

The Auditor-General
Audit Report No.27 2000–2001
Performance Audit

**Program Administration in
Training and Youth Division
—Business Process Reengineering**

**Department of Education,
Training and Youth Affairs**

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Canberra ACT
22 December 2000

Dear Madam President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the Department Education, Training and Youth Affairs in accordance with the authority contained in the *Auditor-General Act 1997*. I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Program Administration in Training and Youth Division—Business Process Reengineering*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—
<http://www.anao.gov.au>.

Yours sincerely



P. J. Barrett
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

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Audit Team

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Abbreviations/Glossary

ANAO	Australian National Audit Office
APS	Australian Public Service
BPR	Business Process Reengineering
DAU	Divisional Administration Unit
DETYA	Department of Education, Training and Youth Affairs
FTE	Full-time equivalent
IES	Integrated Employment System
JPP	Jobs Pathways Program
JPET	Jobs Placement, Education and Training Program
LitNum	Literacy and Numeracy Program
LLNPIS	An Internet-based Access Database
NACs	New Apprenticeship Centres
NO	National Office
SNA	Support for New Apprentices program
SO	State Office
TYIMS	Training and Youth Division Information Management System
TYD	Training and Youth Division
WELL	Workplace Language and Literacy Program

Summary

Introduction

Training and Youth Division

1. The Training and Youth Division (TYD) of the Department of Education, Training and Youth Affairs (DETYA) is responsible for the delivery of elements of Departmental Outcomes 1 and 2.¹ These elements² include delivery of vocational education in schools; infrastructure funding for the post secondary education system; apprenticeships and traineeships; skills development and transition support; and opportunities for the active engagement of young people in community activities.

2. As is the case for many public sector agencies, the environment in which DETYA operates and its administrative arrangements have been, and are, subject to continuing change.

3. At the time the audit commenced the TYD was seeking to streamline and improve its processes and program arrangements. As well, the Division was redeveloping a key business and management information technology system. The audit assisted by highlighting areas for improvement in business processes.

The audit

Audit objective and scope

4. The objective of the audit was to determine whether the application of Business Process Reengineering (BPR)³ principles would identify improvements to the business processes of the Training and Youth Division.

5. The Training and Youth Division of DETYA was used in this audit to illustrate the application of BPR as a tool for agencies to identify efficiencies and enhance program effectiveness.

¹ Outcome 1: School systems provide their students with high quality foundation skills and learning outcomes. Outcome 2: Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life.

² These were the elements that were the responsibility of TYD at the time of the audit fieldwork and are listed here because that was the context in which this review was undertaken. The revised arrangements for TYD are set out in Appendix 1.

³ Business Process Reengineering is a generic term used to describe approaches to identifying improvements in the way an organisation carries out its business.

6. The audit was undertaken in two parts. The first part of the audit, which examined program administration in TYD, was reported in Audit Report No.51 1999–2000. This second part, discussed in this report, mapped key internal business processes and, where relevant, developed options for reengineering those processes.

Audit approach

7. The approach to this audit was to apply reengineering principles to TYD's business processes. In order for this approach to work effectively in practice TYD needed to be fully involved in the process and committed to the implementation of any improvements identified during the audit. Reengineering Australia provided significant assistance with the fieldwork for the audit.

8. The fieldwork involved extensive discussions with TYD staff at both DETYA's National and State Offices.⁴ Briefings were provided to key DETYA managers at crucial stages of the audit.

9. The audit methodology involved an examination of the program administration processes for making payments, monitoring performance and undertaking acquittals in five TYD programs. The five programs were: Support for New Apprenticeships (SNA); Literacy and Numeracy (LitNum); Jobs Placement, Education and Training (JPET); Jobs Pathways Program (JPP); and Workplace English Language and Literacy (WELL).

10. The program administration process and the sub-processes for making payments, monitoring performance and undertaking acquittals, were selected because the processes encompassed by program administration are largely transaction-oriented, repetitive in nature and more able to be standardised. This means that they are better suited to the application of reengineering principles. The ANAO used costing information which DETYA had at the higher level and activity based costing techniques⁵ to understand the nature of the costs of the different sub-processes that make up program administration. This costing information indicated that program administration and the sub-processes chosen for review in this audit were the most significant of TYD's functions in terms of resource usage.

⁴ State offices visited were South Australia and New South Wales.

⁵ The basic principle of activity based costing is that performance of activities within an organisation gives rise to the incurrence of cost and that cost objects consume activities. Accordingly, costs are traced firstly to activities and then activity costs are traced to cost objects. The cost objects in this case being the sub-processes of program administration. More information can be obtained from Building *Better Financial Management Support, Better Practice Guide*, ANAO, November 1999.

11. Process mapping is only one element of the BPR methodology. Other elements include consideration of customer needs⁶, internal assessment of costs, existence of better practices, including technology enablers, and review of the external factors. These elements are considered as process mapping is being undertaken.

Audit conclusion

12. The ANAO concluded that the application of Business Process Reengineering within the Training and Youth Division identified opportunities to improve business processes by redirecting the focus away from checking inputs to monitoring results achieved in a number of the programs examined. In particular, the reduction in duplication would allow the reallocation of resources currently involved in detailed payments processing to enable a greater focus on monitoring program effectiveness. As well, the audit highlighted better practice approaches already being used by TYD.

13. In relation to better practices, the Support for New Apprentices (SNA) program, which was established in 1998, has had the advantage of being designed to make use of current technology to reduce duplication, handoffs⁷ and manual processing. As well, the SNA program uses a risk based approach to monitoring underpinned by a soundly designed sampling methodology.

14. The ANAO observed better practices in the Literacy and Numeracy (LitNum) Program, including automatic submission of information by providers and system support for previously manual processes. However, at the time of mapping there was a significant level of unnecessary duplication occurring in the payments process. This duplication was occurring because two levels of administration (National Office and the Divisional Administration Unit) were undertaking the same checking processes and data regarding payments was being recorded in both the LitNum business support system and the DETYA-wide payment system.

⁶ In this case, the customers are DETYA executive level managers and the providers contracted by DETYA to deliver services to clients, for example, homeless young people.

⁷ A handoff is where documents are passed from one person or level to another and generally, at each step, the document spends time waiting to be dealt with. These delays can affect the quality of customer service.

15. This duplication and need for extensive supporting documentation for each individual payment creates an additional workload for both DETYA and providers. As well, it mainly focuses available resources on inputs, that is whether money has been spent, rather than on whether results have been achieved. Removal of duplication and a shift to a focus on whether results have been achieved would allow a greater understanding of the effectiveness of the program. Some existing resources could be redirected to undertaking monitoring activities in relation to program effectiveness.

16. The opportunities for improvement were greater in those programs which have developed over time through an accretion of decisions that is, Jobs Placement Education and Training, Jobs Pathways Program and Workplace English Language and Literacy programs. As a result programs can have become operationally complex and are dependent on 'legacy' systems that offer lower levels of functionality than contemporary systems. In these programs, duplication of processes, the existence of handoffs and the use of manual processes was evident.

17. As with LitNum, the main focus was on inputs, (how money was spent rather than on whether results had been achieved). The introduction of standing payment arrangements, that is, once only at the beginning of each contract period a schedule of payments would be established in the business support system. This would improve the efficiency of transactions. In this case, the efficiencies would mean that some of the existing resources could be redirected to monitoring the effectiveness of these programs.

18. As well, monitoring of results would be further enhanced by clearly defining key performance indicators and collecting the appropriate data for measuring those indicators. This would mean that instead of collecting large amounts of data which is not used effectively, information would be available to provide accountability for results and for decision-making. Better information on provider performance means that more should be known about the effectiveness of services to clients and whether outcomes are being achieved.

19. The audit has illustrated the use of BPR as a tool which can identify improvements in program efficiency and effectiveness in DETYA and in other APS agencies. In proceeding further with a redesign it is important to develop a business case to guide the implementation. The business case for the implementation phase of the detailed redesign should include associated change management and communication plans, training strategies and appropriate system support. These matters are discussed in detail in Chapter 4 of this report.

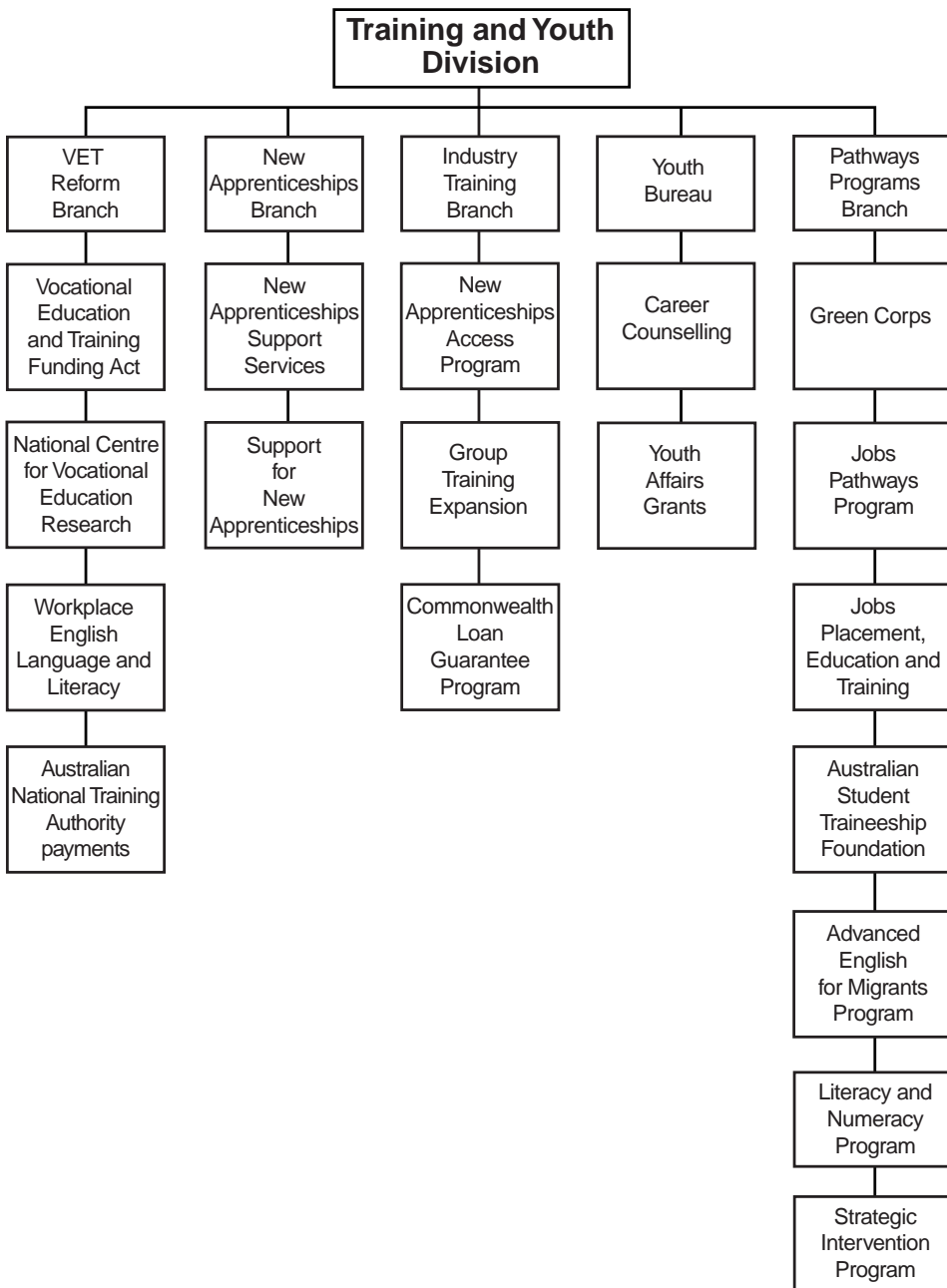
20. The outcome of a detailed redesign is that it provides capacity in terms of resources (staff and funding) to reinvest in improved processes or in enhanced monitoring. In other cases it can free up resources to undertake new business activities. In the case of TYD, the efficiencies, rather than resulting in resource savings, would mean that some existing resources could be redirected to monitoring the effectiveness of these programs.

DETYA's response

21. The Department believes that the audit will make a very valuable contribution to the Department's efforts to meet its responsibilities in managing a diverse range of programs. The Department is confident that the recommended changes can contribute to the continued improvements in the efficiency and effectiveness of program administration.

22. In addition to the programs directly examined as part of the audit, the suggested business process improvements have implications for a broader range of programs managed by the Department. The Department is therefore proposing to conduct a trial of a standing payment process. There are a number of risks to be considered in this context, in particular the need for suitable accountability arrangements in the shift in monitoring emphasis from inputs to outputs and outcomes. Evaluation of the trial will inform any decision to apply such arrangements more broadly.

Audit Findings and Conclusions



1. Introduction

This chapter provides background information on the Training and Youth Division and outlines the audit objective, approach and methodology.

Training and Youth Division

1.1 The Training and Youth Division (TYD) of the Department of Education, Training and Youth Affairs (DETYA) is responsible for the delivery of elements of Departmental Outcomes 1 and 2.⁸ These elements⁹ include delivery of vocational education in schools; infrastructure funding for the post secondary education system; apprenticeships and traineeships; skills development and transition support; and opportunities for the active engagement of young people in community activities.

1.2 Total program allocations were \$1.6 billion for 2000–01. At the time of the audit fieldwork TYD programs were managed within a structure of five branches as shown in Figure 1. These elements are listed here because that was the context in which this audit was undertaken. The revised arrangements for TYD, which are set out in Appendix 1, do not have a specific impact on the audit findings or on the implementation approach outlined in chapter 4.

Operating environment

1.3 As is the case for many Australian Public Service (APS) agencies, the environment in which DETYA operates and its administrative arrangements have been, and are, subject to continuing change.

1.4 In undertaking this audit, the ANAO was conscious of the significant restructuring that occurred in the Department in 1998,¹⁰ the range of program outputs required to be delivered and the significant workload borne by the Division. There has been a strong focus on the achievement of policy outcomes in short timeframes and on the creation and development of new markets for outsourcing service delivery. Many of the programs are delivered with varying degrees of assistance from DETYA's State Offices. The ANAO also notes that TYD has an ongoing liaison role with Centrelink, the Department of Employment, Workplace

⁸ Outcome 1: School systems provide their students with high quality foundation skills and learning outcomes. Outcome 2: Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life.

⁹ These were the elements that were the responsibility of TYD at the time of the audit fieldwork and are listed here because that was the context in which this review was undertaken. The revised arrangements for TYD are set out in Appendix 1.

¹⁰ Administrative Arrangements Order, October 1998.

Relations and Small Business, and a range of stakeholders in the vocational education and training sector, including State Governments. This adds to the complexity of the environment in which the Division's programs are delivered.

1.5 At the time the audit commenced the TYD was seeking to streamline and improve its processes and program arrangements. These improvement processes are managed through the Integrated Program and Contract Management Team. Management improvement efforts have concentrated on risk management, role clarification between National and State Offices and acquittal processes. In addition, the Division was redeveloping a key business and management information technology system, the Training and Youth Internet Management System (TYIMS). TYIMS will replace the existing Integrated Employment System¹¹ in supporting New Apprenticeship Support Services and a range of other TYD programs. It also incorporates a range of program-specific Internet systems, which provide facility for on-line interaction between TYD and contracted service providers.

1.6 The audit assisted by highlighting areas for improvement in business processes.

The audit

Audit objective and scope

1.7 The objective of the audit was to determine whether the application of Business Process Reengineering (BPR)¹² principles would identify improvements to the business processes of the Training and Youth Division.

1.8 The Training and Youth Division of DETYA was used in this audit to illustrate the application of BPR as a tool for agencies to identify efficiencies and enhance program effectiveness. BPR can also be used by other areas of the Department or by other agencies.

1.9 The audit was undertaken in two parts. The first part of the audit, which examined program management in TYD, was reported in Audit Report No.51 1999–2000. The second part, discussed in this report, mapped key internal business processes and, where relevant, developed options for reengineering those processes.

¹¹ The Integrated Employment System is owned by the Department of Employment, Workplace Relations and Small Business.

¹² Business Process Reengineering is a generic term used to describe approaches to generating improvements in the way an organisation carries out its business.

Audit approach

1.10 The approach to this audit was to apply reengineering principles to TYD's business processes. In order for this approach to work effectively in practice TYD needed to be fully involved in the process and committed to the implementation of any improvements identified during the audit. DETYA therefore agreed to contribute resources to the project. This included the secondment of one dedicated staff member to the BPR team, the involvement of other staff, including senior managers, in the process, and payment of half the costs required to engage an expert consultant.

1.11 Reengineering Australia provided significant assistance with the fieldwork for the audit. The details of the process used are discussed under the Audit methodology section below.

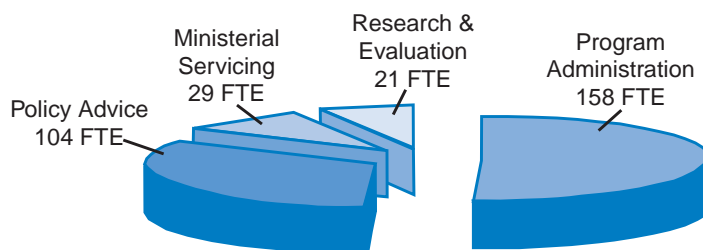
1.12 The fieldwork involved extensive discussions with TYD staff at both DETYA's National and State Offices.¹³ Briefings were provided to key DETYA managers at crucial stages of the audit. The audit was conducted in accordance with ANAO auditing standards at a cost to the ANAO of \$166 000.

Audit methodology

1.13 The audit methodology involved an examination of specific program administration processes in five TYD programs. Program administration was selected over other functions, such as policy advising or research and evaluation, because the processes encompassed by program administration are largely transaction-oriented, repetitive in nature and more able to be standardised. This means that program administration is better suited to the application of reengineering principles. At this level DETYA was able to provide costing information which indicates that program administration is the most significant of TYD's functions in terms of resource usage. This is illustrated in figure 2.

Figure 2

Staff Resources² attributed to TYD Functions

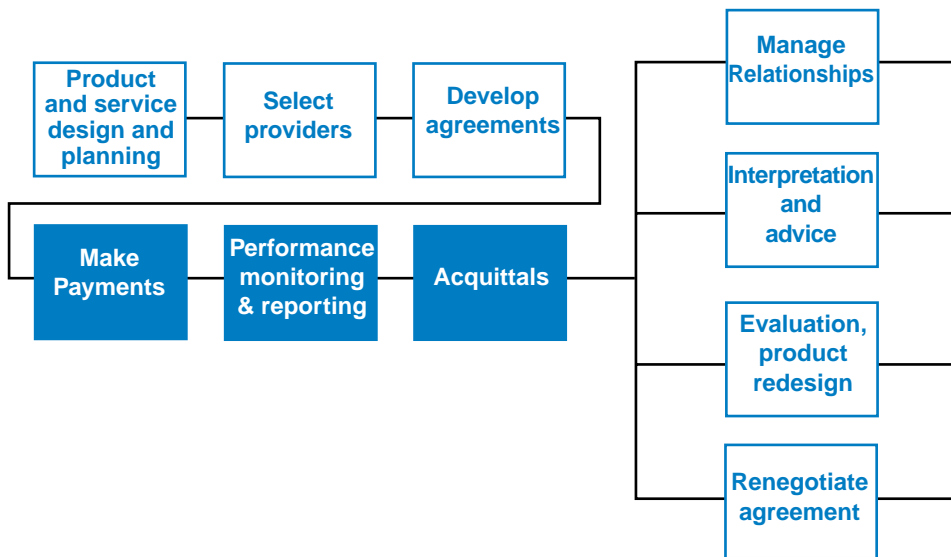


² FTE or full time equivalent is the staff numbers expressed as 'full time' equivalents and includes attribution of appropriate State Office resources.

¹³ State offices visited were South Australia and New South Wales.

1.14 Once the program administration processes were mapped they were assessed as to their suitability for reengineering based on the same criteria used to select program administration overall. The sub-processes highlighted in Figure 3, that is ‘make payments’, ‘performance monitoring and reporting’ and ‘acquittals’ were chosen for review because they are transaction-oriented, repetitive in nature and more able to be standardised. As well activity based costing techniques¹⁴ were used to understand the nature of the costs of the different sub-processes that make up program administration.

Figure 3
Process Map—Program administration function



1.15 The payment, monitoring and acquittal sub-processes were then mapped in detail for each of the five TYD programs specified below:¹⁵

- Support for New Apprenticeships (SNA);
- Literacy and Numeracy (LitNum);
- Jobs Placement, Education and Training (JPET);
- Jobs Pathways Program (JPP); and
- Workplace English Language and Literacy (WELL);

¹⁴ The basic principle of activity based costing is that performance of activities within an organisation gives rise to the incurrance of cost and that cost objects consume activities. Accordingly, costs are traced firstly to activities and then activity costs are traced to cost objects. The cost objects in this case being the sub-processes of program administration. More information can be obtained from Building *Better Financial Management Support, Better Practice Guide*, ANAO, November 1999.

¹⁵ An outline of these programs is included at the beginning of Chapters 2 and 3.

1.16 These five programs were chosen using a range of criteria, as follows: materiality; the proportion of staff involved in program administration (as opposed to other processes); and the number/proportion of full time equivalent (FTE) staff at National and State Office level.

1.17 The process maps were developed and refined in consultation with DETYA and took into account the findings of the first phase of the audit. Process mapping is only one element of the BPR methodology. Other elements include consideration of customer needs (in this case, DETYA executive level managers and the providers contracted by DETYA to deliver services to clients, for example, homeless young people), internal assessment of costs, existence of better practices, including technology enablers, and review of external factors. As the process maps were being developed, critical analyses of these related elements was also undertaken. This approach assists with the identification of improvement opportunities in business processes.

Figure 4
Methodology for BPR

Process mapping	Understand how the current processes operate by documenting these at a detailed level. Program maps drafted by the BPR team were reviewed and refined in consultation with the program areas in National and State Offices.
Customer needs and gaps (Opportunity to assess effectiveness)	Understand current and future customer needs and associated dynamics. Assess current levels of performance against identified needs. Understand reasons for any performance gaps.
Internal assessment (Opportunity to assess processes for delivery of outputs in terms of quantity and cost)	Understand, using activity based costing techniques (including advice on cost attributions from State and National Office program areas), the nature of activity costs to identify areas where improvements are more likely to be identified. Analyse the documented processes to reveal improvement opportunities (eg. cycle times, low value adding activities, process handoffs) based on analytical tools/questionnaires. (These questionnaires were used at National and State Offices to assist with identifying opportunities for improvement and are at Appendix 2).
Technology enablers (Opportunity to reduce costs or redirect resources)	Develop an inventory of technologies by business unit and by process. Identify gaps in capabilities; redundant or inconsistent technologies; and unused or underused capacity.
Better practices (Opportunity to reduce costs or improve quality)	Identify issues and opportunities in the areas of technology, consider whether processes are appropriate, staffing arrangements support process objectives and structures and business rules are effective.
External issues (Opportunity to assess environment in which agency operates)	Develop a high level understanding of the current external environment and the impact on the organisation and processes. Relevant external issues in this case were the outputs/outcomes framework, purchaser/provider model and the move to use of e commerce.
Business case for redesign (Examination of risks, costs and benefits)	Develop compelling new visions for selected process. Define new performance targets for the new processes. Identify the factors involved in moving from the old state to the new state. Validate the process vision and targets and establish immediate implementation opportunities.

1.18 The result of using this methodology is to highlight areas of possible change. The decision to proceed to a detailed redesign needs to be guided, in the first instance, by a business case. In order to undertake a detailed redesign, comprehensive planning, which needs to address changes to structures, systems and business rules, is required. This is discussed further in Chapter 4.

This report

1.19 Chapter 2 discusses the SNA and LitNum programs separately. For both these programs services are delivered through third party providers. The providers are paid on a fee-for-service basis. This involves making numerous payments for individual services, for example, a referral of a client for assessment as to their literacy and numeracy skills.

1.20 The processes used by the programs and the issues that arose during the course of the fieldwork were sufficiently different to require the programs to be discussed separately. More information on these programs is provided in the introduction to Chapter 2.

1.21 Chapter 3 discusses the findings in relation to the other three programs reviewed, that is, JPET, JPP and WELL. In these three programs, rather than a payment being triggered by the provision of an individual service, aggregated payments are made in line with milestones for an overall service, such as services to young homeless people, as set out in the contract between DETYA and the provider. The findings are presented using a generic process description (that is, the individual programs are not identified separately) because of the many similarities in the methods of delivery used for these three programs. Therefore, many similar issues arose across the three programs during the conduct of the review.

1.22 In both Chapters 2 and 3 the issues identified by the critical analyses in terms of better practices and areas for improvement are reported in the comments included with the process maps. Improvement to these areas would assist in meeting the needs of customers of the specific sub-processes examined in this report, that is, DETYA executive level managers and providers contracted by DETYA to deliver services on its behalf. These customer needs include the provision of appropriately controlled and efficient processes with data and performance requirements that are relevant and responsive to changing needs and conditions.

1.23 Chapter 4 highlights matters that need to be considered in implementing a detailed redesign.

1.24 While this audit considered some of the programs within TYD, the findings are relevant to other programs within that Division, the Department more generally and other APS agencies, which have significant program administration functions.

2. Management of Fee-for-Service Programs

This chapter discusses the application of reengineering principles to the making payments, monitoring performance and undertaking acquittals sub-processes of program administration for the Support for New Apprentices and Literacy and Numeracy Programs.

Introduction

2.1 The two programs discussed in this chapter are Support for New Apprentices (SNA) and Literacy and Numeracy (LitNum). These are discussed in the same Chapter because they both operate by making fee-for-service payments to providers. A description of the two programs is provided below. Separate process maps for the SNA and LitNum programs are then set out with better practices and areas for improvement indicated on the process maps. Key issues are highlighted in the ANAO comments followed by DETYA's views of the conceptual redesign.

Program descriptions

Support for New Apprenticeship Program (SNA)

2.2 The purpose of SNA program is to assist the development of an appropriately skilled workforce in Australia. This is achieved through increasing the number of new apprentices taking up training opportunities by providing a combination of employer incentives, personal benefits to the apprentice (for example, living away from home allowance), infrastructure and support services. About 400 000 payments are made annually. In 2000–01 approximately \$369.4 million is allocated for incentives and assistance payments and \$63.1 million to New Apprenticeship Centres (NACs)¹⁶ for administering these payments. NACs are contracted by DETYA to deliver a range of support payments on its behalf.

Literacy and Numeracy Program (LitNum)

2.3 The LitNum program¹⁷ aims to achieve a measurable improvement in the literacy and numeracy skills of jobseekers and thereby improve their competitiveness in the labour market. Assessment and training

¹⁶ New Apprenticeship Centres were established as part of the Job Network in 1998 and have been contracted by DETYA separately from 1 December 1999.

¹⁷ The LitNum program was competitively tendered for early in 1998. Eligibility for the program was broadened in February 1999.

services are provided by a variety of service providers, including State and Territory Training Authorities and Registered Training Organisations. Sixty nine organisations were contracted to deliver the services for the three years ending 2000–01. Funding for 2000–01 is approximately \$30.4 million.

Process mapping

2.4 The process maps (Figures 5-6c, SNA and 7, LitNum) set out the key steps taken (at the time of mapping in June 2000) to make payments, monitor performance and acquit funds. In Chapter 1 a general description of process mapping was included in Figure 4, that is, 'understand how the current processes operate by documenting these at a detailed level'. At the individual program level, the process maps were developed by:

- reviewing guidelines and procedures for each program to provide a draft process map;
- discussing the draft with relevant TYD staff through a focussed consultation process, including using the questionnaire at Appendix 2 to assist with identifying possible improvements; and
- redrafting maps taking into account knowledge gained from staff and consulting again to confirm maps.

2.5 The comments on the maps highlight areas of better practice and some areas of possible improvement. These latter comments should not be seen as critical of the arrangements in place at the time the maps were developed. As stated previously, the TYD was seeking to streamline processes at the time of the review so that some changes have occurred to the way the programs are administered since the initial mapping. The areas for improvement are outlined to indicate to other program managers in DETYA and, in the APS more generally, the possibilities that a redesign offers.

2.6 The maps are colour coded for ease of understanding. The colours indicate which level of administration is responsible for the particular process step, that is National (NO), State Office (SO) and/or the Divisional Administration Unit (DAU). Where a comment is made about a specific issue it is referenced in the diagram using a number, that is, ① and an explanation is provided next to the map. The ✓ indicates a better practice observation for this program and include the use of technology enablers, strategies to reduce duplication and the use of risk based approaches to monitoring. The better practices do not necessarily relate to a specific process step but relate more generally to approaches being used in program administration for the specific program.

Support for New Apprentices

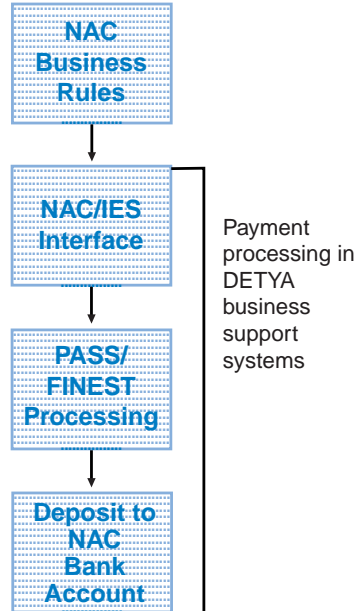
2.7 The SNA program was established in 1998 and has therefore had the advantage of being able to use more recently available technologies and be specifically designed to suit its purpose. Other programs, both in DETYA and other agencies, tend to develop over time through an accretion of decisions. As a result programs can become operationally complex and dependent on 'legacy' systems that offer lower levels of functionality than contemporary systems. The SNA program was found to exhibit many areas of better practice, particularly the use of a risk-based approach, underpinned by a sound sampling methodology, to monitor acquittals and achievement of results.

2.8 The process map at Figure 5 provides an overview of the payments process. The box 'NAC business rules' encompasses a range of activities undertaken by NACS in line with contracts with DETYA. These activities include administration of incentive and assistance payments, provision of information to employers and assistance to people in the labour market to obtain new apprenticeships. The processes undertaken by NACs were outside the scope of the audit and therefore were not examined.

2.9 The audit indicated that there were some minor improvements which could be made in the separate elements of the payment process. These separate elements are shown at Figure 6(a), Allocations Management, Figure 6(b), Special Payments Process and Figure 6(c), Transfer Process, that is, when a client changes providers their record and associated funding allocation is also transferred. The comments on the relevant map explain the possible improvements in detail with the comment on Figure 6(c) indicating action planned by DETYA to address the problem of client transfers.

Figure 5
Payment process - overview

- ✓ Around 360 system edits for transaction integrity (these may produce operator approvals by DETYA rather than NACs).
- ✓ Introducing new business rules to prevent creation of duplicate client and employer records.
- ✓ Pursuing optimisation of SAP/TYIMS (an electronic interface between the payment and management IT systems) links to eliminate duplication in the payment process.
- ✓ Monitoring review of NACs activities and supporting documentation using statistical sample prepared on advice from Australian Bureau of Statistics.
- ✓ Application support for database interrogation assists monitoring.



L E G E N D	 Overview of process
	 Better practice

Figure 6a

Payment, monitoring and acquittal process for SNA as at June 2000

Allocations management process

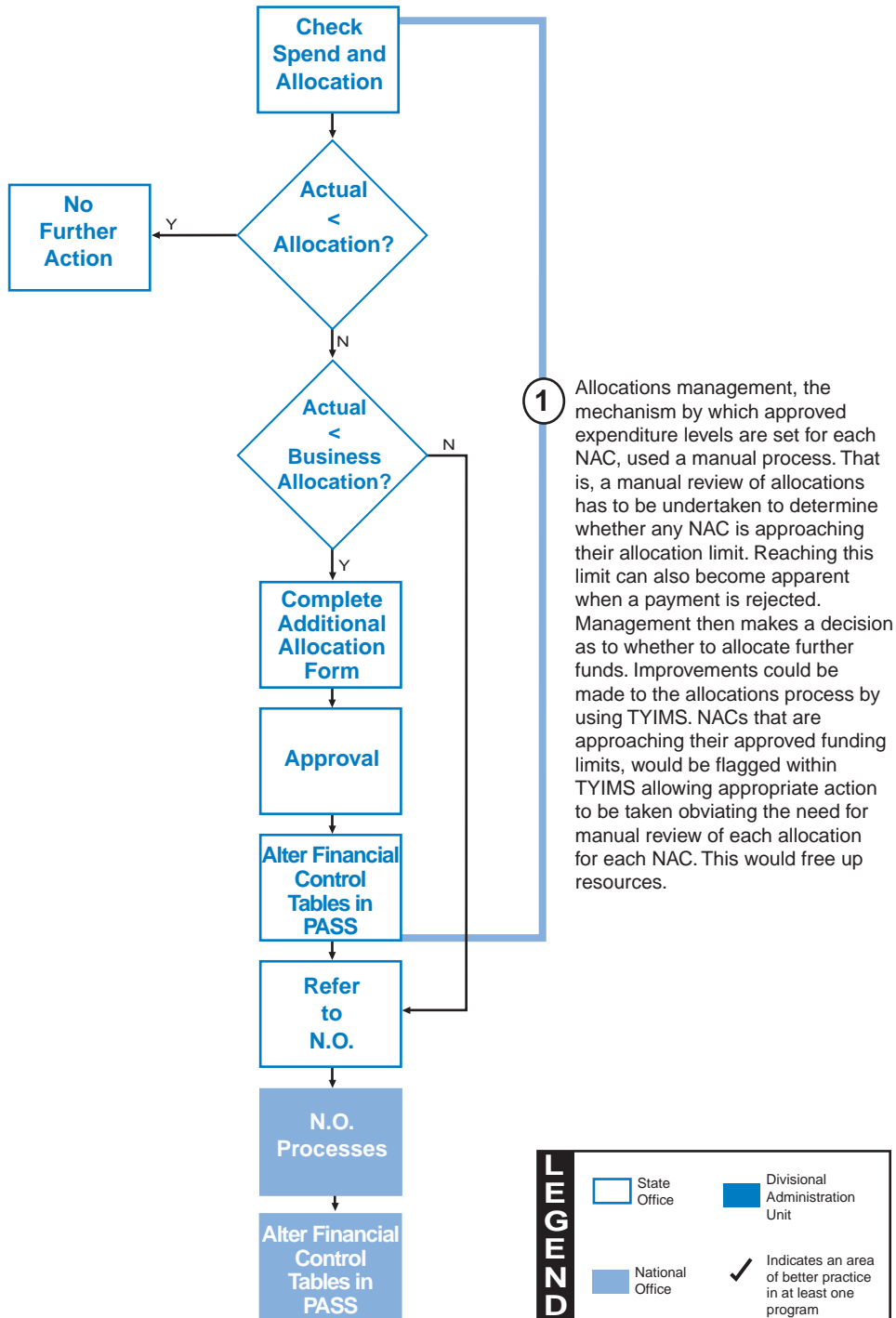
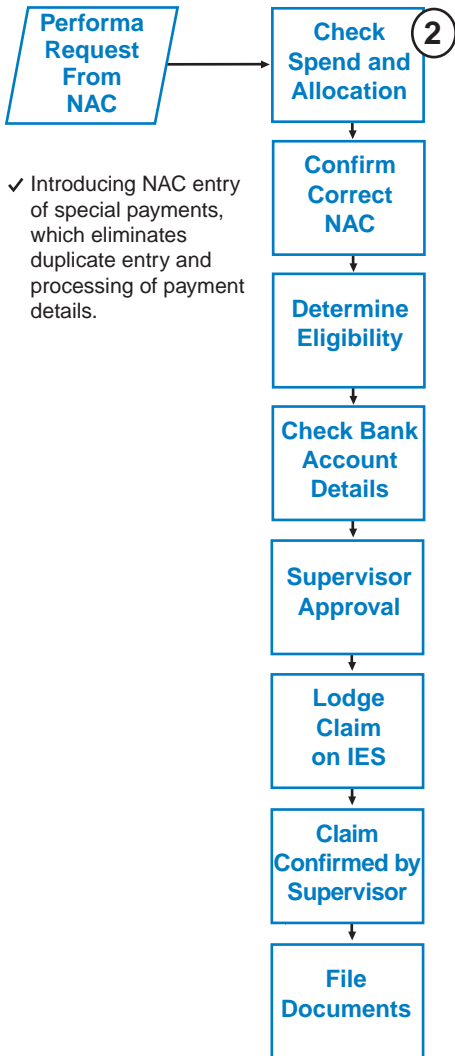


Figure 6b

Payment, monitoring and acquittal process for SNA as at June 2000

Special payments process



✓ Introducing NAC entry of special payments, which eliminates duplicate entry and processing of payment details.

Business rules generate special payments, requiring the payments to be processed by a State Office rather than the NAC. While it was acknowledged that changing the business rules could reduce State Office workload, DETYA considered that the current rules are necessary to maintain appropriate controls over the payment process.

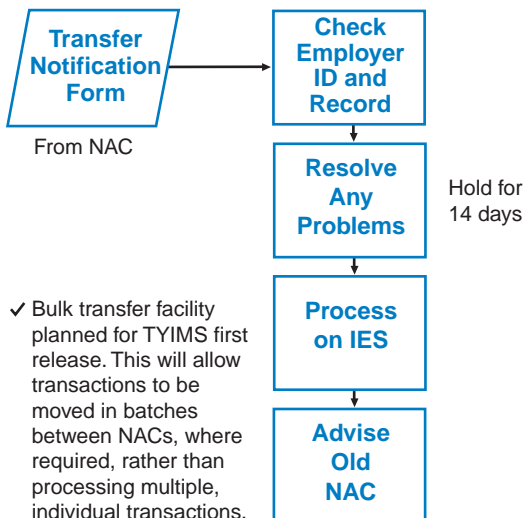
DETEL

State Office	Divisional Administration Unit
National Office	Indicates an area of better practice in at least one program

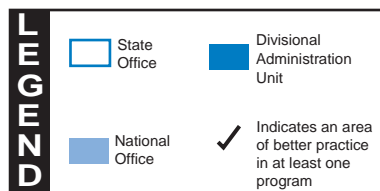
Figure 6c

Payment, monitoring and acquittal process for SNA as at June 2000

Transfer process



✓ Bulk transfer facility planned for TYIMS first release. This will allow transactions to be moved in batches between NACs, where required, rather than processing multiple, individual transactions.



ANAO comments

2.10 A number of areas of better practice was identified during the review of the SNA program. In particular, the SNA program uses a risk based approach to monitoring underpinned by a soundly designed sampling methodology. Technology was generally being used effectively to reduce duplications, handoffs¹⁸ and manual processes.

2.11 As discussed previously the SNA program was implemented recently and this has allowed managers to make better use of technology and contemporary approaches to program management, including risk based approaches.

2.12 The NACs themselves were beyond the scope of the audit but there were indications that they could benefit from the application of a reengineering approach to reduce duplication, manual processing and handoffs. While the ANAO recognises this is a matter for the Department to consider, it is worth bearing in mind that NACs should be operating as efficiently as possible in order to deliver better quality services to clients making the best use of public funds.

¹⁸ A handoff is where documents are passed from one person or level to another and generally, at each step, the document spends time waiting to be dealt with. These delays can affect the quality of customer service.

Departmental comments

2.13 The Department is greatly encouraged by the recognition given by the ANAO to the efforts to introduce risk based approaches to monitoring and payments processes for this program. The findings of the audit will usefully complement the DETYA's continuing refinement of risk-based monitoring and payments processes. These efforts will be enhanced by the introduction of TYIMS in April 2001 and in subsequent planned refinements.

2.14 The comments in relation to the business processes in NACs are welcome and consistent with the Department's own efforts to improve the efficiency and effectiveness of NAC operations. DETYA acknowledges that there is scope to reduce the level of manual processing in the NACs and expects that the introduction of TYIMS will significantly address this issue in the first and subsequent releases. The NACs are major stakeholders and have been widely consulted in the design. A number of features have been incorporated into the design at the request of NACs.

2.15 The Department will closely monitor NAC business processes and work cooperatively with them to ensure that more efficient practices are identified and adopted where appropriate.

Literacy and Numeracy

2.16 As with SNA, LitNum is a recently implemented program. Early in the life of the program the LitNum program experienced a low level of client referrals to providers¹⁹. This meant that TYD had to take action to address this problem as a matter of priority with resources also being directed to this issue rather than other areas of program administration. Nevertheless, in the approach used for the LitNum program delivery some areas of better practice were observed and these are indicated on the map by a ✓. Potential areas for improvement highlighted in the map were being addressed by DETYA at the time of the audit. Throughout the process maps duplication of steps is noted.

2.17 The steps outlined in red on the process map may be unnecessary if a standing payment system is used. A standing payment system means that, once only, at the beginning of each contract period a schedule of payments would be established in the business support system and a payment would occur unless monitoring indicated that there was a problem with provider performance. As well, a risk based approach, using on a sound sampling methodology, should be adopted for payments checking. This is an issue for DETYA to consider when implementing a detailed redesign.

¹⁹ This was discussed in detail in Report No.51 1999–2000 Program Administration in the Training and Youth Division of DETYA.

Figure 7

Payment, monitoring and acquittal process for LitNum as at June 2000

Payments sub-process

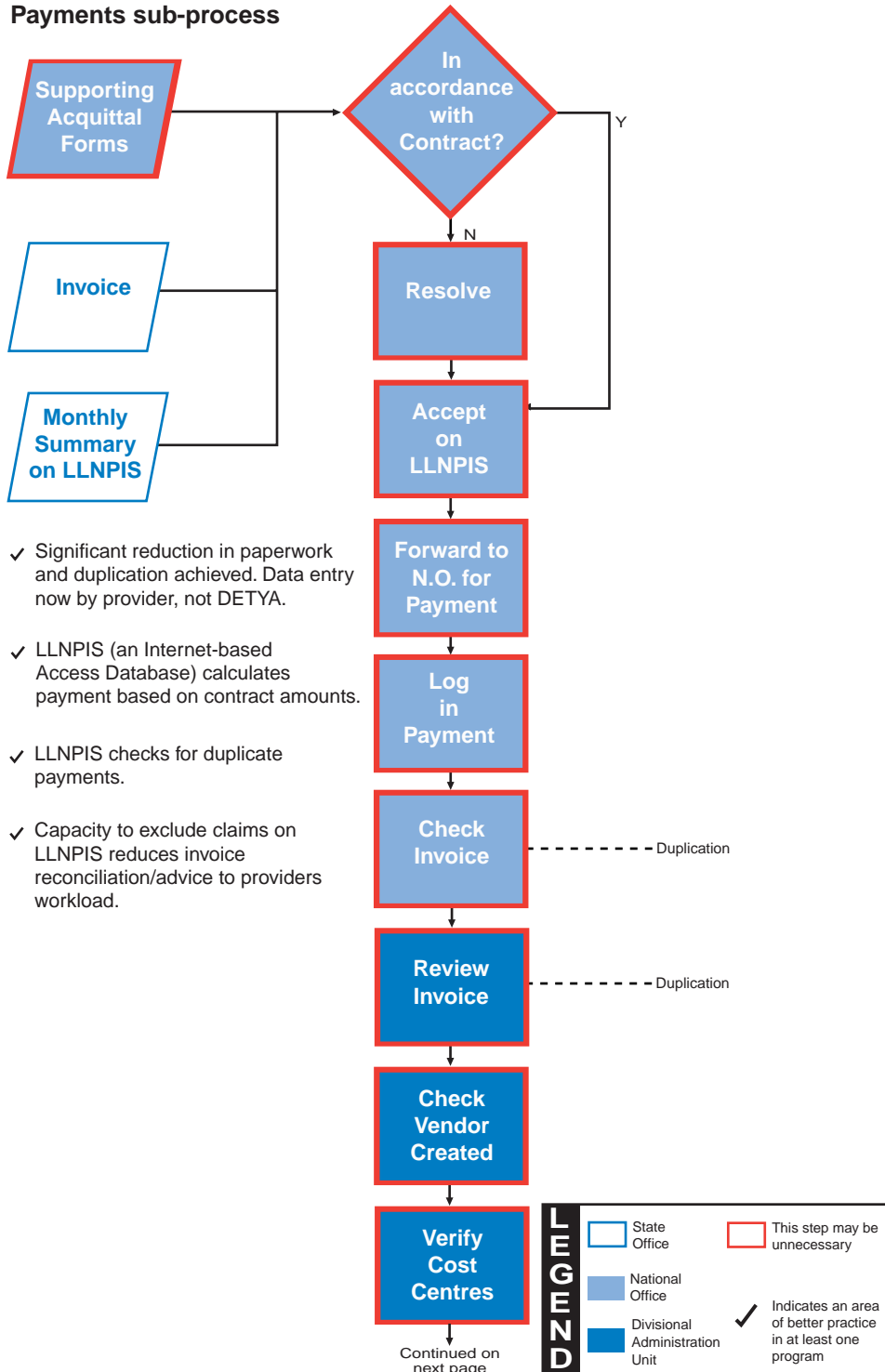
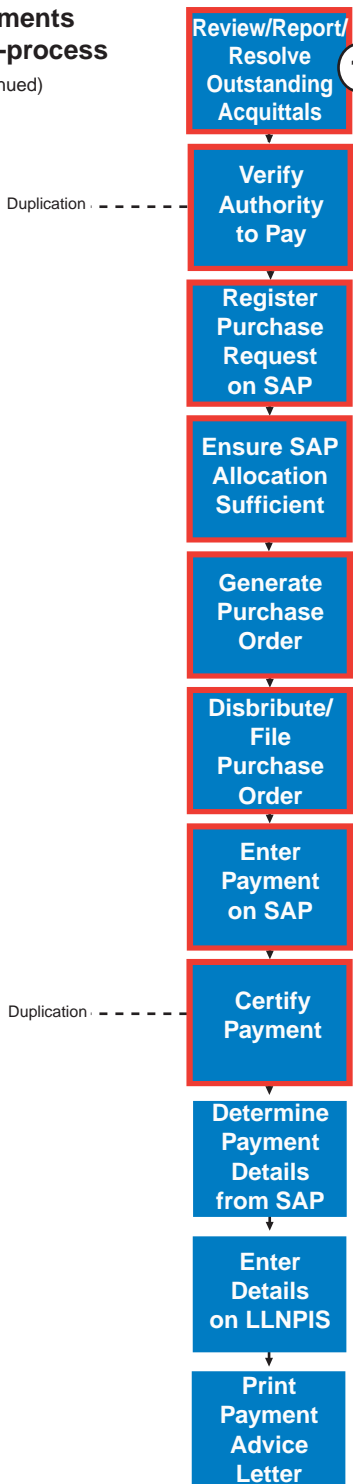


Figure 7 (continued)

Payment, monitoring and acquittal process for LitNum as at June 2000

Payments sub-process

(continued)



1 The focus here is on whether money has been spent in line with the budget, that is the focus is on inputs rather than results achieved. While it is important to appropriately account for inputs, effort also needs to be directed at monitoring whether results are being achieved. The use of business support systems and entering data only once can reduce manual processing, duplication and handoffs between various levels of administration, and can free up resources to allow better monitoring of outcomes being delivered.

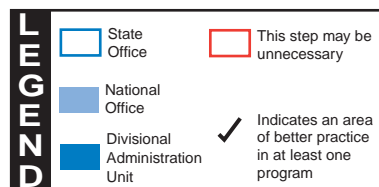
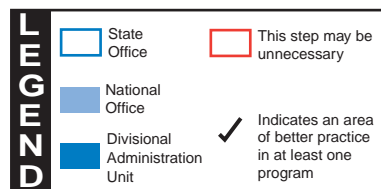
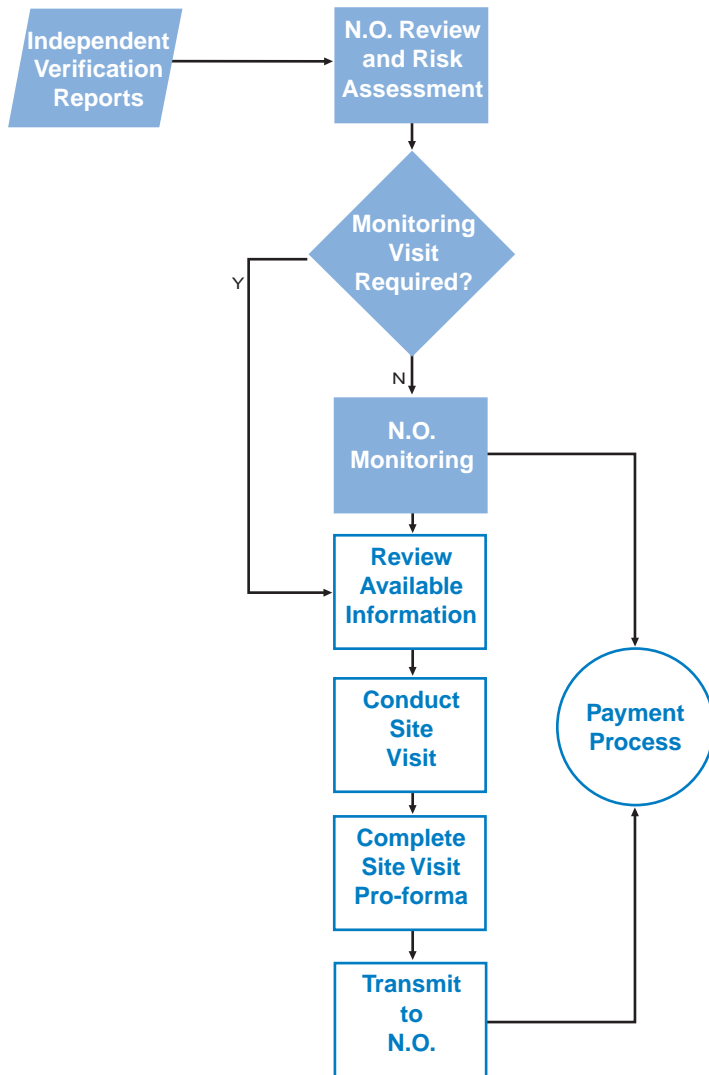


Figure 7 (continued)

Payment, monitoring and acquittal process for LitNum as at June 2000

Monitoring



ANAO comments

2.18 Better practices, including automatic submission of information by providers and system support for previously manual processes, were observed during the review of the LitNum program. However, at the time of mapping there was a significant level of unnecessary duplication occurring in the payments process. This duplication was occurring because both NO and DAU were undertaking the same checking processes and data regarding payments was being recorded in both the LitNum business support system (LLNPIS²⁰) and the DETYA-wide payment system. As well, a detailed invoice was required to be provided to DETYA for each payment with supporting documentation of each specific payment item. This contrasts with the SNA program approach where payment documentation is retained by providers and payments are checked on a sample basis by State Office monitoring visits.

2.19 This duplication of checking and data entry and the need for supporting documentation creates an additional workload for both DETYA and providers. As well, it focuses much of the available staffing resources on inputs, that is whether money has been spent, rather than on whether results have been achieved. Removal of duplication would free up resources to focus on whether results have been achieved would allow a greater understanding of the effectiveness of the program. Some of the existing resources could be redirected to undertaking monitoring activities in relation to program effectiveness.

Departmental comments

2.20 The Department welcomes the ANAO's comments, which recognise the significant steps taken to streamline and minimise the administrative burden on service providers to enable a greater focus on the delivery of quality outcomes for Literacy and Numeracy Program participants. At the same time, efforts have been made to improve accountability and enhance management information on outcomes and results. The audit report will provide very useful additional impetus to future business improvements.

²⁰ The system used by LitNum is LLNPIS. It is an Internet-based Access Database which records the results of pre and post-training assessment undertaken by contracted providers and the result of each assessment; literacy and numeracy training details, outcomes and results; the results of independent verification of assessments and training results; and payments to contracted providers for assessment, training and independent verification services. LLNPIS will also support research and program evaluation and will improve management information and reporting capabilities.

2.21 The Department believes that the audit conclusions, in particular the finding of significant duplication in the payment process can be addressed as part of the business process adjustments which have recently been planned. The Department notes that the pending amalgamation of the Literacy and Numeracy and Advanced English for Migrants Programs will provide an opportunity to address the issue of duplicate processing in the context of reasonable and effective accountability requirements and the more effective and efficient delivery of literacy and numeracy for program participants.

2.22 Improved IT system functionality will be available for the Literacy and Numeracy Program with the progressive enhancement of LLNPIS. Planned enhancements include the development of a suite of management reports (for both service providers and DETYA), completion of an independent verification module, inclusion of language training, development of a appointments booking module and automation of the payment link between LLNPIS and the SAP (payment) system.

3. Management of Contract Payments

This chapter discusses the application of reengineering principles to the making payments, monitoring performance and undertaking acquittals sub-processes of program administration for the JPET, JPP and WELL programs.

Introduction

3.1 The three programs examined in this chapter are:

- Jobs Placement, Education and Training (JPET);
- Jobs Pathways Program (JPP); and
- Workplace English Language and Literacy (WELL).

3.2 These programs are described separately below. However, as indicated in Chapter 1, the discussion of process mapping does not identify these three programs individually because of the many similarities in their mode of delivery, that is, payments are made in line with milestones set out in contracts with providers. The issues which arose during the review in relation to process improvements were also similar. Therefore, in order to avoid repetition of many of the same steps in three separate maps, the map in this chapter covers all three programs. It is indicative of the nature of the steps for each program.

3.3 Following the map ANAO and departmental comments are provided.

Program description

Jobs Placement, Education and Training (JPET)

3.4 The JPET program provides assistance to young people between 15 and 21 years of age who are homeless or at risk of becoming homeless. Other categories of young people, such as refugees, are also eligible. The assistance is delivered through 138 service providers to approximately 16 000 homeless or at risk young people at a cost of \$17.5 million. It is aimed at overcoming a range of personal barriers which prevent them from participating effectively in employment, education and training.

Jobs Pathways Program (JPP)

3.5 The JPP program assists young people between 15 and 19 years of age to make a smooth transition from school to work. In 1999–2000 over 55 000 young people were assisted. In 2000–01 \$22 million in funding is available to assist young people through over 90 projects delivered by more than 70 organisations.

Workplace Language and Literacy (WELL)

3.6 The aim of the WELL program is to provide workers with English language and literacy skills sufficient to enable them to meet the demands of their current and future employment. The program had administered funds of approximately \$11.8 million for 2000–01 from which grants are provided to employers, who also contribute, to establish relevant training programs in the workplace.

Process mapping

3.7 The generic process map, Figure 8, covering JPET, JPP and WELL broadly indicates the steps undertaken to make payments, monitor performance and acquit funds for these three programs. These maps were developed in the same way as those for the SNA and LitNum programs (described in paragraph 2.4).

3.8 The map shows the level of administration where responsibility rests for a particular activity, that is NO, SO or the DAU. The ✓ indicates a better practice observation for these programs, for example, the use of electronic support to provide guidance on information analysis. Where a comment is made about a specific issue it is referenced in the diagram using a number, that is ① and an explanation is provided on the map. These comments, taken together, illustrate scope for improvement in these and other similar processes and programs.

3.9 Steps outlined in red are those steps that could be modified or removed as part of a detailed redesign.

3.10 When considering these changes, it should be borne in mind that it is important to retain robust accountability mechanisms. In particular, input controls should not be reduced or removed until effective outputs-based monitoring is in place and being undertaken by appropriately skilled staff. This is discussed further in Chapter 4.

Figure 8
Generic map for payment, monitoring and acquittal process for JPET, JPP and Well as at June 2000

Payment process

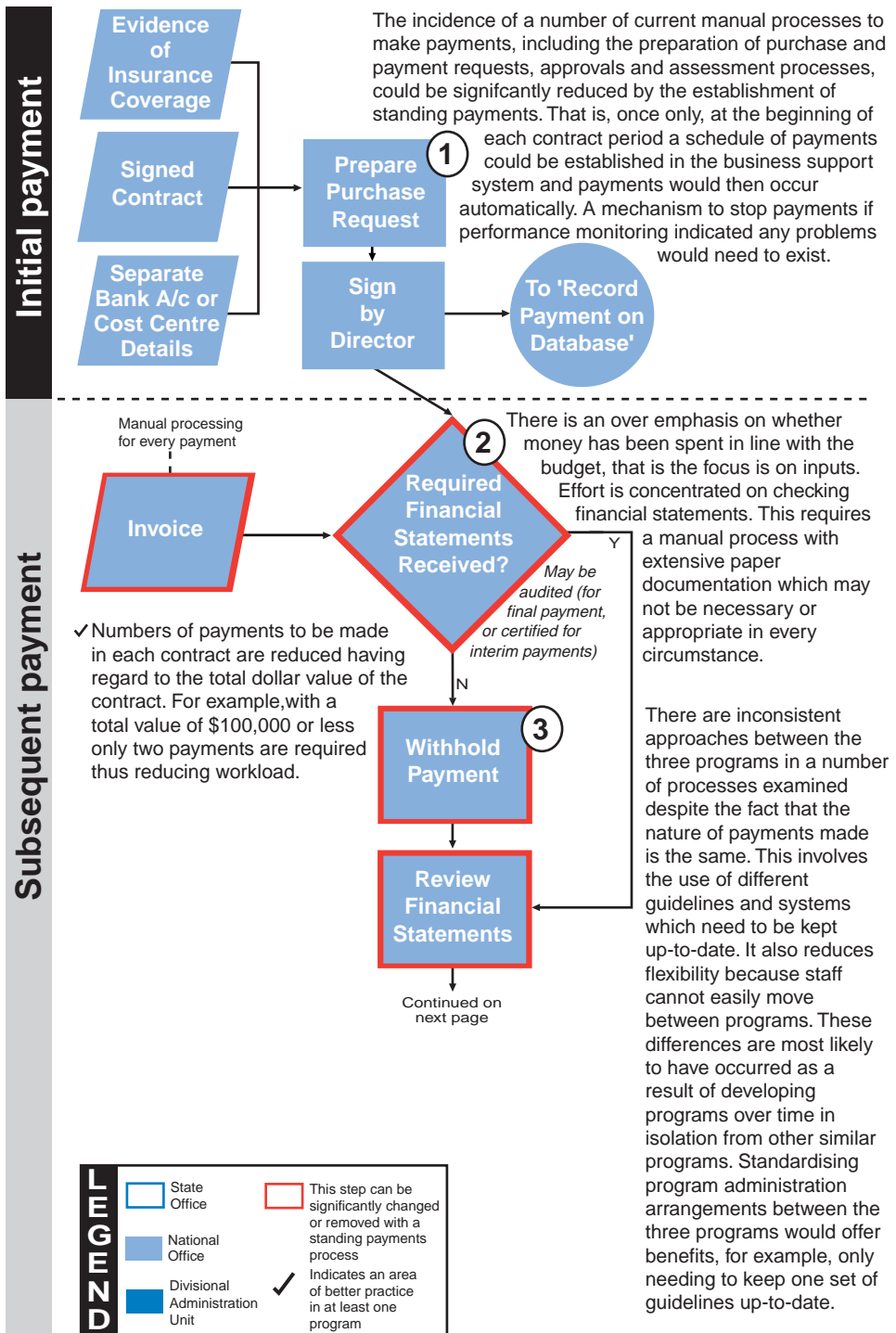


Figure 8 (continued)

Generic map for payment, monitoring and acquittal process for JPET, JPP and Well as at June 2000

Payment process (continued)

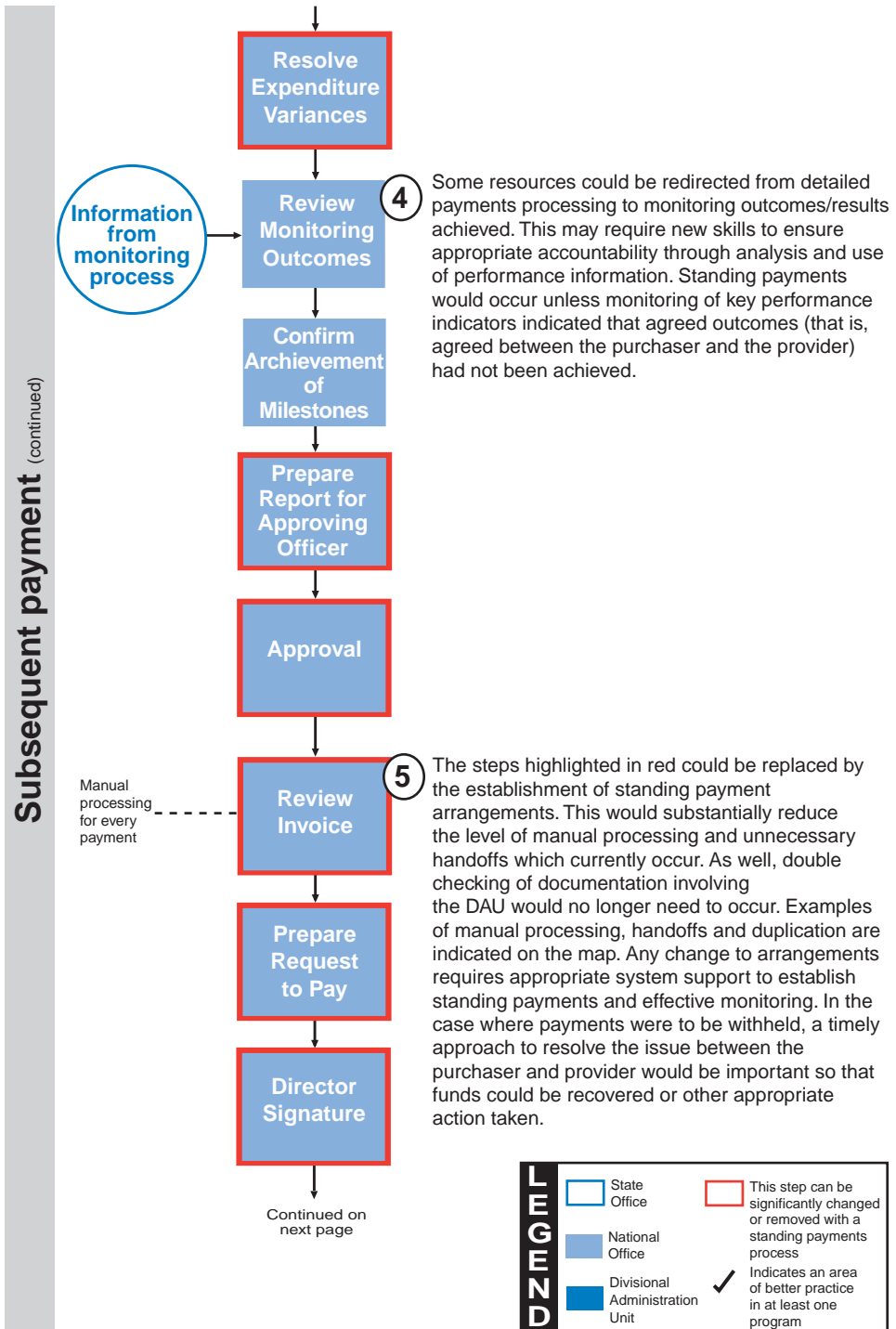


Figure 8 (continued)

Generic map for payment, monitoring and acquittal process for JPET, JPP and Well as at June 2000

Payment process (continued)

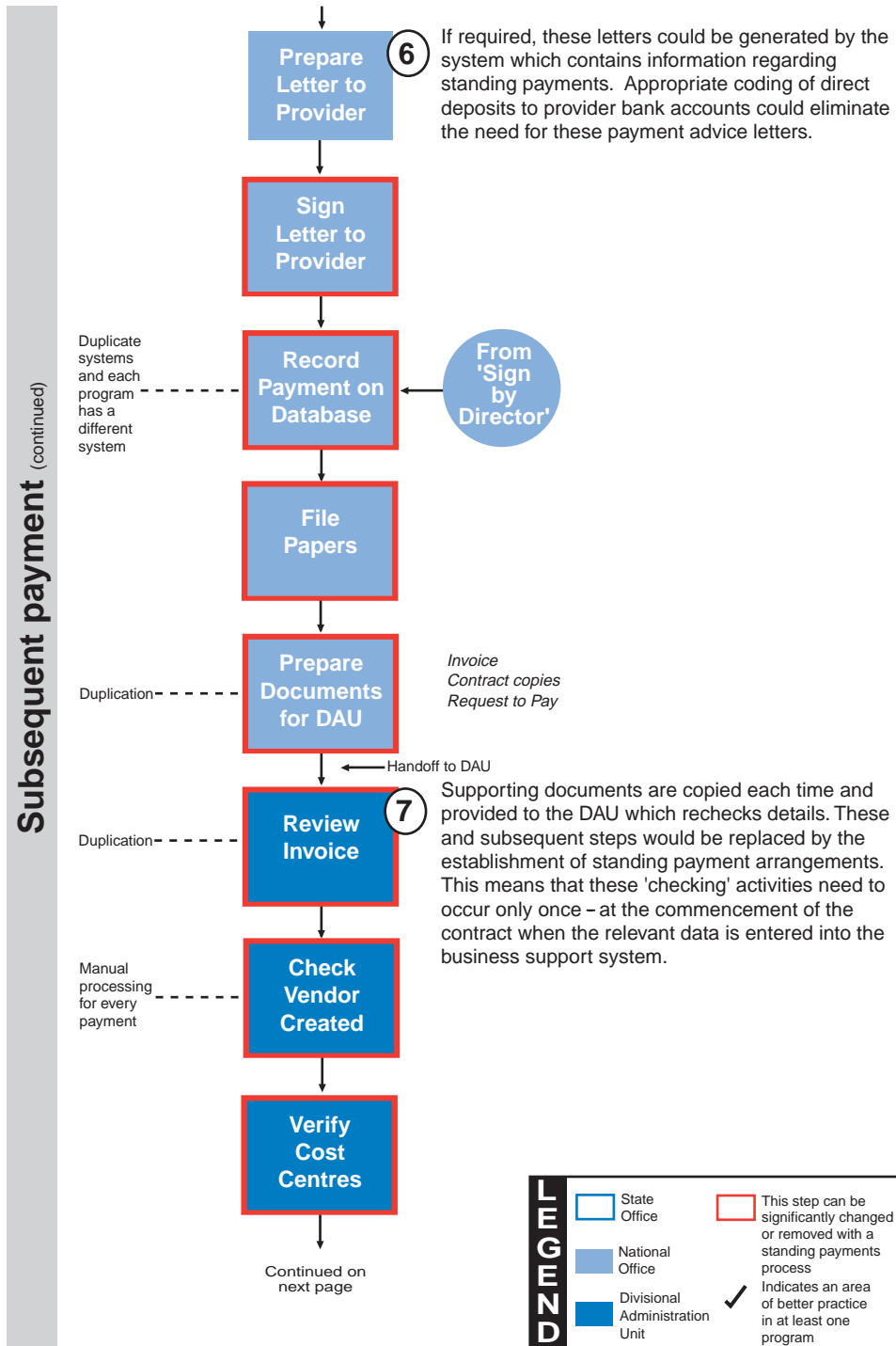


Figure 8 (continued)

Generic map for payment, monitoring and acquittal process for JPET, JPP and Well as at June 2000

Payment process (continued)

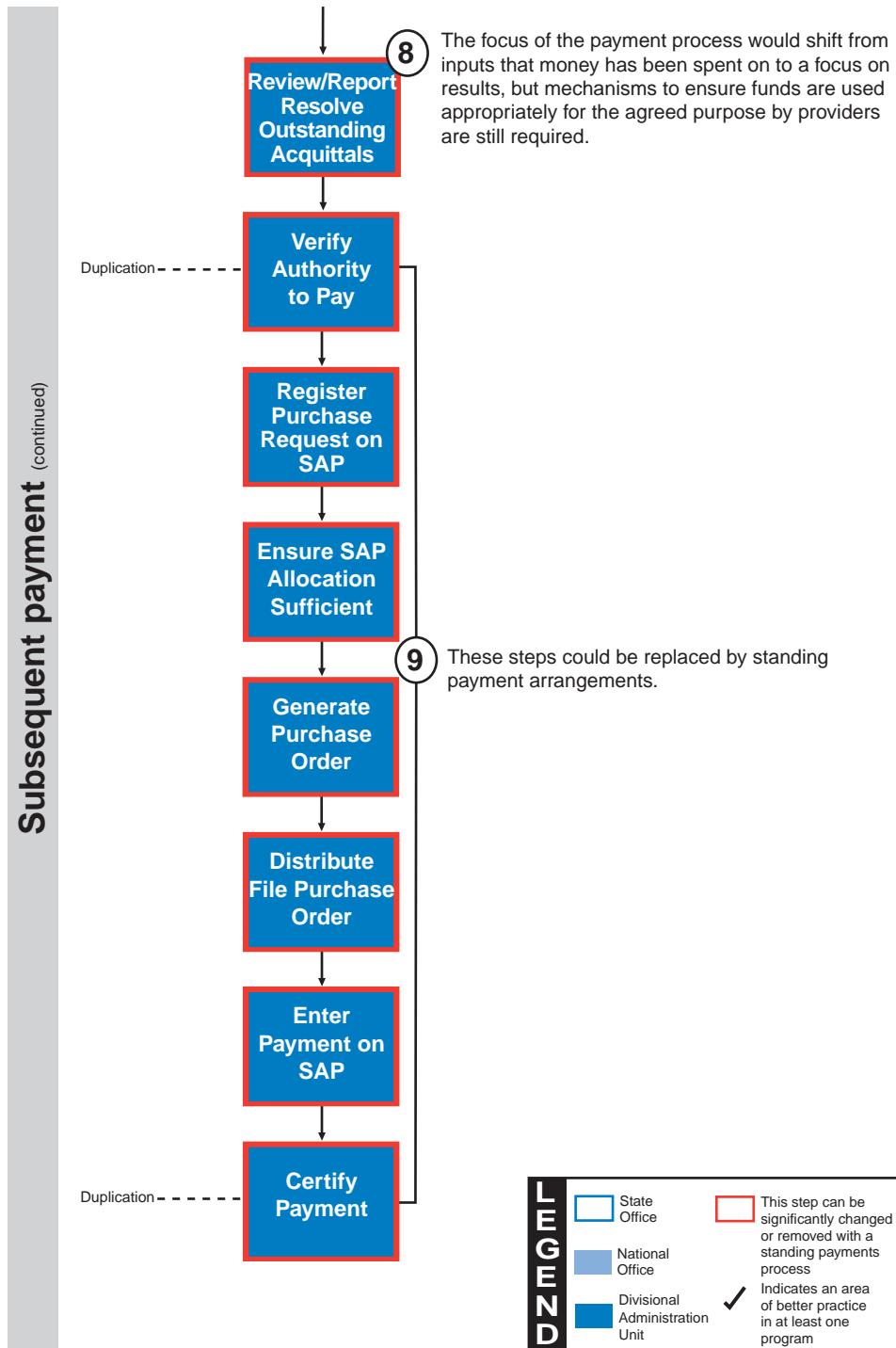
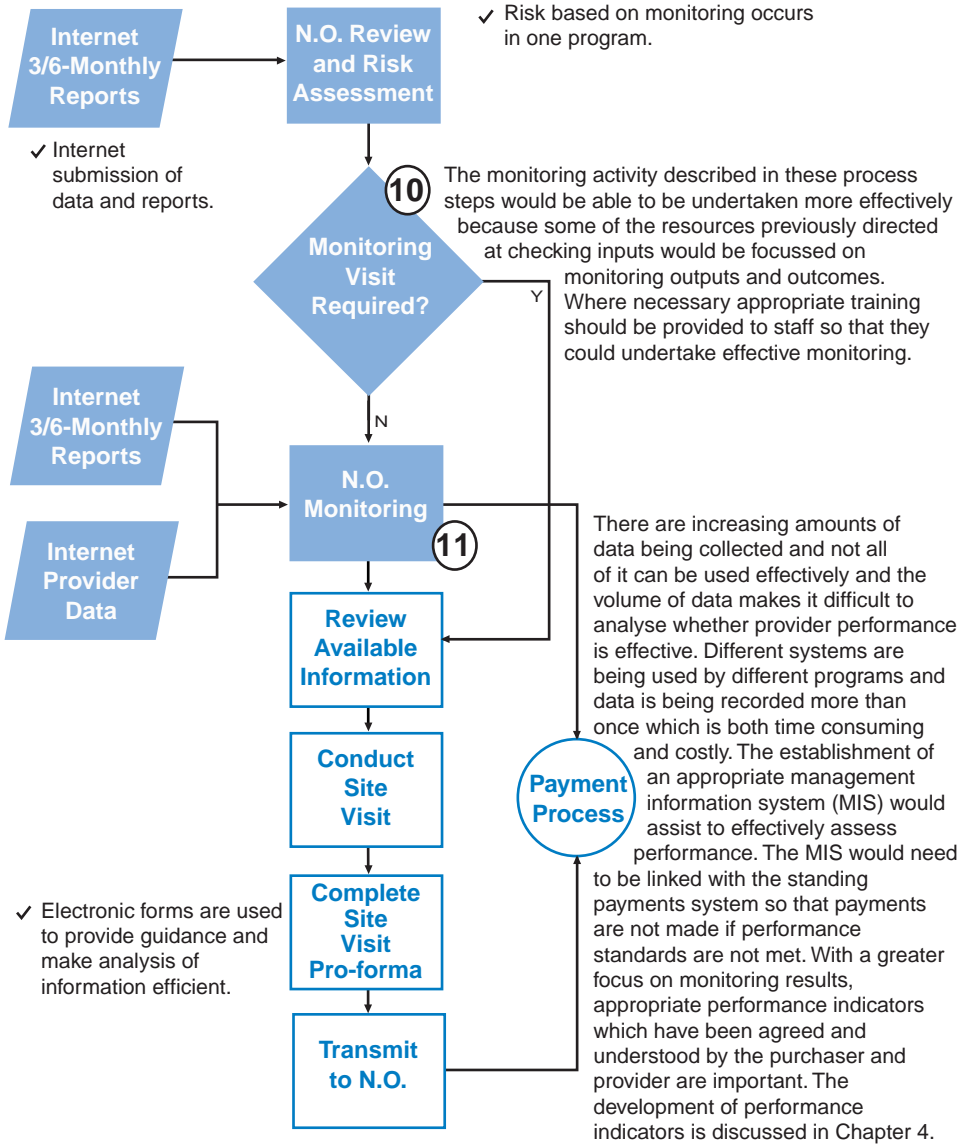


Figure 8 (continued)

Generic map for payment, monitoring and acquittal process for JPET, JPP and Well as at June 2000

Monitoring process



LEGEND	 State Office	 This step can be significantly changed or removed with a standing payments process
	 National Office	✓ Indicates an area of better practice in at least one program
	 Divisional Administration Unit	

ANAO comments

3.11 The process maps provided above set out indicative steps for the WELL, JPP and JPET programs. While there were some minor differences, the comments on the above process map indicate that there are a number of areas where improvements are possible across these programs.

3.12 In particular, the steps highlighted in red indicate duplication of processes, the existence of handoffs and the use of manual processes. As with the LitNum program the emphasis of monitoring activity was on checking inputs, that is how money was spent rather than on whether results had been achieved. The introduction of standing payments would allow changes to, or removal of, a number of steps thereby improving transaction efficiency. The identification of efficiencies can result in savings or the capacity to redirect resources to enhance performance management. In this case, rather than resulting in resource savings, some of the existing resources could be redirected from checking inputs to monitoring the effectiveness of the programs.

3.13 Monitoring of results would also be enhanced by clearly defining key performance indicators and collecting the appropriate data for measuring those indicators. This would mean that instead of collecting large amounts of data which is not able to be used effectively, information would be available to provide accountability for results and for decision-making. Better information on provider performance means that more should be known about the effectiveness of services to clients and whether outcomes are being achieved.

3.14 In making any changes, managers need to ensure that robust accountability mechanisms are retained throughout the move from old to new ways of doing business.

3.15 Issues to be considered in making the changes discussed here are outlined in Chapter 4.

Departmental comments

3.16 The Department is highly supportive of the direction signaled in this chapter of the report. There is strong in principle support for the movement to standing payments arrangements for the audited programs and other similar programs administered by TYD. DETYA agrees with the ANAO view that adoption of this approach entails significant risk, particularly in meeting accountability requirements during a transition period. However, the Department recognises the potential for these changes to significantly improve the effectiveness of program administration and to re-focus the effort of the Department and contracted service providers towards the achievement of outcomes and results for program participants.

3.17 The Department considers that the audit findings and conclusions provide a compelling argument for process redesign. DETYA's view (in line with suggestions in chapter 4) is that a more detailed process redesign plan and implementation strategy will need to be developed in order to progress the identified issues. The divergent contract life cycles of the relevant programs suggest a staged implementation may be required. The Department also considers that it would be prudent to test the changed arrangements on a small scale in order to identify transition and accountability issues and to afford the opportunity to refine the design prior to its broader application.

4. Implementing a Detailed Redesign

This chapter outlines issues which need to be considered if TYD, DETYA more generally, or other APS agencies decide to undertake a detailed redesign of program administration or other processes to improve performance and/or identify resource savings.

Introduction

4.1 The review of programs undertaken in this audit indicates that there are opportunities to make improvements to the sub-processes of program administration, that is, making payments, monitoring performance and undertaking acquittals.

4.2 While this audit only considered three aspects of five TYD programs, this approach could be applied to other processes, for example, selecting providers or developing agreements, or other functions such as ministerial servicing in these five programs or other programs within TYD. As well, other areas of the Department and other APS agencies could use this approach to assist with identifying areas of better practice and improvements.

4.3 There is therefore scope to improve business process through the application of business process reengineering. Should DETYA and/or other agencies decide to pursue business improvement opportunities, then the ANAO recommends that the implementation of a detailed redesign takes into account the implementation issues discussed in the remainder of this chapter to ensure the best possible outcomes from the redesign.

Implementation

4.4 A detailed redesign²¹ is about changing the way work is performed. It requires people to think of whole processes rather than activities or tasks. To undertake a detailed redesign successfully there are a number of important issues to consider. The redesign project should be guided by development of a business case and supported throughout the implementation by:

²¹ The discussion regarding the implementation of the detailed redesign is based on input from Reengineering Australia and material drawn from the literature on the subject. A bibliography is attached which lists key references.

- an Executive sponsor;
- a change management plan which encompasses, among other things;
 - training for agency and provider staff;
 - system support;
 - revised business rules; and
- performance information.

4.5 Each of these is discussed under separate headings below. In practice, they will need to be part of an integrated approach to the redesign. As well, there will be a period of transition in moving from the old ways of working to the new state. Issues to be considered during this period are also discussed below.

Business case

4.6 The business case should establish whether it is feasible to proceed to a detailed redesign by examining risks, costs and benefits. In a detailed redesign, risks to a successful implementation can range from failing by attempting to change too many programs and/or processes simultaneously to a lack of top management support or inappropriate technology. These and other risks should be identified and strategies developed to address them.

4.7 In examining costs, issues to be considered include the costs involved in changing structures, training costs related to the need for new skills, costs of IT improvements and the level of resources required for actual implementation. Such costs may be offset by savings in the longer term from various redesign improvements, for example, time savings through the use of technology in undertaking transactions, such as making payments. Benefits can also be derived by improving the quality of customer service through a better focus on outcomes, more interesting work for staff and more accessible and outcome focused information to inform decision-making and assist with accountability.

4.8 Once a decision has been made to proceed to a redesign, its implementation should be supported by a detailed project plan which covers:

- resources and priorities;
- roles and responsibilities;
- time frames, milestones and critical success factors;
- problem solving mechanisms; and
- evaluation.

4.9 Issues covered in both the business case and the project plan need to be reviewed and refined during the course of the implementation to ensure that the project outcomes are delivered as expected, or that any deviations from the plan are appropriately considered.

Executive sponsor

4.10 'Without the firm commitment, ongoing support and involvement of top management reengineering has little chance of succeeding'²². This means that an executive sponsor is a key element in a successful redesign. Executive support can be provided through a redesign project sponsor. The sponsor must be credible and remain visible to staff throughout the project, raising awareness of the need for the change that a detailed redesign inevitably brings and ensuring necessary resources are available.

4.11 The Executive sponsor plays an advocacy role and should assume responsibility for achieving success. In turn, the sponsor must have support from all top management levels which manifests itself by the sponsor having the authority to make decisions regarding the implementation of the detailed redesign and to overcome resistance to change. Other senior managers and specific team leaders (for example, of a Systems Support Team) also initiate, motivate and take responsibility for project success.

Change management

4.12 Often the most serious problem in reengineering business processes is resistance to change by people within the organisation, especially those whose jobs will be affected. The many papers and books written about Business Process Reengineering all emphasise that the scale and scope of the change required by BPR makes resistance to change natural and inevitable. Major reengineering typically affects processes, technology, job roles, business rules and workplace culture. Therefore, the change management plan needs to address all areas of change so that staff understand what will be happening to their jobs, customers and suppliers. As well it needs to indicate the level of support and training to be offered during the course of the redesign.

4.13 As well as emphasising the level of support and training to be offered, the change management plan can highlight the positive nature of the redesign, and address challenges and resistance to change both from within and outside the organisation, particularly through effective communication.

²² Marshall, Romney: Business Process Reengineering in Internal Auditor, Volume 52, No.3, June 1995, p2

Communication strategy

4.14 An important factor in bringing about the change required by reengineering is to have an effective communication strategy to support the change management plan. People within the organisation (and external providers) need to understand what is happening and how it will affect them. The Executive sponsor and the implementation team must listen to what staff, stakeholders and providers are saying and respond positively

4.15 The communication strategy should identify the audience bearing in mind that there will be different groups who require different approaches and/or information. The aim of a communication strategy is to raise awareness, create interest and invite involvement. A range of media are available, including regular meetings, emails, Intranet, face-to-face discussions and team briefings. All of these channels may be used to sell the benefits (for example, more interesting work) and address concerns (for example, job losses).

Training and education

4.16 The redesign is almost certainly going to require new skills (for the implementation team and other staff affected by the changes), a new focus and/or a new way of performing functions. Insufficient training and support can prove to be a major obstacle to a successful redesign. The new skills may be technical in nature for example, how does the new management information system work? Or, more broadly, the redesign may mean a change in approach or of understanding, for example, moving from checking that the figures in the invoice match the purchase request to monitoring whether providers have delivered the required service to a satisfactory standard. Providers should also understand what the redesign means for them. In particular, there will need to be a sound understanding of what performance standards they will be required to meet. Performance information is discussed in more detail below.

System support

4.17 In a redesign, technology is an enabler not a solution and IT systems should not be used merely to automate existing processes. What is needed is the innovative application of technology. Again, designing and planning for system support is important and costs and benefits need to be considered. The planning also needs to consider flexibility, accessibility (including whether the system is user friendly) and integration with overall business planning. If systems are not user friendly, then staff may develop shadow or manual systems. This is costly, means data is generally entered more than once and information may not be readily accessible.

Business rules

4.18 Business rules include procedures, guidelines and Executive Instructions. As with IT systems, business rules are enablers. They exist to interpret legislation, provide consistency of approach and assist staff. They should not be used to constrain what can be achieved: assumptions behind business rules can be questioned and changes can be made to improve program administration. Legislation or policies may need to be reviewed to assess whether they remain relevant to current circumstances.

4.19 Another consideration is that volumes of procedures are difficult to keep up-to-date, cumbersome to use and often encourage fragmentation into a number of different steps and approaches even for similar programs. Where business rules are unnecessarily complex they should be simplified and streamlined without loss of guidance and accountability. Contemporary system support can be used to offer prompts and on line guidance.

Performance information

4.20 The development and use of sound performance information is not a new issue for APS agencies. Most recently, 'in April 1997, the Government decided to implement an accrual-based outcomes and outputs framework for managing resources in the public sector'.²³

4.21 The framework is about managers having clear and consistent information on what the agency is actually producing (outputs) and administering on behalf of government (administered items), for what purpose (outcomes). Therefore a more complete picture of performance for decision-making and accountability purposes is available. In sharpening the focus on outputs and outcomes agencies and third party providers will have a clearer understanding about expected results rather than just of inputs and processes.

4.22 Agencies have been developing performance information in line with this framework. As with any other reform, these changes need time to become fully understood, and therefore useful, to all parties. The areas for improvement highlighted in this report indicate the need to focus more on outputs and less on inputs. As previously stated, it is important that the Department (or other agencies) does not abandon input controls and measures before suitable output/outcome measures are in place.

²³ Specifying Outcomes and Outputs, Department of Finance and Administration, Canberra, 1998 pvii.

4.23 Providers will need to understand these key performance indicators and be able to report against them. The processes to set and measure them should be transparent so that providers know what they are to deliver in order to receive payments. A mechanism to resolve any issues regarding unsatisfactory performance in a timely way should also be established.

4.24 This shift in management focus requires more active management and better communication within an agency and with providers. Staff and providers will need to fully understand the new focus and additional training should be provided as necessary.

Transition issues

4.25 As with any change there will be a period of transition. This should be specifically considered in planning for a detailed redesign. It is particularly important in the transition period that work continues to be undertaken in accordance with existing accountability arrangements. The resources necessary to ensure appropriate customer service quality and agreed performance levels must continue to be provided throughout the transition period. Otherwise there is a risk that the concentration of effort will be on simply moving to the new arrangements.

Conclusion

4.26 The review conducted during this audit indicates that the application of reengineering principles can identify improvements to business processes. As well, the review highlighted areas of good practice.

4.27 The next step for TYD managers, or other areas of the Department, is to consider whether to proceed to a detailed redesign in these or other programs. The ANAO has sought to identify the benefits of reengineering in terms of efficiencies in transaction-oriented processes, improvements to customer service and better information to assist with decision-making and accountability. The changes required by a redesign project should not be underestimated. However, public sector agencies are subject to a continually changing environment and are seeking to deliver high quality outputs (and outcomes) without increased resources. BPR can assist with this.

4.28 The implementation issues outlined in this chapter should be considered by any agency planning a detailed redesign of business processes.

Departmental comments

4.29 The Department agrees that the application of process reengineering principles to a range of business/administrative processes has the potential to contribute to improved efficiency and effectiveness of those processes and, in time, to deliver better quality outputs and outcomes. The investment made by DETYA in supporting the TYD reengineering project is a response to an identified need to move beyond already existing strategies to continuously improve current business processes. It is clear that there is a strong case for more fundamental change to these business processes and that the redesign features outlined in the previous chapters, supported by an appropriately resourced implementation strategy, will realise significant gains for the Department, contracted service providers and the end users of those services.

4.30 The Department is committed to explore these opportunities in more depth through the development of a detailed business redesign plan along the lines suggested in chapter 4 and the testing of the new processes on a limited scale in one of the audited programs in the first instance. Effective and appropriate accountability arrangements will be firmly established under any new business processes, and particular attention will be devoted to transition arrangements from the existing to new business processes.



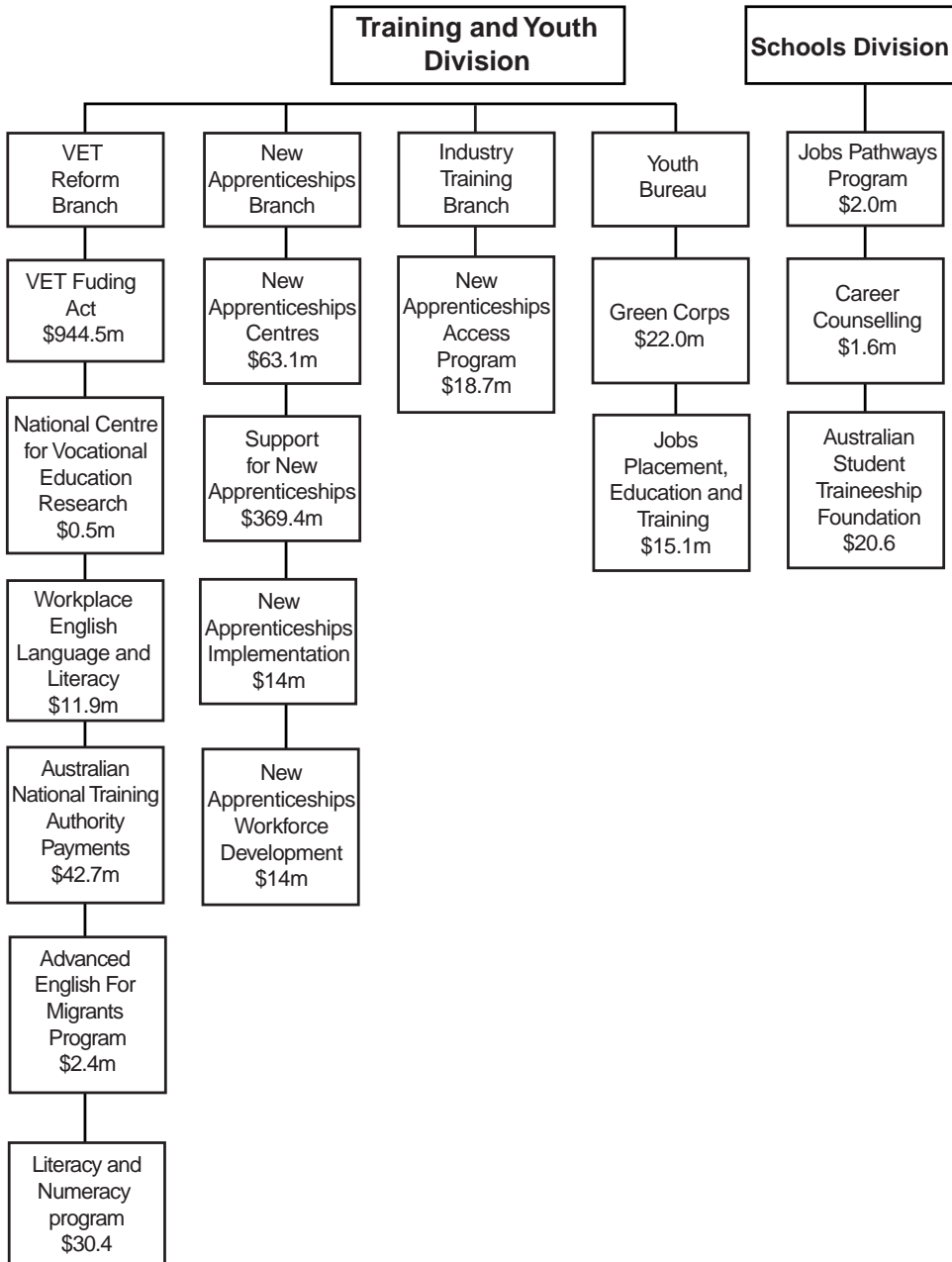
Canberra, ACT
22 December 2000

P. J. Barrett
Auditor-General

Appendices

Appendix 1

Branch Structure and Funding 2000–01



Appendix 2

Process Redesign Questionnaire	Yes	No
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Reshaping Our Structure

Are there activities that could be refocused?

Are there activities that are incompatible (activities that you undertake that are really not a part of—and do not fit with—the core process)?

Are there activities that have too many or too few resources?

Are there activities that are duplicated or redundant?

Are there activities that are fragmented?

Can layers of management be reduced?

Are spans of supervisory control optimal—or could they be increased/decreased to produce better outcomes?

Could we treat geographically dispersed units/resources more as if they were more a part of a single process?

Are there ways to remove unnecessary/inconvenient interactions with other areas in the Department or other organisations?

Could we modify vertical boundaries such as the organisation hierarchy for a more efficient/effective process?

Could we modify horizontal boundaries by using cross functional teams, project teams, partnerships?

Could we modify external boundaries by greater use of partnership type of arrangements?

The Customer Perspective

Could the outputs of the process provide better value for money?

To achieve the best results for customers/service users, should we modify the way we do things?

Process Redesign Questionnaire	Yes	No
To achieve the best results for customers/service users, should we modify where resources go?	<input type="checkbox"/>	<input type="checkbox"/>
Based on proven customer/service user requirements for service, should we modify the way we do things or where resources go?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve the consistency of our services?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve our responsiveness?	<input type="checkbox"/>	<input type="checkbox"/>
Are there too many points of contact for our customers/service users?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve the service to providers through better interaction with them?	<input type="checkbox"/>	<input type="checkbox"/>
Reshaping Our Processes		
Are there rules or regulations that hinder the achievement of best outcomes or that make the process inefficient? (Slaughter sacred cows and ageing policies!)	<input type="checkbox"/>	<input type="checkbox"/>
Can we standardise or simplify our operations/activities (but develop an alternative path for complex or more significant cases, rather than one path that fits all):	<input type="checkbox"/>	<input type="checkbox"/>
• within the program?	<input type="checkbox"/>	<input type="checkbox"/>
• between programs?	<input type="checkbox"/>	<input type="checkbox"/>
Can we reduce multiple handling?	<input type="checkbox"/>	<input type="checkbox"/>
Is there too much paper in the process?	<input type="checkbox"/>	<input type="checkbox"/>
Can we reduce rework?	<input type="checkbox"/>	<input type="checkbox"/>
Can we capture data only one time—preferably when it is first created eg. by using other like databases rather than keeping separate ones?	<input type="checkbox"/>	<input type="checkbox"/>
Do we capture unnecessary data?	<input type="checkbox"/>	<input type="checkbox"/>
Do we edit and validate data and information as close to source as possible?	<input type="checkbox"/>	<input type="checkbox"/>
Do we keep data when it is no longer needed?	<input type="checkbox"/>	<input type="checkbox"/>

Process Redesign Questionnaire	Yes	No
Do we keep other organisations' data?	<input type="checkbox"/>	<input type="checkbox"/>
Could we use data/information better to improve the performance of the process	<input type="checkbox"/>	<input type="checkbox"/>
Are there bottlenecks that cause workloads to build up at particular points in the process?	<input type="checkbox"/>	<input type="checkbox"/>
Is there potential to increase parallel processing, then integrate results, for a more efficient process?	<input type="checkbox"/>	<input type="checkbox"/>
Can we adjust/reduce decision points?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve decision-making authority?	<input type="checkbox"/>	<input type="checkbox"/>
Can we direct information directly to the point/person where it is needed, not through a management hierarchy filter?	<input type="checkbox"/>	<input type="checkbox"/>
Do we rely more on rules than the judgement of our people?	<input type="checkbox"/>	<input type="checkbox"/>
Could we cross train and use multi functional workers?	<input type="checkbox"/>	<input type="checkbox"/>
Could we reduce multiple reporting lines in the hierarchy?	<input type="checkbox"/>	<input type="checkbox"/>
Could we use team based rather than individual approaches to work to produce a better result?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve workflow and physical layout?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve training and recruitment?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve career paths?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve culture to make the process more efficient or effective?	<input type="checkbox"/>	<input type="checkbox"/>
Can we improve performance management?	<input type="checkbox"/>	<input type="checkbox"/>

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