



Northern Territory Auditor-General's Office

Auditing for Parliament

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	Evidence
		place	
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?	<input type="checkbox"/>	
2	Is the corporate plan aligned with business and operational plans, risk plans and individual performance agreements and incorporates relevant performance information?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
4	Is there a set of well-defined key committees responsible for high-level direction and control that are independent of management?	<input type="checkbox"/>	
5	Are the responsibilities and reporting lines for these committees clearly understood and documented in a charter?	<input type="checkbox"/>	
6	Does each of these committees have a chair who is independent of management and a majority of independent members?	<input type="checkbox"/>	

Performance Orientation: self-assessment		In place	Evidence
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?	<input type="checkbox"/>	
8	Have strategic and operational risks been identified, analysed, treated, monitored and communicated, with an emphasis on ongoing actions and outcomes by the Agency?	<input type="checkbox"/>	
9	Is there a documented risk management policy and has it been endorsed by the head of the organisation or board (where one exists)?	<input type="checkbox"/>	
10	Is there a strong risk management culture (as evidenced by affirmative responses to the following questions): <ul style="list-style-type: none"> - 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? 	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	

Performance Orientation: self-assessment		In place	Evidence
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?	<input type="checkbox"/>	
14	Is there a documented approach or plan that covers how compliance is identified, monitored and reported?	<input type="checkbox"/>	
15	Have all key compliance obligations (relevant laws, regulations and directions) been identified together with their risk ratings and appropriate mitigation?	<input type="checkbox"/>	
16	Are breaches of compliance obligations addressed adequately and promptly?	<input type="checkbox"/>	

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?	<input type="checkbox"/>	
Interact effectively with stakeholders			
18	How are key stakeholders identified, and up-to-date information about them, including relevant issues and sensitivities, documented?	<input type="checkbox"/>	
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)?	<input type="checkbox"/>	
20	Is there a documented program to facilitate two-way interaction with key stakeholders and the public?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
22	Is information about an Agency's functions and governance structure freely available? – e.g. published on the web – additional to the annual report?	<input type="checkbox"/>	

Openness, transparency and integrity: self-assessment		In	Evidence
		place	
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.	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
25	Have Officers been trained to recognise conflicts of interest and to understand their obligations under law and policy?	<input type="checkbox"/>	
26	Does the Agency have a clear policy for managing different conflicts of interest based on their severity?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
28	Has the Agency invested appropriate time and effort into establishing performance information to measure the effectiveness (and ideally the efficiency) of their performance?	<input type="checkbox"/>	
29	Has the annual report been forwarded to the relevant Minister on time?	<input type="checkbox"/>	
30	Has the annual report been tabled in Parliament on time?	<input type="checkbox"/>	
31	Is the annual report published on the organisation's website?	<input type="checkbox"/>	
32	Does the annual report include performance information on key metrics, inputs, outputs, processes (i.e. quality control etc.) and outcomes?	<input type="checkbox"/>	

Developing effective collaboration: self-assessment		In	Evidence
		place	
Understand the cross-entity* environment			
33	Have entities worked together to understand the common goals and drivers for any proposed collaboration?	<input type="checkbox"/>	

Developing effective collaboration: self-assessment		In place	Evidence
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?	<input type="checkbox"/>	
35	Have each party's expectations, responsibilities and functions been identified, agreed, understood and documented, including arrangements for funding, monitoring progress and performance reporting?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	

**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.*