

Good governance in the public sector: IFAC/CIPFA project to develop an international framework

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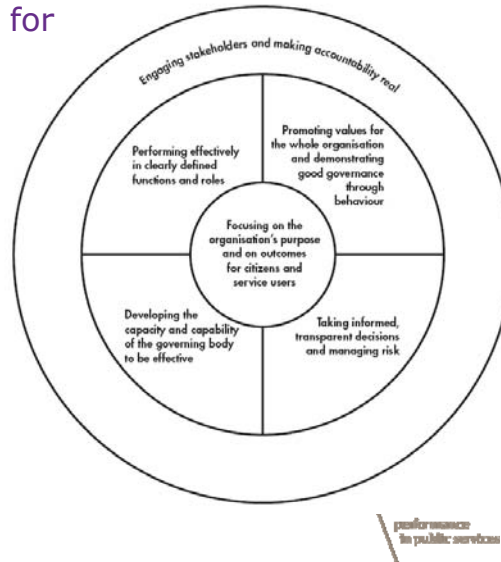
Project overview

- Specific features of public sector addressed
- Principles based
- International Good Practice Guide
- Links to CIPFA Whole System Approach to Public Financial management
- Builds on previous work by both IFAC and CIPFA
 - Governance in the Public Sector: A Governing Body Perspective (2009)
 - Good Governance Standard 2005

Governance Standard for Public Services - 1

Good Governance means:

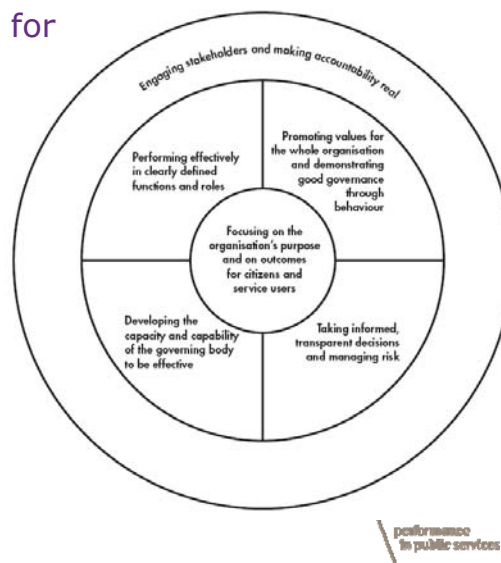
1. Focusing on the organisation's purpose and on outcomes for citizens and service users;
2. Performing effectively in clearly defined functions and roles
3. Promoting values for the whole organisation and demonstrating the values of good governance through behaviour;



Governance Standard for Public Services - 2

Good Governance means:

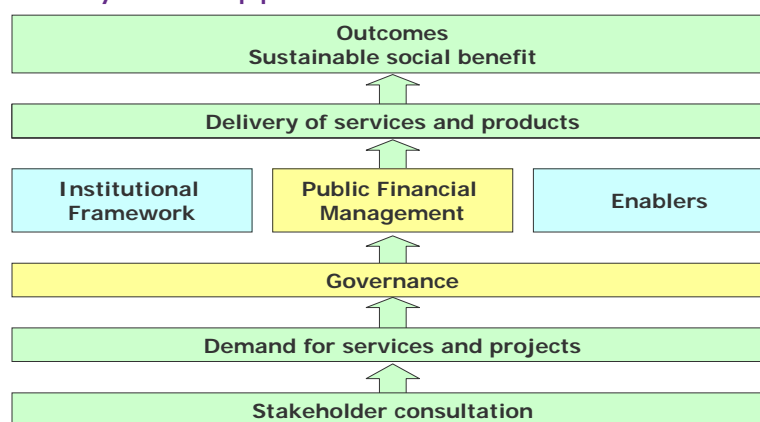
4. Taking informed, transparent decisions and managing risk
5. Developing the capacity and capability of the governing body to be effective
6. Engaging stakeholders and making accountability real



Governance – working definition

The arrangements necessary to ensure that the intended outcomes for citizens, service users, and other public sector stakeholders, are delivered in a transparent and accountable manner that is efficient, effective, ethical, and sustainable.

Public Financial Management – a whole system approach



Draft Framework (1)

Good governance in the public sector requires:

- a) Focusing on sustainable social benefits in terms of financial, social, and environmental outcomes
- b) Planning delivery of service and project outputs to meet stakeholder needs sustainably
- c) Promoting and demonstrating the values of good governance

Draft Framework (2)

Good governance in the public sector requires:

- d) maintaining, managing, and developing the effectiveness of the organization and its governing body;
- e) managing risks through a robust control system to deliver strong public financial management and performance; and
- f) engaging stakeholders and making decisions transparently to deliver effective accountability.

Responses to initial consultation (1)

Support for:

- An international principles-based public sector governance framework (14 of 16 respondents)
- The proposed governance definition, but several suggested amendments such as:
 - 'Arrangements necessary' could be clarified
 - Ethics could be treated in a more detailed way
 - Accountability for good governance should be emphasised together with intended social outcomes.
- Framework and principles should be relevant at both entity and whole system levels (10 of 12 respondents)
- Draft framework as a logical starting point (12 of 14).

Responses to initial consultation (2)

- Recognition that the framework would need to address a number of tricky issues such as :
 - Nature and composition of the governing body
 - Integrating sustainability
 - Remuneration.

Way forward

- Detailed analysis of responses and current frameworks
- Establish International Reference Group (ERG)
- Develop Exposure Draft
- Issue Exposure Draft (October 2012)
- Issue final framework (mid 2013)