# Governance Lighthouse Assessment Framework

The Australian National Audit Office Better Practice Guide *“Public Sector Governance – Strengthening Performance Through Good Governance”* (June 2014) asserts that in the pursuit of good governance there are three key focus areas:

* Performance orientation;
* Openness, transparency and integrity; and
* Effective collaboration.

The following questions have been sourced, and in some instances modified to be more aligned with Territory agencies, from the:

* Australian National Audit Office Better Practice Guide *“Public Sector Governance – Strengthening Performance Through Good Governance”* (June 2014); and
* Audit Office of New South Wales *“Governance Lighthouse – a strategic early warning signal”* (February 2015).

The Northern Territory Auditor-General’s Office (NTAGO) acknowledges the work of these two entities in collating the questions in the tables below.

Agencies may find these questions useful to conduct an assessment of their own governance arrangements.

| **Performance Orientation: self-assessment** | | **In place** | | **Evidence** |
| --- | --- | --- | --- | --- |
| **Performance optimisation** | | | | |
| 1 | Does the Agency’s strategic (or corporate) plan give a high-level view of the organisation’s objectives, major strategies and key activities to be undertaken in the short and longer terms? | |  |  |
| 2 | Is the corporate plan aligned with business and operational plans, risk plans and individual performance agreements and incorporates relevant performance information? | |  |  |
| 3 | How have the Agency’s responsibilities and delegations been clearly articulated, with individual staff appropriately informed about the authority they have to make and enact decisions? | |  |  |
| 4 | Is there a set of well-defined key committees responsible for high-level direction and control that are independent of management? | |  |  |
| 5 | Are the responsibilities and reporting lines for these committees clearly understood and documented in a charter? | |  |  |
| 6 | Does each of these committees have a chair who is independent of management and a majority of independent members? | |  |  |
| **Risk management and innovation** | | | | |
| 7 | How has the Agency’s leadership articulated the Agency’s risk posture – that is, its appetite for risk in light of its operating context – and communicated this to officials who are responsible for developing and actioning specific risk monitoring and management strategies? | |  |  |
| 8 | Have strategic and operational risks been identified, analysed, treated, monitored and communicated, with an emphasis on ongoing actions and outcomes by the Agency? | |  |  |
| 9 | Is there a documented risk management policy and has it been endorsed by the head of the organisation or board (where one exists)? | |  |  |
| 10 | Is there a strong risk management culture (as evidenced by affirmative responses to the following questions):   * Is the risk management framework reviewed at least annually or when there is a significant change to the nature of the organisation’s business or its key processes? * Is the risk management framework clearly linked to strategic and business planning? * Does the organisation document and have a shared understanding of its risk appetite? * Do individual staff members accept personal responsibility for identifying and managing risks in their area? * Are risks actively monitored and mitigating controls implemented? | |  |  |
| **Performance monitoring** | | | | |
| 11 | Has the Agency developed a structured and regular system of performance monitoring and reporting, that: is in place; is aligned with the Agency’s outcomes and programs structure; and generates information that is appropriate for internal performance management and external reporting? | |  |  |
| **Evaluation, review and continuous improvement** | | | | |
| 12 | Has the Agency undertaken an evaluation of significant programs, conducted over time, to assess whether the intended objectives are being achieved and to identify any opportunities for improvement in policy design and service delivery? | |  |  |
| 13 | Does the chief executive, governing board and/or committees periodically evaluate and review governance arrangements and practices, including their own roles and performance? How often does this take place, what evidence is retained and what action is taken as a result of this review? | |  |  |
| 14 | Is there a documented approach or plan that covers how compliance is identified, monitored and reported? | |  |  |
| 15 | Have all key compliance obligations (relevant laws, regulations and directions) been identified together with their risk ratings and appropriate mitigation? | |  |  |
| 16 | Are breaches of compliance obligations addressed adequately and promptly? | |  |  |

| **Openness, transparency and integrity: self-assessment** | | **In place** | | **Evidence** |
| --- | --- | --- | --- | --- |
| **Understand the interests and expectations of stakeholders** | | | | |
| 17 | Is information actively sought from stakeholders to ascertain the level and nature of their interest and what they hope to achieve or contribute through any interactions? How is this undertaken, what evidence is retained, and what action is taken as a result of this information gathering? | |  |  |
| **Interact effectively with stakeholders** | | | | |
| 18 | How are key stakeholders identified, and up-to-date information about them, including relevant issues and sensitivities, documented? | |  |  |
| 19 | Does the agency have a range of mechanisms in place to interact with stakeholders effectively, including the use of technology (subject to appropriate controls and guidance for staff interacting online)? | |  |  |
| 20 | Is there a documented program to facilitate two-way interaction with key stakeholders and the public? | |  |  |
| 21 | Is the program reviewed annually or when there is a significant change to the nature of the organisation’s business or its key processes? | |  |  |
| 22 | Is information about an Agency’s functions and governance structure freely available? – e.g. published on the web – additional to the annual report? | |  |  |
| **Actively manage conflicts of interest** | | | | |
| 23 | Does the Agency have a well-developed and communicated conflict of interest policy that: is endorsed at the appropriate level; includes a pro forma for declarations of conflicts of interest; and provides guidance material to inform officers of their obligations. | |  |  |
| 24 | On an ongoing basis, does the Agency take steps to obtain appropriate assurances from individuals/decision makers that they have made relevant and up-to-date disclosures? | |  |  |
| 25 | Have Officers been trained to recognise conflicts of interest and to understand their obligations under law and policy? | |  |  |
| 26 | Does the Agency have a clear policy for managing different conflicts of interest based on their severity? | |  |  |
| **Report clearly on performance and operations** | | | | |
| 27 | Has the Agency met all legislative performance reporting requirements, including through the provision of an annual report to the Parliament that has been prepared in accordance with relevant requirements and guidance? | |  |  |
| 28 | Has the Agency invested appropriate time and effort into establishing performance information to measure the effectiveness (and ideally the efficiency) of their performance? | |  |  |
| 29 | Has the annual report been forwarded to the relevant Minister on time? | |  |  |
| 30 | Has the annual report been tabled in Parliament on time? | |  |  |
| 31 | Is the annual report published on the organisation’s website? | |  |  |
| 32 | Does the annual report include performance information on key metrics, inputs, outputs, processes (i.e. quality control etc.) and outcomes? | |  |  |

| **Developing effective collaboration: self-assessment** | | **In place** | | **Evidence** |
| --- | --- | --- | --- | --- |
| **Understand the cross-entity\* environment** | | | | |
| 33 | Have entities worked together to understand the common goals and drivers for any proposed collaboration? | |  |  |
| **Promote cross-entity performance and accountability** | | | | |
| 34 | Have entities discussed and agreed on a clear purpose, a coordinated strategy and shared and visible lines of accountability? | |  |  |
| 35 | Have each party’s expectations, responsibilities and functions been identified, agreed, understood and documented, including arrangements for funding, monitoring progress and performance reporting? | |  |  |
| **Establish clear roles, responsibilities and governance arrangements** | | | | |
| 36 | Has appropriate consideration been given (and action taken) to appointing a lead Agency and/or management committee to oversee and drive the partnership and monitor outcomes? | |  |  |
| **Facilitate good governance through written agreements** | | | | |
| 37 | Has an appropriate and comprehensive written agreement been developed and signed by all parties involved in the collaboration? | |  |  |

*\*cross entity may mean:*

* *any cross agency relationship between:*
* *the Northern Territory Government Agency/ies and another/other Northern Territory Government Agencies; or*
* *the Northern Territory Government Agency/ies and a Commonwealth Government Agency/Agencies; or*
* *the Northern Territory Government Agency/ies and a Local Government Council/s; or*
* *any cross agency relationship between the Northern Territory Government Agency/ies and non-Government entity/ies; or*
* *any other example the Agency may have.*