

GOOD GOVERNANCE GUIDE

→ Helping you comply with the standards

Compliance Checklist

Background

OPSSC has developed this Compliance Checklist to help organisations of the public sector assess and manage compliance with their requirements for accountability across-government. These are set out in the OPSSC Good Governance Guide.

Numerous ASX listed companies, including Westpac and Wine Society, use a similar concept to check and report on their compliance with the ASX corporate governance principles, the private sector equivalent to the OPSSC Good Governance Guide.

How can I use the checklist?

→ Easy internal and external compliance reporting

You can use the checklist to communicate and report about your organisation's governance.

When used to communicate internally, the checklist will enhance your team's understanding of the fundamental governance concepts applicable to the WA public sector and your organisation. It will raise awareness about each staff's individual and your organisation's collective role in maintaining good governance across the WA public sector.

The checklist will also serve as an easy reference tool for communicating with your external stakeholders, other organisations of the public sector and the media, as well as the general public.

The checklist relies exclusively on information already available in your Annual Report or on your website. It therefore doesn't add to your reporting activities but streamlines existing information and helps you digest this in a simple and easy-to-read format accessible to a wide variety of audiences.

→ Quick check of your organisation's governance performance

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

→ Win the OPSSC sponsored Lonnie award!

Finally, the OPSSC will be using this checklist to assess your Annual Report with respect to the quality of its information on governance. To increase your chances of winning the OPSSC sponsored Lonnie award, use the checklist to make sure your Annual Report contains adequate information on your organisation's governance framework.

Additional tools

- ✓ Principles and operational matrix
- ✓ Accountability map
- ✓ Common practice exemplars
- ✓ Maturity model

You can find these at:

<http://www.opssc.wa.gov.au/GGG/>

For further information

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Principle 1 : Government and public sector relationship

The organisation's relationship with the government is clear.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (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 organisation			
1.3	Communication and other interaction are recorded and monitored			
Reporting	The organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 2 : Management and oversight

The organisation's management and oversight is accountable and has clearly defined responsibilities.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
2.1	A document defines roles, responsibilities and accountability for all relevant levels of management (e.g. those involved in setting the organisation'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 organisation's key strategic goals and outcomes and outputs			
2.4	Operational plans and programmes of work exist that define critical success factors and outline how key strategic goals and outcomes will be accomplished at all levels of the organisation			
2.5	A delegations framework defines authority levels			
2.6	Performance measures are defined and monitored for the organisation's strategic goals			
Reporting	The organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 3 : Organisational structure

The organisation's structure serves its operations.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
3.1	Policies ensure that the organisation'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 organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 4 : Operations

The organisation plans its operations to achieve its goals.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
4.1	Policies enable operations to deliver against the organisation's key strategic goals and outcomes			
4.2	The organisation's operational plans and programmes of work support the organisation'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 organisation to implement its operational plans			
4.4	A proper and adequate record is maintained of the performance of the organisation's operations as aligned with its key strategic goals and outcomes.			
4.5	Business process and outcome specific key performance indicators track the organisation's performance against its strategic and operational plans			
4.6	Performance evaluation and audits are conducted			
Reporting	The organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 5 : Ethics and integrity

Ethics and integrity are embedded in the organisation's values and operations.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
5.1	The organisation'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 organisation'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 non-ethical behaviour			
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 organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 6 : People

The organisation's leadership in people management contributes to individual and organisational achievements.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (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			

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
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Principle 7 : Finance

The organisation safeguards financial integrity and accountability.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
7.1	Finance policies define the key strategic goals and outcomes for which the organisation's finances must be employed			
7.2	A formal audit charter specifies roles and responsibilities, composition and structure of all audit functions			
7.3	Processes ensure the proper recording of financial transactions consistent with applicable accounting standards			
7.4	Financial operations contribute towards the organisation'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 organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 8 : Communication

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

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
8.1	Communication policies ensure the organisation'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			

	Operational element	Applicable policy/ other document	Annual report reference	Comply (Y/N)
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 organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			

Principle 9 : Risk management

The organisation identifies and manages its risks.

	Operational element	Applicable policy/ other document	Annual report reference	Comply (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 organisation'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 organisation's annual report identifies compliance levels against the relevant standards Annual compliance reporting addresses compliance with WA's requirements for good governance All material matters are reported to the relevant oversight bodies			