

A journey to governance excellence in Northampton Borough Council

Stephen G Mungavin, CIPFA
Wednesday 11 January 2017

Aim of this session

To discuss the practicalities of CIPFA's governance accreditation scheme as potential support for the Council to improve governance to an 'excellent' level.

Good governance in the public sector – a changing environment

- Governance remains high on the agenda
 - Rising public expectations
 - Increased branding of failures as 'governance' failures
 - Greater pressures on Boards & those charged with good governance
 - Changing and challenging levels of scrutiny and oversight
 - Complex accountability arrangements
 - Generally, public bodies are becoming more *Proactive* rather than *Reactive*
 - Public bodies can aspire to become 'excellent'
-

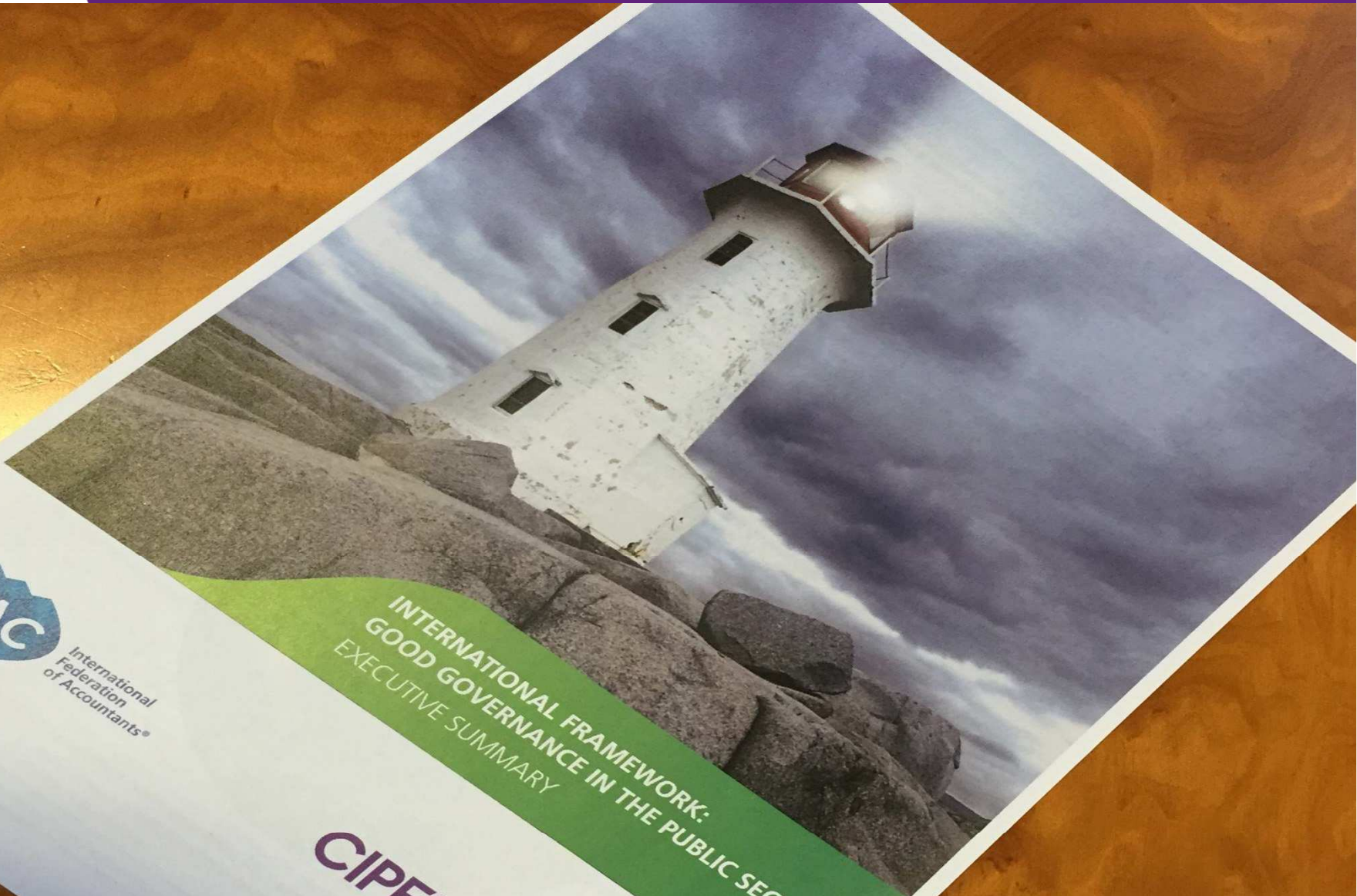
Northampton Borough Council Governance action plan of improvement

- Learned lessons from past experience
 - Taking a strategic approach to improvement
 - Is proactive and investing resources
 - Being led by the Governance & Support Programme Board
 - Action plan agreed
-

Starting point - what does excellent governance look like?

- Lots of generic governance guidance and standards
 - The Good Governance Standard for Public Bodies(2004)
 - Corporate Governance Standard for Central Government Departments
 - FRC UK Corporate Governance Code
 - 'On Board - Principles of Corporate Governance'
 - **CIPFA/IFAC Standards (2014)**

 - Lots of specific governance guidance
 - Sectoral guidance (e.g. CIPFA/SOLACE Guide)
 - Codes of conduct
 - MSFM
 - Guidelines on Appointments to Public Bodies
 - Audit Committees
 - From sponsor government department
 - 'It takes two' – PCF & Institute for Government
-



International
Federation
of Accountants®

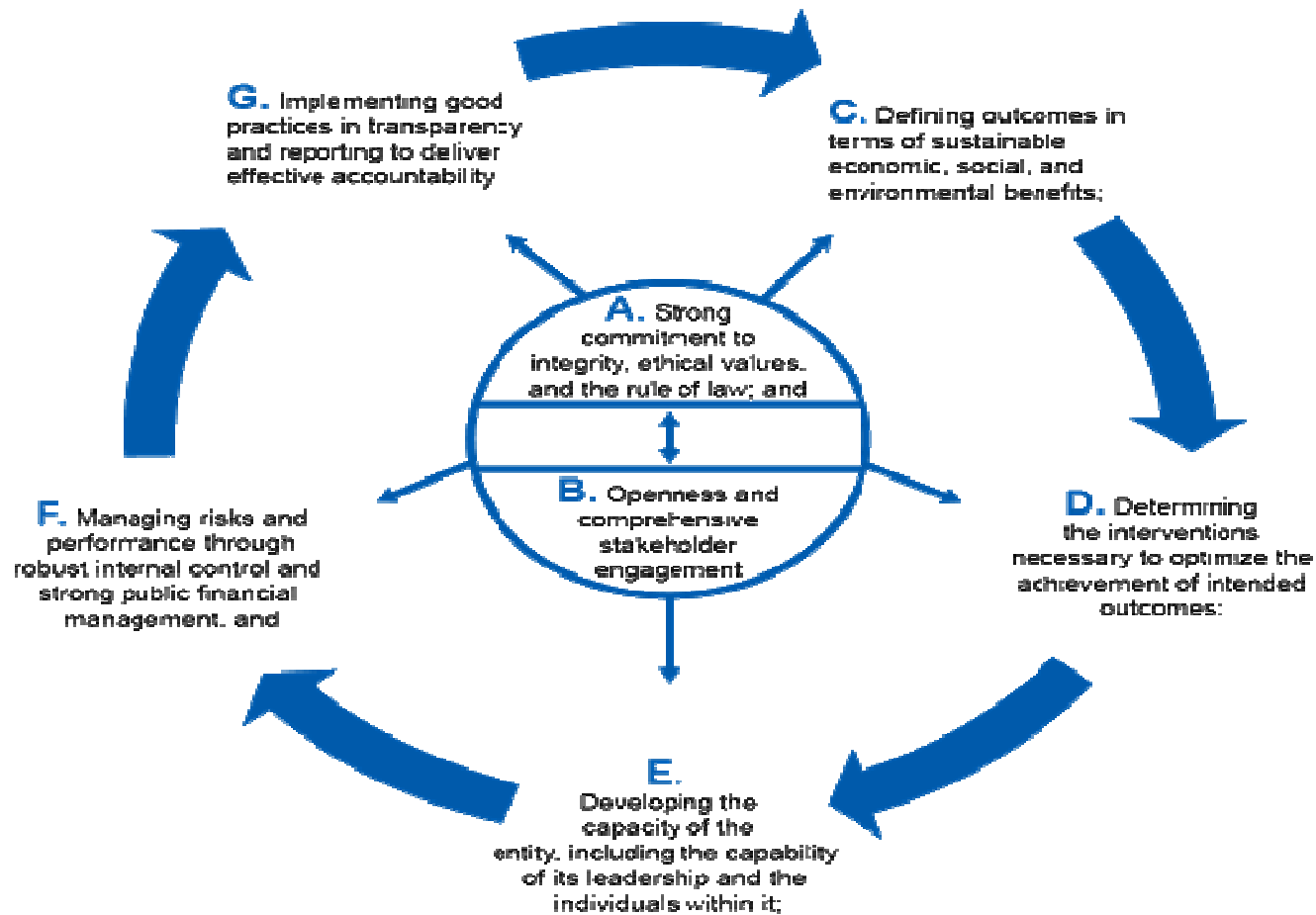
INTERNATIONAL FRAMEWORK:
GOOD GOVERNANCE IN THE PUBLIC SECTOR
EXECUTIVE SUMMARY

CIPFA

The Chartered Institute of
Public Finance & Accountancy

CIPFA/IFAC Principles

Acting in the Public Interest at all Times



CIPFA's Governance Mark of Excellence

Validated self-assessment check – to get on the starting grid

Advanced assessment:

- Desk research
- Questionnaires
- Interviews
- Analysis, including professional judgement
- Automated scoring of findings
- Conclusions and reporting
- Regular review

Award Nomination



Assessment design and scoring tool

- IFAC/CIPFA Framework
- Weighted assessment criteria (up to 75 criteria)
- Five-point assessment grading (ranging from Fully met to Not met, with three in between)
- Scoring system



Our governance reviews & award – status update

- 2014 - standards published and methodology developed
- 2015 - six pilot assessments undertaken, outcome:
 - 2 start of journey, 2 good, 2 exemplary,
 - methodology refined
- 2016 – carried out 8 governance assessments



What is the incentive –why bother?

- Lighter touch regulation/inspection
- ‘Earned autonomy’ and more strategic freedom
- External recognition
- Demonstration of strong leadership
- Credibility with stakeholders
- Setting a standard for others
(commissioning and ‘whole system’)



Options for the Council

- DIY - self assessment
- Validated self-assessment
- Independent assessment by CIPFA
- Partnership with CIPFA



In summary

- The need for well governed public bodies has never been greater
- Good governance can be identified
- Better to be proactive than reactive
- Accreditation of good governance can move public bodies to a new level of assurance

