



Governance for Government

Why government needs good governance



Governance and government go hand-in-hand. Government bodies have a particular responsibility to ensure they're well-governed, as they are publicly accountable for their decisions. They should set an example to other organisations by upholding the highest standards of transparency, accountability, efficiency and equality.

This paper discusses good governance – what it is, why it matters and how to implement it – for government bodies at all levels. Whether local, state or federal, the same basic principles apply.

Effective governance is a dynamic, cost-effective way to improve performance across all metrics. Well-governed organisations are less likely to suffer from information leaks, IT security incidents, damaging HR problems (such as poor recruitment or poor staff behaviour), ineffective management and an inability to adapt to new requirements and new technologies.

What does good governance look like?

Diligent has been providing software to make governance simpler, more effective and more secure for decades. We believe there are two critical ingredients for good governance: the right culture and the right tools.

Government bodies must deliver outcomes efficiently and to high standards. In well-governed organisations, senior leaders have ready access to the data and metrics they need to evaluate performance, resolve problems and plan for future needs.

More specifically, the public sector has several reference governance principles:¹

- ▶ **Accountability:** Being answerable for decisions and having meaningful mechanisms in place to ensure the agency adheres to all applicable standards.
- ▶ **Transparency and openness:** Having clear roles and responsibilities and clear procedures for making decisions and exercising power.
- ▶ **Integrity:** Acting impartially, ethically and in the interests of the agency, and not misusing information acquired through a position of trust.
- ▶ **Stewardship:** Using every opportunity to enhance the value of the public assets and institutions that have been entrusted to care.
- ▶ **Efficiency:** Ensuring the best use of resources to further the aims of the organisation, with a commitment to evidence-based strategies for improvement.
- ▶ **Leadership:** Achieving an agency-wide commitment to good governance through leadership from the top.

In practice, good governance stems from a board or senior-management group that is grounded in a shared understanding of their agency's values and objectives. Operationally they need reliable tools to quickly and securely access and share information. In times of crisis, they must communicate and coordinate responses, and understand who is accountable for which areas of governance and performance.

¹ANAO, 2003, Public Sector Governance, Volumes 1 & 2: Better Practice Guide, Commonwealth of Australia, Canberra, p. 2.

Governance and risk management

In a modern context, risk management goes beyond operations and workplace health and safety; data and privacy are critical concerns for all organisations but especially for government agencies. To this end, governance includes effective oversight of IT and data security. It also includes keeping confidential information, such as board deliberations and discussions between senior managers, private and secure.

Governance failures in these areas can be catastrophic, with reputational, financial and even political damage resulting. Especially for government agencies, negative media attention can further the damage and lead to additional negative consequences for the agency and its leadership.

That's one of the reasons why many government bodies, whether small affiliated agencies or large state or deferral departments, have deployed governance platforms. These software packages provide secure tools for managing and sharing information to minimise risk exposures.

Such platforms also provide tools for essential functions including meetings and minutes, messaging, reporting and more. Properly used, they make it easier to create and monitor an organisation's culture and its performance on crucial governance metrics.

How to implement governance

Leadership by example is critical for good governance. When implementing new, or changing existing, systems leadership is – if anything – even more critical. The Australian Public Service Commission recognises leadership and culture's crucial role in its '[building blocks for governance](#)' which include:

- ▶ **Leadership and culture:** Promoting a principles-based (not rules-based) culture that's led and exemplified by senior managers.
- ▶ **Clear and frequent communication:** To ensure transparency and a culture of openness.
- ▶ **Governance committee:** To ensure governance measures are appropriate and well implemented.
- ▶ **Whole-of-organisation engagement:** So that good governance is seen as a shared responsibility, not an 'extra' or an external imposition.
- ▶ **Accountability mechanisms:** Systems and workflows to ensure staff understand their responsibilities and discharge their duties.
- ▶ **Risk management:** Establishing robust mechanisms for risk assessment, management and mitigation.
- ▶ **Strategic planning and evaluation:** Ensuring the organisation has a clear understanding of its goals and how to achieve them.
- ▶ **Operational/performance measurement and evaluation:** To provide clear evidence that the organisation is discharging its duties effectively and in compliance with all legal and operational requirements.
- ▶ **Flexible systems:** To ensure the organisation can respond promptly and effectively to new requirements and situations as they arise.

Working groups and teams should be multi-disciplinary where possible, and HR and IT leaders should be involved to help properly integrate proposed changes and solutions into existing systems and infrastructure.

Choosing the right governance tools

We believe the best tool for governance is a single, unified software platform. This approach avoids the inherent operational and security problems when using multiple applications and platforms for tasks that require information-sharing and frequent communication. It also creates a 'single source of truth' to hold minutes, reports and other information with full version control and flexible access control. Key features to look for in a governance platform include:

- ▶ **Meeting tools:** Including agendas and minutes.
- ▶ **Management tools:** Including board papers and action items.
- ▶ **Security:** Including access control and secure messaging.
- ▶ **Communications:** Including messaging, voting and collaboration.
- ▶ **Document management:** Including version control and document-sharing.
- ▶ **Information stores:** Including document repositories and archives.
- ▶ **Reporting:** Including committee and compliance reports.

Messaging is an especially important capability. Using non-secured email services is a common mistake – and when executives use personal email for board business, the risks are significant. Once a message leaves a secure environment it is beyond the sender's control; it may be hacked, copied, forwarded and distributed at will.

Diligent's Messenger app is secure by design. It includes easy-to-use controls to avoid accidental forwards or 'copy and pastes', and the ability to retract messages. It also provides message notifications so users can be sure whether a recipient has received, read or replied to a message.

Similarly, Diligent's Board Management Software provides a full suite of governance capabilities. These include:

- ▶ Secure virtual rooms to host committee meetings and their documents
- ▶ Document annotation and sharing

- ▶ Voting
- ▶ Questionnaires
- ▶ Version control for documents and conflict of interest management

Finally, a platform should be easy to use. It should offer web, desktop and mobile access, include comprehensive support and training, and be upgradeable to take advantage of new capabilities as they emerge.

Diligent is committed to supporting its customers and its apps. That's why we provide a 24/7 service desk as part of our award-winning 'white-glove' customer-service offering.

Conclusion

Governance matters for every organisation, but for government agencies, it is especially important. Implementing or improving a governance system starts with a committed leadership team and must be viewed as a whole-of-agency effort to embed good practices in day-to-day workflows and activities.

Diligent supports over 150 federal, state and local government departments and agencies across Australia. With the right culture in place, supplemented by a secure, convenient and comprehensive software platform, there's no reason why your agency can't join them in enjoying good governance's many benefits.



Australian Government
Department of Infrastructure
and Regional Development



Australian Government
Comcare

