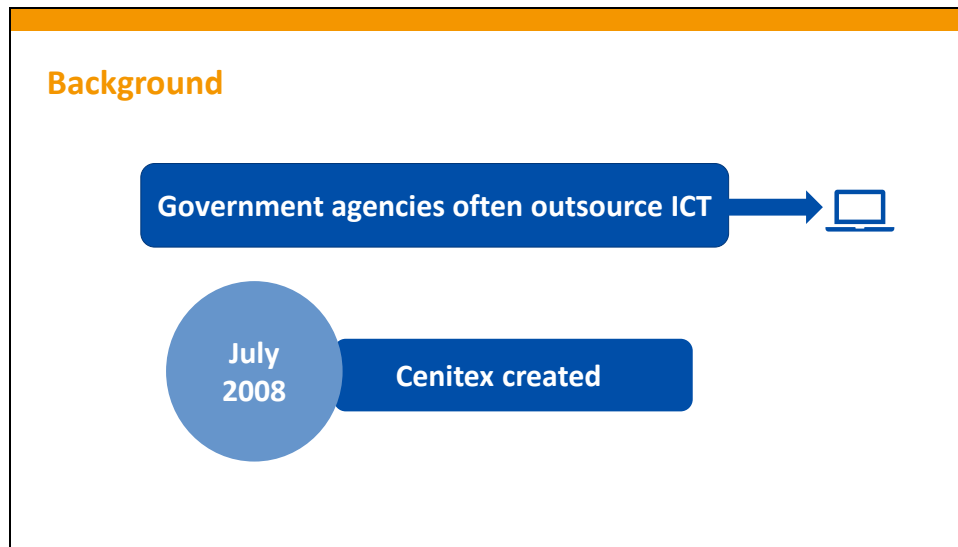


Slide 1

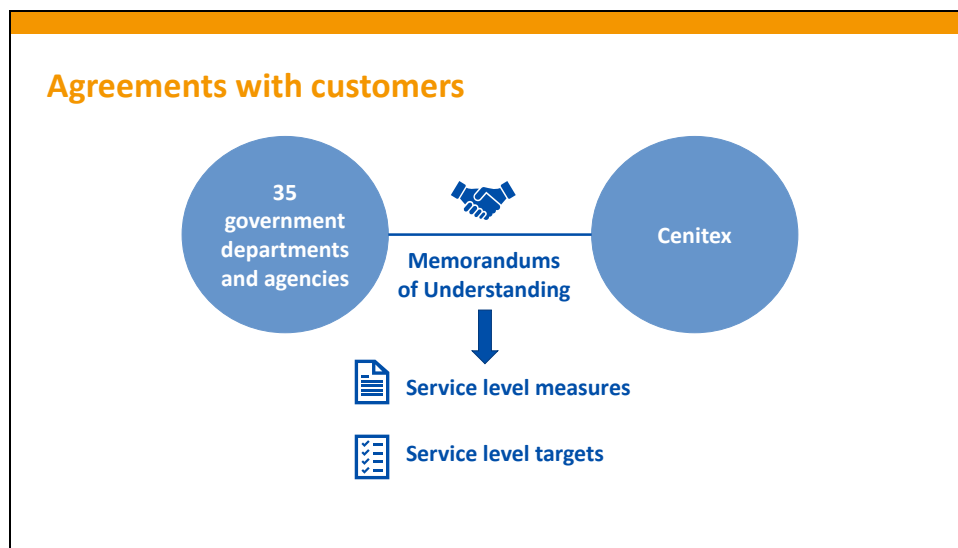


This presentation provides an overview of our report Cenitex: Meeting Customer Needs for Information and communications technology (ICT) Shared Services.



ICT shapes service delivery and workforce productivity in the modern public service. Government agencies often outsource ICT services to reduce costs and better manage risks.

In July 2008, the Victorian Government created Cenitex, a state-owned enterprise responsible for delivering defined customer ICT services to departments and agencies.



While it is not mandatory for government agencies to use Cenitex, 35 departments and agencies have chosen it as their provider for specific ICT services.

Cenitex provides services based on Memorandums of Understanding arranged with each customer. These memorandums set out the terms and conditions, and the service level measures and targets customers can expect. These focus on service availability, service centre requests, and the restoration of services following an incident.

Focus of this audit



Focus


Cenitex

- Does it meet customer needs and expectations?
- Does it identify and manage current and future challenges?

In this audit, we examined whether Cenitex’s performance meets customer needs, expectations and service level targets. We also examined if it effectively identifies and manages current and future challenges.

The audit included the Department of Treasury and Finance, which oversees and monitors Cenitex’s planning and operational performance.

Conclusion



Conclusion

Cenitex has not met its own or its customers' service level expectations

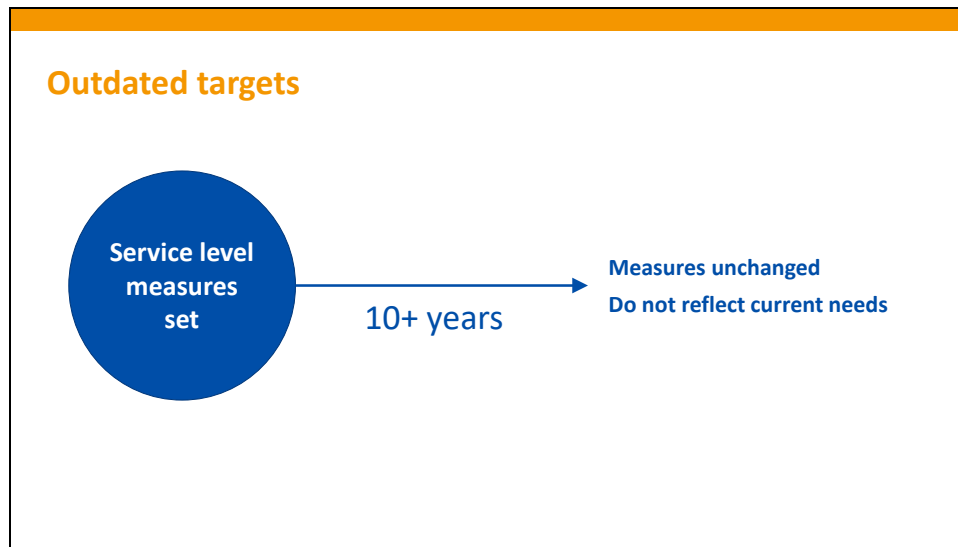
- **Uncertain future between 2011 and 2014**
- **Now conducting technology and service upgrades**
- **Needs to improve how it understands and addresses customers, and how it measures and reports on performance**

Cenitex has not met its own service level expectations, or those of its customers. It is not yet efficient because, while it has data to suggest its fees are competitive, it does not meet its service level targets.

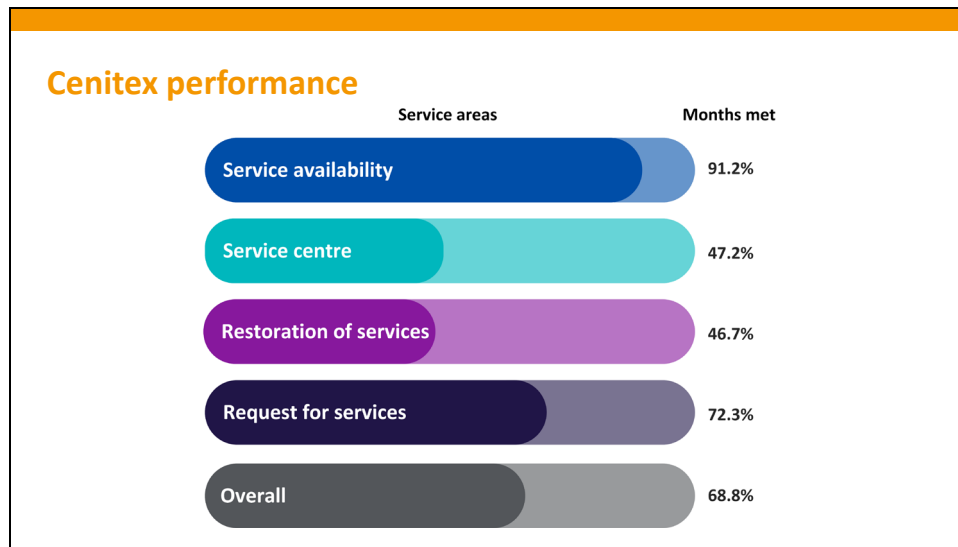
Cenitex's uncertain future as an ICT shared service provider between 2011 and 2014 hampered its ability to plan for the future. It did not invest during this period to keep pace with accelerating change in the ICT industry. This impacted the service delivery and workforce productivity of its customers.

Cenitex has started to upgrade its old technologies, increase service automation, redesign its structure and business processes, and improve the skills and capability of its staff.

To complement this, Cenitex needs to improve how it understands and addresses customer needs and expectations, and how it measures and reports on performance.



Cenitex has a performance management and reporting framework, but many of the service level measures were set more than 10 years ago and the basis for the performance targets is unclear. As a result, not all the service level measures are relevant or reflect current customer expectations for service delivery.



On average, Cenitex met 68.8 per cent of its monthly service level targets between 1 January 2016 to 31 December 2018. However, its performance across different areas varied significantly.

While it met its service availability and request for service targets more than 70 per cent of the time, it met its call centre and restoration of service targets less than half of the time.

Monitoring performance

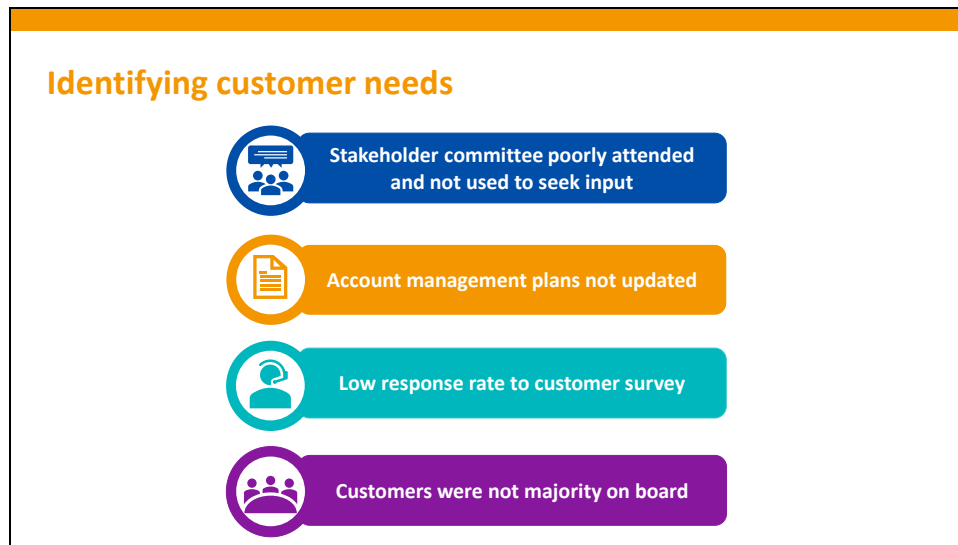


- Board reports do not align with service level targets in the corporate plan
- Customer reports lack detail on service availability and trend data is limited
- Service level targets face little scrutiny from Department of Treasury and Finance

Cenitex analyses and reports on its performance to its board and its customers.

We found that its board reports do not align with service level targets in its corporate plan and its customer reports lack detail on service availability and trend data.

As a state-owned enterprise, Cenitex must submit an annual corporate plan and performance reports to the Department of Treasury and Finance. However, Cenitex's service level targets face little scrutiny from the department.



Cenitex does not have effective processes to identify customer needs. This limits its ability to make timely changes to its services.

The Stakeholder Advisory Committee is a key forum for customers to discuss Cenitex’s services. This committee is poorly attended and is used for Cenitex to provide information to customers, rather than Cenitex seeking input on customer needs.

Cenitex does not update account management plans. These plans are crucial to maintain good client relationships, as customers’ ICT needs and expectations change.

Cenitex conducts an annual customer satisfaction survey, but its usefulness is limited due to its low response rate. Also, respondents found it difficult to distinguish between services provided by Cenitex and ICT services provided by their department or agency.

In addition, customer representatives do not make up the majority of Cenitex’s board, despite the Department of Premier and Cabinet’s 2015 recommendation that they do so.


Recommendations

5 for Cenitex, including to:

- Strengthen its performance framework
- Review and update all memorandums of understanding
- Improve the quality of information provided to the board
- Review current practices for understanding customer needs

3 for Department of Treasury and Finance, including to:

- Work with Cenitex in setting service level measures and targets
- Encourage a majority of customer representatives on Cenitex's board

 Accepted all recommendations

We made five recommendations to Cenitex on how it measures and reports on performance, and how it understands customer needs and expectations.

We also made three recommendations to the Department of Treasury and Finance on how it monitors Cenitex's performance.

All of our recommendations have been accepted and Cenitex advises that work to address these issues has begun.

For further information, please view the full report on our website:
www.audit.vic.gov.au

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