Appendix A: Submissions and comments

We have consulted with all 10 departments and the Victorian Managed Insurance Authority, and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses received

Agency	Page			
Department of Education	A-2			
Department of Energy, Environment and Climate Action	A-3			
Department of Families, Fairness and Housing	A-4			
Department of Government Services	A–5			
Department of Health	A-7			
Department of Justice and Community Safety				
Department of Jobs, Skills, Industry and Regions				
Department of Premier and Cabinet				
Department of Treasury and Finance				
Department of Transport and Planning				
Victorian Managed Insurance Authority				

Response provided by the Secretary, Department of Education



Department of Education

Secretary

2 Treasury Place East Melbourne Victoria 3002 Telephone +61 3 9637 2000

COR24139993

Mr Andrew Greaves Auditor-General Victorian Auditor-General's Office

Dear Mr Greaves

Proposed report: Managing state significant risks

Thank you for your letter of 22 May and the opportunity to comment on the proposed report for this audit.

The department is committed to working collaboratively to identify state significant risks and to implement strategies to manage these risks. The department has reviewed the proposed report and has no feedback.

Should your office wish to discuss the department's response, they can contact Shamiso Mtenje, Executive Director, Assurance, Knowledge and Executive Services on **Executive Services** or

Yours sincerely



Jenny Atta Secretary 06 / 06 / 2024

Your details will be dealt with in accordance with the Public Records Act 1973 and the Privacy and Data Protection Act 2014. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address



Response provided by the Secretary, Department of Energy, Environment and Climate Action



Response provided by the Secretary, Department of Families, Fairness and Housing



Department of Families, Fairness and Housing

Secretary

50 Lonsdale Street Melbourne Victoria 3000 Telephone: 1300 475 170 GPO Box 1774 Melbourne Victoria 3001 www.dffh.vic.gov.au

BAC-EOB-371

Mr Andrew Greaves Auditor-General Victorian Auditor-General's Office Level 31 / 35 Collins Street Melbourne VIC 3000

Dear Mr Greaves

Thank you for your letter of 22 May 2024, and for providing the Department of Families, Fairness and Housing an opportunity to respond to the proposed report for *Managing State Significant Risks*.

The department is pleased the report recognises DFFH's achievements and commitment to effectively managing State Significant Risks. DFFH remains committed to supporting the work of the Risk IDC and to working productively with all lead and contributing agencies on managing State Significant Risks.

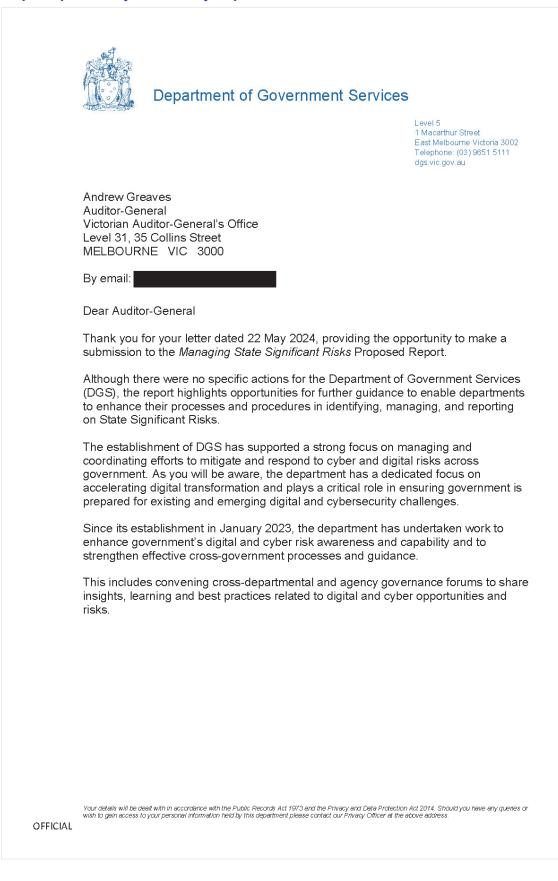
I would like to take this opportunity to thank your staff who worked on this audit.

Yours sincerely

Peta McCammon Secretary

29 / 05 / 2024





Response provided by the Secretary, Department of Government Services - continued

Notable examples of these governance forums include the Chief Data Officer Leadership Group, Chief Information Officer Leadership Team, and Victorian Government Cyber Security Leadership Team as well as DGS' participation in the State Significant Risk Interdepartmental Committee, convened by the Department of Treasury and Finance.

Should your office require further information, please contact Simone Millen, Director, Governance on

Yours sincerely

Jo de Morton Secretary

05 / 06 /2024

Your details will be deait with in accordance with the Public Records Act 1973 and the Privacy and Data Protection Act 2014. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.

Response provided by the Secretary, Department of Health



Department of Health

50 Lonsdale Street Melbourne Victoria 3000 Telephone: 1300 650 172 GPO Eox 4057 Melbourne Victoria 3001 www.health.vic.gov.au DX 210081

BAC-CO-46639

Mr Andrew Greaves Auditor-General Victorian Auditor General's Office Via e-mail:

Dear Mr Greaves

Thank you for providing the proposed report regarding the Victorian Auditor-General's Office (VAGO's) *Managing State-Significant Risks* performance audit.

My department acknowledges the findings and has no further submissions or comments to provide.

My department notes there are no recommendations directed to the Department of Health, and we are working to further develop internal processes to improve collaboration, coordination, and management of State-Significant Risks with other Victorian agencies.

Further queries relating to this audit can be directed to Leora Grey, Acting Chief Audit and Risk Officer at

Your sincerely



Secretary 30/05/2024







Response provided by the Secretary, Department of Jobs, Skills, Industry and Regions



OFFICIAL

Department of Jobs, Skills, Industry and Regions

GPO Box 4509 Melbourne ,Victoria 3001 Australia Telephone: +61 3 9651 9999

Ref: BSEC-2-24-38687

Mr Andrew Greaves Auditor General Victorian Auditor General's Office Level 31, 35 Collins Street MELBOURNE VICTORIA 3000

Dear Mr Greaves

MANAGING STATE SIGNIFICANT RISKS PERFORMANCE AUDIT PROPOSED REPORT

Thank you for your letter dated 22 May 2024 about the Managing State Significant Risks Performance Audit Proposed Report.

The department notes the proposed report and has no further feedback. The department reiterates its commitment to continually improve capabilities and processes to manage state significant risks.

Thank you for the professional manner in which the audit was undertaken.

If you require further information, your team can contact Karan Gill, Chief Audit Officer on

Yours sincerely

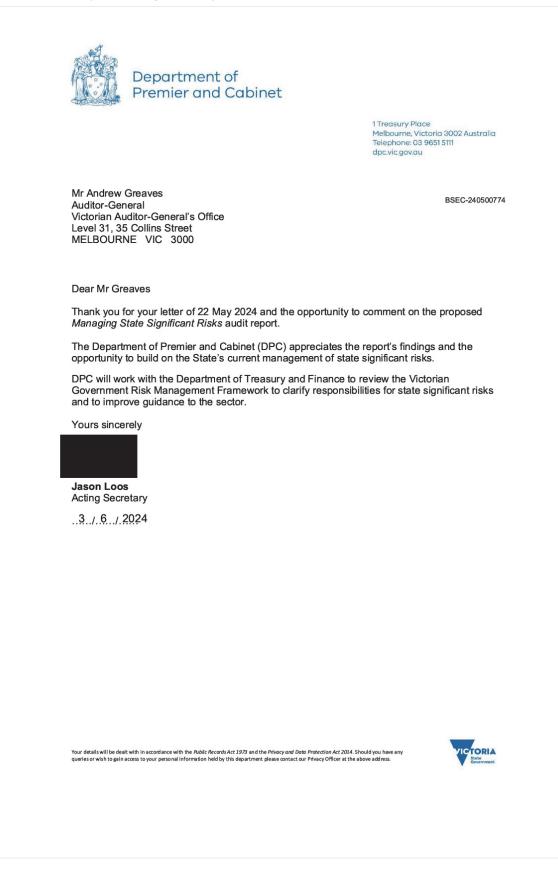
or

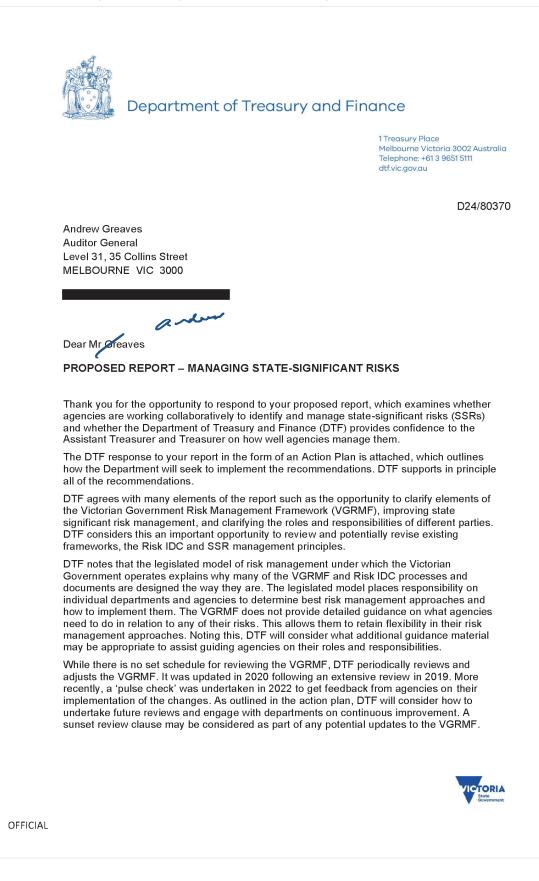
Tim Ada Secretary

4/6/2024



Response provided by the Acting Secretary, Department of Premier and Cabinet





Risk management activity for SSRs occurs in departments, although it may not be explicitly labelled as such. The Risk Scan details mitigation activities with the most recent scan including current and planned controls. DTF notes that these activities are considered through budget and Cabinet processes. DTF provides relevant advice through these processes, rather than through the Risk IDC or centrally under the rubric of SSRs. DTF will consider whether there are ways in which these processes can more usefully interact to improve the effectiveness of these processes.

The VMIA is a key stakeholder in supporting the Risk IDC to undertake its work, in addition to providing advice and guidance to government departments on risk management. DTF will work with the VMIA as necessary to support its response to recommendation 4.

While any changes are being implemented, DTF sees value in the Risk IDC continuing to be a forum to help agencies acquit their coordination obligations, share information, and provide a mechanism to assist DTF to develop advice to the Assistant Treasurer about the VGRMF, and state significant risk management more broadly. DTF will consider whether this is a formal role under the VGRMF and look to uplift knowledge on risk management frameworks relevant to SSRs. DTF will also consider how to establish a process to assess the effectiveness of the Framework. This may include additional reviews, such as a review every five years to determine the effectiveness of the framework. DTF will closely engage with the Risk IDC to determine the best approach.

Through the Risk IDC Secretariat, DTF is supporting the IDC to review its current role and purpose and will facilitate the improvement of existing processes. It will consider how to implement potential changes to the IDC and VGRMF with a 1 July 2025 targeted completion date.

Yours sincerely



Secretary

31 / 5 / 2024

Attachments encl.: DTF Action Plan

Page 2 of 2



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	No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
		Work with the Department of Premier and Cabinet to revise the Victorian Government Risk Management Framework and its associated guidance to clarify responsibilities for state- significant risks, including for: • lead and contributing agencies • central agencies and cross-	 □ Yes □ No □ In part ∞ In principle 	DTF recognises opportunities for the continuous improvement of the VGRMF. DTF maintains that under the current legislated (devolved) model, more prescriptive risk management responsibilities in the VGRMF would be unsuitable and reduce the ability for agencies to self-determine best practice for individual complex risks.	1 July 2025
		 agency committees agencies and committees to coordinate reports and advice to government (see Section 2). 		However, UTF notes that there is scope to provide more information on roles, responsibilities and processes in relation to the management of State-Significant Risks (SSRs). DTF will also consider how to provide additional advice and clarification through the appropriate channels	
				which may include the VGRMF or other guidance material. DTF will consider if existing committees are appropriate as part of any review. DTF will consider updating the VGRMF to formalise the reporting frequency to the Assistant Treasurer on statewide risk management.	
	5	Establish and implement a process to assess how effectively the Victorian Government Risk Management Framework addresses state-significant risks and advise the Assistant Treasurer (see Section 3).	 □ Yes □ No □ In part ∞ In principle 	DTF will establish a process that assesses the effectiveness of the Framework for SSRs. DTF will continue to seek the views of Risk IDC members on the VGRMF and look to revise the VGRMF as appropriate.	1 July 2025

Department of Treasury and Finance action plan to address recommendations from Managing State-Significant Risks

OFFICIAL

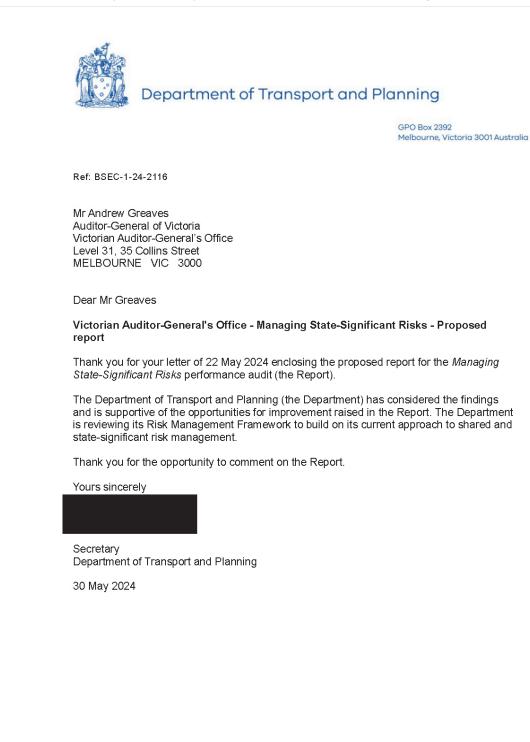
Response provided by the Secretary, Department of Treasury and Finance – *continued*

VAGO recommendation	Acceptance	Agreed management actions DTF considers five-yearly reviews to be appropriate. DTF will also consider how to advise the Assistant Treasurer between reviews on the effectiveness of the framework.	Target completion date
Establish and implement a process to identify the implications of all state- significant risks for the state Budget and advise the Treasurer and Assistant Treasurer (see Section 3).	☐ Yes ☐ No ☐ In part ⊠ In principle	DTF notes this already occurs through budget and Cabinet processes. DTF will consider how else state- significant risks could usefully be considered as part of these processes. DTF will consider how financial implications can be better considered as part of the state significant risk management. This may include:	1 July 2025
		 Reviewing current processes. Reviewing appropriateness of links between SSRs and budget considerations. Considering alternative approaches. 	
Establish and implement a process to monitor risk management maturity at statewide level for state-significant risks and advise the Assistant Treasurer (see Section 3).	☐ Yes ☐ No ☐ In part ⊠ In principle	DTF will support the VMIA in exploring options to improve reporting and other relevant processes as appropriate.	NA
Revise the process to identify state- significant risks to include:	□ Yes □ No □ In part ⊠ In principle	DTF acknowledges there are opportunities for improving the state significant risk process. DTF will revise the existing process for identification of state significant risks. This will include development of	1 July 2025

Response provided by the Secretary, Department of Treasury and Finance – *continued*

VAGO recommendation	Acceptance	Agreed management actions	Target completion date
 a risk appetite statement (see 		criteria to describe and assess risks as being of potential	
Section 4).		state significance.	
		DTF will consider how whole of government objectives	
		and risk appetite in relation to state significant risks can	
		be most usefully determined under the current	
		legislated model for risk management in the Victorian	
		government.	

Response provided by the Secretary, Department of Transport and Planning





Response provided by the Board Chair, Victorian Managed Insurance Authority

	OFFICIAL
	vmia
5 June 2024	
Mr Andrew G Auditor-Gene	
Email:	
Dear Mr Grea	aves.
	ed Performance Audit Report: Managing State-Significant Risk
Thank you for	r your letter dated 22 May 2024, enclosing VAGO's proposed performance audit report into ate-Significant Risks.
meet all our o	knowledges the report findings and recommendations. However, we are of the view that we obligations under the <i>Victorian Managed Insurance Authority Act 1996</i> , by advising on risk management and providing advice to the Assistant Treasurer, as the proposed report es.
maturity of St	identified in recommendation 4, that there is an opportunity to improve monitoring of the risk tate-Significant Risks and advising the Assistant Treasurer. We will work with the Secretariat Significant Risk IDC and the Department of Treasury and Finance on this recommendation.
Our response	e, and action plan to address the recommendation is provided in Appendix A.
lf you require	further clarification, please contact Andrew Davies, Chief Executive Officer, at
Yours sincere	əly
Elana Rubin	
Chair, VMIA I	Board
	erine Sandercock a Burg
Andre	ew Davies, Chief Executive Officer, VMIA.
/MIA is the Victorian Government's insurer Ind risk adviser	Level 10 South, P (03) 9270 6900 vmia.vic.gov.au 161 Collins Street Melbourne VIC 3000 contact@vmia.vic.gov.au Contact@vmia.vic.gov.au
ne land on which we do l	ance Authority (VMIA) acknowledges the Traditional Custodians of business and we pay our respects to Elders past, present and ge the important contribution that Abonginal and Torres Strait creating a thriving Victoria.