

Performance Reporting and Auditing in the Public Sector

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Seminar 2

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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

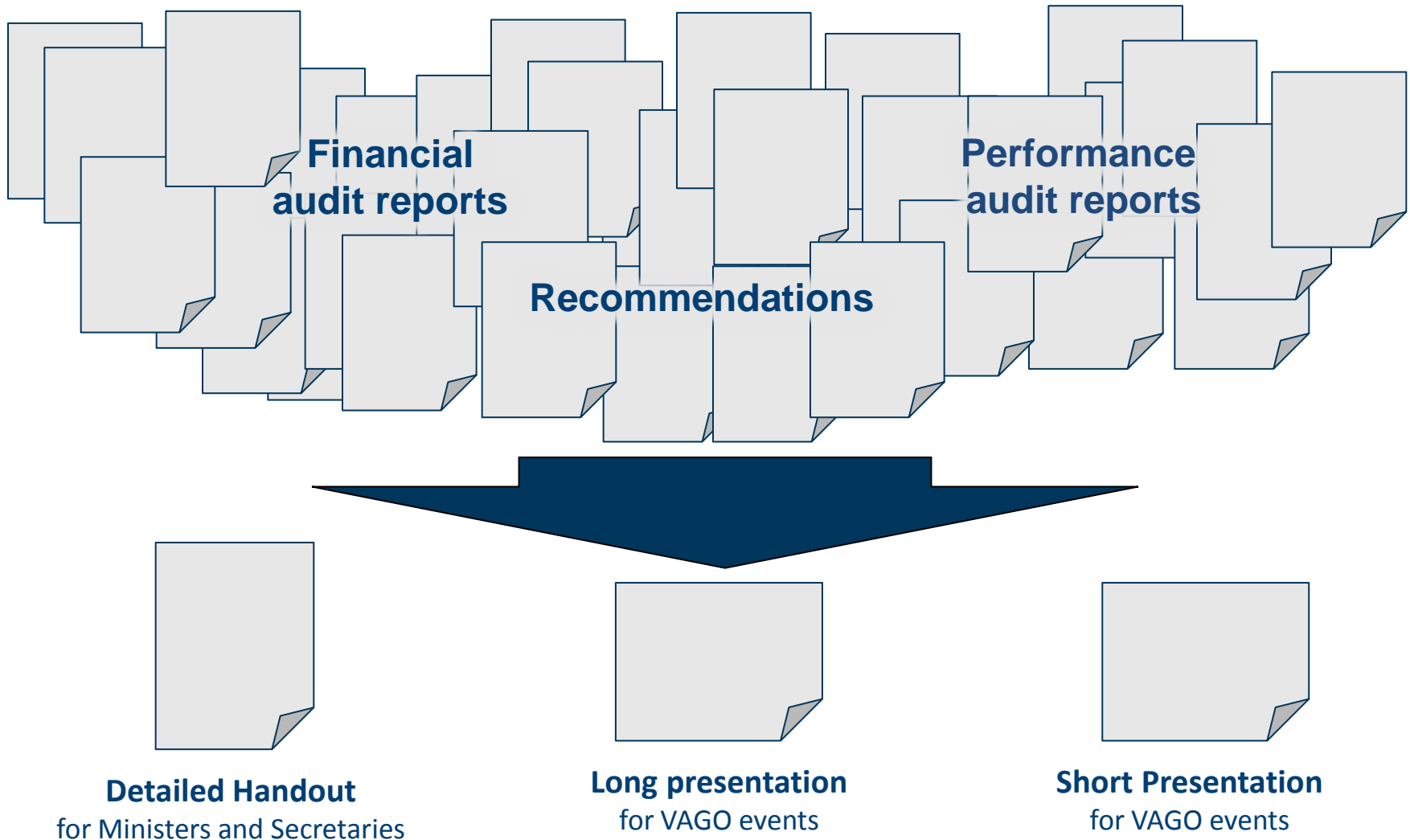
Growing Victoria Together

- 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



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- Inaccurate or out-of-date information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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