Good governance guide for public sector agencies

Checklist

## Using this checklist

Public sector agencies can use this checklist to assess and manage compliance with their requirements for accountability set out in the *Good governance guide for public sector agencies*.

Accountability requirements are complemented by agency performance systems and processes.

The checklist allows you to gain a quick overview of your agency’s broad level of compliance with accountability requirements. It helps you to identify your agency’s particular strengths and to make sure that you are not neglecting any major governance areas. It is also a practical tool to plan and prioritise your agency’s governance performance.

The checklist relies on information often available in your annual report or on your website. It therefore does not add to your reporting activities but streamlines existing information and helps you digest this in a simple and easy-to-read format that can be made accessible to a wide variety of audiences.

Finally, the Public Sector Commission sponsors a Lonnie Award and uses this checklist to assess agency annual reports with respect to governance information. Use the checklist to make sure your annual report contains adequate information on your agency’s governance framework.

## Principle 1: Government and public sector relationship

The agency’s relationship with the government is clear.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 1.1 | A document defines responsibilities and accountabilities between the chief executive officer and the Minister |  |  |  |
| 1.2 | Processes exist to manage communication and other interaction between ministers and other parliamentary representatives and the agency |  |  |  |
| 1.3 | Communication and other interaction are recorded and monitored |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 2: Management and oversight

The agency’s management has clear oversight and accountability and clearly defined responsibilities.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 2.1 | A document defines roles, responsibilities and accountability for all relevant levels of management (e.g. those involved in setting the agency’s key strategic goals and outcomes and monitoring organisational performance) |  |  |  |
| 2.2 | Where boards and committees exist, the relationship between the parties must be clearly defined |  |  |  |
| 2.3 | A strategic plan outlines the agency’s key strategic goals and outcomes and outputs |  |  |  |
| 2.4 | Operational plans and programs of work exist that define critical success factors and outline how key strategic goals and outcomes will be accomplished at all levels of the agency |  |  |  |
| 2.5 | A delegations framework defines authority levels |  |  |  |
| 2.6 | Performance measures are defined and monitored for the agency’s strategic goals |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 3: Organisational structure

The agency’s structure serves its operations.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 3.1 | Policies ensure that the agency’s structure serves its key strategic goals and outcomes |  |  |  |
| 3.2 | Processes exist to manage structural change and the relationships between business units |  |  |  |
| 3.3 | Performance measures identify how well the structure delivers against strategic plans |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 4: Operations

The agency plans its operations to achieve its goals.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 4.1 | Policies enable operations to deliver against the agency’s key strategic goals and outcomes |  |  |  |
| 4.2 | The agency’s operational plans and programs of work support the agency’s key strategic goals and outcomes and are regularly adjusted to changes in strategic and environmental imperatives |  |  |  |
| 4.3 | Infrastructure is in place to enable the agency to implement its operational plans |  |  |  |
| 4.4 | A proper and adequate record is maintained of the performance of the agency’s operations as aligned with its key strategic goals and outcomes |  |  |  |
| 4.5 | Business process and outcome specific key performance indicators track the agency’s performance against its strategic and operational plans |  |  |  |
| 4.6 | Performance evaluation and audits are conducted |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 5: Ethics and integrity

Ethics and integrity are embedded in the agency’s values and operations.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 5.1 | The agency’s values and code of conduct reflect the WA Code of Ethics and define the standards of official conduct and professional behaviour expected of all employees |  |  |  |
| 5.2 | The agency’s ethics and integrity risks are identified and policies and operational processes address them (e.g. procurement, conflict of interest) |  |  |  |
| 5.3 | People management frameworks define the response to unethical behaviours |  |  |  |
| 5.4 | Processes are in place to provide supervision and assistance and enable follow up of non-compliance (e.g. through public interest disclosure) |  |  |  |
| 5.5 | A structured process is in place to monitor official conduct and professional behaviour (e.g. compliance audit, performance management) |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 6: People

The agency’s leadership in people management contributes to individual and organisational achievements.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 6.1 | Policies enable the attraction, retention and management of people |  |  |  |
| 6.2 | Plans ensure that processes, decisions and actions are based on the principles of fairness, equity and diversity, and are consistent, transparent, impartial and open for review |  |  |  |
| 6.3 | People management frameworks cover the whole employment continuum |  |  |  |
| 6.4 | Structured procedures are in place to monitor adherence to human resource policies and processes |  |  |  |
| 6.5 | Feedback processes identify issues in people management practices |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 7: Finance

The agency safeguards financial integrity and accountability.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 7.1 | Finance policies define the key strategic goals and outcomes for which the agency’s finances must be employed |  |  |  |
| 7.2 | A formal internal audit charter specifies roles and responsibilities, composition and structure of all internal audit functions |  |  |  |
| 7.3 | Processes ensure the proper recording of financial transactions consistent with applicable accounting standards |  |  |  |
| 7.4 | Financial operations contribute towards the agency’s key strategic goals and outcomes and uphold the highest level of integrity |  |  |  |
| 7.5 | Structured processes are in place to monitor and audit financial performance against budget and key strategic goals, both at executive level as well as by an independent audit committee |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 8: Communication

The agency communicates with all parties in a way that is accessible, open and responsive.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 8.1 | Communication policies ensure the agency’s communication is open, accessible and responsive  |  |  |  |
| 8.2 | Policies ensure information is disseminated through correct channels, in a timely manner and to the right target group |  |  |  |
| 8.3 | Processes ensure proactive, transparent and responsive internal and external communication  |  |  |  |
| 8.4 | Processes assist in complying with legislation on record keeping, public interest disclosure and freedom of information, in safeguarding the confidentiality and integrity of information, and in preventing unauthorised, false or premature disclosure |  |  |  |
| 8.5 | An audit strategy exists to monitor compliance with communication policies and strategies |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |

## Principle 9: Risk management

The agency identifies and manages its risks.

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|  | Operational element | Applicable policy/ other document | Annual report reference | Meet (Y/N) |
| 9.1 | Policies exist for the governance and management of material risks (e.g. reputational, financial or physical, including occupational safety and health) |  |  |  |
| 9.2 | The agency’s risk exposure is evaluated and remediation plans are implemented |  |  |  |
| 9.3 | Preventive measures for key risk categories are in place |  |  |  |
| 9.4 | Procedures are in place to monitor incidents from the identified risk categories (data analysis) |  |  |  |
| Reporting | The agency’s annual report identifies compliance levels against the relevant standardsAnnual compliance reporting addresses compliance with WA's requirements for good governanceAll material matters are reported to the relevant oversight bodies |  |  |  |