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**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE AUDITOR-GENERAL'S REPORT**

**NO 1 OF 2020**

**SHARED SERVICES DELIVERY OF HR AND FINANCE SERVICES**

Presented by

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## **GOVERNMENT RESPONSE TO THE AUDITOR-GENERAL'S REPORT**

### **NO 1 OF 2020: SHARED SERVICES DELIVERY OF HR AND FINANCE SERVICES**

Corporate Services, including Human Resources (HR) and Finance Services are some of the most critical functions for the ACT Government in helping to manage and remunerate the ACT Public Service and deliver services and information to the community. Shared Services works in close partnership with all ACT Government Directorates and Agencies aiming to provide efficient and effective corporate services across Government, including HR, records management, finance, and ICT services.

Shared Services operates as a discrete Division within the Commercial Services and Infrastructure Group (CSIG) in the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). CSIG undertake a strategic review of its priorities each year in order to provide an updated Strategic Plan for the commencement of each new financial year. CSIG will launch an updated set of material as part of the Strategic Plan, which will include a Service Statement and Service Catalogue.

The CSIG Service Catalogue will clearly articulate the services that are available across the various the CSIG and will also clearly outline the roles and responsibilities of the relevant parties in relation to the ongoing delivery of services across Government. It is expected that once the detailed Service Catalogue is complete it will address the core findings raised by the ACT Auditor-General. This paper further provides detailed responses to each recommendation presented in the Auditor-General's Report No 1 of 2020: Shared Services Delivery of HR and Finance Services.

#### **Government Response to Recommendations**

##### **Recommendation 1 – Services agreement**

Shared Services, in cooperation with directorates and agencies and under the auspice of the Quality and Measurement Advisory Committee, should develop and agree a services agreement (or similar document) with directorates and agencies which:

- a) identifies and documents respective roles and responsibilities;
- b) documents mechanisms that govern service delivery and assurance;
- c) performance management arrangements; and
- d) how often the agreement will be reviewed.

The recently developed Draft Services Catalogue (August 2019) commissioned by the Quality and Measurement Advisory Committee could serve as a foundation for the agreement.

**Government response:** Agreed

- a) Shared Services will develop a document that sets out service offerings and associated roles and responsibilities for Shared Services as well as directorates and agencies.

- b) Shared Services will work to document service delivery and assurance processes and mechanisms.
- c) The Quality and Measurement Advisory Committee (QMAC)'s Terms of Reference (ToR) outlines the Committee's responsibility for providing assurance that appropriate quality and quantitative performance measures are in place. Shared Services will continue to set appropriate KPIs through the QMAC and budget accountability indicator processes.
- d) Shared Services will include a reference to the frequency in which the developed documentation will be reviewed to ensure it is appropriate and reflects the ever-changing operational environment.

**Recommendation 2 – Delivery of complex services**

In conjunction with Recommendation 1, Shared Services should agree and document with directorates and agencies how strategic human resources and finance teams:

- a) access Shared Services' more complex services; and
- b) escalate and resolve complex service delivery issues.

**Government response:** Agreed

Shared Services will engage with directorates and agencies to include information about how directorates and agencies' strategic human resources and finance teams access services and interact with Shared Services in its updated service delivery documentation.

**Recommendation 3 – Risk management**

Shared Services should improve its risk management activities to ensure:

- a) risk assessments are comprehensive and accurate;
- b) treatments effectively address the risk and are assigned to a specific responsible individual or position;
- c) strategic and operational risk registers are clearly linked; and
- d) managers at all levels of the organisation can clearly understand the risk treatments they are responsible for and are able to evidence their risk management activity.

**Government response:** Agreed

- a) Shared Services will work with CMTEDD's Governance and Audit team to review current risk management assessment processes.
- b) Shared Services will work with CMTEDD's Governance and Audit team to review current risk and associated treatments ensuring that identified risks are assigned to a responsible position.
- c) Shared Services will work with CMTEDD'S Governance and Audit team to review current risk registers.

- d) Shared Services' assurance team will review the risk management function and develop risk awareness training for managers and responsible officers.

**Recommendation 4 – Benchmarking reviews**

Shared Services, in cooperation with directorates and agencies through the Quality and Measurement Advisory Committee, should develop and agree an approach to benchmarking of its services that:

- a) uses measures that are directly relevant and focused on Shared Services, its activities and accountabilities;
- b) provides transparency in the nature of organisations and activities against which it is benchmarked; and
- c) makes qualified comparisons with commercial entities.

**Government response:** Agreed in principle

The ACT Shared Services function is a mandated service, which provides a range of services to a diverse range of directorates and agencies. Benchmarking these services requires careful consideration of the differences between commercial and government operations. Also, the diversity in services provided by Shared Services to accommodate individual agencies needs means that benchmarking services must reflect those differing needs. Deloitte provided a list of agencies benchmark from all levels of government jurisdictions both domestically and internationally. As no Shared Services function provide exactly like for like services, available data sets generally do not have the granularity apart from key metrics. Shared Services will measure its performance and consider benchmarks in cooperation with the QMAC.

The ACT Government is committed to transparency and recognises the importance of providing high quality HR and finance services. These functions ensure public servants as well as all individuals, local businesses and commercial entities engaging with the ACT Government are managed well and paid properly. The associated record keeping and information sharing processes ensure the required accountability and transparency. The updated documentation being developed in response to the Auditor General's report by Shared Services in consultation with ACT Government directorates and agencies will strengthen the delivery, transparency and efficiency of a broad range of services, including HR and financial services.