

Election fact sheet:

Governance: What is it and why is it important?

The Local Government Inspectorate (LGI)'s role is to ensure council's governance and operating procedures are compliant with the *Local Government Act 2020* (the Act) and to avoid breaches of the Act.

Governance is the system which controls and operates a council and how its people are held to account.

Governance – what does it look like in relation to a council?

Governance at local council level refers to the collection of policies, processes and practices that are implemented to enable the council to carry out its duty as a public entity.

This means being able to responsibly manage and expend public monies in a manner that is in accordance with current/relevant legislation and is transparent and unconscionable to its community.

What is good governance?

Good governance is the council's ability to carry out its responsibilities in an efficient and effective manner through the development and implementation of suitable policies and processes and through sound, defensible decision-making practices.

While every effort is made, the council may not always make popular decisions according to its community, but it must always abide by the processes in place to make them.

Why is it important?

Embedding good governance practices allows the council to drive high standards, assist with maintaining the legal and ethical trust of the community, manage its appetite for risk, meet its objectives and deliver on its obligations to its community.

Good governance promotes transparency and helps drive improvement and innovation. These are non-negotiables as part of council responsibility for managing public funds.

Pillars of good governance in council

Values may vary from council to council, but generally speaking, **accountability, fairness, assurance, ethics** and **transparency** are sound pillars of good governance.

Councils that promote an ongoing culture of good governance instil those behaviours in its staff and councillors and have robust mechanisms in place to ensure they are not compromised.

Who is responsible for it?

Councils may have designated *governance officers*, or *governance managers* – though it is the responsibility of **all staff and councillors** to mitigate the risk of the council suffering a breach of relevant legislation or not following internal policies when carrying out operational or decision-making requirements.

Setting the agenda and facilitating a positive culture is the responsibility of senior management at the organisation – though it is incumbent on all staff and

councillors to act in accordance with relevant Acts and policies by which they are governed.

2024 where LGI requested all CEOs confirm that the councillor oath/affirmation was carried out in strict compliance with the Act.

Governance examinations

Governance examinations are undertaken by LGI to improve compliance across the sector with the Local Government Act.

To do this, LGI examines:

- **Individual or groups of councils** – LGI staff spend time within the council with governance staff and others where required, for a period of time, discussing governance practices, reviewing the currency of policies and general compliance with the Act. LGI also provides councils with the opportunity to highlight any issues they may be experiencing. Following the visit, LGI reports back to the council regarding any inefficiencies or breaches of the Act and provides recommendations where appropriate.
- **A topic or theme across all councils** – LGI requests identical data and information from *all* councils where it is reviewed to measure compliance across the sector. Examples of this include Personal Interests Returns and council policy requirements following an election. A recent example of this is in November

More information

For more information regarding governance examinations, please refer to the following resources:

[Reports on governance examinations](#)

[Case studies](#)



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Local Government Inspectorate

Encouraging higher standards of integrity, accountability and transparency in local government

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