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Serving Victoria
A Guide to the Public Sector CEOs

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Introduction

The role of a chief executive officer (CEO) in the Victorian public sector is a broad position with multiple dimensions and the accountabilities are substantial and multifaceted. The role is critical to the effective and efficient delivery of government services.

These accountabilities are undertaken in an environment of intense scrutiny. This can include agents such as the Auditor-General, the Ombudsman, portfolio-specific regulators and integrity bodies, as well as committees of parliament, the opposition, the media and other stakeholders.

The primary aim of this guide is to provide a reference point for incoming CEOs on their role within the public sector. The guide presents information on and insights into the issues that are unique to being a public sector CEO – including the responsibility of CEOs to their board, as an accountable officer under legislation, and as a senior public official – and aims to facilitate a 'no surprises' approach to their transition. As such, the guide could form part of a board chair's induction process for a new CEO. In addition the guide may be useful for new chairs and board members to better help them understand the role of a CEO.

This guide is written for CEOs of public entities which are governed by a board, which in turn appoints a CEO to manage the operations of the entity. However, the concepts in this guide are equally applicable to the heads of public entities with other governance structures.

In this context, the term 'CEO' is used to mean the operational head of a public entity. However, the nomenclature could also be 'managing director, 'executive director' or similar. Similarly, the term 'board' is used in this guide, but the information could also apply to entities with governing boards made up of commissioners or trustees.

The guide may also be of interest to a wider audience than new public entity CEOs and their boards. It may be useful for heads of administrative offices, special bodies and departmental units with legislated responsibilities, as well as departmental officers who work with public entities.

The Public Entity Operating Environment

Before considering the role and responsibilities of a public sector CEO, it is essential to understand the operating environment. This includes the composition of the sector, the key characteristics of public entities, the accountability framework within which public entities operate and the framework for determining each individual entity's operational priorities and constraints.

The public sector

The Victorian public sector performs a wide variety of functions on behalf of government, including direct provision of services to the community, provision of policy advice, the collection and administration of public money and, regulating funding and contracting private and non-government organisations for service delivery. These services are delivered through the Victorian Public Service: departments, authorities and offices, and the Victorian Public Sector Commission (VPSC); and through public entities operating in the wider public sector.

Public entities are organisations that exercise a public function but are established outside the public service. As bodies operating at 'arm's length' from government, public entities perform their functions with a greater degree of independence from ministers in their day-to-day decisions.

A current summary of the Victorian public sector.

Key Characteristics of Public Entities

Public entities are a diverse group of organisations and undertake a wide range of advisory, service delivery, regulatory and other functions within the public sector. Victoria's public entities include employing bodies such as hospitals, technical and further education (TAFE) institutions, police and emergency service organisations, and water and land management bodies. Also included are many public entities that do not employ staff, such as ministerial advisory committees.

Table 1 summarises the most common functions undertaken by public entities in Victoria. A public entity will often have hybrid or multiple functions.

Table 1: Common functions undertaken by public entities

Function	Description	Examples
service delivery	entities that directly undertake delivery of essential public services	health services water authorities catchment management authorities
stewardship	entities created to manage public assets	Shrine of Remembrance Trust National Gallery of Victoria Crown land committees of management
integrity	entities that scrutinise the actions and decisions of public officials	Victorian Equal Opportunity and Human Rights Commission
regulatory	entities that administer regulation	Essential Services Commission
quasi-judicial	entities that exercise quasi-judicial powers	Adult Parole Board

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Function	Description	Examples
advisory	entities created to provide specialist advice on specific matters, usually directly to a minister, or to provide ongoing technical advice and/or undertake research	Women in Primary Industries Advisory Panel Radiation Advisory Committee

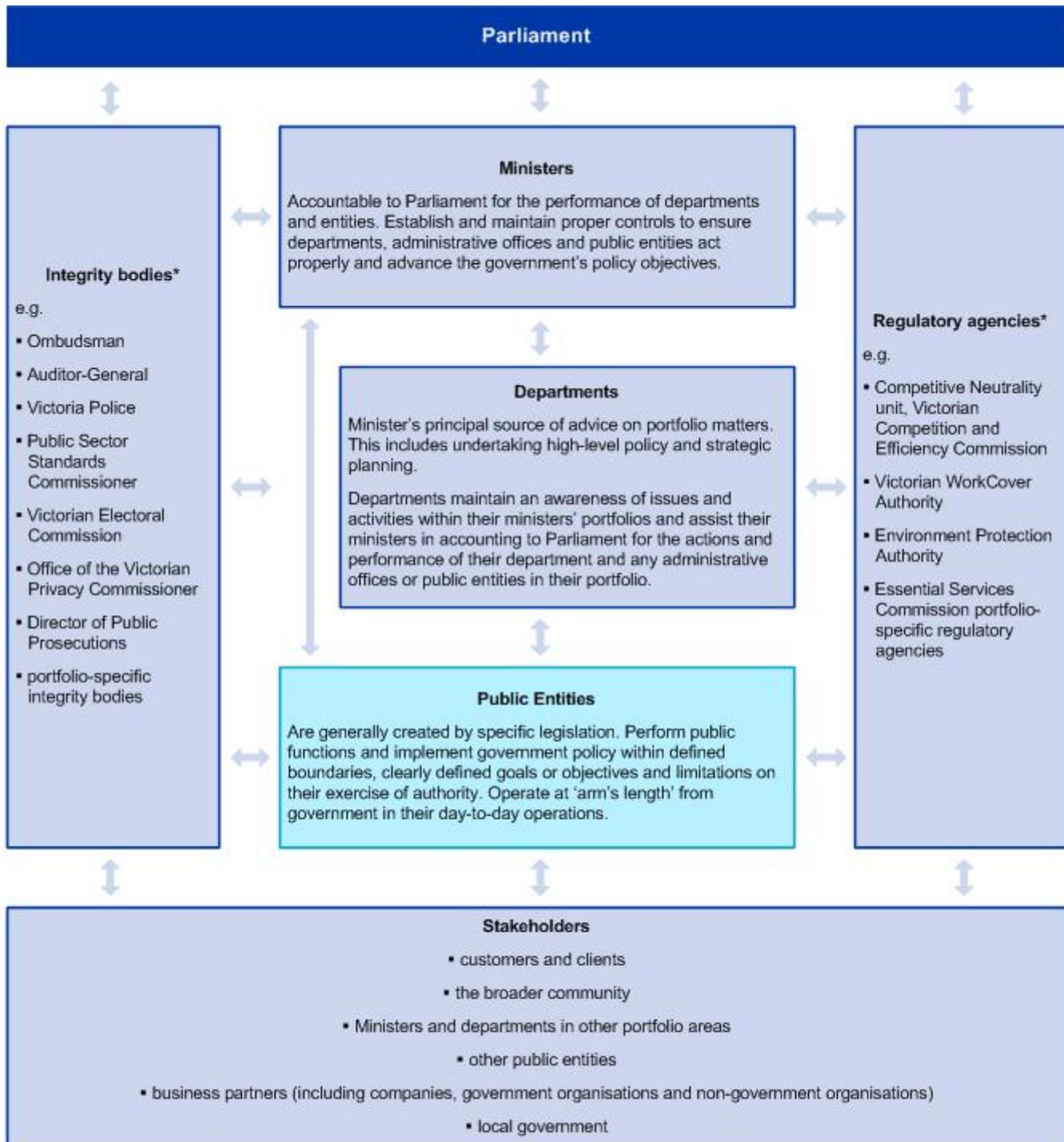Despite this diversity, public entities share a number of common characteristics. In general, public entities:

• are established to deliver specific functions for a public purpose;

• perform those public functions and implement government policy within defined boundaries, clearly defined goals or objectives and limitations on their exercise of authority, either through statute or other enabling instrument;

• are part of government but have a separate legal identity – most are incorporated bodies that can contract, employ staff, hold property and engage in legal proceedings in their own name;

• operate at arm's length from their responsible minister in their day-to-day operations;

• are subjected to ministerial powers of direction that are more structured, limited and specific than those for public service bodies (departments and administrative offices); and

• are generally not legally part of the Crown.

Accountability Framework and Key Relationships

Although public entities operate at 'arm's length' from government in their day-to-day operations, they operate within a broad accountability framework that ensures they are properly directed, controlled and held to account. The CEO of a public entity is accountable to the board of that entity. A public entity's board is accountable to its responsible minister for the exercise of its functions. The responsible minister, in turn, is accountable to parliament and the community.

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Public entities also have a working relationship with their minister's portfolio department which, as the minister's principal source of advice on matters within the portfolio, provides support to the minister to account to parliament and ensures the overall coordination of activities within the portfolio.

Figure 2 below shows the accountability framework and key relationships for public entities.

Parliament

Integrity bodies*

e.g.

- Ombudsman
- Auditor-General
- Victoria Police
- Public Sector Standards Commissioner
- Victorian Electoral Commission
- Office of the Victorian Privacy Commissioner
- Director of Public Prosecutions
- portfolio-specific integrity bodies

Ministers

Accountable to Parliament for the performance of departments and entities. Establish and maintain proper controls to ensure departments, administrative offices and public entities act properly and advance the government's policy objectives.

Departments

Minister's principal source of advice on portfolio matters. This includes undertaking high-level policy and strategic planning.

Departments maintain an awareness of issues and activities within their ministers' portfolios and assist their ministers in accounting to Parliament for the actions and performance of their department and any administrative offices or public entities in their portfolio.

Public Entities

Are generally created by specific legislation. Perform public functions and implement government policy within defined boundaries, clearly defined goals or objectives and limitations on their exercise of authority. Operate at 'arm's length' from government in their day-to-day operations.

Regulatory agencies*

e.g.

- Competitive Neutrality unit, Victorian Competition and Efficiency Commission
- Victorian WorkCover Authority
- Environment Protection Authority
- Essential Services Commission portfolio-specific regulatory agencies

Stakeholders

- customers and clients
- the broader community
- Ministers and departments in other portfolio areas
- other public entities
- business partners (including companies, government organisations and non-government organisations)
- local government

*some integrity bodies and regulatory agencies are also public entities.

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Legal Form

Public entities are established using a variety of legal forms. The legal form of a public entity refers to its status as an incorporated or unincorporated body and the manner in which it is created, whether that be through a legislative or a non-legislative process. In Victoria, public entities may be established using a number of legal forms, depending on factors such as the functions of the entity and the degree of ministerial control required.

With the exception of advisory councils, most public entities are created and empowered through an Act of parliament which is referred to as that entity's enabling legislation. These entities are known as 'statutory authorities'. Statutory authorities can be established under:

- **entity-specific enabling legislation** – provides a legislative framework for the establishment of an individual statutory entity. Allows for the provision of clear direction on the objectives, functions, purpose and operation of the statutory authority. It also provides a public record of the government's purpose in establishing the entity;

- **sector-specific enabling legislation** – provides a legislative framework under which multiple statutory entities with similar functions and activities can be established. Sector-specific legislation is often used where there are multiple entities with similar purpose and functions, such as hospitals; and

- **broader enabling legislation** – provides a range of legislative frameworks to enable public entities to be established without new legislation being passed by parliament. For example, the *State Owned Enterprises Act 1992*.

Operational Priorities and Constraints

All Victorian public sector organisations are ultimately responsible to the Victorian people through their minister and the parliament, within a legislative framework that allows for the flexibility necessary to respond to change. On behalf of their board, CEOs ensure that their entity fulfils its role. Public entity boards and CEOs need to know who can direct them, how, and in what circumstances.

The operational priorities and constraints of individual public entities are largely determined by:

- **legislative requirements** – the responsibilities, powers, limitations and governance arrangements conferred on the entity through its enabling legislation and other whole-of-government or sector-specific legislation;

- **government policies and priorities**; and

- **board policies and priorities**.

Legislative Requirements

Enabling Legislation

The enabling legislation is the principal reference document that specifies the purpose, responsibilities, powers, limitations and governance arrangements for the entity. It should be read in conjunction with other legislation and government policies.

The enabling legislation can also be read in conjunction with the second reading speech – the speech given when the legislation was introduced into parliament. This speech explains the general principles and purpose of the legislation and can offer insights into the intentions and reasons for the creation of the entity. (see: www.parliament.vic.gov.au/hansard)

Enabling legislation can vary significantly from entity to entity, even within a portfolio or sector, but typically includes matters such as:

- mechanisms for the appointment and termination of board members;

- legal relationships with the department and other stakeholders, including the minister's powers of direction; and

- employment powers.

Other Legislative Requirements

Additional responsibilities may also be conferred on public entities by other whole-of-government or sector-specific legislation. Legislative requirements relate to factors such as integrity, information handling, finance, taxation, employment provisions and occupational health and safety.

Further information on the compliance and accountability requirements for public entities is can be found here:

- Board Obligations

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Government Policies and Priorities

A public entity's authorising environment is also determined by the government's policies and priorities. Government priorities are determined by the minister and are reflected in statements of expectations or directions issued by the minister to the board, or in government policy and guidelines.

It is the board's responsibility to ensure that the CEO is fully aware of all such correspondence and directives. In practice, given the full time nature of their role, the CEO should take joint responsibility for monitoring changes to government policies and priorities. Many entities also provide administrative support to their boards to monitor incoming information, correspondence and directives.

Ministerial Directions

A ministerial direction is a direction addressed to a board of a public entity, requiring it to act in a particular way in relation to certain aspects of its responsibilities or assigning new responsibilities. Ministerial directions most often relate to matters of general policy and procedures. The board and officers of the public entity must follow such a direction unless it is unlawful for some reason.

One way in which a portfolio minister can issue an entity with a direction is through a statement of expectations or statement of obligations, which outlines the government's priorities for the entity.

Some ministerial directions are authorised by Acts of parliament. These directions are normally written. Sometimes the Act under which a direction is made requires that directions must be noted in the annual report of the public entity or the annual report of the department.

Ministerial directions can also be issued without the specific backing of an Act of parliament.

Some directions can emanate from a minister other than the portfolio minister responsible for a particular public entity, e.g. the Minister for Finance.

The board must:

- ensure that the nature and terms of ministerial directions are complied with by the board and officers of the public entity;
- assume that a ministerial direction must be complied with unless the board has reliable advice that the direction is unlawful or cannot be complied with for some other reason;

and

- ensure that, where a ministerial direction cannot be complied with for any reason, the board ensures the minister is advised as soon as possible.

The CEO should provide support to the board in ensuring the entity complies with ministerial directions.

Government Policy and Guidelines

In addition to ministerial directions, the way in which entities operate can be guided by whole-of-government policies and guidelines. These may be specific to the portfolio, or can apply to all entities.

Examples of government policies and guidelines that may inform the operations of public entities include:

- Gifts, Benefits and Hospitality Policy Framework

- *Financial Management Compliance Framework*

- *Financial Reporting Directions*

- *Victorian Government Risk Management Framework*

- Code of Conduct for Victorian Public Sector Employees

- *Conflict of Interest Policy Framework*

- Policy on Executive Remuneration for Public Entities in the Broader Public Sector

Board Policies and Priorities

Finally, a public entity's authorising environment is also determined by the policies and priorities of the entity's board, which in turn reflect the policies and priorities of government. These are reflected in strategic plans, directions, board charter and instruments of delegation.

Questions to Consider

Theme	Questions
legislated objectives, functions and powers	what is the entity's enabling legislation?
	what other legislation relates to the entity's functions and powers?
	what are the entity's legislated objectives, functions and powers?
	what are the powers of the minister, secretary and any other departmental official in respect to the entity?
	what are the legislated functions and powers of the board and CEO? which functions and powers can and cannot be delegated?
	what other positions in the entity have legislated functions and powers?
	has the entity's minister issued the entity with any ministerial directions? how is the entity complying with these directions?

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Theme	Questions
legislative and regulatory reform	are there any Bills before parliament which could impact on the entity?
	are there any legislative or regulatory reforms planned which could impact on the entity?
	has the government announced any future plans which could affect the entity?
	are there any other developments that may impact on the entity? (i.e. Commonwealth priorities, public opinion)
	how do the services provided by the entity relate to other services provided by the Victorian Government or other agencies?
priorities	what are the minister's and department's objectives and priorities for the entity? has the entity's minister issued the entity with a statement of expectations / obligations? if not, how are outcomes and outputs determined?
	what are the board's objectives and priorities for the entity? does the entity have a strategic plan and a corporate plan? how is the entity performing against these plans?
	what non-legislated objectives and functions does the entity have? are these consistent with the entity's legislated objectives and functions? are these consistent with the government and board's priorities for the entity?

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Theme	Questions
legal delegations	have any legislated functions and powers been delegated to the entity from the department or minister?
	have any of the board or CEO's functions and powers been delegated?
	have legal delegations been reviewed in light of the appointment of a new CEO and do any need to be reissued?
	what are the processes for regular review of instruments of delegation?

For more on the Victorian system of government see the Welcome to Government resource.

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The Role of the CEO

This section of the resource provides an overview of the role of the CEO in supporting their boards to steer the entity on behalf of the responsible minister.

Accountability to the Board

The role of the public entity's governing body (generally a board) is to steer the organisation on behalf of the responsible minister. This includes:

- **a strategic role:** setting the overall operational direction of the entity;

- **a risk management role:** monitoring and reviewing the effectiveness and currency of risk management, compliance and reporting systems and notifying the minister of known risks; and

- **a stewardship role:** ensuring that the entity's activities reflect the public sector values and employment principles and that the entity has arrangements in place to meet its statutory obligations.

The role of the CEO is to support their boards to fulfil their responsibilities. Whilst the board is accountable to the government, the CEO is responsible to their board. Part of this responsibility is to support the board to provide good governance of the entity.

An entity's enabling legislation usually confers on the board all the entity's powers. Therefore the powers of the CEO and other senior staff are derived by formal delegation from the board.

Underlying Principles

There are four core principles that support public entities' ability to deliver their legislated responsibilities. These principles should underpin and inform all actions and decisions a CEO makes. The CEO must act:

- **collaboratively** rather than competitively with other public sector organisations, and where legal and appropriate, delegate responsibilities and authority to staff within the entity to maximise operational efficiency and effectiveness;

- **flexibly** to adapt, develop and change themselves and their entity as demands and challenges necessitate;

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- **with prudence** in making decisions about the expenditure of public money, allocation of resources and recommendations to the board, on the basis of careful evaluation of need, value and alternatives, and with full disclosure of the process and rationale for decisions made; and

- **applying the public sector values** of responsiveness, integrity, impartiality, accountability, respect and the application of human rights to their work and ensuring that others in the entity also apply these values to their work.

Key Responsibilities

A public entity CEO is the operational arm of the board. As such, all CEO roles involve common key responsibilities and, by extension, a common set of tasks, irrespective of the entity or its environment. However, depending upon the needs of the entity and the environment in which it operates, the board may wish to give greater priority to certain responsibilities and tasks in any given period.

The following list provides an overview of the key responsibilities within a CEO role. The CEO's role is to:

- **articulate a vision:** the CEO supports the board in articulating and then promoting a vision of what the entity will achieve in line with its purpose, powers, authority, functions, deliverables, reporting and compliance requirements;

- **establish strategies:** working with senior staff, the CEO is responsible for setting strategies to deliver the board's priorities and meet the entity's obligations;

- **manage organisational plans:** working with senior staff, the CEO is responsible for establishing and delivering operational, financial, workforce and other plans that detail how the entity's vision – as established by the board – will lead to tangible outcomes;

- **design the organisation:** working with senior staff, the CEO is responsible for establishing and revising the way in which the entity is designed, including the key role, relationships, systems, and deployment of staff with particular skills sets, to ensure the effective and efficient delivery of outcomes;

- **manage finances and assets:** working with the board and with senior staff, the CEO is responsible for managing finances and assets in line with legal requirements and established business management practices;

- **lead and manage the entity's workforce:** working with senior staff, the CEO is responsible for engaging staff and developing their capacity to deliver the entity's plans, and ensuring their safety and wellbeing during their employment;

- **establish a productive culture:** working with the board and senior staff, the CEO is responsible for establishing a workplace culture that delivers productivity by fostering staff engagement, satisfaction and wellbeing. This includes 'walking the talk' by actively practicing and modelling values that contribute to a productive culture;

- **establish and manage the entity's reputation:** working with the board and senior staff, the CEO is responsible for building and maintaining a positive reputation for the entity, one that engenders trust and credibility;

- **establish and manage relationships:** the board and CEO are responsible for establishing and managing communications and collaborations with other organisations (including the departments with which the entity is affiliated, other organisations in the same or related fields of work and community representatives) in order to deliver outcomes effectively and efficiently;

- **deliver organisational impact:** working with the board, senior staff and key stakeholders, the CEO is responsible for seeking feedback about the entity's impact and making adjustments to the entity's plans, design, culture, relationships and risk management to increase the positive impact of the entity;

- **manage compliance and reporting:** working with the board and senior staff, the CEO is responsible for ensuring compliance with relevant legislation, including enabling legislation, the *Public Administration Act 2004,* and other legislation governing use of public funds and records;

- **manage risk:** working with the board and with senior staff, the CEO is responsible for identifying and managing the risk that the entity will be unable to deliver outcomes as a consequence of resource constraints, unexpected situations, changes in the operating environment, damage to reputation, or inability to attract and retain an appropriately skilled workforce; and

- **provide authoritative advice:** working with senior staff, the CEO is responsible for providing accurate and timely advice to the board, minister, department, entity staff and other stakeholders about the entity, the field in which it works, and emerging risks and challenges.

In addition to these key responsibilities, CEOs need to maintain a focus on continuing their own personal and professional development as public sector leaders. Some of the options they may wish to consider are developing their professional networks, participating in professional associations (e.g. IPAA and ANZSOG), mentoring and coaching.

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Key CEO Relationships

This section of the guide provides an overview of key relationships for entities and their CEOs. It also provides key strategic and operational questions that incoming CEOs may wish to consider in managing their relationships. The questions are not intended to be a comprehensive list. Rather they focus on the 'common traps' that CEOs may face, as identified by current and former senior public sector leaders.

The Relationships with the Board

Where the governing body of a public entity is a board, generally it is the board that appoints a CEO to manage the day-to-day operations of the entity. As the primary link between the board and staff of the public entity, the CEO is critical to ensuring that the entity is responsive and accountable to board policies and priorities. The board delegates certain authorities to the CEO.

The board is responsible for providing overall direction for the entity, the CEO manages the day-to-day operations. In effect, the board plans 'the route' and the CEO has their 'hands-on the wheel'. It is important that the board and the CEO know and understand the distinction between their respective roles. Whilst the CEO and the board share responsibility for leadership of the entity, they fulfil this responsibility in different ways. The CEO is usually a full-time position, unlike the governing board which only meets a number of times a year. The CEO, therefore, plays a key role in providing advice to the board on issues and risks as they arise. However there are clear differences in the respective roles.

Table 2 below distinguishes between the governance role of a board and the management role of the CEO.

Table 2: Governance and management responsibilities

Governance Role – Board	Management Role – CEO
The board governs the entity.	The CEO manages the complexity and details of the day-to-day business operations and individual operational functions.

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Governance Role – Board	Management Role – CEO
The board sets the vision and strategy for the entity.	The CEO works within the entity to articulate the vision and strategy.
The board acts on behalf of the government in a 'trustee' or 'stewardship' role and is accountable for the success or failure of an entity.	The CEO is accountable to the board.

Part 5 of the Public Administration Act provides a framework for good governance of public entities within the Victorian public sector. It specifies the governance principles, including the duties of the board.

The CEO is accountable to the board for:

- implementing strategy and reporting progress;

- implementing policies and working towards results in an efficient, prudent and ethical manner;

- providing accurate and timely information;

- financial management;

- risk management;

- human resource management;

- occupational health and safety;

- articulating and promoting the board's vision for the entity;

- setting standards;

- delivering quality public services; and

- overall performance (including the outcomes and behaviour of the entity).

However, every entity is different and the nature of the relationship between the board, the chair and the CEO can vary. Figure 3 below shows the range of responsibilities and demonstrates the requirement for a close and effective relationship between the CEO and

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the board.

Making it Work

This section provides key strategic and operational questions that incoming CEOs may wish to consider as they go about their day-to-day business. The questions are not intended to be a comprehensive list. Rather they focus on the 'common traps' that CEOs may face, as identified by current and former senior public sector leaders. The section first considers the factors relevant to maintaining the strategic capacity of an entity to deliver on its objectives before outlining the major compliance and accountability requirements of public entities.

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Organisational Capability

A core responsibility of the CEO is to ensure that the organisation has the capacity and capability to meet its objectives.

CEOs may choose to undertake or commission an organisational capability assessment. Such an assessment can assist CEOs understand the fundamental strengths and weaknesses of their entity and provide valuable information about where to direct resources. This may be particularly relevant when the defined goals or objectives of the public entity have changed.

'Capability' has many different meanings and there is no single public sector definition of the term. The VPSC defines capability as what an entity needs in order to deliver efficiently the outputs required to achieve the government's goals as set out in the entity's strategy.

The skills and resources that make up an entity's capability include staffing, infrastructure, technology, financial resources, strategic leadership, process management, and networks and linkages with other organisations and stakeholders.

An entity's capability is its potential to perform by successfully applying its skills and resources to accomplish its goals and satisfy in stakeholders expectations. Public entities need to utilise this capability effectively and collaboratively to improve their operations and reduce costs to government.

Capability assessments can provide a conceptual framework as well as a practical, evidence-based, analytical tool. CEOs may conduct a capability assessment of their entity to:

- identify and consider capability areas most relevant to the goals and purpose of the entity;

- provide a focus for future activity;

- contribute to the identification of capability strengths, gaps and opportunities relevant to successful implementation of the business of the entity; and

- determine whether the entity has sufficient capacity to achieve its objectives.

There are many tools to assess an organisation's capability. In general terms there are some essential elements that are common to all tools. These elements are shown in Table 3.

Table 3: Organisational capability assessment elements

Element	Description
people	the staff and their collective skills, experience, tacit knowledge, culture, attitudes, relationships, and needs and expectations necessary to deliver the desired service
business practices	the documented processes that underpin service delivery
facilities and equipment	the physical facilities and (non-ICT) equipment required to enable service delivery
information and communication technologies (ICT)	the systems for the communication, capture, classification, documentation, storage, management, retrieval and dissemination of knowledge
knowledge	the domain-specific knowledge applied in service delivery, excluding tacit knowledge
accountability and governance	the framework to determine accountability and governance for all aspects of the entity's operations

When undertaking a capability assessment, it is important to have a clear understanding of the public entity's role, as determined by the legislative requirements, and government and board priorities (including ministerial statements of expectations or obligations). Section 1.5 provides further guidance on this.

Workforce Planning

Effective delivery of government priorities, both in the present and the future, is dependent

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on a strategic emphasis on human resource development.

Workforce planning is a tool that assists organisations and managers to plan for the future, anticipate change, manage their workforces and meet their business goals. It provides a framework for making workforce decisions that align with the strategic goals of the organisation. The workforce plan identifies how future staffing and skill needs will be met (i.e. via recruiting, development, internal deployment, recruitment, succession planning). This ensures that planning is proactive and talent surpluses and shortages are avoided where possible.

Workforce planning includes the following steps:

- understanding the organisation's strategic direction and the impact of that direction on the workforce;

- analysing the current and future workforce needs and competencies;

- analysing the gap between the current and future needs;

- developing strategies to address workforce gaps, including an understanding of market forces;

- implementing strategies to align the workforce with future business needs; and

- evaluating the success of the workforce planning strategies in meeting objectives.

A workforce plan will help the entity meet its objectives by ensuring that the staffing profile of the entity has the right capabilities to meet current and future demands.

Recruiting staff with a view to future business agility is appropriate in the public sector, as future trends are unpredictable. Strategic workforce development requires high-level input and ownership from the entity's executive to ensure targeted recruitment.

Compliance and Accountability

A core responsibility of the CEO is to support their board to ensure that the entity complies with relevant legislative and other government requirements, and that the board is able to account to government on the entity's activities. This section outlines the major compliance and accountability considerations in five areas – governance, risk management, managing reputation, funding and finance, workforce management, programs and services and information management.

Governance

A critical responsibility of the CEO is managing the governance and reporting arrangements of their entity to ensure the board is able to fulfil its responsibilities. These arrangements enable the entity to be responsive and accountable to the directions of its board and the government of the day.

Governance encompasses processes by which entities are directed, controlled and held to account. It includes the processes whereby decisions important to the future of the entity are taken, communicated, monitored and assessed. It refers to the authority, accountability, stewardship, leadership, direction and control exercised in the entity.

CEOs need to continually evaluate the weight they place on each of these components to ensure they find a balance between responding to the day-to-day demands of their role and maintaining a focus on current and emerging strategic issues. In particular, attention should be paid to the weight given to ensuring the entity has the business and information systems, workforce and culture to provide for good governance.

Good governance underpins the entity's ability to provide services for a public purpose. It ensures that services are developed and provided in an environment that is forward- and outward-looking and involves attention to process and a comprehensive understanding of the environmental context.

Governance gives practical meaning to public sector accountability obligations. Good governance provides the foundation for high performance of a public entity and the services it delivers. It strengthens community confidence in the public sector, and helps ensure the reputation of the public sector is maintained and enhanced. Good governance enables the public entity to perform efficiently and effectively, and to respond strategically to changing demands.

Subject to the provisions of the enabling legislation, a board may delegate to the CEO, a

member of staff, or a committee some of its powers, duties and functions. However, the board may revoke a delegation at any time, as structures or priorities change. The board remains responsible for actions taken under delegation, and anything done under a delegation will not be invalidated by the later lapse, revocation or variation of the delegation.

Further resources to support good governance.

Questions to Consider

Theme	Questions
governance and reporting arrangements	what are the decision-making processes for the entity? which issues does the CEO take to the board? what issues does the senior executive team consider? what governance committees exist? (e.g. audit and risk, remuneration)
	how well do the decision-making processes operate? do they meet the needs of the board, CEO and entity?
	does membership of the senior executive team include all those necessary to facilitate good decision-making? (e.g. should the human resources director, chief finance and accounting officer or chief information officer be on the senior executive team? or should they have regular one-on-one meetings with the CEO?)
	are the current reporting arrangements for the board and senior executive team adequate for the requirements of the entity?
	do the current delegation arrangements meet the needs of the board, CEO and entity? (e.g. finance, employment, operational decisions)

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Risk management

The CEO plays a pivotal role in managing risks to the board and to government. The CEO needs to ensure that they have appropriate mechanisms in place to ensure that major issues and risks are identified and managed and that the board and government are kept informed.

Risks are anything that stands in the way of an entity complying with legislation and government policy, and achieving its goals. Risk management is about identifying, evaluating and minimising those risks. It helps the entity to take advantage of opportunities while also taking calculated risks based on an analysis of their likelihood and impact.

Boards are responsible for ensuring that risk management frameworks and processes are in place, and should as a matter of course officially endorse risk management documentation including risk management frameworks and policies. The role of the CEO, in collaboration with their board, is to ensure the public entity has the capability and capacity to identify risks and develop, implement and evaluate risk management plans, and to define acceptable levels of risk for the entity.

Boards are required to ensure that inter-agency and state-wide risks are addressed within risk management processes. Section 2.5 of the Standing Directions of the Minister for Finance requires most public entities to establish an internal audit committee to oversee and advise the public entity on matters of accountability and internal control. CEOs should work with their boards to develop and implement appropriate risk management frameworks and processes.

The Victorian Managed Insurance Authority (VMIA) is a statutory authority which provides risk and insurance services to departments and public entities in order to minimise losses from adverse events. VMIA assists the Victorian public sector to establish programs for the identification, quantification and management of risks, monitors risk management across the sector, provide risk management advice and training, and advises the Victorian Government on risk management. It is also the provider of insurance services and indemnities to Victorian public sector bodies and officers.

Further resources to support management of risks.

Questions to Consider

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Theme	Questions
identified risks / issues	are there any major risks / issues for the public entity? do any of these present risks to government? for example: · is there any outstanding legal action or potential legal exposure? · are there any performance audits / investigations of the entity scheduled or underway? · is there any current media attention? what are the issues? · are there any FOI requests that present reputational or political risks? · are there any governance / management issues that the CEO should be aware of? · is the audit and risk committee properly constructed and compliant with government policy? · does the audit and risk committee meet the risk management needs of the board, CEO and entity? · has the audit and risk committee identified any critical issues? · are enterprise bargaining agreement (EBA) negotiations underway or about to begin? · are there any significant recent / ongoing occupational health and safety issues / legal action? · are there any significant recent / ongoing industrial relations issues? · what are the future exposure risks from current workforce trends? · are there any significant grievances currently being investigated? · are there any protected whistleblower disclosures currently being investigated? · are there any issues or concerns with the security or integrity of information held by the entity? · are there any other operational or strategic risks? · are there any other issues which could be politically sensitive?
	how are these risks / issues being addressed?
	have these risks / issues been communicated or escalated through to the relevant agencies?

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Theme	Questions
external scrutiny	what external regulators or portfolio-specific integrity bodies may hold the entity to account?
	what areas of the entity's business are subject to regulation? what are the key considerations the CEO should be aware of?
	are there any major reviews underway or recently completed that are relevant to the functions of the entity? (e.g. reviews by the Productivity Commission, Victorian Competition and Efficiency Commission, Victorian Law Reform Commission, parliamentary committees, base reviews)
	have there recently been any findings or recommendations made by a regulator or integrity body that directly name or are relevant to the work of the entity? how are these being addressed?
	what are the contact points with the integrity bodies and regulators? what are the lines of communication?

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Theme	Questions
risk management processes	how are major issues identified and managed? what is the role of the CEO in these matters?
	are risk management processes integrated into corporate and business planning?
	does the culture of the entity support appropriate risk management?
	is risk management used as an enabler or an inhibitor of effective outcomes?
	at what point does the CEO brief the board, department and minister on potential or identified risks?
	are preparations underway for upcoming audits listed in the Auditor-General's Annual Plan that may affect functions in the entity / sector?
	are there any Public Accounts and Estimates Committee (PAEC) hearings scheduled on the entity's progress on findings from past audits? are the processes adequate to ensure ministers and departmental representatives are adequately briefed?
	is the entity capable of ensuring adequate business continuity in the case of an emergency?

Managing reputation – stakeholders and communication

Managing reputational risks is a critical role for CEOs and their boards. However, reputation management alone is not a substitute for strong management, organisational integrity, due diligence and good governance.

The CEO plays a key role in managing the entity's relationships with its clients and stakeholders on behalf of their board. In order to undertake this role, the CEO needs to have a clear understanding of the entity's stakeholders, their issues, and the effectiveness of the

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entity's engagement with them. A stakeholder engagement plan can be a critical tool in helping a new CEO plan and execute their stakeholder engagement strategy.

The community has a sense of ownership with regard to public entities. This results in a large degree of public scrutiny. Any loss of reputation by an entity may impact on the minister or government of the day. 'Public money' is viewed differently to 'private money' and the process of doing business is as important as the outcome of the transaction. Accountability for public entities is related to service delivery, and not just financial accountability.

Questions to Consider

Theme	Questions
stakeholder engagement	who are the main stakeholders? what are their issues?
	what are the modes of communication between · stakeholders; · staff; · the board; · the minister; and · the department?
	how effective are current stakeholder engagement strategies? what is the entity's reputation with its stakeholders?
	who should the CEO meet with in the first three months? with whom should the CEO meet regularly?
	does the entity have a strategy for engaging stakeholders and communicating messages?

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Theme	Questions
communications and media	does the organisation have a communications strategy? does the strategy provide for appropriate, consistent and proactive communications? is the strategy appropriate for business needs?
	what are the key current media issues? what are the key anticipated media issues?
	who manages the entity's interactions with the media?
	have all staff interacting with the media taken advantage of media management training opportunities?
	does the media unit have direct access to the CEO's office?
	does the organisation have processes to ensure the media unit is kept aware of potential risks / issues to enable proactive media management where appropriate?
	is the media unit informed of all FOI requests – especially those requested by the media or members of parliament?
	is the media unit represented on risk management committees?
	what are the relationships between the entity's media unit, the department and the minister's office?
	are the processes adequate for alerting the CEO, the board, the department and the minister's office if there are any serious media issues?

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Funding, revenue and finance

As part of the Victorian public sector, public entities are responsible for the stewardship of public assets and accountable for the expenditure of public funds.

Different funding and financial management arrangements apply to each public entity. While departments receive an annual budget appropriation from parliament, public entities typically have a variety of funding sources. They may receive a portion of the funding granted to a department, or rely on a direct funding allocation from parliament. Public entities may also derive some or all of their income from the sale of goods and services or from fees, fines and other charges.

CEOs should ensure that they understand the funding sources for their entity, the risks to ongoing funding levels, and the expectations that come with the funding. Where the entity's funding is derived from non-budgetary sources, the CEO must ensure that there are appropriate systems and processes for managing the particular requirements of these funding streams.

CEOs should also ensure they understand the peculiarities of funding and finance within the public sector (e.g. different treatment of tax equivalents, depreciation and capital offsets).

In all cases, the relevant minister remains responsible for the expenditure of the public entity's funds. In addition, legislation imposes a range of financial accountability requirements. The key legislative requirements relating to financial accountability are contained in the *Financial Management Act 1994* and the *Audit Act 1994.* The requirements cover:

- financial management governance and oversight;

- financial management systems, policies and procedures;

- financial reporting;

- risk management;

- investment management;

- asset management; and

- insurance.

In addition, whole-of-government and sector-specific regulations impose competitive neutrality requirements and, for some entities, provide for prices oversight.

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Under Part 7 of the Financial Management Act the CEO of a public body must designate a position of Chief Finance and Accounting Officer (CFAO). The CFAO is responsible to the CEO for ensuring that proper accounting records and systems and other records are maintained in accordance with relevant regulations and directions.

The entity's CFAO is central to supporting the CEO as the 'accountable officer' under the Financial Management Act. The accountable officer is responsible for ensuring that the management of the financial affairs of the entity is effective, accountable and transparent. This includes ensuring proper financial accounts are kept, risk management and audit requirements are met, financial reporting and annual reporting requirements are fulfilled, and ministerial requests for information are responded to.

In particular, the entity must:

- meet the requirements of the Financial Management Act and subordinate legislation and policy frameworks;

- provide relevant information to portfolio ministers and other relevant ministers;

- provide information to the Department of Treasury and Finance (DTF);

- compile non-performance information as prescribed in legislation, regulation and direction;

- prepare and provide financial statements and associated notes to the Auditor-General for audit;

- provide an annual report to be tabled in parliament;

- develop and implement risk management frameworks and processes; and

- attest to compliance with risk management obligations in the entity's annual report.

The *Standing Directions of the Minister for Finance* form the basis of sound financial management for the public sector. The Standing Directions are designed to supplement the Financial Management Act by prescribing mandatory procedures that must be complied with by all Victorian public entities. Areas covered include governance and oversight, structure and systems, policies and procedures, and reporting.

The *Financial Management Compliance Framework* is a toolkit for financial management prescribed by the Standing Directions. The Framework helps public sector agencies establish and maintain effective financial management to support the achievement of their key objectives and goals. It also helps the Victorian Government monitor the standard of financial management in line with the Standing Directions. One of the key activities of the Framework is for agencies to self-certify their compliance with these requirements on an

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annual basis.

Both the Standing Directions and the Framework are supported by DTF, and further information can be found on the DTF website.

Departments are expected to monitor the performance of public entities against their obligations and to provide advice to DTF on the financial performance and public entities in their portfolios. The departmental secretary is expected to advise portfolio ministers on the delivery of financial and reporting responsibilities by public entities.

Questions to Consider

Theme	Questions
financial management and reporting	are there any compliance issues?
	what processes are in place to address these issues?

Theme	Questions
funding / revenue	how is the entity funded?
	what expectations come with the funding?
	does the entity have any non-budgetary funding streams?
	what government requirements are there regarding non-budgetary funding streams? are there any compliance issues? what processes are in place to address these issues?
	does the entity have appropriate systems and processes to manage the particular requirements of non-budgetary funding streams? E.g. what are the entity's processes for dealing with debtors?
budget process	what are the processes for providing information to support departmental budget submissions?
	how are priorities established?
	how is the entity progressing in the roll-out of its most recent budget initiatives?

Theme	Questions
financial delegations	what are the entity's financial delegation arrangements?
	have instruments of delegation been reviewed in light of the appointment of a new CEO or board and do any need to be reissued?
risk management	what assumptions underpin the entity's future financial position? what risk mitigation strategies are in place to protect the entity's finances?
	are there any risks to ongoing funding / revenue streams?
	does the entity have a debtor strategy? concession strategy? how does the entity ensure it meets its obligations to the community regarding the collection of revenue?
	is the entity's risk register reviewed regularly?
	does the entity have any risks on the Victorian Managed Insurance Agency (VMIA) statewide risk register? how are these being addressed?
	does VMIA have any concerns with the entity's risk management processes?
	does the entity's approach to risk management support innovation?

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Theme	Questions
investment management	is the entity's investment policy consistent with legislative requirements and government policy?
	are investments performing in line with government expectations?
	does the Victoran Fund Management Corporation (VFMC) manage all or part of the entity's financial investments?
asset management	what asset issues will need to be addressed to achieve service obligations and government policy expectations?
	how are assets and capital works funded? if by government, what is the process for obtaining capital works funding? what is the role of DTF?

Theme	Questions
procurement	are there any major procurement activities underway or impending?
	are there any issues with delivery?
	are there any issues with procurement processes?
	how does the entity ensure due process and integrity in its procurement processes?
	does the entity fall within the remit of any sector-specific government procurement bodies? (e.g. Health Purchasing Victoria)
insurance	does the entity receive indemnities against liabilities or insurance from VMIA?
regulation	does the entity conduct any activities that are subject to the competitive neutrality policy? are there any activities that require review due to changes in the structure of the activity, maturing market or changes in government policy?
	is the entity subject to prices oversight to regulate pricing policies?

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Theme	Questions
interaction with DTF	are there any current or impending base reviews?
	does the entity have a relationship with DTF? if so, what is the nature of relationship, lines of communication and key issues?
	what expectations do DTF have regarding the entity's performance? is the entity on track to achieving these objectives? what are the risks to achieving these objectives?

Workforce Management

As part of the Victorian public sector, public entities are responsible for delivering government services and accounting to government for their activities. An entity's workforce represents a critical component in helping the entity fulfil these roles.

Some public entities employ staff under the Victorian Public Service employment agreement, and others employ staff under entity-specific, occupation-specific or sector-specific agreements or awards.

Boards of public entities are responsible for setting the direction on how their entity manages employment issues including planning for future needs. Key responsibilities of CEOs include:

• ensuring compliance with relevant legislation governing employment and occupational health and safety conditions;

• ensuring the entity has adequate plans and strategies in place to address its ongoing employment needs;

• setting the direction for how conflict is managed;

• setting the direction for how employees are developed;

• playing a hands-on role in managing executive employment; and

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- mitigating the risks of industrial disputes.

Further resources on workforce management.

legislative requirements

To fulfil their responsibilities, public entities generally have the power to employ staff. Employment powers are generally vested with the board or chair for the CEO, and delegated to the CEO for all other employees. The employment power is generally specified in the enabling legislation.

The provision of employment powers confers a range of rights, powers, authorities and duties. These include general legislative responsibilities for occupational health and safety and employment conditions, as well as government-specific legislative responsibilities. The Public Administration Act outlines particular requirements for public sector employees and employers. These include requirements for public entity employees and employers to conform to:

- the public sector values;

- the public sector employment principles; and

- codes of conduct and employment standards issued by the Victorian Public Sector Commissioner.

Trust in and respect for government is based on the integrity of government institutions. The actions of each and every public sector employee – no matter what their role – shape the way they, their organisation and the sector as a whole are perceived.

To support the development of culture and practices that maintain the integrity of government, the Public Administration Act requires the CEO to apply the public sector values of responsiveness, integrity, impartiality, accountability, respect and the application of human rights to their work, and ensure that others in the entity also apply these values to their work.

Further details on the public sector values.

The Public Administration Act also establishes a series of employment principles which require public sector employers to establish processes to ensure:

- employment decisions are based on merit;

- employees are treated fairly and reasonably;

- equal employment opportunity is provided;

- human rights as set out in the *Charter of Human Rights and Responsibilities Act 2006* are upheld; and

- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.

The VPSC provides a range of tools to support public entities to meet the requirements of the Public Administration Act. One of those tools is an annual survey of the public sector, conducted by the VPSC, called the *People Matter Survey*. The survey is a tool designed to assist public sector organisations in measuring and building positive and ethical workplaces and striving to achieve service excellence. It measures employees' perceptions of the values and principles underpinning their organisation's culture and operations. It provides participating organisations with valuable information about employee job satisfaction and perceptions of leadership and supervision, performance management, work-life balance, employee commitment and intention to leave.

The survey can assist public sector organisations in measuring and building positive and ethical workplaces and striving to achieve service excellence. It is easy to administer and complete, economical, and allows organisations to benchmark their performance against comparable public sector organisations and to measure changes over time.

It delivers benefits for all participants:

- for organisation leaders and managers, it identifies strengths and emerging issues, establishes a benchmark for tracking future progress, and contributes to a positive relationship between management and staff;

- for employees, it provides the opportunity to give feedback to the organisation's leaders, to have their say in a non-threatening way, and to improve their working life; and

- for the VPSC, it helps further our goal of developing a stronger values based culture in the public sector, meet our obligations under the Public Administration Act, and use the information collected to develop a wide range of products and services for public sector organisations.

Executive Remuneration and Conditions

The regulation of public sector executive remuneration and conditions is the responsibility of the Government Sector Executive Remuneration Panel (GSERP). GSERP oversees policies for executive remuneration and conditions on behalf of government.

The executive remuneration policy provides guidance and constraints on the payment of bonuses, requiring chairs to seek approval in writing from their portfolio department secretary to exceed the guidelines. The policy provides government with a tool to ensure executive remuneration is not excessive, and where increases are appropriate, they are broadly in line with wage movements in the general community and the public sector. The policy also ensures accountability to government through the disclosure of information on executive remuneration policy and practices through annual remuneration committee reports to the panel.

The policy applies to public entity staff with significant management responsibilities.

GSERP's functions are to:

- ensure there is a rigorous approach to monitoring and reporting on executive remuneration in the Victorian public sector;

- oversee the government's policy on executive remuneration for public entities;

- advise government on executive remuneration policy and practice in public entities;

- represent the government in setting CEO remuneration; and

- monitor the implementation of executive remuneration policy by the boards of public entities.

Further resources on executive remuneration and conditions.

Industrial Relations

Whilst industrial disputes can affect all organisations, there are particular considerations for entities within the Victorian public sector due to their role in delivering essential public services, and, in most cases, the role of government in directly funding employee entitlements. CEOs need to ensure they understand government policies regarding EBA negotiations and implement policies to mitigate risks to service delivery from industrial disputes.

Centrally negotiated EBAs can have an impact on an entity's flexibility. Industrial disputes, even at a local level, can have a broader political impact. However, working locally with employees can provide opportunity for further negotiations.

All public entities must have a process for assessing and responding to complaints. Complaints can involve issues relating to occupational health and safety, equal employment opportunities, bullying and harassment, employment conditions, and

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application of the public sector values, employment principles, standards or codes.

In most cases, if an employee's complaint is in writing giving details of the basis of their complaint, the people involved and the remedy sought, their employer must decide whether the complaint has substance. Where the complaint is found to have substance it must be reviewed quickly, fairly and without formality. An offer to mediate or conciliate between those involved may be made.

To support both impartiality and fairness in responding to workplace issues, the VPSC has established a panel of independent and suitably qualified review officers who are available to all Victorian public sector organisations. Use of the service providers who make up the panel is not mandatory. Rather it is intended to assist public sector organisations in locating suitable service providers.

Questions to Consider

Theme	Questions
legislative compliance	are there any compliance issues?
	what processes are in place to address these issues?
employment delegations	who has employment powers?
	what are the employment delegation arrangements? who is authorised to employ executives? who is authorised to employ non-executives? who is authorised to engage contractors?
	have instruments of delegation been reviewed in light of the appointment of a new CEO or board and do any need to be reissued?

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Theme	Questions
workforce climate	how are values and culture managed in the entity?
	does the entity undertake regular surveys of the extent to which the public sector values and employment principles are applied? (e.g. *People Matter Survey*)
	what are the findings of these surveys?
	what strategies are in place to address concerns?
workforce plan	have workforce metrics been analysed? what are the key workforce issues?
	does the entity have a workforce plan / people strategy?
	if not, what other mechanisms are in place to ensure the entity will continue to be able to attract the right staff to deliver its functions for government?
	what strategies does the entity employ to develop staff?
	does the entity rely on contracted labour to deliver its functions? (either internally or externally) what strategies are in place to ensure the entity will continue to be able to rely on contractors to deliver its functions for government?

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Theme	Questions
executive employment	how many employees are subject to GSERP?
	what is the CEO's role in relation to GSERP?
	what involvement does the department and the board have with GSERP?
	does the entity have processes to ensure that executive remuneration is handled in accordance with government policy?
	what are the policies and processes for determining bonuses? what is the process for liaising with the department around average bonuses?
industrial relations	what are the relevant EBAs / awards / industrial instruments applicable to the public entity?
	what is the current schedule and status of EBA negotiations? what is the government's policy for negotiations? what is the role of the portfolio department? what is the role of DTF, as the department responsible for public sector EBAs?
	who are the key unions, what are their priorities and what are the lines of communication?
	are there any serious or long-term industrial disputes?

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Theme	Questions
critical incidents	how is the CEO advised of critical incidents? (e.g. serious bullying allegations, whistleblower allegations)
	what is the CEO's role in the grievance process?
	do the processes ensure appropriate outcomes?

Programs and Services

The core business of most public entities is providing programs and services to the Victorian community, either directly, or in collaboration with or under contract to third parties. Many of these programs and services play a critical role in the overall wellbeing of Victorians, such as water, health, education, emergency and justice services.

To ensure that programs and services are provided in a manner that represents the best value for the Victorian public, and remain relevant to the needs of the Victorian community, CEOs need to ensure there are measures in place to:

- evaluate the performance of existing programs and services to make certain they meet the needs of users and government; and
- undertake ongoing scanning of the political, social and economic environment to inform future service development.

questions to consider

Theme	Questions
performance	are adequate processes in place to measure the performance of the entity?
	how are programs / services performing against key performance indicators / targets?
	are there any areas where services are not meeting performance objectives that could have a high impact, on clients and / or government?
	are there any demand management and / or budget issues?
	are there any concerns about the operations or sustainability of services?
	are there any issues in the management or governance of programs / services?
	are there any major disputes involving contracted service providers?
	when are major service agreements due for renewal / renegotiation?

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Theme	Questions
future planning	what is the strategic plan for individual programs / operations areas?
	what are the key service drivers and trends? are there factors which may result in a change in demand for the programs / services the entity provides? what plans are in place to respond to these needs?
	are any programs / operations areas currently under review? by whom?
	are there systematic processes for ongoing evaluation of services, both in-house and contracted?
	are there any strategic service reform / improvement projects underway? how are these progressing?
operational delegations	what are the operational delegation arrangements?
	have instruments of delegation been reviewed in light of the appointment of a new CEO or board and do any need to be reissued?

Information Management

The effective functioning of public entities is dependent on the availability, quality and useability of information and knowledge. Information and data are critical to the day-to-day operations of the entity, as well as to the creation of new ideas and processes, and in the development of solutions to problems.

Knowledge management encompasses all the systems and processes within an organisation for the creation and use of corporate information. Equally importantly, it is about the business processes and practices that underpin the creation and use of information. It is also about the information itself, including the structure of information ('information architecture'), metadata, content quality, and more. Knowledge management therefore encompasses people, process, technology and content.

Information systems can be critical enablers of most aspects of entities' operations and services. However, the use and implementation of ICT systems pose significant financial, currency and failure risks, which increase with the employment of more complex systems. The impact of poorly designed and planned systems on employee productivity can be immense. As a result, entities should ensure they have in place appropriate strategies, systems and processes to identify their organisation's ICT requirements, appropriately budget for upgrades, ensure appropriate use and manage implementation of new technology.

The collection of information is expensive. As a result, entities should only collect what is useful, verifiable and pertinent.

CEOs also play a critical role in determining the culture of an agency, particularly its approach to openness and disclosure. In addition, CEOs have specific responsibilities under legislation relating to information management. For example, under the *Freedom of Information Act 1982*, CEOs are 'principal officers', responsible for managing their entity's obligations.

Further resources on managing information.

questions to consider

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Theme	Questions
privacy and accessibility	who is the principal officer under the *Freedom of Information Act 1982?*
	who is the protected discloure officer under the *Protected Disclosures Act 2012*?
	are the entity's information management systems equipped for compliance with the *Information Privacy Act 2000*, *Public Records Act 1973* and *Freedom of Information Act 1982*?
	does the culture of the entity support appropriate record keeping?
	is the entity resourced to ensure compliance with record keeping requirements?
	are privacy policies used as an enabler or an inhibitor to effective outcomes?
	do the processes and resources in place provide for adequate communication of potentially sensitive freedom of information (FOI) requests, within the entity, to the department and to the relevant minister?

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Theme	Questions
information collection, management, integrity and risks	how does information flow through the entity to the CEO? are there any issues?
	is the information collected appropriate to current business needs? is it useful? verifiable? pertinent?
	what is the quality of information, including consistency, duplication, and timely information? are there any issues? (e.g. issues with continuity, duplication and timelines)
	does the entity collect and analyse all the information it needs for decision-making?
	what are the enabling processes / systems to provide for evidence-based decision-making?
	are the governance processes for data collection and reporting requirements adequate? are there processes in place to ensure ongoing evaluation of the impact on external organisations / individuals?
	do all staff have the necessary skills, knowledge and experience to perform their information management responsibilities?
	are there any risks or issues with the data collected or handled by the entity (including privacy, security and common terminology)? are appropriate control systems in place?
	are formal assessments of the risks of confidential information exposure undertaken?

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Theme	Questions
ICT risks	is there a clear strategic direction for the overall technology environment?
	is there a strategy in place for technology renewal and investment? is there a range of legacy systems requiring upgrading or replacement?
	are controls in place to support implementation of system and technology changes? are these appropriate to business requirements?
	is there direct competition between information management systems?
	is there integration or coordination between information systems?
	are robust and well-understood back-up systems and practices in place? is there a tested disaster recovery plan?
	is information system security adequate to fulfilling legislative requirements, government policy and business needs?

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Responding to Significant Events

Significant events come in many forms. Particular events that can impact on public entities may be internal or external and may involve:

- a breach of legislation, such as the *Corporations Act 2001* or the *Occupational Health and Safety Act 2004*;

- changes to key policy or personnel;

- an unplanned event that causes the death of, or significant harm to, employees, clients or the public; or

- an event that shuts down business, disrupts operations, causes physical or environmental damage or threatens the entity's finances.

In all cases, the reputation of the entity and the board, and therefore the reputation of government may be at risk.

These events do not generally happen often enough in most public entities to engender strong corporate knowledge of how to manage them.

This section of the guide has been developed based on recent public entity experiences of these types of events. It provides background information and checklists to support incoming CEOs and their staff to plan ahead and provides particular detail on responding to:

- external scrutiny and investigation;

- changes to policy or personnel; and

- what actions will be taken.

General Principles

There are some general principles which underpin good management of any significant event. Most importantly prior planning is essential, so that unexpected significant events can be managed from the outset.

Planning for significant events involves defining:

- how significant events will be identified; and

- what actions will be taken.

Clear procedures need to be in place to provide for communication of issues to the board, government and relevant stakeholders. Those issues that require the board and government to be notified should be clearly defined and a communication plan should be developed.

Questions to Consider

Issue	Question
effective communication	has the board been informed? are there established protocols for ongoing information flow?
	has the minister's office been informed? are there established protocols for ongoing information flow?
	has the portfolio department been informed? are there established protocols for ongoing information flow?
	have relevant stakeholders been informed? are there established protocols for ongoing information flow?
	are issues and developments being documented for future reference and evaluation?
media management	is the media involved? who is the designated spokeperson for the public entity? (e.g. the CEO, the chair, the media manager)

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Issue	Question
resourcing	does a focused committee need to be established to manage the issues?
	does the entity have the right skills and capabilities to manage the issue over the short term? should additional expertise be engaged?

External Scrutiny and Investigation

CEOs are responsible for instilling a culture of high standards of integrity, performance and accountability in the entity. Effective leadership and an ethical, responsive and high performing work-based culture are the most effective mechanisms for safeguarding against failures of performance, integrity and accountability.

Public entities undertake their roles in an environment of intense public scrutiny. Boards, CEOs and their staff are held to account by their portfolio department and minister. In addition, they can be subject to external scrutiny and investigation by agents of government such as the Auditor-General, the Ombudsman, portfolio-specific regulators and integrity bodies, as well as committees of parliament, the opposition, clients, stakeholders and the media. External scrutiny may centre on the public entity's compliance with specific legislative obligations (e.g. the Financial Management Act) or with more general standards of integrity, service delivery and performance.

Public entities need clear operating procedures for managing external scrutiny. Boards, CEOs and their staff may be subject to coercive powers and requirements to assist investigations.

CEOs and their entities should also prioritise the establishment of respectful and collaborative working relationships with all integrity bodies, including both portfolio-specific integrity bodies and those with a broader mandate, such as the Ombudsman and Auditor-General. This will support the entity to maintain an awareness of the potential integrity issues and develop solutions to address them.

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Integrity bodies[1]

The Auditor-General

The Auditor-General undertakes two types of audits:

- **financial audits** – providing assurance to parliament and the community that the information contained in the financial statements of public entities is presented fairly in accordance with Australian accounting standards and applicable legislation.

- **performance audits** – evaluating whether a government organisation or program is achieving its objectives effectively, economically and efficiently, and in compliance with all relevant legislation. Performance audits extend beyond the examination of financial affairs and transactions to encompass wider management issues.

Reports of audits highlight issues of importance to parliament and the government, and contain suggestions to improve the management of organisations and increase their operational effectiveness.

The Auditor-General has broad powers under the Audit Act to access information necessary to perform duties under the Act. Public entities are required to cooperate fully with any audit.

Public entities are provided with an opportunity to comment on draft reports of performance audits. All Auditor-General reports are confidential until they are provided to parliament.

CEOs should ensure that they are familiar with the findings of past audit reports to ensure the findings and recommendations made by the Auditor-General are reflected in the entity's policies and procedures.

The Auditor-General publishes a plan of future audits. CEOs should ensure that they are aware of future audit areas.

The Ombudsman

The Ombudsman is the principal officer charged with reviewing administrative actions in the Victorian public sector. The Ombudsman may investigate administrative actions taken by public entities, government departments, or by any member of staff of a municipal council. The Ombudsman may conduct an investigation as a consequence of a complaint, on his or her 'own motion', or in response to a reference from a House or committee of

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parliament.

The Ombudsman has broad powers to conduct investigations, including the power to enter public premises, summons witnesses and compel witnesses to give evidence. The Ombudsman reports directly to parliament and produces an annual report for the parliament along with reports on key investigations throughout the year.

It is a criminal offence to:

- wilfully obstruct, hinder or resist the Ombudsman;

- refuse or wilfully fail to comply with his lawful requirements;

- fail to attend or produce any documents when summonsed; or

- wilfully make a false or misleading statement.

When an investigation is finalised, the Ombudsman has a number of options:

- present the report to parliament;

- provide a report to the relevant agency; or

- release all or parts of the report.

The Ombudsman's office offers a number of workshops to provide practical knowledge on good practice principles of complaint handling.

Other

In addition to the Auditor-General and Ombudsman, there are a number of public bodies in Victoria that have a role in monitoring, investigating or reporting on standards of integrity, accountability and transparency in the public sector. These bodies include:

- **Victorian Public Sector Commission** – may undertake a special inquiry, systems review or special review into management systems, structures or processes in a public service body or public entity.

- **Director of Public Prosecutions** – prosecutes on behalf of the Crown in the High Court, the Supreme Court of Victoria and the County Court of Victoria all indictable offences under the laws of the State of Victoria.

- **Victorian Public Sector Commissioner** – may require public entity heads to provide information relating to the application of the public sector values, the public sector employment principles, codes of conduct and standards.

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- **Office of the Victorian Privacy Commissioner** – regulates the way Victorian Government agencies and local councils collect and handle personal information.

- **Victorian Equal Opportunity and Human Rights Commission** – helps resolve complaints about human rights violations and various discrimination laws.

- **Victoria Police** – provides police services to the Victorian community. Victoria Police should be contacted to investigate any allegation of assault or sexual assault in the workplace.

There are also a number of other regulators and portfolio-specific integrity bodies that may hold departments and public entities to account for their actions or inactions. One such example is the Health Services Commissioner, who works to resolve complaints from users of health services about health service providers.

In addition to these integrity bodies, the government has announced its intention to establish an independent broad-based anti-corruption commission. The new commission will have access to a full range of anti-corruption investigative powers and have jurisdiction over all members of the government, judiciary, local government, parliament, the public service and the public sector.

Questions to Consider

Issue	Question
complaints handling	is there a systematic approach to recording complaints and outcomes?
	are sufficient resources allocated to allow an analysis of aggregated complaint data and identification of recurring or system-wide problems?
	are findings from complaint data used to improve services?

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Issue	Question
integrity body findings	have findings and recommendations from audits / reviews or advice from integrity bodies been taken into account?

Protected Disclosures

The Independent Broad-Based Anti-Corruption Commission (IBAC) currently coordinates and manages protected disclosures under the Protected Disclosures Act 2012. For more information, visit IBAC.

Regulators

All public entities are subject to regulation. This includes regulatory bodies themselves. Regulatory bodies undertake enforcement activities through the use of legal instruments to achieve policy objectives. They can assist public entities to achieve improved standards of accountability and transparency.

Regulatory bodies may:

• issue licences or permits for specific markets;

• establish standards and codes of practice relating to performance; and

• enforce the provisions of Acts, regulations or other regulatory instruments through inspections, investigations, warnings and actions through the courts.

The Victorian Competition and Efficiency Commission (VCEC) defines a regulator as:

A State Government entity (either independent or within a department) that derives from primary or subordinate legislation one or more of the following powers in relation to businesses and occupations: inspection; regulatory advice to a third party; licensing; accreditation or enforcement.[2]

Regulators may include:

• agencies with minor regulatory functions, in the context of their total operations and

impacts on business – for example, the Country Fire Authority and Metropolitan Fire and Emergency Services Board provide technical advice on fire safety aspects of building and construction;

- agencies whose primary regulatory responsibilities involve contingent regulation – such as the Communicable Diseases Unit of the Department of Human Services; and

- agencies which are essentially complaint handling and dispute resolution bodies – such as the Health Services Commissioner and the Small Business Commissioner.

The CEO has a responsibility to ensure the entity complies with regulatory requirements to ensure quality services to the Victorian public on behalf of the government.

Managing change

The environment in which a public entity functions is subject to change. Changes in technology, demographics or the natural environment present ongoing challenges for government. The CEO has a responsibility to ensure the public entity is able to respond adequately and appropriately to change as it occurs.

Some significant changes that public sector CEOs may face include:

- changes to board membership or priorities;

- a change of minister or department;

- legislative or policy change; and

- government intervention.

Changes to Board Membership or Priorities

Board members hold office for the period specified in the instrument of their appointment (usually three years). The reappointment process is not automatic, especially where a member has already served two terms. Therefore it is highly likely that a CEO will experience changes to the board during their period of time working with the public entity. It is important to know the types of board appointment (for example: ministerial appointment, elected appointment). Clear processes should be developed to ensure appropriate induction of new board members.

The board is responsible for setting the strategic direction and priorities of the entity. The board's priorities may change due to changes in the government's priorities or changes in

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the external environment. The CEO's role is to enact and communicate changes in board priorities.

Change of Minister or Department

Whether due to a reshuffle or a change in government, ministers may change. The change may be to the minister who has direct responsibility for the public entity's legislation or a minister of a portfolio that directly or indirectly affects the entity.

Similarly, a machinery of government change may shift responsibility for an entity between departments.

When there is a change of minister, information about the public entity will need to be provided to the new portfolio minister. There is an expectation that secretaries of departments will advise portfolio ministers on the delivery by public entities of financial and reporting responsibilities. However, the chair may also wish to provide the minister with information regarding the entity. This information may include:

- the legislated functions and powers of the entity;

- an overview of the entity's objectives, functions and operating environment, vision and mission, corporate plan and strategic priorities;

- an overview of the key programs, services, clients, stakeholders and operations of the public entity;

- the main issues that the entity is dealing with;

- the status of the entity's progress against the government's policy objectives for the entity;

- the status of activities against the entity's corporate plan; and

- the status of key capital and infrastructure works the entity may be undertaking.

Public entities may wish to consider providing similar information to their new portfolio departments in the event of a machinery of government change.

questions to consider

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Issue	Question
preferences	what are the new minister's or new department's priorities and in what context should they be viewed?
communication	are the preferred protocols for communication going to change? with the ministerial advisers? with the minister?

Legislative or Policy Change

Legislative or policy changes may involve changes to responsibilities, powers and priorities. The portfolio department has a role to advise the CEO regarding changes to legislation and government policies that may affect the public entity. 'Horizon scanning' and a good working relationship with the portfolio department will assist the CEO to anticipate and prepare for changes as they occur.

Where there is legislative change, the CEO and the board should clarify with the minister and the department the intent of the change. This should involve clarifying whether there are any changes in ministerial and departmental priorities, and delegations.

Legislative changes may result in changes to the financial arrangements and funding provisions for the public entity.

Compliance obligations also arise from ministerial directions, and may change with changing government priorities. A ministerial direction is a direction addressed to the board and officers of a public entity, usually through the chair, requiring it to act in a particular way in relation to certain aspects of its work. To ensure entities comply with all their obligations, boards and the CEO should identify the obligations to be complied with, and embed compliance in everyday operational processes, guidelines, manuals and training programs.

Government Intervention

Where there are issues with the performance of a public entity, the government has options to intervene in the management of the entity. These include:

• commissioning a review by the VPSC under the Public Administration Act;

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- where the enabling legislation provides, issuing directions to the board of the entity;

- terminating the appointments of some or all of the entity's board members; or

- appointing an administrator.

The decision to terminate the appointments of some or all of the entity's board members is only considered when there are persistent or serious issues and is undertaken within the boundaries of relevant legislative requirements.

CEOs may be required to continue in their role. Establishing work priorities with a potential administrator and the department is essential.

Emergencies

Victoria takes an 'all hazards, all agencies' approach to managing emergencies. 'All hazards' refers to the understanding that despite differences in emergencies, many of the measures required to deal with emergencies are generic. 'All agencies' recognises that all agencies have a role in managing emergencies and protecting the community from identified risks.

Public entities may have specific responsibilities under the *Emergency Management Act 1986.* This may include duties to prepare, respond or assist with recovery following an emergency. In other cases, emergencies may have a direct operational impact on public entities. For example, a natural disaster or health epidemic may prevent staff from attending work. Whether an entity has a specific responsibility or not, there is a need for the entity to have advanced business continuity planning and management to ensure the entity is equipped to continue to deliver vital functions during an emergency.

Roles and Responsibilities

The *Emergency Management Act* provides the structure for emergency management arrangements in Victoria. The Act uses a broad definition of 'emergency'. These emergency management arrangements apply at all times – they do not need to be activated by any legal instrument. This ensures clearly defined roles and responsibilities and provides for a rapid response to emergencies.

Part 7 of the Emergency Management Manual Victoria contains role statements that list agencies' responsibilities for preparation, response and recovery activities. There are 56 agency role statements. This includes one for each government department, as well as for

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many public entities and other organisations.

CEOs should be aware of the responsibilities that their public entity may have in certain emergencies, and have plans to manage requirements as they arise.

Contingency Plans

Mobilising

CEOs may need to mobilise 'surge staff' in an emergency. Surge staff are those whose main role does not necessarily involve responding to emergencies but who are available to respond, if required. Efficient mobilisation of surge staff will primarily depend on planning. Public entities which have identified, trained (where appropriate) and maintained the skills sets of suitable staff will be best placed to mobilise them quickly and appropriately in an emergency.

The Public Administration Act empowers the Premier to declare an emergency for the purposes of mobilising the public sector workforce. Upon the declaration of an emergency by the Premier, section 105E of the Act delegates public sector body heads the following 'emergency powers' to assist managing their workforce and responding to the emergency:

- assign any duties to employees;
- require employees to perform duties within another public sector body or at a place other than their usual place of work; and
- direct employees to not report for duty.

Continuity

Business continuity management (BCM) aims to keep an agency operating in the event of an emergency or disaster. BCM is about prioritising an organisation's workload and determining which elements are core or critical business, and which areas of business can be put on hold whilst resources are unavailable because of the impact of an emergency. BCM involves strategic thinking and planning to anticipate the potential impact of a wide variety of emergencies on the workforce and business areas of an organisation.

This process usually involves a risk-based assessment of key organisational responsibilities to determine events likely to potentially impact upon the entity's business operations and determining the best available ways to deal with the impacts of those events. An entity is likely to have various business continuity plans for its different business areas. These plans

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may be updated during a specific emergency.

Questions to Consider

Theme	Questions
roles and responsibilities	what are the roles and responsibilities of the entity in emergencies?
	is the entity a control agency or support agency for particular types of incidents?
	who are the senior staff responsible for emergency management?
mobilising	what resources does the entity have which could be made available during an emergency?
	how is the occupational health and safety of staff managed during an emergency?
continuity	what are the potential impacts of an emergency on the entity?
	what are the entity's contingency plans for ensuring delivery of core services during an emergency?
	are there any actions that need to be undertaken in the short-term to improve the entity's ability to ensure continuity of essential services during an emergency?

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Footnotes

1. The responsibilities of current integrity bodies may change with the introduction of the government's proposed independent broad-based anti-corruption commission.

2. Victorian Competition and Efficiency Commission 2008, *Victorian Regulatory System,* p. 53.

Appendix 1: Policy Direction and Purpose

Resource	Description	Lead agency	Available at:
major whole-of-government policy statements	Overarching statements of government intentions in significant areas of public policy which have an impact on many different areas of government. These documents are regularly reviewed, and new or updated policy statements are released regularly.	May include Department of Premier and Cabinet, Department of Treasury and Finance, cross-portfolio endeavours or be intergovernmental through COAG where DPC leads/coordinates.	http://www.dpc.vic.gov.au
portfolio-specific major policy statements	Statements of government intentions in a specific policy area such as health, transport or water. These documents are regularly reviewed, and new or updated policy statements are released regularly.	relevant department or cross-portfolio	relevant departmental websites – visit http://www.vic.gov.au/contactsandservices/directory/ for links

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Resource	Description	Lead agency	Available at:
enabling legislation of the public entity	The Act of parliament which creates a public entity, empowers it to perform its role and directs and limits how it may do so. For example, the enabling legislation for Dairy Food Safety Victoria is the *Dairy Act 2000*.	relevant department	http://www.legislation.vic.gov.au/
second reading speeches	The second reading speech is made by the minister responsible for introducing a new Bill into the parliament and is a useful overview of its contents and purpose. The second reading debate is usually the longest and most detailed debate on the Bill.	Parliament of Victoria	http://www.parliament.vic.gov.au/hansard Note: the 'Advanced Search' option on the parliamentary website allows users to search specifically for second reading speeches, by name of member, and by date.

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Resource	Description	Lead agency	Available at:
Victorian State Budget	The budget is the means by which the Victorian Government details how it plans to collect and spend public monies for the upcoming year. The budget has two components: the budget papers, which detail the government's overall budget position and fiscal strategy, and the Appropriation Bill to parliament, which is the means by which public monies are made available to the government for distribution to departments and public entities.	Department of Treasury and Finance	Budget papers – http://www.budget.vic.gov.au Appropriation Bills – accessible under 'Parliamentary Documents' at http://www.legislation.vic.gov.au/

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Appendix 2: Governance

Resource	Description	Lead agency	Available at:
Constitution Act 1975	More commonly referred to as the Victorian Constitution, this Act provides the framework within which parliamentary democracy and responsible government operate in Victoria. It sets out the basic rules and structures of the Crown (the Queen and the Governor), the Houses of parliament, local government, the Supreme Court, and the Executive (ministers and the public service).	Department of Premier and Cabinet	http://www.legislation.vic.gov.au
Public Administration Act 2004	The Public Administration Act creates a comprehensive framework to ensure good governance across the Victorian public sector. This Act outlines the structure of the Victorian public service, provides for the creation of departments and the employment of employees and executives, specifies public sector values and employment principles, and provides for good governance of newly created public entities and the public sector as a whole.	Department of Premier and Cabinet	http://www.legislation.vic.gov.au

Resource	Description	Lead agency	Available at:
Appointment and Remuneration Guidelines for Victorian Government Boards, Statutory Bodies and Advisory Committees	Outlines the principles and procedures for the recruitment, selection, appointment and remuneration of part-time non-executive directors and members of statutory authorities, advisory committees and the boards of government business enterprises. These guidelines also apply to unpaid appointments to such organisations.	Department of Premier and Cabinet	http://www.dpc.vic.gov.au
Directory of Public Entity Boards in Victoria	This directory, updated annually, provides information on the classification and composition of public entity boards in Victoria.	Victorian Public Sector Commission	http://www.publicboards.vic.gov.au/
Join a public board	The Join a pubic board website is designed to connect indviduals to Victorian public sector board opportunities.	Victorian Public Sector Commission	http://boards.vic.gov.au
VPSC Governance resources	A web-based guide, developed to assist potential, new and existing board members of Victorian public entities to understand concepts of good governance and the critical policies and procedures that drive their day-to-day work. It is designed to provide practical guidance to boards of public entities.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/governance/

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Resource	Description	Lead agency	Available at:
Guide to Whole of Victorian Government Legislative Compliance Obligations for Public Sector Entities	A guide designed to assist departmental officers in supporting their minister in relation to assessing the compliance of entities in meeting its legislative obligations and, where appropriate, support the entity to assist it to meet its compliance obligations. The guide does not purport to be exhaustive, but may be valuable to public entity CEOs in understanding their obligations.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/guide-to-whole-of-victorian-government-legislative-compliance-obligations-for-public-sector-entities/
Legal Form and Governance Arrangements for Public Entities: Guidelines	These guidelines provide advice for Victorian Government employees on options for establishing a new public entity or reviewing existing public entities. They may be of value to public entity CEOs seeking to understand the complexities of public entity structures, or those leading new, reforming or winding-up entities.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/legal-form-and-governance-arrangements-for-public-entities-guidelines-revised-may-2013/
Strategic Management Framework Guide	A guide for the Victorian public sector outlining the key elements of a better practice management cycle.	Department of Treasury and Finance	http://www.dtf.vic.gov.au
Welcome to the Board	This booklet is designed as an introduction to the VPSC's web-based governance resources (see above).	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/welcome-to-the-board/

Resource	Description	Lead agency	Available at:
Recruiting a CEO: A Guide for Victorian Public Sector Boards	This guide is designed to help Victorian public sector board chairs and directors conduct the CEO recruitment process. It provides prompts and reminders for board directors, especially chairs, who already have some skills and experience in conducting recruitment processes, evaluating performance, and providing constructive feedback. It may also be useful for CEOs in recruiting senior executives.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/html-resources/recruiting-a-ceo/
Assessing a CEO's Performance: A Guide for Victorian Public Sector Boards	This guide is designed to help Victorian public sector board directors assess the performance of their CEO. It provides prompts and reminders for board directors, especially chairs, who already have some skills and experience in conducting recruitment processes, evaluating performance, and providing constructive feedback. It may also be useful for CEOs in conducting performance assessments of senior executives.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/assessing-a-ceos-performance/

Resource	Description	Lead agency	Available at:
Recruitment and Appointment to the Board: a Governance Officers' Toolkit	This toolkit has been developed to assist governance officers in departments who are responsible for supporting government in appointing Directors to public entity Boards. It is designed to supplement the *Government's Appointment and Remuneration Guidelines for Victorian Government Boards, Statutory Bodies and Advisory Committees.* This toolkit aims to clarify the processes of recruiting and appointing Directors to public entity Boards. It may be of interest to CEOs who wish to better understand this departmental process.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/recruitment-and-appointment-to-the-board-toolkit/

Appendix 3: Finance

Resource	Description	Lead agency	Available at:
Audit Act 1994	An Act to provide for the conduct of efficient and effective financial and performance audits in the Victorian public sector, the examination of bodies that receive public grants, and the administration and audit of the Victorian Auditor-General's Office.	Department of Premier and Cabinet	http://www.legislation.vic.gov.au
Audit (Public Bodies) Regulations 2005	Prescribes which persons and bodies are 'public bodies' for the purposes of the Audit Act.	Department of Treasury and Finance	http://www.legislation.vic.gov.au

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Resource	Description	Lead agency	Available at:
Financial Management Act 1994	Provides for the financial administration and accountability of the public sector and for annual reporting to the parliament by departments and public sector bodies.	Department of Treasury and Finance	http://www.legislation.vic.gov.au
Financial Management Regulations 2004	Regulations made under section 59 of the Financial Management Act, covering the handling of unidentified and surplus monies, the expenditure of royal commissions and boards of inquiry, and the efficient and fair investigation of losses of and deficiencies in public money and other property of the State.	Department of Treasury and Finance	http://www.legislation.vic.gov.au
Financial Management (Amendment) Regulations 2006	Regulations made under section 59 of the Financial Management Act.	Department of Treasury and Finance	http://www.legislation.vic.gov.au

Resource	Description	Lead agency	Available at:
Standing Directions of the Minister of Finance	The Standing Directions of the Minister for Finance form the basis of sound financial management for the state. The directions are designed to supplement the Financial Management Act 1994 by prescribing mandatory procedures that must be complied with by all Victorian public entities. Areas covered include governance and oversight, structure and systems, policies and procedures, and reporting.	Department of Treasury and Finance	http://www.treasury.vic.gov.au

Resource	Description	Lead agency	Available at:
Financial Management Compliance Framework	This framework assists Victorian public sector entities to establish and maintain effective financial management to support the achievement of entities' key objectives and goals. It also helps the Victorian Government monitor the standard of financial management in line with the Standing Directions of the Minister for Finance.	Department of Treasury and Finance	http://www.treasury.vic.gov.au

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Resource	Description	Lead agency	Available at:
Financial Reporting Directions	Ensures consistent application of accounting treatment across the Victorian public sector in compliance with Australian Accounting Standards Board standards, specifically in instances where those standards provide accounting treatment options. Also impose other government non-financial policy and disclosure requirements.	Department of Treasury and Finance	http://www.dtf.vic.gov.au
Borrowing and Investment Powers Act 1987	An Act to provide for borrowing and investment powers for certain statutory bodies.	Department of Treasury and Finance	http://www.legislation.vic.gov.au

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Resource	Description	Lead agency	Available at:
Monetary Units Act 2004	An Act which allows fees and penalties to be fixed by reference to fee units or penalty units that can be indexed annually by an amount to be fixed by the Treasurer. The Act also amended various references to monetary amounts in older Acts, and (having regard to inflation) indexed certain fees that had remained in monetary amounts.	Department of Treasury and Finance	http://www.legislation.vic.gov.au

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Resource	Description	Lead agency	Available at:
Victorian Government Risk Management Framework	This framework brings together information on governance policies, accountabilities and roles and responsibilities for all those involved in risk management in the public sector. The framework also provides for a minimum risk management standard and an attestation by accountable officers in annual reports.	Department of Treasury and Finance	http://www.treasury.vic.gov.au
General Procurement Requirements	Policies and guidelines which set minimum standards for procurement of non-construction goods and services in Victorian Government departments and some public entities.	Victorian Government Purchasing Board	http://www.vgpb.vic.gov.au

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Resource	Description	Lead agency	Available at:
Victorian Managed Insurance Authority	VMIA is a statutory authority which provides risk and insurance services to departments and public entities in order to minimise losses from adverse events.	–	http://www.vmia.vic.gov.au

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Appendix 4: Public Sector Standards

Resource	Description	Lead agency	Available at:
Public Administration Act 2004	An Act to establish values and principles to guide conduct and performance within the public sector; to ensure a public sector that responds to government priorities in a manner that is consistent with public sector values; provides effective, efficient and integrated service delivery; and is accountable for its performance.	Department of Premier and Cabinet	http://www.legislation.vic.gov.au
Charter of Human Rights and Responsibilities Act 2006	An Act to protect human rights by establishing a Charter of Human Rights for Victoria, and by establishing the Victorian Equal Opportunity and Human Rights Commission to report on its operation.	Department of Justice	http://www.legislation.vic.gov.au

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Resource	Description	Lead agency	Available at:
Equal Opportunity Act 2010	An Act to promote recognition and acceptance of every Victorian's right to equality of opportunity, to eliminate (as far as possible) discrimination and sexual harassment, and to provide redress for people who have been discriminated against or sexually harassed.	Department of Justice	http://www.legislation.vic.gov.au
Victorian Public Sector Commission	The VPSC has responsibility for promoting high standards of integrity and conduct in the public sector	–	Home Page]
Code of Conduct for Victorian Public Sector Employees	Prescribes the behaviour expected of public sector employees.	Victorian Public Sector Commissioner	https://vpsc.vic.gov.au/resources/codes-of-conduct/
Code of Conduct for Victorian Public Sector Employees of Special Bodies	Prescribes the behaviour expected of public sector employees of special bodies.	Victorian Public Sector Commissioner	https://vpsc.vic.gov.au/resources/codes-of-conduct/
Managing Conflicts of Interest	Assists public sector employees to avoid actual, potential or perceived conflicts of interest.	Victorian Public Sector Commissioner	https://vpsc.vic.gov.au/resources/managing-conflicts-of-interest/

Resource	Description	Lead agency	Available at:
Gifts, Benefits and Hospitality Policy Framework	Sets minimum requirements and accountabilities for the Victorian public sector and guides the development and review of policies.	Victorian Public Sector Commissioner	https://vpsc.vic.gov.au/resources/gifts-benefits-and-hospitality-policy-framework/
Register of Lobbyists	A public document containing information about lobbyists who make representations to government on behalf of their clients.	Victorian Public Sector Commissioner	http://www.lobbyistsregister.vic.gov.au
Victorian Government Professional Lobbyist Code of Conduct	Provides advice to both lobbyists and government representatives to ensure that contact between them is conducted in accordance with public expectations of transparency, integrity and honesty.	Victorian Public Sector Commissioner	http://www.lobbyistsregister.vic.gov.au

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Appendix 5: Public Sector Employment

Resource	Description	Lead agency	Available at:
Public Administration Act 2004	An Act to establish values and principles to guide conduct and performance within the public sector; to ensure that employment decisions in the public sector are based on merit; to promote the highest standards of governance in the public sector; and to promote the highest standards of integrity and conduct for persons employed within the public sector.	Department of Premier and Cabinet	http://www.legislation.vic.gov.au
Occupational Health and Safety Act 2004	An Act to secure the health, safety and welfare of employees and other persons at work, to ensure that the health and safety of members of the public is not placed at risk by the conduct of employers and self-employed persons, and to provide for the involvement of employees, employers, and organisations representing those persons, in the formulation and implementation of health, safety and welfare standards.	Department of Treasury and Finance	http://www.legislation.vic.gov.au

Resource	Description	Lead agency	Available at:
Fair Work Act 2009	An Act which provides a balanced framework for cooperative and productive workplace relations in order to promote national economic prosperity and social inclusion for all Australians.	Commonwealth Government	https://www.legislation.gov.au/Series/C2009A00028
Policy on Executive Remuneration for Public Entities in the Broader Public Sector	Policy which sets out better practice approaches and approval procedures for the determination of and accountability for executive remuneration in public entities in the Victorian public sector.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/policy-on-executive-remuneration-for-public-entities-in-the-broader-public-sector/
Victorian Public Service Executive Employment Handbook	Provides details about the government's executive employment policy for governing bodies, public entities, and current and potential public sector executives.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/victorian-public-service-executive-employment-handbook/
Grievance and complaint management	The VPSC provides a range of resources and services to public sector employees and employers to assist with the resolution of grievances.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/ethics-behaviours-culture/grievances-and-complaints/
Victorian Public Sector Commission register of Review Officers	A non-mandatory register established by the VPSC to enable public sector organisations to access independent review officers to conduct workplace grievance reviews and misconduct investigations on their behalf.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/register-of-review-officers/

Resource	Description	Lead agency	Available at:
People Matter Survey	An annual survey conducted by the VPSC on behalf of Victorian public sector organisations, which gathers information on workforce culture and climate. This includes measures of job satisfaction and the way managers and workgroups operate within participating organisations. The survey assists these organisations to develop a stronger values-based culture.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/ethics-behaviours-culture/people-matter-survey/
Organisational dynamics (Organisational design, change, culture; workforce planning and succession risk management)	The VPSC undertakes research, provides advice, and develops resources on a range of topics to support organisational leaders, HR staff and mangers to effectively manage complex organisational dynamics	Victorian Public Sector Commission	https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/organisational-dynamics/
Developing Conflict Resilient Workplaces: Report and Implementation Guide	The report outlines the opportunities to the Victorian public sector of building conflict resilient workplaces, while the accompanying guide outlines a number of innovations to help senior leaders and organisations respond to, and reduce, internal conflict.	Victorian Public Sector Commission	https://vpsc.vic.gov.au/resources/developing-conflict-resilient-workplaces/