



British and Irish  
Ombudsman Association

# Guide to principles of good governance

Independence



Openness and transparency



Accountability



Integrity



Clarity of purpose



Effectiveness



# Governance

The way organisations are directed and controlled to ensure that they are effective in achieving their objectives.

*‘Whatever governance arrangements are in place in any complaint-handling scheme, it is vital that they support and promote the integrity of the scheme and office holder and, above all, protect the independence of the office holder, particularly from those over whom the scheme has jurisdiction.’*

**Emily O'Reilly**

Ombudsman for Ireland

Chair: British and Irish Ombudsman Association

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# Guide to principles of good governance

## Introduction

The British and Irish Ombudsman Association (BIOA) has many kinds of bodies in membership, each with its own structure designed to meet its individual needs. Ombudsmen, Commissioners, Examiners, Adjudicators, Complaints Reviewers and Handlers have become a more common feature over the years of the landscape of administrative justice, dispute resolution and redress. As the number of such schemes increases, questions of governance assume particular importance.

If a scheme is to be credible, all stakeholders must have confidence in it and in the independence and effectiveness of the office holder in the role of investigating and resolving consumer or public service complaints. Because of the nature and diversity of schemes, BIOA recognises that the practical application of governance principles will of necessity differ between organisations. For that reason, it has been decided to confine the content of this Guide to a statement of high-level principles.

BIOA's Criteria (for the recognition of Ombudsman offices) set out the requirements that a scheme must fulfil if it is to become a full voting member of BIOA. These requirements underpin the key criteria of independence from those being investigated, effectiveness, fairness and public accountability.

But this is a complicated area and the diversity of complaint handling schemes means that different standards will necessarily apply to different organisations not all of which aspire to full

membership. This Guide to principles of good governance is one of high-level principles which reflects this diversity and is intended to supplement the Criteria. We hope that this will be useful to schemes, prospective schemes and the wide range of stakeholders with an interest in Ombudsman matters.

Six principles have been identified and briefly defined. The Guide then goes on to a brief analysis of each, identifying the characteristics which distinguish that particular principle and which make it appropriate to the governance of an Ombudsman scheme, all the time bearing in mind that these principles are in fact interdependent.

The Guide will be supplemented by further material to be made available on the BIOA website, which it is hoped will be of additional assistance to those to whom this Guide is addressed.

In this booklet, reference to 'Office Holders' means Ombudsmen, Commissioners, Examiners, Adjudicators and Complaint Reviewers and Handlers in or aspiring to BIOA membership. 'Schemes' means all their organisations, whatever their formal titles may be. 'Stakeholders' is intended to include those who are entitled to complain, the organisations and sectors under scrutiny, consumer and trade bodies, Government, members of parliament or assembly, regulators, the media and the general public (as applicable). The nature and objectives of certain schemes may bring in other stakeholders.

While the first obligation of any Ombudsman scheme is to those directly involved, complainants and those who are complained about, the legitimate interests of other stakeholders must also be recognised.

## The six principles

### Independence

Ensuring and demonstrating the freedom of the office holder from interference in decision making

### Openness and transparency

Ensuring openness and transparency in order that stakeholders can have confidence in the decision-making and management processes of the scheme

### Accountability

Ensuring that all members of the scheme, including the office holder, staff members and members of any governing body, are seen to be responsible and accountable for their decisions and actions, including the stewardship of funds (with due regard to the independence of the office holder)

### Integrity

Ensuring straightforward dealing and completeness, based on honesty, selflessness and objectivity, and ensuring high standards of probity and propriety in the conduct of the scheme's affairs and complaint decision making

### Clarity of purpose

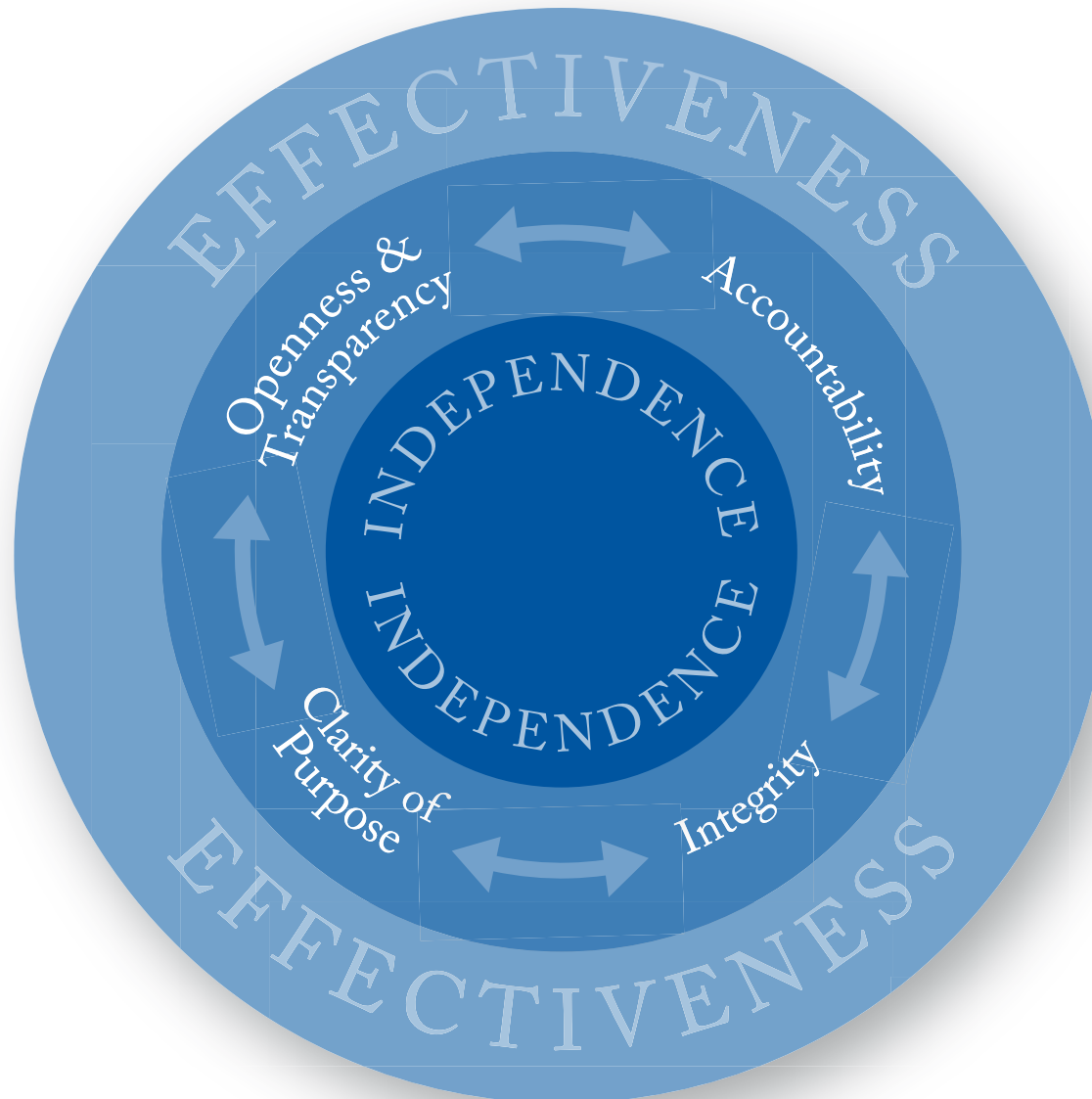
Ensuring that stakeholders know why the scheme exists and what it does, and what to expect from it

### Effectiveness

Ensuring that the scheme delivers quality outcomes efficiently and represents good value for money

## Principles diagram

The following diagram illustrates the relationships between the principles of good governance, with 'independence' at the core, surrounded by four supporting principles, and 'effectiveness' surrounding them all.



## Independence

Ensuring and demonstrating the freedom of the office holder from interference in decision making

## Effectiveness

Ensuring that the scheme delivers quality outcomes efficiently and represents good value for money

## Openness & Transparency

Ensuring openness and transparency in order that stakeholders can have confidence in the decision-making and management processes of the scheme

## Accountability

Ensuring that that all members of the scheme, including the office holder, staff members and members of any governing body, are seen to be responsible and accountable for their decisions and actions, including the stewardship of funds (with due regard to the independence of the office holder)

## Integrity

Ensuring straightforward dealing and completeness, based on honesty, selflessness and objectivity, and ensuring high standards of probity and propriety in the conduct of the scheme's affairs and complaint decision making

## Clarity of Purpose

Ensuring that stakeholders know why the scheme exists and what it does, and what to expect from it

## Independence

**Ensuring and demonstrating the freedom of the office holder from interference in decision making:**

- Freedom from interference in decision making on complaints
- Appropriate and proportionate structure and financial arrangements
- Appointment, re-appointment and remuneration of the office holder consistent with ensuring independence
- Governance arrangements which ensure and safeguard the independence of the office holder and the scheme
- Those involved in the governance of the scheme to conduct themselves at all times in the best interest of the scheme

## Openness and transparency

**Ensuring openness and transparency in order that stakeholders can have confidence in the decision-making and management processes of the scheme:**

- Clear explanation of legal constitution, governance and funding arrangements
- Open and clear policies and procedures, and clear criteria for decision making
- Clear and proper recording of decisions and actions
- Free availability of information and publication of decisions, consistent with statute, contract and good practice
- Clear delegation arrangements, including levels of authority
- Register of interests, to apply to the office holder, appropriate staff members and members of any governing body

## Accountability

**Ensuring that all members of the scheme, including the office holder staff members and members of any governing body are seen to be responsible and accountable for their decisions and actions, including the stewardship of funds (with due regard to the independence of the office holder):**

- Subject to appropriate public or external scrutiny
- Accountable to stakeholders for operation of scheme
- Financial accountability, and appropriate internal controls to demonstrate the highest standards of financial probity
- Robust mechanism for review of service quality
- Clear 'whistle-blowing' policy

## Integrity

**Ensuring straightforward dealing and completeness, based on honesty, selflessness and objectivity, and ensuring high standards of probity and propriety in the conduct of the scheme's affairs and complaint decision making:**

- Impartiality in all activities
- Identify, declare and deal with conflicts of interest (including office holder, staff members and members of any governing body)
- Compliance of all those involved in the governance or operation of the scheme with relevant principles of public conduct
- Arrangements for dealing with conflicts about governance issues

## Clarity of purpose

Ensuring that stakeholders know why the scheme exists and what it does, and what to expect from it:

- Explanation of the purpose of the scheme and who it serves
- Clear status and mandate of the scheme
- Clarity of extent of jurisdiction
- Governance arrangements which are clear in relation to the office holder's adjudication role

## Effectiveness

Ensuring that the scheme delivers quality outcomes efficiently and represents good value for money:

- Leadership which defines and promotes the values of the scheme
- Keeping to commitments
- Good internal planning and review processes
- Quality assurance and a process for review of service
- Quality outcomes for complainant, organisation complained about, scheme and all other stakeholders
- Recommendations accepted by bodies in jurisdiction
- Effective risk management controls
- Cost effectiveness and value for money



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