

Louise Mason

**Local Government Auditor
Assistant Auditor General**

APSE Northern Ireland Seminar

11 March 2016



The Seven Principles of Public Life

Selflessness

- Holders of public office should take decisions solely in terms of the public interest.

Integrity

- Officials should not place themselves under any financial or other obligation to outside individuals or organisations.

Objectivity

- eg making public appointments, awarding contracts, or recommending individuals for rewards and benefits.

Accountability

- Should be accountable for decisions and actions to the public and must submit themselves to scrutiny.

Openness

- Open as possible about all the decisions and actions taken.

Honesty

- Duty to declare any private interests relating to public duties

Leadership

- Officers should promote and support these principles by leadership and example

The key elements of good governance

- Leadership
- Structure
- Decision Making and Risk Management
- Accountability
- Culture
- Reputation

Culture

“Good governance cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements.”

The Good Governance Standard for Public Services – The Independent Commission on Good Governance in Public Services

Risk

Public Sector Audit is not
against taking risks!

Risk Management

- Traditional pre-occupation of Risk Management programmes is avoidance of harm
- The introduction of the concept of risk appetite has the potential to change the debate.

Risk Appetite is not static

- Can move very quickly from reckless to averse and vice versa.
- Varies enormously across the public sector.

New Projects

1. Identify the strategic aims and objectives.
2. Lead process of change and encourage innovation and enterprise enhancing ability to deliver.
3. Set standards and values.
4. Assess and manage risk
5. Advise on allocation of financial and human resources.
6. Maintain effective internal controls.
7. Monitor achievement of objectives

Things to consider in a risk assessment

- Governance and accountability arrangements.
- Risk management arrangements.
- Strength of financial management.
- Anti-fraud culture?
- Internal / external audit arrangements.

(Checklists in Best Practice in Finance and Governance in the Voluntary and Community Sector – contact Voluntary and Community Unit at DSD)

Good Practice Guides

- Managing Fraud Risk in a Changing Environment
- Conflicts of Interest
- Whistleblowing in the Public Sector: A Good Practice Guide for Workers and Employers
- Risk Management
- Good Governance
- Improving Public Sector Efficiency

Into The West

- Policies and procedures not formally developed.
- Documentation incomplete.
- Lack of control over the identification and appointment of agents.
- Not all agents had formal contracts.
- Poor management and control of the agents.
- Lack of control over payments to agents.

Controls

- Accessible and up to date management statement / financial memorandum
- Clear roles and responsibilities particularly for payments made
- Good budgetary processes
- Review of annual accounts
- Review of any internal / external reports
- Attendance at Board / Audit Committee meetings
- Communication at all levels
- Procedures for grants
- Review of Board / Committee minutes
- Questionnaire to external auditors

Accountability

- Clearly indentifiable lines of accountability within.
- Accountability outside the body should be clear too.
- All lines of accountability should be allowed have its say.

Reputational Risk in the Public Sector

- Standards in Public Life
- The Political Interface
- Public Trust and Transparency Issues
- Perennial Themes
 - Conflicts of Interest
 - Severance Payments
 - Poor treatment of Whistleblowers
 - Procurement