# Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 1 – Interim Report

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The Auditor-General provides assurance to Parliament on the accountability and performance of the Victorian Public Sector. The Auditor-General conducts financial audits and performance audits, and reports on the results of these audits to Parliament.

On 10 June 2015, the Auditor-General tabled his performance audit report, *Delivering services to citizens and consumers via devices of personal choice: Phase 1 – Interim Report*
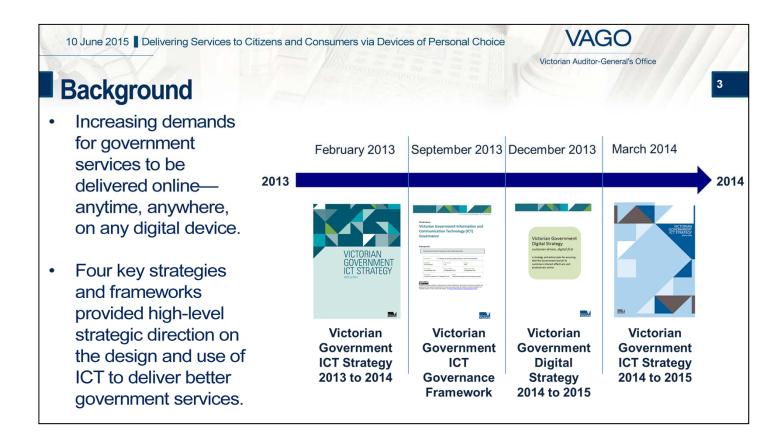
# Overview

This audit:

- examined strategies for delivering services online via digital devices, how these strategies were being implemented, and the extent to which services were already being provided

- found that a coordinated and effective whole-of-public-sector approach to digital service delivery has yet to be achieved

- concluded that ineffective strategic ICT governance and poor strategic leadership will continue to undermine any well-coordinated and integrated whole-of-public-sector approach to digital service delivery if not addressed.

This audit examined strategies for delivering services online via digital devices, how these strategies were being implemented, and the extent to which services were already being provided.

We specifically reviewed the Victorian Government's ICT Governance Framework and the delivery of the Digital Strategy.

We found that a coordinated and effective whole-of-public-sector approach to digital service delivery has yet to be achieved.

Ineffective strategic ICT governance and poor strategic leadership has contributed to this and will continue to undermine any well-coordinated and integrated whole-of-public-sector approach to digital service delivery if not addressed.

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**Background**

- Increasing demands for government services to be delivered online—anytime, anywhere, on any digital device.

- Four key strategies and frameworks provided high-level strategic direction on the design and use of ICT to deliver better government services.



| February 2013 | September 2013 | December 2013 | March 2014 |
|---|---|---|---|
| Victorian Government ICT Strategy 2013 to 2014 | Victorian Government ICT Governance Framework | Victorian Government Digital Strategy 2014 to 2015 | Victorian Government ICT Strategy 2014 to 2015 |

There are increasing demands for government services to be delivered online and to be accessible anytime, anywhere via any digital devices such as desktops, laptops, smartphones and tablets.

The Victorian Government established four key strategies and frameworks between 2013 and 2014, namely the ICT Strategy, released in February 2013 and updated in March 2014, the ICT Governance Framework and the Digital Strategy.

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# Focus of this audit

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## Phase one

- Governance arrangements for implementing whole-of-public-sector strategies for migrating services online via digital devices.
- Better practice guidance on ICT governance arrangements and digital engagement.

## Phase two

- At department/agency level, examines:
  - approaches to determining which services will be delivered online via digital devices
  - the ongoing monitoring of the effectiveness and public utilisation of digital services.

This audit has been split into 2 phases.

**In Phase 1**, we reviewed the ICT governance framework arrangements and examined the delivery of the Digital Strategy. This report also includes better practice guidance on ICT governance arrangements and digital engagement.

**Phase 2** of this audit will be tabled at a later date and will examine service delivery implementation and monitoring and evaluation of service delivery at the department/agency level. Selected departments and agencies have been included for this phase.

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# Strategic leadership – ICT governance framework

- Weak strategic leadership and ownership of the whole-of-public-sector ICT governance.

- ICT governance framework did not apply to all Victorian Government agencies.

- Profiles and roles of key governance bodies like the Victorian Secretaries Board and Deputy Secretaries Leadership Group should be further strengthened to increase the strategic governance leadership and influence on the senior management of departments and agencies.

**There was weak strategic leadership and ownership of the whole-of-public-sector ICT governance.**

Phase 1 of the audit, and this report, focused on two key areas: strategic leadership and delivery of the digital strategy.

In relation to strategic leadership, we found the ICT Governance Framework's limited scope and applicability across the whole-of-public-sector, combined with the lack of appropriate authorising stakeholders providing strategic governance, contributed to weak strategic leadership and ownership of the whole-of-public-sector ICT governance.

The profiles and roles of key governance bodies such as the Victorian Secretaries Board and Deputy Secretaries Leadership Group should be further strengthened to increase the strategic governance leadership and influence on senior management of departments and agencies.

# Delivery of the Digital Strategy

Coordination and implementation:
- Digital Strategy's action plan not fully supported and implemented to date.
- departments and in-scope agencies not held accountable for timely implementation of outputs.

Monitoring and reporting:
- no appropriate measurement of outcomes for monitoring.
- no means for collecting relevant or sufficient data, providing feedback, or reporting on progress against the Digital Strategy.

**There was ineffective coordination and implementation of the Digital Strategy with weak monitoring and accountability mechanisms**

In relation to the delivery of the Digital Strategy we focused on four key areas.

**Coordination and implementation**—the Digital Strategy's action plan was not fully supported and implemented. Departments and in-scope agencies were also not held accountable for timely implementation of outputs by the Digital Government Branch.

**Monitoring and reporting**—there was weak monitoring and reporting of the Digital Strategy across the departments and in-scope agencies. Further, the Digital Strategy lacked appropriate performance measures for the Digital Government Branch to collect relevant or sufficient data about progress on its implementation. Departments and in-scope agencies were, therefore, not being held accountable for reporting progress of their respective implementation processes of the Digital Strategy.

# Delivery of the Digital Strategy

- Digital engagement:
  - ineffective engagement approach to drive digital readiness and monitor progress effectively.
- Transitioning of service transactions online:
  - challenges and difficulties in mapping and estimating the service transaction types, volumes and costs.

**There was ineffective engagement to drive digital readiness.**

**Departments and agencies faced challenges and difficulties in consistently mapping and estimating the types, volumes and costs of service transactions, as part of whole-of-public-sector efforts to transition them online.**

**Digital engagement**—there was an ineffective engagement approach to drive digital readiness and monitor progress effectively.

**Transition of service transactions online**—when commencing this transition, departments and agencies faced challenges and difficulties in mapping and estimating the service transaction types, volumes and costs.

# Delivery of the Digital Strategy

- Despite weak coordination, implementation and monitoring of the Digital Strategy by a central entity, some departments and in-scope agencies are pushing ahead with delivering services to citizens and consumers via digital devices.

Despite what we found in our audit, some departments and in-scope agencies are pushing ahead with delivering services online via digital devices—Phase 2 of our audit will examine this in greater detail.

Notwithstanding progress at the department and agency level, central leadership and oversight is important for the overall direction and integration of the ICT and digital agenda across the public sector.

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# Recent changes in whole-of-public-sector ICT

- Whole-of-public-sector ICT portfolio has transitioned to DPC.
- ICT Governance Framework and associated strategies are in a state of change.
- Continuous uncertainty and instability of the ICT Governance Framework risks further deterioration of strategic ICT leadership and oversight in the Victorian Government and the worsening of an already poorly implemented whole-of-public-sector approach to digital service delivery.

**Effective ICT governance through coordination, guidance and assurance processes are required to ensure the successful delivery and sustainability of a public sector approach to digital service delivery.**

The recent change in government and January 2015 machinery-of-government changes resulted in the whole-of-public-sector ICT portfolio being transitioned to the Department of Premier and Cabinet (DPC) which is currently undertaking a review. The ICT Governance Framework and associated strategies are in a state of change.

Without addressing governance arrangements and ownership issues, ineffective strategic ICT governance and poor strategic leadership will continue to undermine any well-coordinated and integrated approach to delivering public services online effectively and efficiently.

DPC is currently leading a whole-of-public-sector approach to integrating government service delivery online via digital devices. This is also publicly known as Service Victoria which is the Victorian Government's push to streamline and enhance government service delivery.

# Recommendations

| | Accept |
|---|---|
| As part of its wider public sector reform agenda, that the Department of Premier and Cabinet develops and implements: | |
| 1. fit-for-purpose governance structures, in line with industry better practices, that incorporate:<br>• strategic leadership and effective guidance to establish and deliver a whole-of-public-sector ICT approach, including defined roles and responsibilities, as part of a whole-of-public-sector service delivery strategy<br>• robust and effective monitoring and accountability mechanisms to regularly report on the development, adoption and benefit of ICT across the whole of public sector | ✓ |

This audit made three recommendations. All recommendations have been directed to the Department of Premier and Cabinet and form part of its wider public sector reform agenda.

All recommendations have been accepted.

# Recommendations

| | Accept |
|---|:---:|
| As part of its wider public sector reform agenda, that DPC develops and implements: | |
| 2. a cost attribution methodology, to be used across the whole-of-public-sector, for determining the costs components of delivering services for a more effective and efficient transition of service transactions to online. | ✓ |
| 3. an integrated whole-of-public-sector digital engagement approach with effective engagement, coordination and assurance processes to drive digital readiness and service delivery using digital devices across departments and agencies. | ✓ |

We will monitor the status of the recommendations as part of our follow-up process and, if available, will include an update of the status of the whole-of-public-sector ICT portfolio in our Phase 2 report.

# Key messages

**There was weak strategic leadership and ownership of whole-of-public-sector ICT governance.**

**There was ineffective coordination and implementation of the Digital Strategy with weak monitoring and accountability mechanisms.**

**There was ineffective engagement to drive digital readiness.**

**Departments and agencies faced challenges and difficulties in consistently mapping and estimating the types, volumes and costs of service transactions, as part of whole-of-public-sector efforts to transition them online.**

**Effective ICT governance through coordination, guidance and assurance processes are required to ensure the successful delivery and sustainability of a public-sector approach to digital service delivery.**

To recap, the key messages from the audit are:

There was:

- Weak strategic leadership and ownership of the whole-of-public-sector ICT governance.

- Ineffective coordination and implementation of the Digital Strategy with weak monitoring and reporting mechanisms.

- Ineffective engagement to drive digital readiness.

Departments and agencies faced challenges and difficulties in consistently mapping and estimating the types, volumes and costs of service transactions as part of whole-of-public-sector efforts to transition them online.

Also,

- Effective ICT governance through coordination, guidance and assurance processes are required to ensure the successful delivery and sustainability of a public sector approach to digital service delivery.

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# Overall message

**A coordinated and effective whole-of-public-sector approach to digital service delivery has yet to be achieved.**

The overall message of the audit is:

**A coordinated and effective whole-of-public-sector approach to digital service delivery has yet to be achieved.**

At a later date, we will report on Phase 2 which will examine in detail the service delivery implementation and approaches at agency level and ongoing monitoring of the effectiveness and public utilisation of digital service delivery.

# Relevant IT audits

- *Digital Dashboard: Status Review of ICT Projects and Initiatives (2015)*
- *Using ICT to Improve Traffic Management* (2014)
- *Clinical ICT Systems in the Victorian Public Sector* (2013)
- *Learning Technologies in Government Schools* (2012)
- *Investing Smarter in Public Sector ICT: a better practice guide* (2008)

Relevant audits are listed on this slide.

## Contact details

For further information on this presentation please contact:

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