Performance Reporting and Auditing in the Public Sector

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Overview

• Financial Reporting – How Much
  – Well developed
  – Accrual based annual financial statements
    • Entity and Whole of Government level

• Performance Reporting – How well
  – Developing
  – Still ad hoc, far from reliable
Two initiatives

• Improving relevance of audit reports
  – Sector based reporting & leveraging accrual accounting
  – Highlighting themes of audit findings to leverage individual audits
Sector Based Reporting

• Reporting by:
  – Local Government
  – Hospitals and Health Centres
  – Water Authorities
  – Inner Government Agencies
  – Educational Institutions

• Leveraging Accrual Accounting
  – Using ratios
Aligning with government priorities

Growing Victoria Together

• Thriving economy
• Quality health and education
• Healthy environment
• Caring communities
• Vibrant democracy

Goals for a stronger, fairer, safer Victoria

• A growing economy
• Services that work
• Secure water and a healthy environment
• Strong families and vibrant communities
• Government you can trust
Key Audit Themes Project

- Financial audit reports
- Performance audit reports
- Recommendations

- Detailed Handout for Ministers and Secretaries
- Long presentation for VAGO events
- Short Presentation for VAGO events
1. Planning and delivery of services and infrastructure

- **Common findings**
- Lack of robust and thorough assessment of needs and demand
- Flawed or inadequate forecasting
- Failure to plan effectively for future demand
- Inequitable provision across regions and communities
2. Quality information for decision-making

• **Common findings**
• Gaps in information underpinning decisions
• Poor business case development
• Inaccurate or out-of-date information
• Lack of consolidation of relevant data
• Unclear analysis of information
• Lack of assurance over the quality of data
3. Real governance and effective oversight

- **Common findings**
- Lack of sufficient guidance from agencies in leadership roles
- Insufficient oversight and monitoring by central agencies and accountable departments
- Unclear roles and responsibilities
- Governance for whole-of-government approaches not sufficiently coordinated
4. Measuring and communicating performance

• **Common findings**

• Delays in establishing a performance measurement approach

• Lack of critical elements of measurement frameworks

• Lack of alignment of framework elements

• Performance measures not relevant or appropriate

• Outputs and activities measured instead of outcomes

• Post-project evaluations not conducted
5. Procurement and contract management

**Common findings**

Inadequate consideration of available procurement options

- Failure to encourage sufficient competition
- Lack of assurance that procurement has followed a fair and impartial process
- Contracts lacking important elements, incentives and penalties
- Contract provisions not fully utilised to improve performance
- Lack of review of effectiveness of contracts
6. Managing information transparently and securely

- **Common findings**
- Poor documentation of the rationale for decision-making
- Persistent weaknesses in controls over information system security
- Physical security of information at risk
- Poor reporting of information for transparency
- Public access to information impeded
Conclusion

• Encouraged by broad interest in these themes
• Public sector is lucky to have access to this information across the whole-of-government, beyond just your own organisation or jurisdiction
• Encourage practitioners to leverage this free access and grasp the opportunity to learn from others
Discussion

• Further information
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