



# Lesson from audits: an evidence-based approach for improving responsiveness in our public service

Des Pearson, Auditor-General

L21 Leaders in the Public Sector 2011

*Building a resilient, ready and responsive service*

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Reforming the public service needs new ideas and innovation

- Some may see audit as a 'wet blanket', dampener to innovation, barrier to agility

So – today's presentation will have two goals

1. To encourage public sector leadership to see audits not as barriers, but as **enablers to change, growth and innovation** .
2. To share **key insights** gleaned from hundreds of audits across the past year .....and encourage you to consider these lessons from audits when building a ready, responsive and resilient service.

# What role can audit play in reform?

Direction for reform – high quality advice is an asset!

- Too many leaders shy away/obstruct audits/deny + defy
- Why would you **not** want to know where to improve?

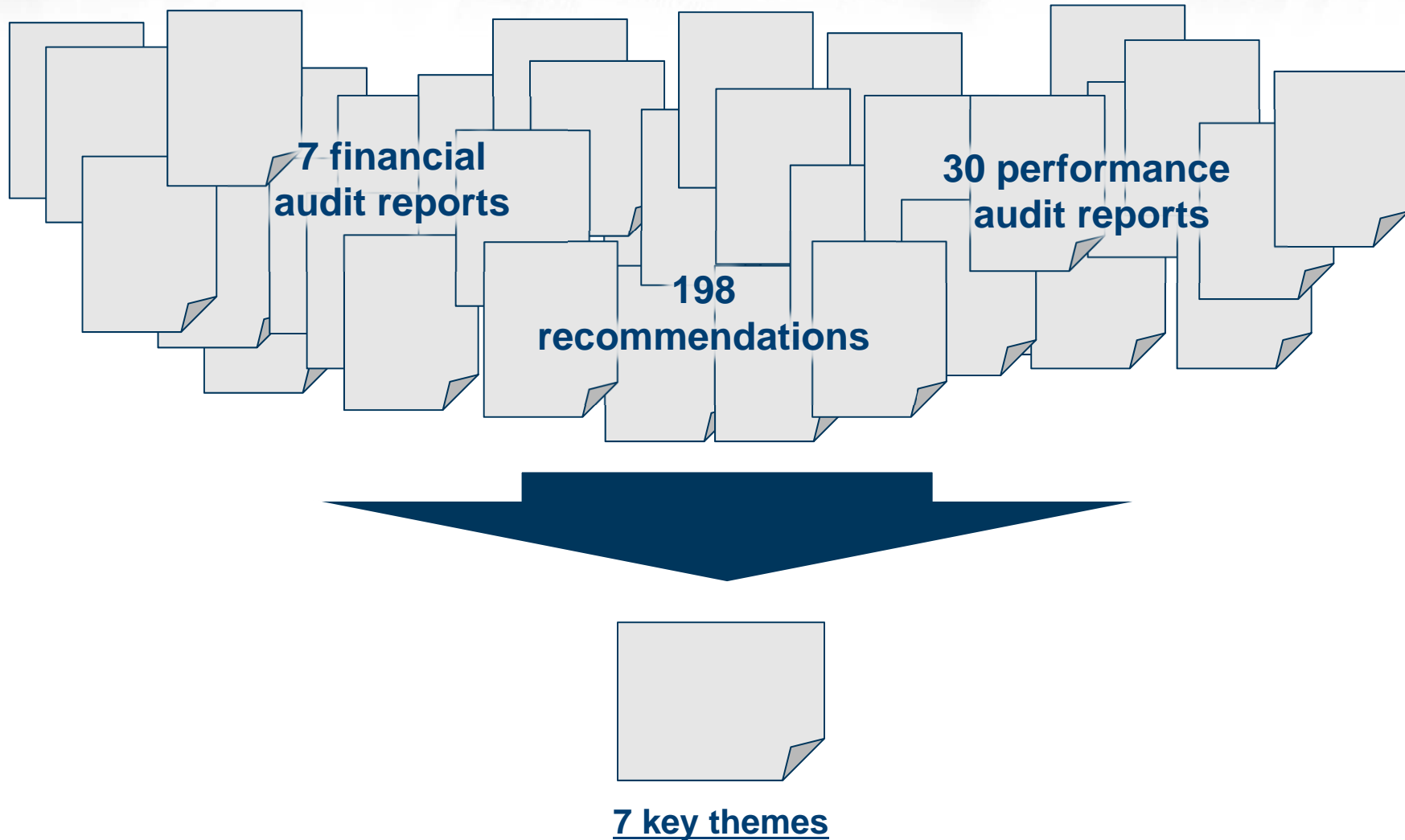
Building trust with stakeholders – embracing change

- Prove that you are responsive to change and can listen to evidence
- Get on the front foot during the audit and get ready to act

Building trust with stakeholders – positive assurance

- Most audit findings affirm achievements - make the most of them

# The Key Audit Themes project: Maximising value from our audits



# Key audit themes 2010-11

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- 1. Managing performance of outsourced services**
2. Regulation, compliance and oversight
3. Reporting meaningfully on performance
- 4. Managing risks from collaborative initiatives**
- 5. Using evidence to support decision-making**
6. Probity in procurement
7. Security of systems and information

## 1. Managing performance of outsourced services

Public sector approaches to contract design and management create missed opportunities to improve performance.

### *Delivery of Nurse-on-call (September 2010)*

- Weaknesses in contract design and management contributed to under-performance by the service provider

### *Management of Prison Accommodation Using PPPs (Sept 2010)*

- Some contracts did not have clear performance standards
- Performance management provisions were not fully utilised.

### *Portfolio Departments: Results of the 2009-10 Audits (July 2010)*

- Inadequate monitoring of performance of providers

## 2. Managing risks from collaborative projects

Governance can easily become confused and compromised in 'joined-up', networked or partnership projects, where initiatives are delivered collaboratively by different areas of government or the community.

### *Local Community Transport Services (March 2011)*

- Partnership issues emerged at 3 of the 4 projects.
- Cross government coordination for the Transport Connections Project was limited and hindered achievement of objectives.

### 3. Evidence in decision making

Plans and decisions often do not make good use of evidence – ‘options analysis’ and business cases can be incomplete or missing.

#### *Management of Major Road Projects (June 2011)*

- Weaknesses in forecasting traffic and (over) estimating benefits
- Quality concerns re. cost estimates informing decision to use a PPP.

#### *Facilitating Renewable Energy Development (April 2011)*

- The achievement of targets has been undermined by poor planning and a lack of evidence supporting decisions.

# Conclusion

‘Responsiveness’ is usually understood as being ‘responsive to others’ – it must also mean ‘responsive to evidence’

Get the most out of public sector audit - trigger change, guide reform and tell stories of achievement .

Three ‘audit themes’ that may offer lessons for building a ready, responsive and resilient public service:

- driving value from private providers
- governance in collaborative community partnerships
- using evidence in decision-making and planning.

The logo for the Victorian Auditor-General's Office (VAGO) is displayed in a bold, blue, sans-serif font. It is positioned in the upper right corner of the slide, above the office's name and tagline. The background of the slide features a faded image of a classical building with columns and a large, ornate stone tablet or ledger.

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# Discussion?

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