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**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**Government Response to Standing Committee on Public Accounts – Inquiry into the
Auditor-General’s Report No 1 of 2020 – Shared Services Delivery of HR and Finance Services**

**Presented by
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Special Minister of State
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Introduction

The Government welcomes the Standing Committee's Report on Inquiry into the Auditor-General's Report No 1 of 2020 – Shared Services Delivery of HR and Finance Services.

On 11 May 2021, the ACT Legislative Assembly Standing Committee on Public Accounts (the Committee) formally announced the inquiry into the Auditor-General's Report No. 1 of 2020 Shared Services Delivery of HR and Finance Services (the Audit Report).

The Committee made 2 recommendations.

Overarching ACT Government Comments

The overarching conclusions of the Committee's inquiry into the Audit Report commended the significant efforts made in Shared Services implementation of the Auditor-General's recommendations. The Committee's two recommendations (regarding the duplication of services, and cost of processing payslips) are welcomed by the Government as areas to focus on to continue to improve service delivery in the Shared Services HR and Finance functions.

Government responses to the Select Committee's recommendations

Recommendation 1

The Committee recommends the ACT Government continue to remove duplication of services and increase efficiencies across government in the delivery of HR and finance services.

Government response

Agreed

Shared Services provides the transactional layer of HR and Finance services to directorates and agencies, while the analytics decision-making processes are the responsibility of the directorates and agencies.

As it has over the past 15 years of operation, Shared Services will continue to change and evolve. With system, technology, and business process enhancements there is a constant need to review the ways of managing the services provided and the level of assistance that is able to be offered.

To assist in this process the governing body of the Shared Services HR and Finance functions, Quality and Measurement Advisory Committee (QMAC), facilitates interconnected discussions across government assist in identifying and resolving potential area of duplication.

The Government will continue to work collaboratively with the view to streamlining and reducing duplication were possible.

Recommendation 2

The Committee recommends the ACT Government continue its work to reduce the cost of a payslip.

Government response

Agreed

Benchmarking of Finance and HR services occurs on a regular basis and provides valuable insights into the relative costs of providing services. As identified in the most recent benchmarking exercise (2021) the current cost of producing and processing a payslip is roughly \$18, lower than public service peers at \$21.20 and slightly higher than private sector counter parts at \$17.40 per payslip.

The current cost drivers for processing payslips include legacy systems and processes across government such as manual timesheets.

The implementation of the new payroll system as part of the Human Resources Information Management Solution (HRIMS) project will assist in reducing the cost per payslip by reducing the amount of manual processing and interpretation.