



Some Better Practice Principles for Developing Policy Advice

Auditor-General's Foreword

This booklet aims to enhance management and quality assurance of the policy advising function across the Australian Public Service (APS). It contains the better practice principles and a policy development checklist drawn from Audit Report No. 21 2001-02 entitled Developing Policy Advice. The objective of this audit was to determine whether departmental quality management systems for policy advising were appropriate and the advice provided met expected standards for policy.

The distinguishing feature and unique value of the public service is its role in providing policy advice based on promoting the public interest. In the June 2001 Centenary of the APS Oration, the Prime Minister stated:

The quality of any government is dependent, in large part, upon the quality of the advice it receives... Australia must be assured that its government... will be guided by considered, honest advice based on proper analysis, sound knowledge of administrative practice and sensible precedent.

The process of developing policy advice needs to be robust. While a good process does not necessarily guarantee a good policy outcome, the risks of poor process leading to an unsatisfactory outcome are very much higher. Policy advising is not an exact science. Consequently, any proposals and advice need to recognise the sensitivity of both being responsive to government objectives and fully informing the minister(s) concerned in a professional manner.

The Australian National Audit Office (ANAO) has provided this as guidance to all agencies from observations of better practice principles. However, the ANAO does not expect, nor suggest, that all the better practice principles and all components of the checklist be adopted or embraced in every circumstance. The principles and checklist should be assessed for relevance by all agencies for each policy development project. Hopefully, this should result in better policy advice that is both credible and reliable.



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Auditor-General
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Developing Policy Advice Better Practice Principles

The following better practice principles have been developed from issues raised during the course of the Developing Policy Advice audit, a review of policy advising literature and discussions with officials and other relevant experts.

Agency management of the policy advising function

- Develop a strategic perspective on policy advising requirements in corporate and business plans by identifying where policy development may be required to meet future needs or to respond to current problems.
- Ensure that business plans and performance information at all levels address the objectives and risks identified in higher level plans and risk assessments.
- Establish a system for obtaining ministerial feedback on performance measures for policy advice that:
 - is designed in consultation with the minister(s);
 - has explicit and defined criteria for the quality of policy advice;
 - captures feedback across the range of policy advice provided; and
 - disseminates feedback to policy staff.
- Ensure that the departmental Annual Report provides a comprehensive and transparent assessment of performance against the indicators listed in the Portfolio Budget Statement.

Managing policy projects

- Manage risk as an integral part of management and quality assurance for policy projects, including conducting and documenting initial risk assessments.
- Make deliberate decisions about the level and quality of official documentation to meet obligations, capture precedents, and to manage risk and decision-making, including the need to preserve handwritten and electronic records of key discussions and of decisions.
- Provide documented guidance to relevant staff on the policy process that:
 - links policy processes to other corporate expectations and procedures; and
 - provides guidance on better practice tools, techniques and management processes.
- Determine, when preparing initial plans for large policy projects, the priorities for additional information gathering, analysis or consultation where more time for policy development becomes available, since decisions on such projects have a tendency to take longer than originally expected.
- Establish key controls for managing policy projects including:
 - a documented statement of the task;
 - mechanisms to monitor against timetables and quality standards;
 - defined and documented responsibility for reviewing and approving policy advice; and
 - a relevant interdepartmental advisory group where significant whole-of-government issues are involved.
- Determine whether the minister prefers to receive the majority of information in writing or orally, and ensure that a knowledgeable contact person is identified on written material and that the outcomes of key oral briefings are recorded.

Information gathering

- Conduct an initial assessment of information needs to set priorities and develop a strategy for acquiring it, but retain sufficient flexibility to respond to new information requirements that may be generated during the policy process.
- Where consultants are engaged, determine the selection criteria and document the evaluation to ensure that the chosen consultants are of appropriate quality and that the process is transparent.
- Report the impact of limitations on information to ensure that decision-makers can accurately assess the risks associated with making a decision on the level of information provided.
- Where it is material to the advice, identify the source of information in briefs and cabinet submissions to:
 - allow ministers to take into account the sources of information;
 - enable others to contest information and its use; and
 - establish a basis for future policy development.
- Conduct research on longer-term trends and coordinate it across agencies, to identify areas for possible future policy work and to provide a knowledge base to respond to emerging issues.
- Strengthen knowledge management and corporate memory by creating 'knowledge pools' within or across agencies in policy areas. These pools could include:
 - a directory of subject expertise across agencies;
 - a description of the current policy agenda and/or new policy projects; and
 - information on consultation documents, processes and responses, evidence used, impact assessments, policy evaluations and resources.
- Consider keeping core information and research expertise within the agency to benefit from accessibility, responsiveness and continuity, while using consultants for specialised services, advice and testing of information and policy approaches.

Consultation and coordination

- Identify issues where consultation is required and the risks associated with different consultative mechanisms.
- Ensure that consultation is undertaken with appropriate stakeholders by updating and reviewing existing lists of stakeholders and considering an active direct public consultation mechanism.
- Agree consultation plans and strategies with the minister.
- Provide individuals or organisations consulted with a statement of purpose that includes (where known) a brief and simple statement of purpose, a summary of policy proposals, a proposed implementation date where known, contact details for input, a point of contact for questions, and information on the timeframe for the consultation process and the policy decision process.
- Consider making pre-publication copies of research information available to ensure that individuals or organisations consulted have access to full information.
- Where some individuals or organisations have privileged access to the consultation process:
 - identify who has a need to know, what information is sensitive and actions required to meet Commonwealth information security policy and principles;
 - identify the risks of providing privileged access;
 - identify and implement treatment strategies, including documenting obligations, responsibilities, accountabilities and procedures to, for example, manage access to confidential information or potential conflicts of interest; and
 - ensure that legal obligations are identified and actions taken to ensure that they are respected.
- Establish knowledge networks of policy advisers across agencies to identify, research and coordinate policy based on themes. The networks could be guided by committees of officials that mirror the committees of cabinet.

Professional development

- Include human resources issues in risk assessments and business planning for policy advising and provide appropriate treatments for identified risks.
- Conduct regular skill assessments of policy staff to identify appropriate individual and agency-wide developmental needs.
- Include formal policy training as a component of policy staff development.
- Ensure that performance agreements for policy staff include:
 - a description of the policy work required that is consistent with other business planning documents;
 - criteria for assessing the policy work that are consistent with the criteria used by stakeholders to assess policy advice; and
 - links between work expectations, formal training and on-the-job training.
- Establish a senior government network in which ministers, senior government officials and other senior policy makers can meet from time to time for focused seminars on top-level management issues.

Review of the policy process

- Conduct a review at the end of at least significant policy advising projects, to identify strengths, lessons learned and opportunities for improvement in the policy process. The extent of review should be tailored to the particular circumstances, recognising that there is a range of possible approaches to achieve required effectiveness.
- Document the results of the review; feed them back into the policy advising process; and look for opportunities to share the results more widely.
- Commission periodic external reviews of the policy advising function, which examine the quality of the policy advising processes as well as of the policy advice output documents.
- Collect, assess and record the views of a range of stakeholders on the policy advising process and function as a basis for continuous improvement.

Developing Policy Advice Check List

The following checklist has been developed from criteria used during the course of the Developing Policy Advice audit and checklists supplied in *The Australian Policy Handbook* by Peter Bridgman and Glyn Davis, 'Public Policy Advice' in *Public Sector* Vol.14 No.3 by Dave Dickens and the Public Service Merit and Protection Commission Introductory Policy Formulation and Advice course notes.

Policy advice objectives

- Has the objective been considered?
- Have the problems with the status quo been identified?
- Does the minister agree that a policy problem exists?
- Have impediments to achieving the objective been acknowledged?
- Are there in existence any related policies that need to be taken into consideration?
- Are objectives and goals explicit and clear?
- Should this matter go to cabinet?

Managing the policy cycle

- Are staff allocated responsibility for coordinating policy responses within the agency?
- Is there appropriate project planning and does it include a risk assessment?
- Does the risk assessment address:
 - risks relating to coordinating within the agency ?
 - risks relating to coordinating with other agencies?
 - risks relating to a whole-of-government approach?

Is the need for procedural integrity, and the separation of political and policy roles, understood and built into the policy development process?

Is the project timetable realistic?

Is the required funding properly targeted and fully budgeted?

Have information needs been determined?

Have cost effective strategies been established to fulfil information needs?

Are policy processes adequately documented? (including electronic documents)

Policy analysis

Has the issue been accurately formulated?

Are adequate skills available for well-rounded analysis?

Has the search for alternatives been thorough?

Have the appropriate analytical tools been used for the issue?

Have resource constraints, legal requirements and external accountability been taken into account in the policy advice?

Is there a superior alternative?

Has implementation been considered in policy design?

Have the limitations in the information been acknowledged?

Have relevant guidelines and procedures been identified and followed?

continued next page

Consultation

- Are the objectives of the consultation process clear?
- Is the consultation process clearly linked to when and how a decision will be made?
- Has an appropriate information, consultation, partnership, delegation or control strategy been developed?
- Does the consultation timetable allow sufficient scope for meaningful input and consideration?
- Are the resources to be committed to consultation commensurate with the importance of the problem?
- Have all relevant stakeholders been identified and included?
- Is appropriate access provided to the consultation process?
- Has feedback from consultation been incorporated into policy advice?
- Is the advice consistent with the public interest?

Coordination

- Are proposals logical, well considered and consistent with other government initiatives?
- Have all government agencies with an interest been identified?
- Have appropriate mechanisms been created to test their thinking and gain support?
- Have the regional, employment, industrial, equity and fairness consequences of the proposal been worked through?

Advice

Is the submission in the appropriate format?

Will the minister hear about relevant issues in a timely manner?

Is the aim of the advice clearly set?

Is the minister informed about contending opinion on the matter?

Are clear, different options available and presented honestly to the minister?

Are the consequences of each option provided to the minister?

Are features of the possible solution unethical, inequitable, inefficient, inappropriate or inexpedient?

Does the minister have sufficient information to make a decision?

• budget information

• staff and other resource requirements

• legal implications

• social, environmental and other impacts

• technical data

• consultation and its results

continued next page

Is the information provided to the minister balanced and accurate?

Have the client's views and priorities been taken into account?

Is the proposal cost effective?

Have policy alternatives been considered?

Review

Has feedback from the minister been received?

Has the policy process been reviewed internally?

Has an external party reviewed the policy process?

Have the results of the review been captured and disseminated?

The Australian National Audit Office welcomes any comments or suggestions on this booklet as part of the ongoing identification of good practice.

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