

SUNCORP - ARC Chairs Breakfast

13 May 2014

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Auditor-General



Risk Management in the Public Sector

Solid framework and Structured process



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09-05

Internal Audit and Risk Management Policy
for the NSW Public Sector

OFFICE OF FINANCIAL MANAGEMENT
Policy & Guidelines Paper



Risk Management Toolkit for
NSW Public Sector Agencies

Volume 1: Guidance for Agencies

Policy & Guidelines

TPP12-035

Overview of ISO 31000 2009
Risk Management Standard

Audit and Risk Committee

- Central to good governance
- Independent assurance of risk management
 - Enterprise risk management
 - Risk management plans for major projects/undertakings
 - Risk management processes impact on controls and insurance
 - Business continuity plans
 - Fraud control

Risk Management – Essential Elements

- Risk management must be:
 - Linked to objectives
 - Supported by the right culture
 - Supported by the right resources
 - Not too complex
 - Treatments need to be commensurate with the risk

Solid Framework – Checklist

- Foundations
 - Policy and objectives
 - Mandate and commitment

- Arrangements
 - Plans
 - Relationships
 - Accountabilities
 - Resources
 - Processes and activities

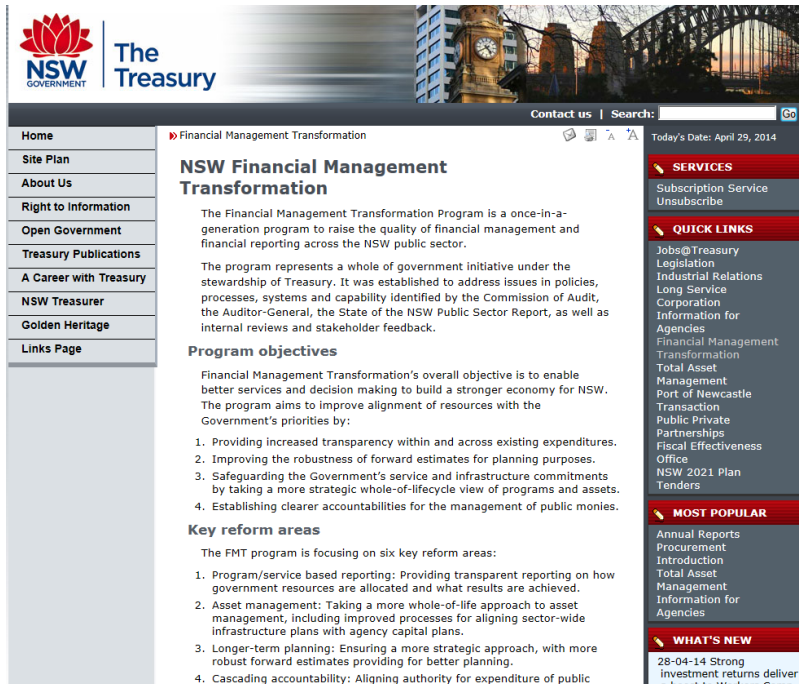
Governance



- Governance

- Risk in times of change
- Institutionalising Audit and Risk Committees – compliance vs adding value

Financial and Performance Reporting



The screenshot shows the NSW Financial Management Transformation website. The header includes the NSW Government logo and 'The Treasury'. The main content area is titled 'NSW Financial Management Transformation' and contains the following text:

NSW Financial Management Transformation

The Financial Management Transformation Program is a once-in-a-generation program to raise the quality of financial management and financial reporting across the NSW public sector.

The program represents a whole of government initiative under the stewardship of Treasury. It was established to address issues in policies, processes, systems and capability identified by the Commission of Audit, the Auditor-General, the State of the NSW Public Sector Report, as well as internal reviews and stakeholder feedback.

Program objectives

Financial Management Transformation's overall objective is to enable better services and decision making to build a stronger economy for NSW. The program aims to improve alignment of resources with the Government's priorities by:

1. Providing increased transparency within and across existing expenditures.
2. Improving the robustness of forward estimates for planning purposes.
3. Safeguarding the Government's service and infrastructure commitments by taking a more strategic whole-of-lifecycle view of programs and assets.
4. Establishing clearer accountabilities for the management of public monies.

Key reform areas

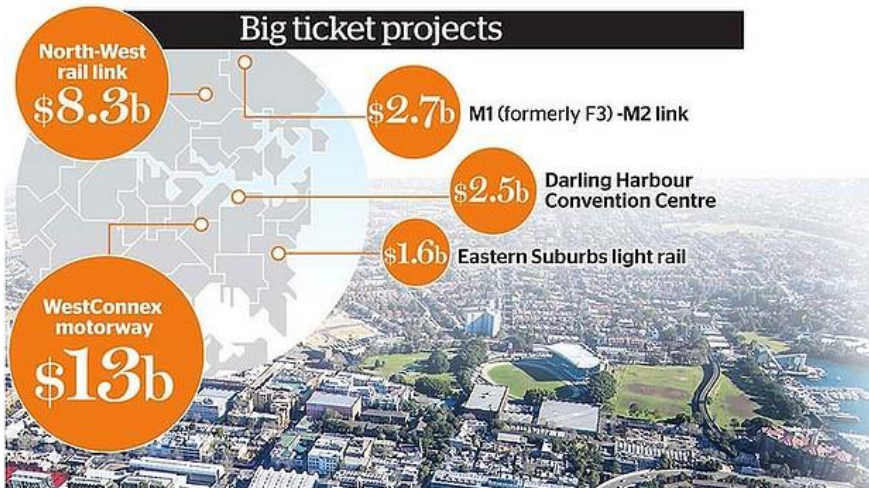
The FMT program is focusing on six key reform areas:

1. Program/service based reporting: Providing transparent reporting on how government resources are allocated and what results are achieved.
2. Asset management: Taking a more whole-of-life approach to asset management, including improved processes for aligning sector-wide infrastructure plans with agency capital plans.
3. Longer-term planning: Ensuring a more strategic approach, with more robust forward estimates providing for better planning.
4. Cascading accountability: Aligning authority for expenditure of public

The right sidebar contains sections for 'SERVICES', 'QUICK LINKS', 'MOST POPULAR', and 'WHAT'S NEW'.

- Accuracy and timeliness of financial information
- Financial transformation program
- Government performance transparency

Service Delivery

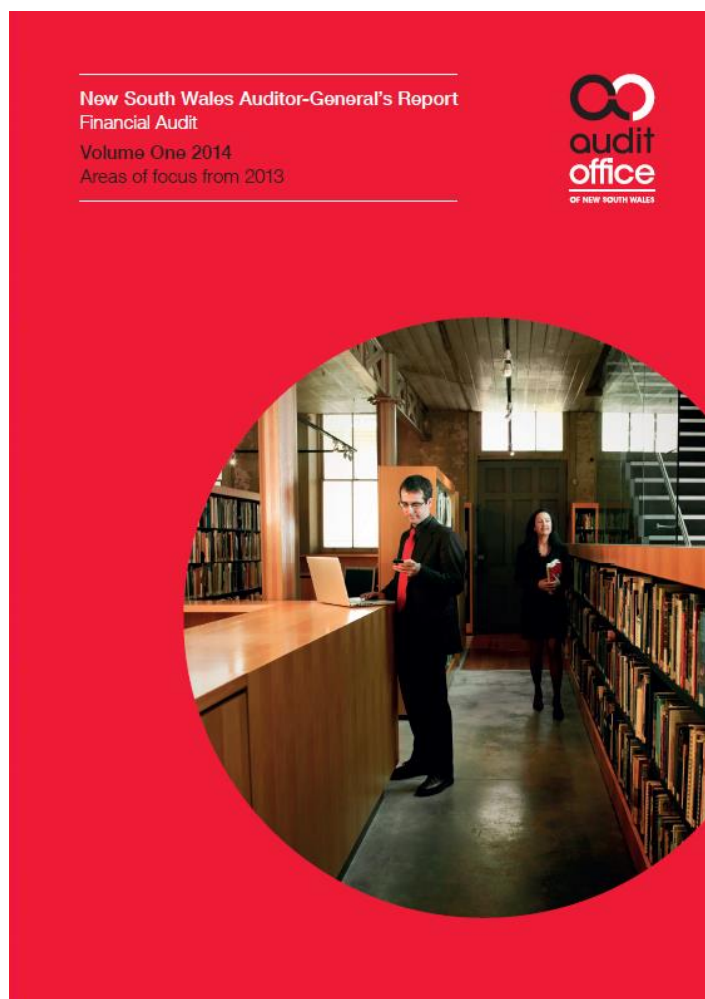


- Contract management
- Project management

Financial Controls

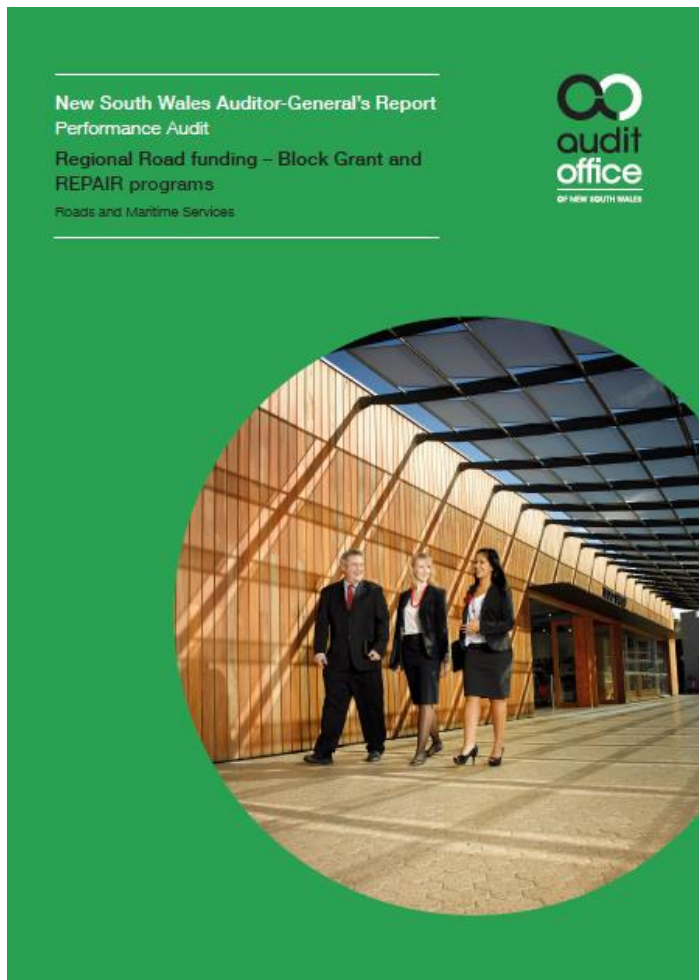
- Human resources
- Asset management
- Information Technology

Auditor-General's Reports to Parliament



- Financial and performance reporting
- Financial controls
- Governance
- Service delivery

Auditor-General's Reports to Parliament



- Three-year Performance Audit released
- 2015 audit - Implementing Government's risk management framework

Thank You