Integrity Spotlight

V1.1 – January 2022

Advisory

A clear and formal approach to policy development and review can positively impact the culture of an organisation and reduce its susceptibility to risks of corruption.

Policy Framework

What is a policy framework?

An organisation should set out its principles, rules and expectations to guide the activities and conduct of its employees. The most effective way of doing this is through policies, procedures and other supporting documents.

A policy framework provides an overarching structure that guides how policies and procedures will be developed, approved, communicated and reviewed.

An effective policy framework clearly documents the processes to be followed at each stage of the policy life cycle. A clear and formal approach to policy development and review can positively impact the culture of an organisation and reduce its susceptibility to risks of corruption, misconduct and maladministration.

Why is it important?

Setting out the approach for each stage of the policy life cycle can improve the effectiveness of policies and reduce the risk of non-compliance. When employees are confident that policies have been developed in line with approved processes and authorised by the Executive, they are more likely to follow the principles and standards that are described.

Where there is inconsistency in the way policies and procedures are developed and managed across an organisation, this can create the opportunity for ad hoc work practices to develop. In the absence of clear guidance around employee roles and responsibilities there is a greater risk that activities are undertaken in a manner that is not in line with accepted standards or does not meet legislative obligations.

An effective policy framework can assist management in setting the standards expected of employees and to identify activity that does not adhere to policies or procedures. Importantly, a policy framework can also serve to reassure employees that they are conducting themselves in a manner that is in line with the rules and expectations of the organisation.

The risks of not having a policy framework

Without an effective policy framework, an organisation increases its risk of:

- non-compliance with legislative obligations
- low adherence to policies
- not detecting improper conduct

If employees find it difficult to locate up-to-date policies relating to their work, or find the content difficult to understand, it is more likely that policies will be disregarded. This increases the likelihood that staff will develop their own work practices in the absence of such guidance.

If expectations are not clearly defined in policies and procedures it can also make it difficult to detect and address improper conduct.

Attributes of a good policy framework

An effective policy framework should document the principles of the framework, the stages of the policy life cycle, and define the content of individual policy documents.

Policy framework

A document that prescribes an organisation's approach to the development and management of policies should contemplate the following:

Executive mandate

All policies and procedures should require approval from the head of the agency. Managers and supervisors should provide direction to employees about how activities are to be conducted. They should be role models for policy adherence and address non-compliance.

Policy development process

The process for drafting, approving, communicating and reviewing policies should be described and documented, including the roles and responsibilities for employees at each stage of the policy life cycle.

If employees find it difficult to locate up-to-date policies relating to their work, or find the content difficult to understand, it is more likely that policies will be disregarded.

> A central team of employees experienced in policy development or governance should oversee policy drafting and review.

Policy hierarchy

An explanation as to how policy, procedures and supporting documents (such as standard operating procedures) relate to one another. Policies will typically set out the principles that should underpin decision-making and guide the activities of an organisation. Procedures will describe the processes and activities necessary to give effect to a policy, while supporting documents such as standard operating procedures or guidelines provide further detail where necessary.

Central supervision

A central team of employees experienced in policy development or governance should oversee policy drafting and review. This team should have responsibility for a co-ordinated approach to policy development including the maintenance of policies, procedures and supporting documents in a central register with a formal schedule of review.

Storage and access

Up-to-date and approved policies, procedures and supporting documents should be easily located, accessible and searchable. Ideally the central policy register would be stored electronically on a readily accessible platform such as an intranet site. Policies should be logically indexed both by name and by subject matter with related documents on a particular topic identifiable in one location. Employees should be confident the document they are accessing is the single source of truth, that it is the approved and current version of the policy or procedure.

Adherence

The induction process for new employees should include information on policy content and how to access them. Employees could also be asked to sign a declaration confirming they have read and understood key policy documents (particularly conflict of interest, secondary employment, and code of conduct requirements). Policy compliance could be included in contracts of employment or job and person specifications, and any non-adherence addressed through the performance management process. A register of employee declarations (secondary employment, private interests, potential or actual conflicts of interest) should be managed centrally and electronically if possible. The register should be reviewed and updated on a regular basis.

Policy life cycle

The policy life cycle has a number of stages including identifying the need for a new policy (or amendments to an existing policy), drafting, approval, communication and review. Each step should be described and documented, identifying those roles with responsibilities at each stage.

Identifying the need for a new policy

The need for a new policy, or the need to amend an existing policy may arise:

- where there is a change in legislation or government policy, or a change to an organisation's operations or circumstances

- through identifying organisational risks, where policies may be required to manage and mitigate those risks

- where the regular policy review cycle identifies issues that need to be addressed (eg. relating to implementing or applying the policy in practice)

Management endorsement or approval should be sought for any proposed new or amended policy. The proposal should outline why the policy is needed and what it intends to achieve. It should also describe the consultation process during the drafting phase (of subject matter experts and affected employees), and the communication and implementation plan.

It is important to ensure there is a genuine need for the policy. When employees are overwhelmed with an unnecessarily long list of policies and procedures they are more likely to disregard them. Where there is scope to consolidate or revoke existing policies, this should be contemplated when considering new policy proposals and during the regular review process.

Drafting and consultation

Subject matter experts and employees who will be affected by new or amended policies should be consulted on the content of the policy, and the proposed communication and implementation plan. This should include any education and training considered appropriate. It may also be necessary to obtain legal advice if the policy relates to giving effect to legislative obligations.

Consider whether procedures or other supporting documents that further explain the processes and activities for implementing the policy are necessary, and what key performance indicators could be put in place to measure the effectiveness of the policy's implementation. Performance indicators can help to monitor policy outcomes.

When employees are overwhelmed with an unnecessarily long list of policies and procedures they are more likely to disregard them.

Approval

The central team that oversees policy development and review should endorse any new policies or amendments prior to final approval. This is to ensure that new or amended policies are consistent with existing documents, have followed the correct drafting and consultation process, and have been prepared in line with approved templates.

New or amended policies (or proposals to rescind existing policies) should always be approved by the agency head.

Communication

The communication plan should determine the most appropriate method of disseminating the new policy or policy updates. It may also be necessary to include a provision for training to ensure employees adequately understand their role and responsibilities.

Information on policies and procedures should be communicated to new employees during induction. It may also be appropriate for periodic refresher training to be provided for some policies. Due dates for periodic training should be managed centrally with attendance or completion of training recorded.

Monitoring and review

Monitoring a policy's key performance indicators can establish whether the desired outcomes are being achieved. It can also assist in identifying any unintended consequences or non-adherence as well as any issues with its application in practice. This information will inform the policy review process.

The review process should be managed by a central group with responsibility for monitoring the policy register for upcoming review dates, co-ordinating the review process and working through amendments with the policy author, seeking the necessary approvals and communicating updates to employees.

The review process should appraise whether policies remain accurate and relevant. It should ensure policies reflect any changes to related policies and procedures or to the organisation's structure. Any amendments to legislation should also be incorporated to ensure compliance with legislative obligations.

> Information on policies and procedures should be communicated to new employees during induction.

Policy document

Using a template for policies ensures consistency in structure, making them easier to understand and find relevant information. When developing a policy document it is important to:

- ensure that it is clear, concise and **written in plain English** that is easy to understand

- ensure **definitions** of any unique or technical terms and abbreviations are articulated

- avoid any scope for interpretation or discretion to be applied. For example, avoid using terms like 'manager's discretion' or 'usually', instead **use language that is clear and unambiguous**

- **include references** to relevant legislation and related policies, procedures or supporting documents and ensure they are consistent with one another

- use effective and **uniform naming conventions** and group by topic for easy searchability

- include the **allocation of responsibilities** in policies to specific positions rather than business units

- **identify the 'policy owner'**, that is the position responsible for reviewing and updating the policy

- identify who has approved the policy, the date it was approved and the next scheduled review date