate authorisation or custody, record-keeping to prevent fraud and errors). Physical controls such as secure storage, access controls and surveillance systems. Detective: checks, tests, reconciliation, quality assurance, self-assessment, internal or external audit.
Employee	A person working on IPART's behalf including part-time staff, full-time staff, temporary and casual staff, contingent labour or contractor.
(Compliance) Obligation owner	A member of IPART's Executive Leadership Team who has been assigned accountability for a compliance obligation (generally in line with their Division or area of function responsibility).
Non-compliance	Non-fulfilment of compliance obligation/s.
Public official	A person having official functions or acting in an official capacity or exercising functions on behalf of an agency such as the Tribunal Chair, Tribunal and Committee members.

7 Review and document control

Control Item	Details
Title	Compliance Management Policy and Procedures
Author	Principal Risk Officer
Owner	General Counsel / Chief Audit Executive
Reviewed	ELT: May 2024
Reviewed	ARC: 17 June 2024
Approved	19 August 2024
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Reference	Compliance Management Policy and Procedures Working Document (D23/1408) Compliance Management Policy and Procedures Approved Document (D24/19058)
Related Documents	Government Sector Finance Act 2018 NSW Treasury, Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08) NSW Treasury, Guide for Audit and Risk Committees: Compliance Management AS ISO 37301:2023 Compliance Management Systems (D22/25404) IPART Audit and Risk Committee Charter (D18/2214) Compliance Management Framework (D2419057) Compliance Management Fact Sheet (D24/19059) IPART Risk Management Policy D18/30418) Fraud and Corruption Control Charter (D22/27857)
Supersedes and Revision History	Nil
Release	Approved Framework, Policy, Procedure and Register on IPART intranet (MiPart) Approved Policy on IPART website
Review Schedule	Every three-years; August 2027