

Public Service and Merit Protection  
Commission (PSMPC)

**Strategies for Better Governance  
– Organisational Governance**

6 March 2002

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# ***Strategies for Better Governance***

## ***- Organisational Governance***

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**Canberra, 6 March 2002**

# Overview of Presentation

- Tuning into APS developments
- Importance of agency governance
- Key governance elements
- Going forward

## Setting the Scene

*‘An accountable, non-partisan and professional public service which responds creatively to the changing roles and demands of government is a great national asset.’*

The Hon John Howard MP 1997

## The Government's Objective for the APS has been:

*'to focus the APS on its core activities: policy development, legislative implementation and the contracting and oversight of service delivery.'*

The Hon Dr David Kemp MP 1998

# Views of Key Stakeholders:

## *The Government*

- Leadership is crucial to success
- APS agencies must continue to examine critically the way in which they perform functions
- APS must be able to respond quickly, flexibly and decisively

# Views of Key Stakeholders:

- ‘Sometimes I feel I’m being told what someone wants me to hear.....’
- Sometimes I’m not getting timely advice.....’
- Sometimes I’m not being told at all.....’
- Sometimes I’m not being given accurate information.....’
- I don’t expect it to be a one-way street. You are entitled to expect of me the same professionalism, competence and effort that I expect of you.’

Senator the Hon Robert Hill  
Minister for Defence  
28 February 2002

# Views of Key Stakeholders:

## *The Parliament*

- concerns about *the apparent lack of understanding in the APS about parliamentary accountability*
- *agencies should work with, and not against, the Committee*



## International Developments:

- One stop access to government information (Canada)
- Joined-up government (United Kingdom)
- Strengthening policy capacity by bringing together the expertise and perspectives of many departments (Canada)
- Ensuring departments are capable of handling the challenges of the future (New Zealand)
- Attracting and retaining the best and brightest (Canada)

# International Developments:

## Pressures:

- A decline in trust in government
- A better educated and more knowledgeable citizenry
- Increasingly diverse and fragmented societies
- Greater authority given to supranational and subnational bodies
- Changing patterns of employment, lifestyle and demographics

# Challenges for the APS:

- To be responsive to the Government of the day; and instil confidence in public administration
- To continue to build on leadership skills, address succession planning and skills attraction/retention
- To enhance means of discharging internal and external accountabilities
- To enhance outputs/outcomes through more collaborative approaches to policy development and service delivery
- To better manage stakeholder relationships

# Top 4 Responsibilities of Boards:

- Setting corporate strategy, as well as mission
- Executive succession
- Control, supervision and monitoring of top management
- Reviewing and approving the use of resources

# Corporate Governance

- A critical element in organisational prosperity and accountability
- Responsibilities and accountabilities of CEOs in the APS never been greater
- Responsiveness and continuous strategy are key; risk management essential
  - to address previously identified challenges

# RISK MANAGEMENT



# Key Governance Principles

- **OPENESS:** Giving confidence in the decision-making processes and actions of agencies
- **INTEGRITY:** Straight-forward dealing and completeness
- **ACCOUNTABILITY:** Agencies and individuals are responsible for their decisions and actions

# Hints for Board Members

- Be knowledgeable
- Be diligent
- Be demanding
- Be assertive
- Be beyond reproach

Extract from Minter Ellison



# Corporate Governance - Key Elements

- Legislation/APS Values
- Board of management
- Corporate plan
- Business planning
- Audit committee
- Control structures
- Performance management framework
- Evaluation/Review

# Recent Issues Arising from Audit Coverage:

- Mission and operational alignment
- Contract management
- Management reporting
- Costing of services
- Control structures and housekeeping

# Conclusion

- Goal is to limit time on control and conformance matters to focus on strategy and positioning for future.
- Effective governance arrangements which are understood and which reinforce APS Values are critical to success
  - management principles rarely change
  - for new initiatives, think 'governance' and 'risk management'
- Impetus towards networked solutions, partnerships and alliances
- There are generally accepted governance models, and wide APS experience
  - but tailor these to your circumstances