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Public Service and Merit Protection Commission (PSMPC)

Strategies for Better Governance - Organisational Governance

6 March 2002

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- Organisational Governance

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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

Senate Finance and Public Administration 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:

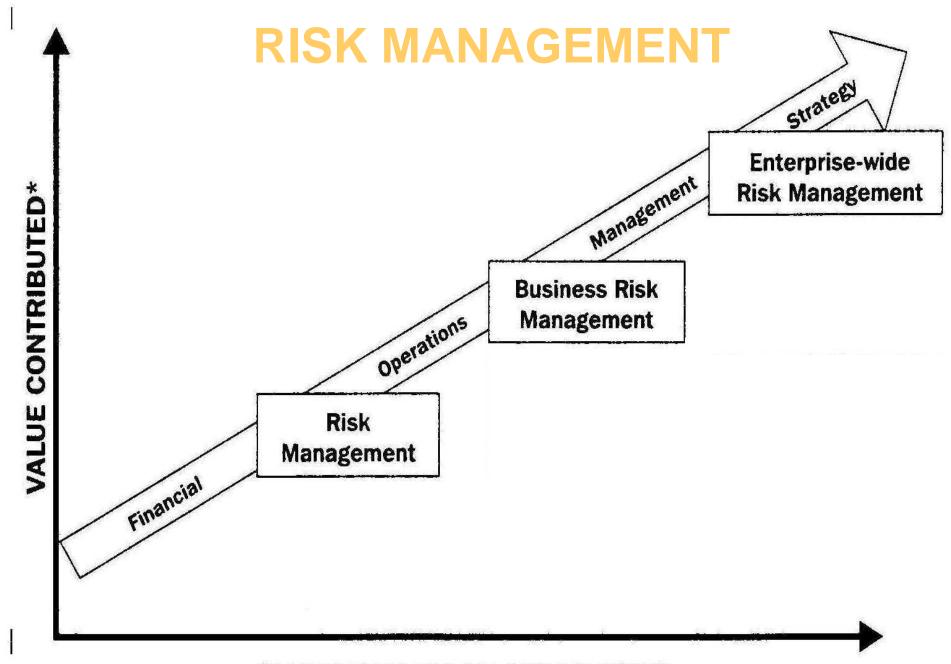
- To be responsive to the Government of the day; and instil confidence in public administration
- To continue to build on leadership skills, address succession planning and skills attraction/retention
- To enhance means of discharging internal and external accountabilities
- To enhance outputs/outcomes 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 PERSPECTIVE

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