



Integrity and Oversight Committee

The independent performance audit of the Victorian Ombudsman

Report

July 2024

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Narre Warren North

About the Committee

The Integrity and Oversight Committee ('the Committee') is a joint investigatory committee constituted under the *Parliamentary Committees Act 2003* (Vic) ('*PC Act 2003* (Vic)').

The Committee comprises eight members of the Parliament of the Victoria ('Parliament') drawn from both Houses of Parliament.

Functions

The Committee is responsible for overseeing the Independent Broad-based Anti-corruption Commission, the Office of the Victorian Information Commissioner, the Victorian Inspectorate and the Victorian Ombudsman (VO).

In accordance with s 7(1) of the *PC Act 2003* (Vic), the Committee's functions—as particularly relevant to the independent performance audit of the VO—include:

- monitoring and reviewing the VO's performance of its duties and functions
- reporting to both Houses of Parliament on any matter connected with the VO's performance of its duties and functions
- carrying out other functions conferred on the Committee by or under the *Ombudsman Act 1973* (Vic) ('*VO Act 1973* (Vic)').

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Chair's foreword

The Committee welcomes and endorses O'Connor Marsden's independent performance audit of the Victorian Ombudsman (VO).

This inaugural performance audit of the VO provides an important review of whether, during the relevant period, the agency achieved its objectives effectively, economically and efficiently, and in accordance with the *Ombudsman Act 1973* (Vic). As the audit report demonstrates, the VO not only met these objectives but exceeded them in a number of instances. The VO, including its staff and stakeholders, are to be commended on their efforts.

The Committee notes that the auditor has included various findings and recommendations for further improving the VO's performance. Noting the agency's proactive participation throughout the audit and assistance with preparing these recommendations, the Committee looks forward to working closely with the VO to ensure it takes active measures to implement these recommendations, including the 13 which the agency has agreed to 'in principle'.

The Committee expresses thanks for the VO's involvement in the audit, especially the input of VO staff Dr Marija Maher and Sean McNulty, as well as current Ombudsman Marlo Baragwanath and former Ombudsman Deborah Glass OBE.

I also thank my Committee colleagues for their assistance, particularly members of the Audit Subcommittee: Ryan Batchelor MLC, Belinda Wilson MLA, Jade Benham MLA and Rachel Payne MLC.

I would also like to acknowledge the work of the Committee Secretariat throughout this audit: Sean Coley, Committee Manager; Dr Stephen James, Senior Research Officer; Tom Hvala, Research Officer; Holly Brennan, Complaints and Research Assistant; Whitney Kapa, Research Assistant; and Committee Administrative Officers, Maria Marasco and Bernadette Pendergast.

I commend this report to the Parliament.



Dr Tim Read MLA
Chair

The independent performance audit of the Victorian Ombudsman

1.1 Legislative requirements

The *VO Act 1973* (Vic) requires that an independent performance auditor be appointed at least once every four years to conduct a performance audit of the VO.

Section 24D of the *VO Act 1973* (Vic) provides, in part, that:

- (1) A suitably qualified person may be appointed by resolution of the Legislative Council and Legislative Assembly, on the recommendation of the Committee, as an independent performance auditor of the Ombudsman, other than the following—
 - a. the Auditor-General
 - b. any other Victorian Auditor-General's Office officer, within the meaning of s 3(1) of the *Audit Act 1994* (Vic)
 - c. a person engaged by the Auditor-General under s 7 of the *Audit Act 1994* (Vic) to assist in the performance of a function under that Act
 - d. a person to whom the Auditor-General has delegated a power or function under s 8 of the *Audit Act 1994* (Vic).
- (2) The independent performance auditor—
 - a. is appointed on such terms and conditions and is entitled to such remuneration as are determined by the Committee; and
 - b. in conducting the audit, must comply with directions as to the audit given by the Committee.
- (3) Remuneration payable under the appointment is paid out of the Consolidated Fund, which is to the necessary extent appropriated accordingly.
- (4) The independent performance auditor must conduct a performance audit at least once every four years to determine whether the VO is achieving its objectives effectively, economically and efficiently, and in compliance with the *VO Act 1973* (Vic).
- (5) Subject to any directions given by the Committee, the independent performance auditor may exercise any powers of the Auditor-General under pt 7 of the *Audit Act 1994* (Vic) to the extent necessary to conduct the audit as if a reference in that part to the Auditor-General includes a reference to the independent performance auditor.

- (10) The independent performance auditor may apply additional auditing and assurance standards applied by the Auditor-General under s 78(2) of the *Audit Act 1994* (Vic) while undertaking the performance audit of the VO.

1.2 Independent auditor's responsibilities

The independent performance auditor's statutory objective was to determine whether the VO is achieving its objectives effectively, economically and efficiently, and in compliance with the *VO Act 1973* (Vic).

The independent performance auditor was to review the VO's performance during the three-year period ending 30 June 2023. The auditor was to make findings and recommendations with respect to the audit specification in accordance with ss 24D–24E of the *VO Act 1973* (Vic), taking into account the impact of the COVID-19 pandemic during the 2020/21, 2021/22 and 2022/23 reporting periods.

The independent performance auditor's responsibilities included (among other things):

- providing the services required by Parliament in the manner set out in the audit specification
- not being involved in a position that may or does give rise to an actual, potential or perceived conflict of interest with their duty to independently perform the services in accordance with the *VO Act 1973* (Vic)
- complying with s 24D(1) of the *VO Act 1973* (Vic), which requires that a person appointed by Parliament as a performance auditor must not be engaged by the Auditor-General to assist the Auditor-General under s 7 of the *Audit Act 1994* (Vic), or a person who holds a delegation from the Auditor-General under s 8 of the *Audit Act 1994* (Vic), or a person engaged by the VO to provide services
- undertaking the audit and providing evidence that it has been conducted in accordance with the relevant Australian auditing and assurance standards, including those applied by the Auditor-General under s 78(2) of the *Audit Act 1994* (Vic)
- demonstrating a commitment and ability to work in collaboration with Parliament over the term of any agreed contractual period to continuously seek improvements in value, efficiency and productivity in connection with providing the services
- evidencing a preparedness to work with Parliament to continually identify opportunities for improvement in the quality and level of service provided to Parliament.

1.3 The course of the audit

1.3.1 Evaluation process

The independent performance audit is the first occasion on which the VO has been audited in accordance with s 24D of the *VO Act 1973* (Vic). On 1 May 2023, the Committee resolved to establish an Audit Subcommittee ('the Subcommittee') to assist with the tender evaluation process and day-to-day oversight of the performance audit.

The Committee Secretariat, in consultation with Parliament's Department of Parliamentary Services and a third-party technical expert, Ms Julianna Demetrius, prepared the audit specification, request for tender, probity and evaluation documents, proposed terms and conditions, and related documents required to appoint an independent performance auditor.

On 2 October 2023, the Committee resolved to conduct a select tender process to appoint an independent performance auditor to undertake the performance audit of the VO in 2024.

The request for tender was released on 4 October 2023 via Tenderlink and closed on 1 November 2023. On 10 November 2023, the Subcommittee assessed the submissions in accordance with the evaluation criteria outlined in the request for tender. The Subcommittee short-listed and interviewed candidates as appropriate. The Secretariat then conducted reference checks and made further enquiries on behalf of the Subcommittee.

1.3.2 Appointment of the independent performance auditor

The Committee is responsible under the *VO Act 1973* (Vic) for recommending to both Houses of Parliament the appointment of a suitably qualified person to undertake the independent performance audit.

On 27 November 2023, the Committee resolved to recommend the appointment of O'Connor Marsden and Associates Pty Ltd ('OCM') to conduct the independent performance audit of the VO.

The Committee recommended that OCM be appointed for the purpose of undertaking the independent performance audit of the VO at the total fixed fees tendered for the audit's three main project deliverables, as contained in the Committee's *Appointment of a person to conduct the independent performance audit of the Victorian Ombudsman* report, tabled in Parliament on 30 November 2023.

1.4 Auditor's report

OCM's independent performance audit report of the VO is attached at Appendix A.

**Adopted by the Integrity and Oversight Committee
Parliament of Victoria, East Melbourne
24 June 2024**

Appendix A
O'Connor Marsden's
independent performance audit
of the Victorian Ombudsman
report



Performance audit of the Victorian Ombudsman

Report to the Integrity Oversight Committee

18 June 2024



**O'Connor Marsden
& Associates Pty Limited**

18 June 2024

ABN 94 135 783 792

Chair, Integrity and Oversight Committee
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Dear Dr Read,

Performance audit of the Victorian Ombudsman

I am pleased to provide to you with the report on the performance audit of the Victorian Ombudsman.

The report addresses the specifications set out by the Integrity Oversight Committee (IOC) in their report: *The Appointment of a person to conduct an independent performance audit of the Victorian Ombudsman - Report November 2023*.

This review finds that overall, VO achieved the objectives of the *Ombudsman Act (1973) (Vic)* in all material respects in the areas of the performance indicators IOC identified for this review for the period July 2020 to June 2023.

There are some areas for improvement. To this end, this report makes recommendations that seek to enhance the VO's organisational capabilities and complaint handling capabilities of entities within its jurisdiction.

We wish to acknowledge the open and collaborative way the VO engaged with this review for information requests and making staff available to provide input and feedback efficiently and effectively.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Robertson-Gregg', written in a cursive style.

Pamela Robertson-Gregg
Managing Partner
O'Connor Marsden Pty Ltd

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Responsibility, limitations, and compliance

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any internal control system, there is an unavoidable risk that some deviations in the performance, or, operation of controls, which are material individually or in combination, may not be detected, even though the engagement is properly planned and performed per the assurance standards.¹

Our work cannot be relied upon to disclose irregularities, including fraud, other illegal acts, or errors that may exist.

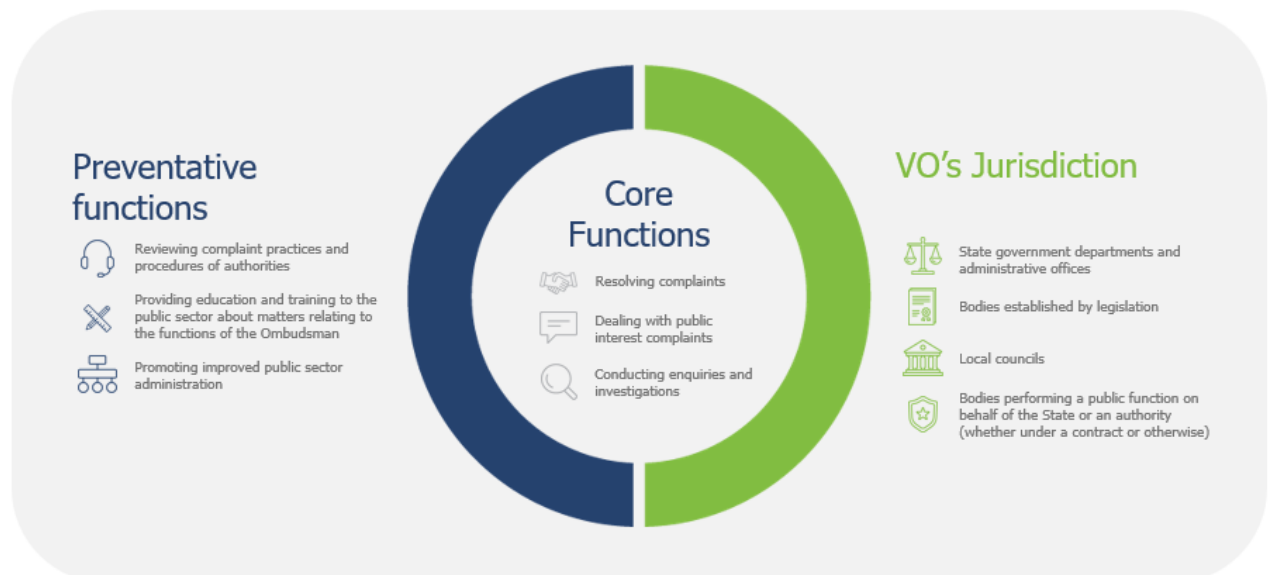
Our report is prepared solely for the use of the Victorian Legislative Council and Legislative Assembly, at the request of their Integrity and Oversight Committee. No responsibility to any other party shall be accepted, as this report has not been prepared, and is not intended for any other purpose.

¹ Standard on Assurance Engagements ASAE 3100 Compliance Engagements (page 45, 3rd paragraph)

1. Report overview

1. The purpose of this report is to provide the Integrity Oversight Committee (IOC) with the outcomes of the performance audit of the Victorian Ombudsman and the Office of the Victorian Ombudsman.
2. IOC appointed OCM to undertake this performance audit. It has outlined our appointment and specifications for this audit in their report: *The Appointment of a person to conduct an independent performance audit of the Victorian Ombudsman - Report November 2023*.
3. The objective of the audit is to assess whether in carrying out its statutory functions and related activities, the Victorian Ombudsman and the Office of the Ombudsman are meeting the objectives of the *Ombudsman Act (1973) (Vic)* (the Act) in the areas of the measures of performance IOC identified.
4. Figure 1 shows a summary of the key functions of the VO and its jurisdictions. It has 3 core functions: resolving complaints, investigating corrupt conduct, and investigating public interest complaints. It also has 3 key preventative functions: reviewing practices and procedures of authorities, providing education and training to the public sector about matters relating to the functions of the Ombudsman, and promoting improved public sector administration.

Figure 1: Functions of the VO and its jurisdiction



Source: OCM's interpretation of the functions of VO described in the Act

Key improvement opportunities

5. Overall, VO achieved the objectives of the Act in all material respects for the 4 domains of performance indicators relating to the period under review (July 2020 to June 2023) as identified by the IOC. We have identified areas for improvement within each of the four domains.

Domain 1 – Performance of principal and other statutory functions

6. IOC identified 14 indicators of performance to be assessed for Domain 1. From these indicators, we have assessed VO met 10 and partially met 4. The indicators of performance it met include its functions relating to resolving complaints in a flexible, fair, and independent way, investigating and exposing serious maladministration, and discharging its responsibilities under the *Public Interest Disclosures Act 2012 (Vic)*.
7. It partially met indicators of performance mainly in preventative functions, such as assisting authorities in improving the quality of their administration and complaint handling procedures. It can make better use of data to develop a targeted and risk-based plan, focused on building capability in complaint handling across entities within its jurisdiction, where this is needed most. VO needs to

measure and monitor the outcomes of these activities to ensure they are effective and focussed in areas of priority.

8. VO can enhance its approach to promoting existing products with a view to improving awareness of the existence and use of these products across public sector entities. Additionally, it needs to develop an education and training plan, complete its engagement plan, and implement these plans to build on its reach across the public sector and the community.

Domain 2 – Corporate governance and planning

9. IOC identified 9 indicators of performance to be assessed for Domain 2. We have assessed VO met 7 and partially met 2 indicators of performance. The indicators of performance it met include compliance with statutory reporting obligations, effectively managing relevant parties involved in the execution of its functions such as persons of interest in investigations, processes for strategic planning, developing internal business plans, and providing evidence-based submissions to support its budget bids.
10. VO can enhance its oversight, systems, and processes relating to managing risks and prioritising risk-based compliance activities by ensuring attention is focused on medium to high risks.

Domain 3 – Business processes and performance

11. IOC identified 9 indicators of performance to be assessed for Domain 3. We have assessed VO met 5, and partially met 4. VO has clear frameworks to guide staff in the performance of their roles, technology systems to support their work, and reviews its business processes regularly to improve performance and related changes to operations where appropriate.
12. However, it needs to strengthen its strategic and annual planning, using insights from the rich data it currently holds in its complaints management systems. These plans should be supported by a comprehensive framework for building organisational capability which includes strategic workforce management, technology roadmaps for each of its key systems, and facilities and office space to be in line with future ways of working.

Domain 4 – Workforce suitability and capability

13. The IOC identified 9 indicators of performance to be assessed for this domain. We have assessed the VO met 6 and partially met 3. VO has a strong integrity culture, effective communication channels between staff, management, and executive, sound systems policies and procedures for handling complaints and public interest disclosures by staff, and fair and equitable recruitment processes.
14. VO can realise improvement opportunities in the documentation of gifts, benefits, and hospitality, and conflict of interest registers. It needs to implement a strategic and risk-based plan to ensure it has the optimal mix of initiatives to support staff wellbeing, safety, and resilience of staff. The plan should include performance indicators to enable VO to demonstrate it is achieving the intended outcomes.
15. It also needs to take an integrated and strategic approach to workforce planning by incorporating current and future workforce matters such as planning for staff attraction and retention, succession, and transition. This will enable VO to better respond and adapt quickly to challenges such as a competitive labour market, emerging technology, and increasing complexity of complaints and complainants.

2. Conclusion

16. Overall, VO achieved the objectives of the Act in the areas of the performance indicators the IOC identified for the period under review (July 2020 to June 2023) in all material respects. We have observed a strong culture of integrity and ethics throughout the organisation. This is supported by VO's policies and ethical requirements of staff. All staff members of VO take an oath or affirmation that they will:

“faithfully and impartially perform the duties of Office of Ombudsman”

17. VO operated in an environment of significant volatility during the review period marked by the significant Victorian COVID-19 lockdowns. VO focussed on what was needed to keep the office operational whilst implementing significant legislative changes, including budget independence, which came into effect on 1 July 2020. This required VO to acquire, develop, and maintain in-house strategic and financial expertise as well as implement finance, payroll, people and culture, and procurement management systems. More details on these changes and their impact are detailed in Section 4.7 of this report.
18. On 31 March 2024, the previous Ombudsman's 10-year term ended and the current Ombudsman was appointed.
19. It is timely, therefore, for VO to build on its existing, strong foundations and develop new strategic and annual plans. For this, VO needs to identify the most critical areas which require attention and set specific objectives and outcomes-based targets, to ensure continued alignment with the intended outcomes of the Act. Its plans and initiatives will be required to be agile and regularly updated to ensure it continues to choose the optimal path for achieving its outcomes.
20. Giving regard to resource constraints, VO needs to select and fund an optimal mix of initiatives (using intelligence-led and risk-based tools) that return the most value in terms of the intended outcomes of the Act. To do this, VO needs to articulate the outcomes it will achieve from its currently funded activities, including business-as-usual activities, versus the funding it needs to build organisational capability and set itself up for the future. For example, it is taking actions to strengthen its capability in the use of coercive powers in investigations. It needs to cost these initiatives and ensure it has the appropriate organisation structure and funding according to its planning timelines to achieve the intended outcomes.
21. It also needs to develop cascading outcomes-based performance measures from its strategic plan, into the annual and business plans followed by the performance plans of the executives and staff. This would help in setting expectations for staff and external stakeholders. For this, VO will need an integrated approach requiring the corporate services and statutory functions teams to work closely together in the areas of planning, risk management, and delivery to build organisational capability.
22. With the growing complexity of complaints and complainants, VO not only needs to keep abreast of new developments in complaints handling but also equip staff and complainants with up-to-date, technology-based solutions. For this, VO needs to develop an outcomes-focused strategic workforce management plan and a technology roadmap for each of its key systems, most notably for its legacy, complaints management system.

3. Recommendations

Domain 1 – Performance of principal and other statutory functions

That VO:

1. Uses a data-led approach to develop a targeted and risk-based plan, focused on building capability across entities within its jurisdiction to achieve improved quality in complaint handling.
2. Measures and reports on outcomes achieved from its activities to improve the quality of administration and complaints handling across its jurisdiction.
3. Reviews its approach to promoting existing products, including investigation reports, better practice guides, and training programs to improve awareness across public sector entities. This can include leveraging existing relationships it has with entities.
4. Measures the impact of its products to determine the extent to which they are achieving the intended outcomes. VO could also to obtain feedback on how the entities have used the products and whether they have helped the agency to improve their complaints handling.
5. Develops an education and training plan, driven by greater use of its data, to identify the needs of the entities and ensure its training is prioritised and targeted to entities that need it most.
6. Disseminates its recommendations from private reports more broadly. This would be on a case-by-case basis with consideration of privacy concerns and whether it is in the public interest. This has the potential to further enhance the value of VO's recommendations in driving improved public administration.
7. Completes and implements its engagement action plans and develops output and outcomes-based performance measures and targets.
8. Obtains feedback from people with a disability who have lodged a complaint, to continue to improve accessibility and responsiveness of the complaint handling systems.
9. Works to revise its targets where appropriate as part of its annual review of performance.

Domain 2 – Corporate governance and planning

That VO:

10. Ensures ARMC Chair and independent audit committee members are appointed on fixed terms (for example, a 3-year term with a maximum of 2 terms).
11. Ensures ARMC discusses the Ombudsman's expenses as a standing agenda item in its meetings and VO publishes the Ombudsman's travel expenses on its website quarterly.
12. Completes and implements its compliance framework to ensure its corporate culture continues to be responsive and accountable to mitigate risks, maintain legal compliance, and safeguard its reputation.
13. Reviews and updates the enterprise risk management framework and policy to ensure there are more regular and formal risk meetings and workshops across the organisation for a proactive approach to managing risks. It should also include appropriate timelines to manage remedial actions.
14. Prioritises its compliance activities based on risks to avoid prolonged non-compliance, ensuring attention is focused on medium to high risks.

Domain 3 – Business processes and performance improvement

That VO:

15. Strengthens its strategic and annual planning, uses insights from internal and external sources of data, and develops outcomes-based performance measures which align with statutory objectives.
16. Monitors staff participate and completion of mandatory induction training.
17. Monitors the completion of employee performance development plans.
18. Develops a framework for building organisational capability which includes:
 - strategic workforce management;
 - technology roadmaps for each of its key systems, particularly the complaints management system;
 - facilities and office space to be in line with future ways of working.

Domain 4 – Workforce suitability and capability

That VO:

19. Ensures the currency and completeness of its GBH and COI registers and updates its current COI policy to require staff to complete an annual COI declaration (regardless of whether they have a COI at the time) and immediately following a COI arising.
20. Develops a strategic and risk-based plan to ensure it has the optimal mix of initiatives to support staff its wellbeing, safety and resilience of its staff. The plan should include performance indicators to enable VO to demonstrate it is achieving the intended outcomes.
21. Complete the workforce capability plan which identifies its capability requirements for key operational roles over the next 2-4 years.
22. Takes an integrated and strategic approach to workforce planning by incorporating current and future workforce matters such as planning for staff attraction and retention, succession, and transition. This will enable VO to better respond and adapt quickly to challenges such as a competitive labour market, emerging technology, and increasing complexity of complaints and complainants.

4. The Ombudsman's response

23. In this section, we have included the Ombudsman's overall response. The responses to individual recommendations are in Appendix 1.

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ombudsman VICTORIAN

12 June 2024

Pamela Robertson-Gregg
Managing Partner
O'Connor Marsden and Associates Pty Ltd

Dear Ms Robertson-Gregg

Performance audit of the Victorian Ombudsman

Thank you for your letter dated 27 May 2024 providing me with a copy of your proposed audit report to the Integrity and Oversight Committee on the performance of the Victorian Ombudsman ('VO') for the period July 2020 to June 2023.

As an integrity agency entrusted with significant powers to act in the public interest, independent performance audits are an important accountability mechanism to assure the Victorian Parliament and the community that the organisation acts within its remit and fulfils its mandate. I welcome the report and its overall conclusion that the Ombudsman's office has achieved the objectives of the *Ombudsman Act 1973* (Vic) in all material respects. It was also pleasing to note you observed the strong culture of ethics and integrity that has been fostered throughout the organisation over many years.

As you know, I commenced my term as Ombudsman on 30 March 2024 and will soon develop a new strategic plan. The development of this plan will occur in 2024-25 and will involve stakeholder engagement as well as a thorough consideration of your recommendations to determine our priorities over the coming years.

Significant thought will need to be given to the feasibility of your recommendations in the context of our resources, capacity and capability. These recommendations also need to be balanced with the views and needs of the community we serve and the sector we oversee. Until I have the opportunity to consider the recommendations in the development of the next strategic plan, I can only agree in principle to a number of them. Please see the attached table containing my response to each recommendation.

Thank you again for your proposed report and the open and constructive approach taken by you and your team to the performance audit.

Yours sincerely



Marlo Baragwanath
Ombudsman

OFFICIAL

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5. Background

24. The Victorian Ombudsman’s Office (VO) was established through the *Ombudsman Act (1973) (Vic)* (the Act). Section 24D (4) of the Act provides for an independent performance auditor to conduct a performance audit at least once every 4 years to determine whether the Ombudsman and the Office of the Ombudsman (VO) are achieving the objectives effectively, economically, and efficiently, and in compliance with the Act.²
25. The audit requirement was one of the amendments of the Act that came into effect in July 2020. These are detailed in Section 4.5 of this document. This is the inaugural audit of the VO.




5.1 Audit objectives

26. The objective of the audit is to assess whether in carrying out its statutory functions and related activities, the Victorian Ombudsman and the Office of the Ombudsman are meeting the objectives of the Act.
27. The IOC has specified that in assessing whether and how VO has met the objectives of the Act, the audit will focus on performance across four main domains;
 - Performance of principal and other statutory functions
 - Corporate governance and planning
 - Business processes and performance improvement
 - Workforce suitability and capability

5.2 Audit approach

28. We have undertaken this audit per the IOC’s audit specification. It is a performance audit undertaken under the Australian Standard for Assurance Engagement 3500 Performance Engagements (ASAE 3500) and the Australian Standard for Assurance Engagement (ASAE 3100).
29. Pamela Robertson-Gregg, Managing Partner, OCM has led the audit, with a team of 5 senior staff. We commenced work in December 2023.
30. Our plan was developed to provide reasonable assurance over the audit objective, using the performance indicators the IOC identified. We planned audit test procedures to enable us to conclude against the indicators of performance outlined in the audit specification based on our assessments of materiality thresholds. Our conclusion was based on the rating criteria set out in Figure 5.1.

Figure 5.1: Rating criteria

	Met	<ul style="list-style-type: none"> • All aspects of the indicator of performance were achieved. • There is sufficient ³and appropriate⁴ audit evidence to support this indicator of performance.
	Partially met	<ul style="list-style-type: none"> • Some, but not all, aspects of the indicator of performance were achieved. • Sufficient and appropriate audit evidence does not exist for some aspects of this indicator of performance.
	Not met	<ul style="list-style-type: none"> • Few or no aspects of the indicator were achieved. • Sufficient and appropriate audit evidence does not exist for any aspects of this indicator of performance.

Source: OCM

² See Ombudsman Act 1973 (Vic), section 24D.

³ Sufficiency is a measure of the quantity of audit evidence.

⁴ Appropriateness is a measure of the quality of evidence. This is the relevance and reliability in providing support for the conclusions.

31. We have considered the context of the Victorian integrity organisations, the legislative framework in which VO operates, relevant Victorian Public Sector frameworks and policies, and VO's frameworks, including, policies, processes, and published reports.
32. Our audit procedures included enquiry, inspection, observation, evaluation, documentation review, analytical procedures, and consultation.
33. We consulted with a wide range of VO staff, including the current and previous Ombudsman, executive management, and operational staff. We also met with key external stakeholders, including representatives from the Victorian Inspectorate (VI), the Independent Broad-based Anti-corruption Commission (IBAC), and state and local government entities.
34. We provided progress reports weekly to VO and fortnightly to the IOC Secretariat.

5.3 VO's operating environment

35. S13 of the Act describes the principal functions of the Ombudsman. We have paraphrased and summarised these in Figure 5.2. More information on these functions can be found in the Act.

Figure 5.2: Principal functions of the Ombudsman

To resolve complaints, about administrative action taken by or in an authority, other than administrative action that:

- appears to involve corrupt conduct (unless it is an administrative action) or
- is taken under the Freedom of Information Act 1982.

To enquire into or investigate the administrative action referred to in (1) above.

To enquire into or investigate corrupt conduct on a referral for IBAC.

To investigate public interest complaints.

Source: OCM representation of information from the Act.

36. Other functions of VO include reviewing complaint practices and procedures of authorities, providing education and training to the public sector about matters relating to the functions of the Ombudsman, and promoting improved public sector administration.
37. VO's jurisdiction to conduct enquiries and formal investigations is shown in Figure 5.3.

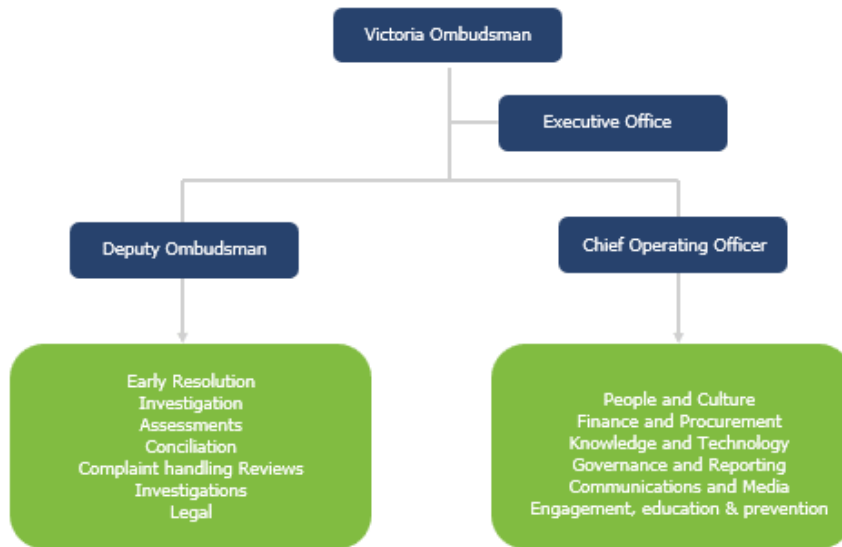
Figure 5.3: Jurisdiction of the Ombudsman

VO has jurisdiction to enquire into or investigate any administrative action taken by or in an authority, including Victorian:

- state government departments and administrative offices
- bodies established by legislation
- local councils
- bodies performing a public function on behalf of the State or an authority (whether under a contract or otherwise)

38. The Governor in Council appoints the Ombudsman for a non-renewable term of 10 years. Figure 5.4 shows a high-level organisational structure of the VO. The Deputy Ombudsman leads core legislative functions, and the Chief Operating Officer leads its business functions that support the core legislative functions.

Figure 5.4: Victorian Ombudsman’s Office organisation structure



Source: OCM's representation from the VO 2023 Annual Report

5.4 External and internal oversight

39. The operating environment is governed through internal and external oversight. External oversight includes accountability through the:

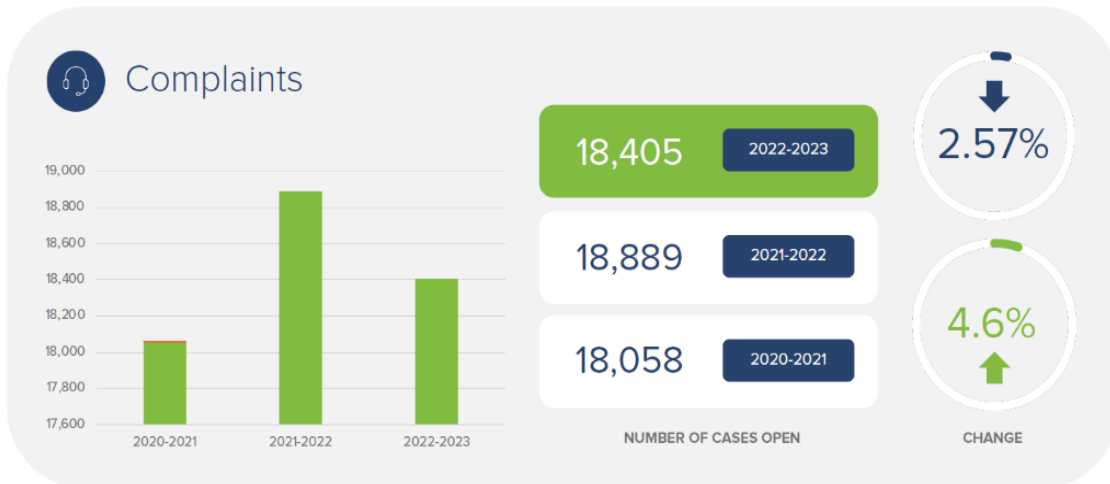
- IOC for the performance of the Victorian Ombudsman and the Office of the Ombudsman
- Department of Treasury and Finance for annual budget and compliance with state government financial reporting requirements
- Victorian Inspectorate via its monitoring and oversight functions and by dealing with complaints about the VO.

40. Internally, the Executive Committee oversees the achievement of the objectives of the Act. The Audit and Risk Management Committee advises the Ombudsman on matters of accountability, risk, and internal controls.

5.5 Operational activities, budgets, and resources

41. During the review period, VO opened 55,352 jurisdictional cases as shown in Figure 5.5. There was a slight increase (4.6%) in the number of jurisdictional cases opened in 2021-22 from the prior year, this number decreased slightly (2.5%) in 2022-23. This shows the number of cases opened has been relatively stable each year over the review period.

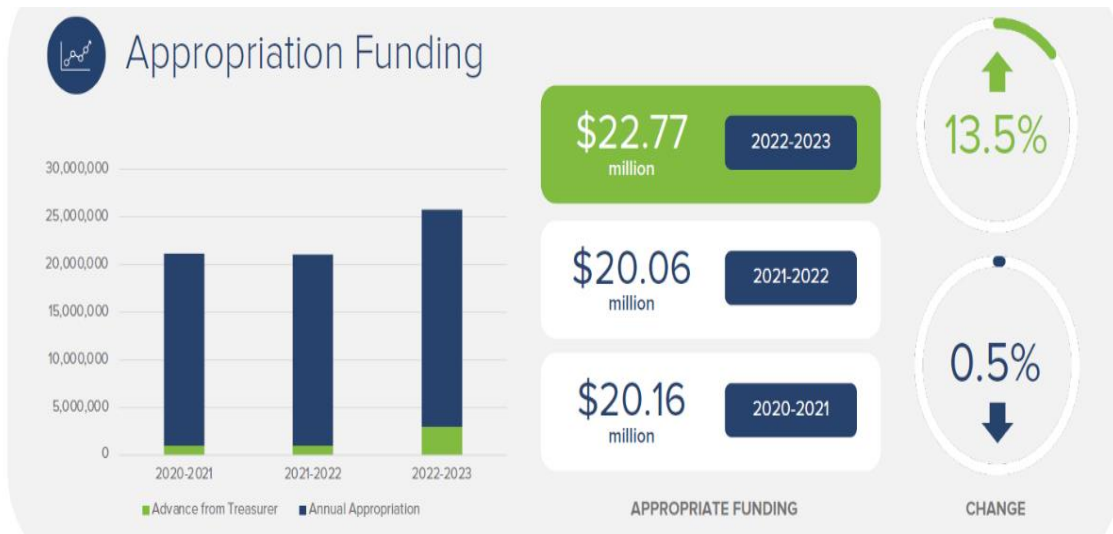
Figure 5.5: Jurisdictional cases opened during the review period



Source: Victorian Ombudsman Annual Report 2023; Victorian Ombudsman Annual Report 2022; Victorian Ombudsman Annual Report 2021

42. The appropriation funding in 2021-22 had an increase of 13.5% as shown in Figure 4.6. Approximately half (54%) was the increase in Advance from the Treasurer. This Advance was related in part, to the parliamentary referral expenditure.

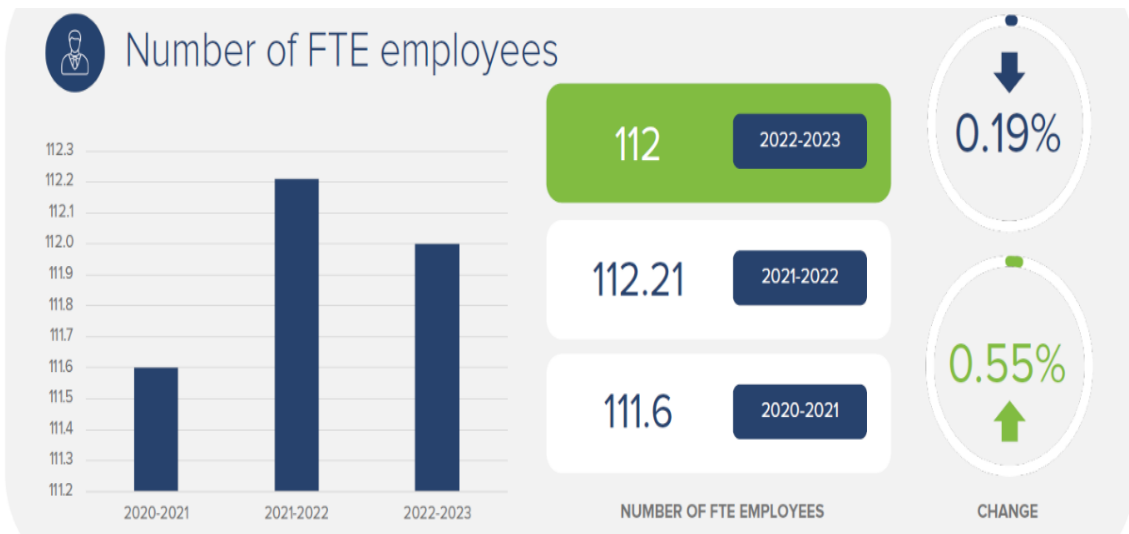
Figure 5.6: Appropriation funding over the review period



Source: Victorian Ombudsman Annual Report 2023; Victorian Ombudsman Annual Report 2022; Victorian Ombudsman Annual Report 2021

43. The number of full-time equivalent (FTE) employees over the review period has remained relatively unchanged for each of the 3 years as shown in Figure 5.7.

Figure 5.7: Number of FTE Employees over the review period



Source: Victorian Ombudsman Annual Report 2023; Victorian Ombudsman Annual Report 2022; Victorian Ombudsman Annual Report 2021

5.6 Key statutory functions and related costs

44. Figure 5.8 shows the breakdown of employee expenses for the statutory function teams. It does not include expenses relating to the Ombudsman, and Deputy Ombudsman. Additionally, it does not include non-salaried and corporate services expenses.
45. The figures cannot be correlated with the volume of activity in each of the categories. This is because the amount of time and money spent on each matter depends on various factors. These factors include the type of complaint, the number of issues within a complaint, the nature of stakeholders that may be involved, as well as the sections of the Act the complaints may invoke.
46. We have shown the percentages of employee expenses for each of the statutory functions teams against the total to demonstrate how the funding is used across the teams.
47. The percentages of expenses in each of the statutory functions have not changed significantly over the review period. Alternative Dispute Resolution, Complaints Handling Reviews, and Engagement are new functions. More investment will be needed to progress their implementation. VO has focussed on ensuring core functions remain operational while it has implemented significant changes to its operating model resulting from the legislative reform at the start of 2021-22.
48. Additionally, the first two years of the period under review were significantly impacted by the COVID-19 lockdowns.

Figure 5.8: Actual employee spend for all statutory functions

Statutory functions teams	Actuals and percentage of the total spending on statutory functions					
	FY 2020-21	% of total statutory function expense	FY 2021-22	% of total statutory function expense	FY 2022-23	% of total statutory function expense
Investigations	\$3,628,966	39%	\$3,694,827	40%	\$3,855,244	37%
Early Resolutions Team	\$3,021,296	33%	\$2,707,690	29%	\$3,279,432	31%
Assessment and Complaints Review	\$1,377,053	15%	\$1,591,732	17%	\$1,728,855	16%
Alternative Dispute Resolution	-		\$197,051	2%	\$281,022	3%
Policy, Legal & Administration support	\$926,320	10%	\$855,892	9%	\$967,118	9%
Education and Prevention	\$339,138	4%	\$281,519	3%	\$400,198	4%
Total	\$9,923,773	100%	\$9,328,711	100%	\$10,511,869	100%

Source: Audited financial information and detailed reports VO extracted from its financial systems

49. Figure 5.9 shows the total statutory employee expenses, corporate services, and non-salaried expenditures against the total appropriation funding for each of the three years in the review period. These are the main categories of expenditure against the appropriation funding. It does not include expenses relating to the Ombudsman, and Deputy Ombudsman.

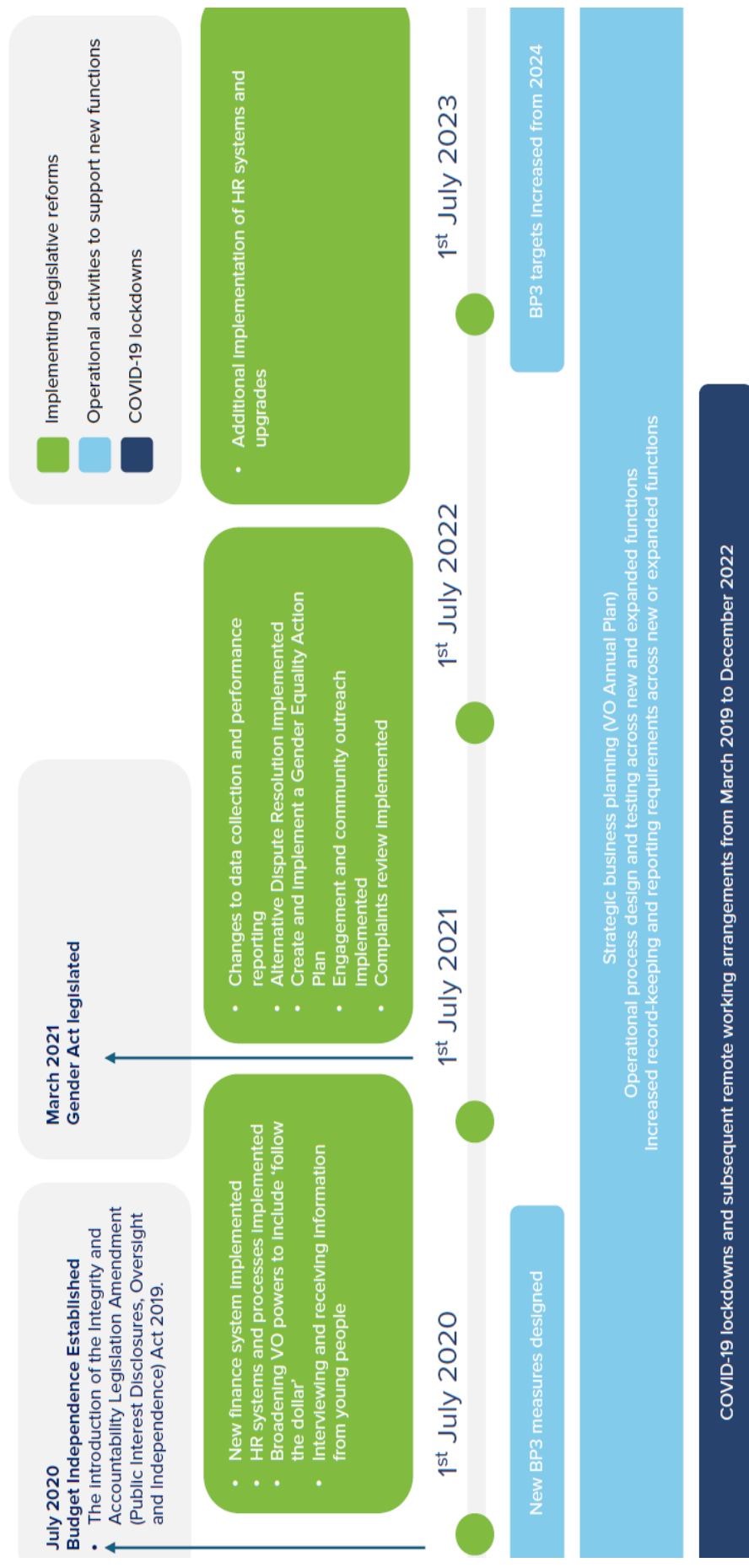
Figure 5.9: Actual employee spend for all statutory functions and corporate services and non-salaried expenditure

Key expenditure categories	Actuals and percentage of the total spending on statutory functions					
	FY 2020-21	% of total statutory function expense	FY 2021-22	% of total statutory function expense	FY 2022-23	% of total statutory function expense
Statutory function employee expenses	\$9,292,773	46%	\$9,328,711	47%	\$10,511,869	46%
Corporate services	\$3,271,237	16%	\$3,889,309	19%	\$4,247,718	19%
Non-salaried expense	\$6,251,695	31%	\$5,927,634	30%	\$6,219,629	27%
Appropriation Funding	\$20,159,420		\$20,057,903		\$22,768,160	

5.7 Significant changes impacting VO's operating model over the period under review

50. Figure 5.10 shows key events which impacted the overall operating model, including, governance, performance measures, people, process, and technology. It provides context about the changes needed to implement the legislative changes. Activities above the timeline are key legislative changes and their implementation. Key operational activities to support the new and expanded functions are shown below the timeline.

Figure 5.10: Key changes impacting the overall operating model



Source: OCM's analysis based on VO's documentation, Victorian legislation, interviews with VO staff

51. Figure 5.11 outlines VO's assessment of the financial costs incurred during the review period to implement some of the key changes. VO was implementing these changes during the peak COVID-19 lockdown period. The costs were from capital and supplementary funding that VO had requested. Some of the expenses, such as software licensing costs were from the appropriation.
52. The expansion of outreach and community engagement, alternative dispute resolution and complaint handling reviews have commenced however, more work and investment is needed to embed these functions. VO will need to develop plans for these streams of work to determine any additional resource requirements.

Figure 5.11: Financial impact of the changes















New functions and powers under the Integrity Amendment Act	Brief description of the function	Cost impact (includes capital and operating expense)
Budget independence	Develop in-house strategic financial expertise. Implement finance, payroll, and procurement management systems. Additional obligations under the Financial Management Act and the Standing Directions.	\$453,000
Capacity enhancement	Significant work involved in the revision of policies, procedures, the case management system, and training. Some of these changes are related to changes in the <i>Public Interest Disclosure Act 2012</i> and the <i>Victorian Inspectorate Act 2011</i> . Implementing People and Culture system. Creation of the Service Excellence team. Creation of learning and development content.	\$2,439,000
Outreach and community engagement function	The expansion of the community engagement function. It includes staff costs and promotional material.	\$360,000
Strategic planning and engagement, increased record keeping and report requirements, and policy development	Additional reporting, including the requirement for an annual plan to be tabled in Parliament. Requirement for full and stand-alone compliance with the Standing Directions of the Minister of Finance and other legislative requirements. Developing new policy frameworks and procedures.	\$2,213,000
Alternative Dispute Resolution	Planning commenced in 2020-21 and new capability was recruited in 2021-22.	\$600,000
Complaint handling review	Reviewing the complaints handling processes of an authority. New capability recruited in 2021-22.	\$480,000
Oversight by the Victorian Inspectorate (VI)	VI's review of the activities of VO requires additional resources.	\$300,000
Total		\$6,845,000

Source: VO provided this information from their internal records and finance systems.

6. Domain 1 - Performance of principal and other statutory functions

53. The IOC identified 14 indicators of performance to be assessed for Domain 1.
54. We have assessed that of the 14 indicators of performance, VO met 10 out and partially met 4 as shown in Figure 6.1.

Figure 6.1: Results of the audit for each indicator of performance

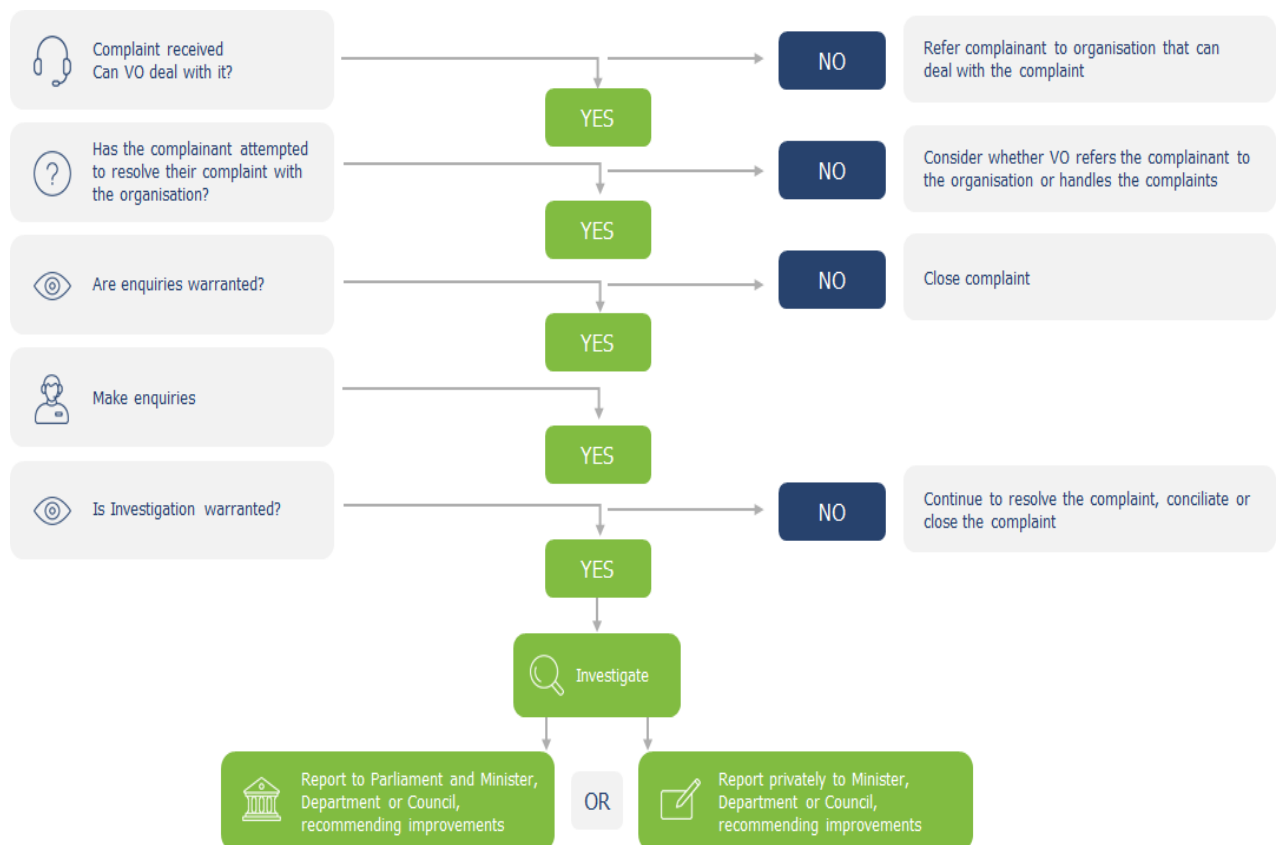
Indicators of performance	
	1.1 Complaints about the administrative actions of authorities are resolved in a flexible, fair, and independent way.
	1.2 Authorities are assisted in improving the quality of their administration and complaint handling practices and procedures.
	1.3 Serious maladministration is identified, investigated, and exposed.
	1.4 Improper and corrupt conduct is identified, investigated, and exposed.
	1.5 Strategies for preventing maladministration, improper and corrupt conduct are identified.
	1.6 Systemic problems in public administration and related solutions are identified.
	1.7 Investigations are undertaken when actions or decisions are identified as incompatible with human rights.
	1.8 Responsibilities under the <i>Public Interest Disclosures Act 2012 (Vic)</i> are effectively performed.
	1.9 Information, education, and training to the Victorian community and public sector which promotes fair and reasonable decision-making and prevention of improper and corrupt conduct is regularly delivered.
	1.10 The majority of recommendations made are adopted by relevant authorities.
	1.11 Referrals to the Independent Broad-based Anti-Corruption Commission (IBAC), Victorian Inspectorate, and Information Commissioner are made in accordance with statutory requirements.
	1.12 Active engagement occurs with diverse groups within the Victorian community to help increase their knowledge of and access to, the Victorian Ombudsman.
	1.13 The Victorian Ombudsman's own complaint handling systems are accessible and responsive to the needs of people with disability.
	1.14 Information about the performance of its legislative functions and outcomes achieved for the Victorian community is published.



1.1 Complaints handling and resolution

55. VO met this measure of performance. The Act sets out on a principles basis, how VO would resolve complaints. VO has translated these principles and its interpretation of the intent of the Act into documented policies, procedures, and rules-based workflows. It has built these into its case management system, which is used to log the receipt of a complaint and manage its handling through to resolution and or closure of the complaint.
56. In assessing complaints, VO determines the most appropriate approach to deal with the complaint. It has systems, processes, and trained staff members to apply the intent of the Act and consider the nature, and complexity of the complaint.
57. Staff also consider any previous history of the complainant to determine which approach is the best fit. VO's independence is established through the Act. All staff members of VO take an oath or affirmation that they will:
- “faithfully and impartially perform the duties of Office of Ombudsman”*
58. We have observed a strong culture of integrity and ethics throughout the organisation. This is supported by VO's policies and the requirement that all staff maintain current declarations of their actual/potential conflict of interest.
59. VO has internal quality assurance processes including routine monthly audits of a sample of cases and phone calls for each case officer. This is to assess whether the handling of the complaints is aligned with the business rules and VO's quality assurance frameworks. Complainants can also ask VO for an internal review of their case. Additionally, they can request an external oversight body to review VO's handling of their complaint.
60. Figure 6.2 shows the approaches and pathways it uses to handle each complaint.

Figure 6.2: High-level process flow of a complaint VO receives



Source: Victorian Ombudsman Annual Report 2023

61. While VO records and assesses all complaints, it does not enquire into, investigate, or resolve every complaint it receives. It may, however, enquire and still deal with a complaint informally, without investigating.
62. To provide the level of granularity needed to record information about a complaint, VO has a record for each issue that is within a complaint. This means that one complaint can have one or more issues. VO records an outcome for each issue to show whether it was enquired into or not, and a statutory reason for finalising the issue. A complaint is closed when all the issues are closed. Figure 6.3 shows the number of issues finalised by case category and year over the review period.

Figure 6.3: Number of jurisdictional complaint issues finalised by case category

Jurisdictional complaint issue category	2020-21	2021-22	2022-23	Totals
s13A Complaint issues dealt with informally	20,376	20,660	20,391	61,427
s15B Complaint issues investigated	5		3	8
s16 Parliamentary complaint issues			1	1
s16C - Referred complaint issues	42	2	12	56
Total	20,423	20,662	20,407	61,492

Source: Analysis of data extracted from VO complaints management system

63. VO has categorised most jurisdictional complaint issues that were finalised as s13A of the Act jurisdictional complaints dealt with informally. Figure 6.4 shows the closure reasons for these complaints.

Figure 6.4: Closure reasons for the majority of jurisdictional complaints issues

Reasons for closing a s13A jurisdictional complaint	2020-21	2021-22	2022-23	Totals
Informally resolved by ADR (s13H(1))	0	11	130	141
Complaint not lodged by aggrieved person or other appropriate person (s14(1))	421	321	234	976
Must not deal with if involves corrupt (s15(1A) or s15(1B))	8	1	6	15
Must not deal with administrative action taken under FOI Act (s15(2))	26	31	28	85
Must not deal with if to do so would be contrary to section 13AB (s15(3))	2	9	4	15
Must not deal with a complaint about terms and conditions of employment of a person employed by or in an authority (s15(4))	66	99	92	257
Must not deal with a complaint where a person has a reasonable avenue to a tribunal (s15(5))	188	214	162	564

Reasons for closing a s13A jurisdictional complaint	2020-21	2021-22	2022-23	Totals
Must not deal with a complaint where a person has a reasonable avenue to a court (s15(6))	456	425	374	1,255
Subject matter is trivial (s15A(1)(a))	10	8	18	36
Complaint is frivolous or vexatious or not made in good faith (s15A(1)(b))	2	2	5	9
Complaint lacks substance or credibility (s15A(1)(c))	17	25	26	68
Dealing/continuing to deal with is unnecessary or unjustifiable (15A(1)(ca))	18,222	18,628	18,539	55,389
Subject matter dealt with by another integrity agency or agency with coercive powers (s15A(1)(d))	47	33	58	138
12-month delay, without satisfactory reason for the delay (s15A(2) or s15E(2))	33	43	30	106
Fail to comply with 14(2) request for complaint in writing (15A(3))	9	5	0	14
Decision to investigate (15B)	2	4	5	11
s16G of the Act Notification to OVIC of potential Part VIA FOI Act complaint	4	0	0	4
Complaint formally referred to person or body in schedule 3 (s16l)	22	0	0	22
Copied correspondence / No administrative action (unable to assess) / Unclear concerns (unable to assess)	837	799	672	2,308
Complaint determined not to be an assessable disclosure	3	1	8	12
Enquiries finalised no further action (historic closure reason)	1	1	0	2
Total	20,376	20,660	20,391	61,427

Source: Analysis of data extracted from VO complaints management system

64. Most issues categorised as s13A of the Act were dealt with informally and finalised as the case officer considered, that dealing with or continuing to deal with the complaint, was unnecessary or unjustifiable under s 15A(1)(ca) of the Act. Figure 6.5 shows the number of issues finalised per the discretion of the case officer under section 15A(1)(ca) of the Act.

Figure 6.5: Key reasons VO declined to deal with or continue to deal with a complaint

Reasons for deciding that dealing, or continuing to deal with the issue is unnecessary or unjustifiable	2020-21	2021-22	2022-23	Totals
The issue was informally resolved	3,385	3,921	4,325	11,631
Taking further action on the issue was not warranted	4,608	4,342	3,999	12,949
The authority's response to the issue was not unreasonable	1,072	1,246	1,293	3,611
There was insufficient information to assess the issue	408	567	786	1,761
The complainant was not contactable	182	290	238	710
The facts could not be substantiated	147	191	117	455
The complaint was premature (it was not made to the relevant entity in the first instance)	8,088	7,446	7,283	22,817
The issue could be better dealt with by another specialist body	332	625	492	1,449
The issue was transferred back to the authority via a warm referral (this reason was added in 2023)	N/A	N/A	6	6
Total	18,222	18,628	18,539	55,389

Source: Analysis of data extracted from VO complaints management system



1.2 Assisting in improving administration and complaints handling

65. VO partially met this indicator of performance. It assists authorities in several ways, including recommendations it makes in public investigation reports, reviewing their complaint handling practices, publishing better practice guides, and providing training. Except for the recommendations in public reports, VO does not evaluate whether other forms of assistance are achieving the intended outcomes.
66. During the review period, VO reviewed complaints handling practices of 7 entities and published 3 better practice guides. It also provides a half-day workshop on Good Complaint Handling. This course was attended by 511 participants during the review period.
67. VO monitors trends in complaints data to identify any changes that may be occurring in the number and nature of complaints within VO's jurisdiction. VO uses this data to discuss the pattern and types of complaints with entities within their jurisdiction.

Improvement opportunity

68. While VO has done significant work in this area, there is room for improvement for VO to assist in building capability across its jurisdiction in improving administration and handling complaints. While VO uses the data to discuss trends with entities, it does not provide them with statistics they can use to draw insights on areas where complaints are not reducing and are of similar types.
69. VO can also use its data and reporting to determine whether complaints handling is improving across its jurisdiction.

Recommendation 1

VO uses a data-led approach to develop a targeted and risk-based plan, focused on building capability across entities within its jurisdiction to achieve improved quality in complaint handling.

Recommendation 2

VO measures and reports on outcomes achieved from its activities to improve the quality of administration and complaints handling.



1.3 Serious maladministration is identified, investigated, and exposed

70. VO met this indicator of performance. We have sought to define maladministration for this report as the objectives of the Act do not refer to 'serious maladministration', nor does the Act define maladministration.

Definition of maladministration and serious maladministration

Maladministration refers to improper or inefficient management or poor decision-making, often within an entity or government body (e.g. poor record keeping, failure to follow established procedures).

Serious maladministration would imply a higher level of misconduct with more significant consequences and conscious departures from rules (e.g. misuse of public funds, taking advantage of an entity's poor controls)

VO's interpretation of serious maladministration is if it forms an opinion that the allegation or case falls into one of the categories of errors in s 23(1) of the Act (e.g. the action was taken contrary to law; was unreasonable, unjust, or improperly discriminatory).

Source: OCM and VO

71. VO is reliant on receiving complaints to assess and identify maladministration. Upon receipt of a complaint, it can enquire and investigate the administrative actions of an agency.
72. It has also used 'own motion powers' to conduct enquiries (S 16A of the Act) to establish whether an investigation should be conducted. It has conducted investigations (S 16A of the Act) to decide whether an administrative error has been made.
73. VO has exposed serious maladministration through its public reporting. During the review period, it tabled 15 investigation reports exposing maladministration in local government and state government entities.
74. It also published 2 case books during this period. The case books bring together numerous case studies to raise awareness and provide examples of how an agency can resolve complaints and manage misconduct risks.



1.4 Improper and corrupt conduct is identified, investigated and exposed

75. VO met this indicator of performance to the extent of its role in the process. VO's role is to assist IBAC in identifying, investigating, and exposing improper conduct. It does this through the PID process.
76. VO can receive public interest disclosures and send them to IBAC to determine whether the disclosure is a public interest complaint. If IBAC determines a disclosure is a public interest complaint it may refer it to VO for investigation. VO must investigate public interest complaints, subject to some exceptions as outlined in the Act.

Definition of public interest disclosure and public interest complaint

A public interest disclosure (PID) includes information that shows or tends to show:

- improper conduct by a person, public officer or public body; or
- detrimental action taken or threatened to be taken by a public officer or body against a person in reprisal for a public interest disclosure.

A public interest complaint means a disclosure determined to be a public interest complaint. It is a whistleblower complaint about a public organisation/officer which IBAC has referred to VO to deal with. Public interest complaints receive specific legal protections.

Source: *Public Interest Disclosures Act 2012 (Vic) and the Act*



1.5 Strategies for preventing maladministration and improper conduct

77. VO met this indicator of performance. It has a strategy in the *Strategic Plan 2021-24* to engage with public sector entities to promote good complaint handling and prevent maladministration and improper conduct.
78. VO's key prevention initiatives include:
 - delivering training programs on topics such as good decision-making, good complaint handling, and dealing with conflict of interest
 - Single VO and joint seminars with integrity agencies aimed at those working in the public sector
 - collaborative work with IBAC, such as joint investigations
 - collaboration with industry, such as participation in the Victorian Law Week and partnering with community legal centres.
 - publishing investigations and complaint resolution case books, and good practice guides



1.6 Systemic problems and solutions in public administration are identified

79. VO met this indicator of performance. It monitors and analyses its complaints data to identify any trends or patterns. It has established portfolio teams to work with entities within a sector, such as, local government, justice, and education. One of their key roles is to monitor complaints and identify systemic problems.
80. VO can conduct an 'own motion investigation or enquiry' into systemic issues. Portfolio trends are one of the inputs into this decision-making. Other inputs include media monitoring, public reports, and evidence identified in the course of VO's enquiries. Examples of own-motion investigations include systemic investigations into *Worksafe Self-Insurers (June 2023)*, *Social Housing (July 2022)*, and *the Environmental Protection Agency (May 2022)*.

81. VO also analyses its recommendations records to identify systemic issues affecting authorities and or the community. An example of this was VO's monitoring of recommendations from its December 2020 investigation into the detention and treatment of public housing residents arising from a COVID-19 hard lockdown. This monitoring identified broader issues with the legislation resulting in significant amendments to the *Public Health and Wellbeing Act 2008 (Vic)*.



1.7 Decisions identified as incompatible with human rights are investigated.

82. VO met this indicator of performance. VO shows a strong commitment to human rights in its examination of public administration. This is evident in its Strategic Framework 2020-24 which includes a focus on protecting human rights and actions documented in its annual plans, flowing through to policies and procedures.
83. VO has embedded prompts in its case management system for its staff to consider whether the administrative action being complained about engages human rights. It does have the discretion to investigate breaches of human rights. Most of the complaints that engage human rights are resolved informally, without investigation.
84. Under the Act, VO can only form an opinion under s 23(1)(a) of the Act that an action or decision was incompatible with human rights or failed to consider human rights when it conducts a formal investigation. Figure 6.6 includes examples of VO's investigations where human rights were engaged.

Figure 6.6: Examples of investigations where human rights were engaged

- *Detention and treatment of public housing residents arising from a COVID-19 hard lockdown in July 2020 (December 2020)*
- *Environmental Protection Authority decisions on West Gate Tunnel Project soil disposal (May 2022)*
- *Complaints about assaults of five children living in Child Protection residential care units (October 2020).*



1.8 Responsibilities for PIDs are effectively performed

85. VO met this indicator of performance. Its responsibilities for PID are that it is the receiving entity for the disclosures.
86. VO provides multiple channels including in person, in writing, by phone, email, and or online for reporting PIDs. PIDs can also be reported anonymously. VO records these in its complaints management system.
87. VO has policies and procedures and provides staff with training to support meeting its responsibilities in dealing with disclosures. These include training in assessments, notification, confidentiality, and complainant welfare support.
88. Timely referral of assessable disclosures to IBAC is a specific KPI within VO's Investigations Unit. VO achieves its target for these KPIs.



1.9 Information and education promoting fair decision-making and prevention of improper conduct

89. VO partially met this indicator of performance. While it delivers a range of information and education and training activities, it can improve how it demonstrates the outcomes it achieves in this area of performance.

Information VO provides

90. Better practice guides relating to good decision-making and prevention of improper and corrupt conduct published during the review period include *Councils and Complaints – A Good Practice Guide, 2nd edition, July 2021*, and *Good Practice Guide: Complaint Handling in a Crisis, February 2023*.
91. Public investigation reports including recommendations aimed at preventing improper and corrupt conduct tabled during the review. Key reports during the review period include:
 - *Report on investigations into the use of force at the Metropolitan Remand Centre and the Melbourne Assessment Prison (June 2022)*
 - *Investigation into allegations of collusion with property developers at Kingston City Council (October 2021)*
 - *Investigation into Melton City Council's engagement of IT company, MK Datanet Pty Ltd (June 2021)*
 - *Investigation of protected disclosure complaints regarding the former principal of a Victorian public school (February 2021)*
 - *Investigation into corporate credit card misuse at Warrnambool City Council (October 2020)*.

Education and training

92. VO promotes its training programs through newsletters to entities and its website.
93. VO has delivered 3 training courses over the review period. There were significant adverse impacts of COVID-19 lockdowns on VO's ability to deliver education and training activities. This was because as all of its training was delivered face-to-face before the lockdowns. VO has implemented online training since October 2020. It also delivers training that is customised to the needs of the entity.
94. Figure 6.7 provides a summary of the delivery of each training program over the review period.

Figure 6.7: Delivery of training programs

Program	Delivery mode	Number of attendees		
		2020-21	2021-22	2022-23
Good complaint handling	Online	61	199	209
	Face-to-face	36		
Dealing with complex behaviour	Online	74	207	456
	Face-to-face	105	109	257
Conflict of Interest	Online	71	17	67
	Face-to-face	11		11

Source: VO's training register

*Note: No face-to-face training sessions were offered for good complaint handling 2021-22 and 2022-23 or for conflict of interest in 2021-22.

95. Following each training program, participants complete a brief evaluation form. Results across the review period consistently showed high participant satisfaction and positive feedback for both online and face-to-face training programs.
96. VO has recently engaged an external consultant to develop a follow-up 6 months after the workshop to determine what improvements the participants have made to their complaint handling practices. This process will provide VO with insights into the impact of its training programs. VO had not undertaken this process during the review period.
97. The results of independent research of 50 public sector entities, conducted for the first time in 2023, showed generally positive perceptions and experiences of VO's education and training programs. This included their relevance, the provision of helpful resources, and flexible attendance options. While most stakeholders were aware of VO's training programs, some reported they needed to reach out to VO to find out about the available programs. Results also showed that attendance at formal training was one of the least frequently reported reasons (20%) for interacting with VO. This is compared with case/issue-based discussions (70%) and formal meetings (43%).

98. VO reports on the performance of its education and training programs through two Budget Paper 3 (BP3) output performance measures. Figure 6.8 shows VO's reporting on BP3 measures over the review period. It shows VO did not meet its education and training participant targets for 2 of the 3 years in the review period. This is likely due to the adverse impact of COVID-19 lockdowns. However, in 2022-23, participant numbers exceeded the target. That year also has the highest public sector education program satisfaction rate in the review period.

Figure 6.8: BP3 Education and Training Performance Measures 2020-21 to 2022-23

Measure	2020-21		2021-22		2022-23	
	Actual	Target	Actual	Target	Actual	Target
Education and training participants (number)	358	642	532	642	1000	490
Public sector education program satisfaction rate (%)	87	85	95.1	85	96	85

Source: Annual reports 2020-21 to 2022-23

Improvement opportunity

99. Stakeholder feedback indicates there are varying levels of awareness of VO's good practice guides and investigation reports published on its website. In addition, not all entities within VO's jurisdiction are aware of its portfolio-level work.
100. VO would benefit from evaluating the usefulness of this information in promoting fair decision-making and prevention of improper conduct.
101. VO has not developed an education and training plan to deliver the program. The plan would identify its target audiences, training focus, location, and mode of delivery. It would also include key performance indicators to measure the outcomes of the training program. VO could also consider a review of its promotional approaches to help improve awareness of its education and training programs.

Recommendation 3

That VO reviews its approach to promoting existing products, including investigation reports, better practice guides, and training programs to improve awareness across public sector entities. This can include leveraging existing relationships it has with entities.

Recommendation 4

That VO measures the impact of these products to determine the extent to which they are achieving the intended outcomes. VO could also to obtain feedback on how the entities have used the products and whether they have helped them to improve their complaints handling.

Recommendation 5

That VO develops an education and training plan, driven by greater use of its data to identify the needs of the entities and ensure its training is prioritised and targeted to entities that need it most.



1.10 The majority of VO's recommendations are adopted by relevant authorities

- 102.VO met this indicator of performance. It makes recommendations to entities after completing different types of investigations, such as an investigation of a complaint, an own motion investigation, and or review of an authority's complaint handling practices.
- 103.VO has processes and systems that support its formulation of recommendations, including consultation with authorities. It follows up the implementation of the recommendations. Figure 6.9 shows the total number of recommendations made during the review period and their implementation status.

Figure 6.9: Recommendations made during the review period

Report type	Total Recommendations	Implemented status			
		Implemented	In progress	Not started	No longer relevant
Public reports	80	39	27	13	1
Private reports	17	16	1		

Source: OCM's analysis of VO's data

- 104.Independent research of public sector entities, introduced in 2023, included their perceptions about the usefulness of VO's recommendations. Participants from entities that had been subject to an investigation provided positive feedback about the impact of VO's recommendations. They also reported the usefulness could be enhanced if VO had a better understanding of the entities' context and operations.
- 105.Every 2 years VO publishes a report that documents progress and changes that authorities have made in response to VO published recommendations. During the review period VO published two biannual reports: *Ombudsman's Recommendations – Fourth Report, September 2022* (covers 11 reports tabled between May 2020 and December 2021); and *Ombudsman's Recommendations - Third Report, June 2020* (covers 14 reports tabled between April 2018 and March 2020).
- 106.One of VO's BP3 output measures is the percentage of jurisdictional cases that result in an agreed improvement by the authority. These can include changes in authority policies or practices, provision of staff training, or some other action aimed at administrative improvement. VO reported this performance measure at 80% in FY 2023.

Improvement opportunity

- 107.While VO records all recommendations in their case management system, not all reports including recommendations are published. This may be due to the protection of privacy, to get increased stakeholder buy-in for reviews, and or for reasons relating to public interest.
- 108.Given the important role recommendations play in driving improvements in public administration, it may be beneficial for VO to consider de-identifying and sharing recommendations from non-public reports to the public sector. This can enable the broader public sector to take advantage of learnings from these recommendations and help support them to be more proactive in improving their complaint handling practices and implementing preventative strategies within their environment.

Recommendation 6

That VO disseminates its recommendations from private reports more broadly. This would be on a case-by-case basis with consideration of privacy concerns and whether it is in the public interest. This has the potential to further enhance the value of VO's recommendations in driving improved public administration.



1.11 Referrals to the IBAC, VI, and IC are made in accordance with statutory requirements

109.VO met this indicator of performance. It has policies and procedures and provides training to its officers on meeting its referral obligations. Officers use discretion in considering these obligations during the complaint handling process.

110.VO is required to notify:

- IBAC when VO receives a complaint or becomes aware of a matter that it suspects involved corrupt conduct
- Victorian Inspectorate of a complaint or matter that involves integrity agencies that are exempt from VO's oversight.
- Information Commissioner of a complaint that relates to the obligations of a state government department, agency, or local council; under the *Freedom of Information Act 1982 (Vic)*.

111.VO must finalise notifications to IBAC, the Victorian Inspectorate and the Information Commissioner within two weeks of identifying the referral obligation. Officers are also required to inform the complainant when it notifies another agency of their complaint.



1.12 Active engagement occurs with diverse groups to help increase their knowledge and access to the Victorian Ombudsman.

112.VO partially met this indicator of performance. The engagement business unit was set up as part of the July 2020 legislative changes. This is a relatively new function and VO needs to implement the systems and processes to help mature this function.

113.VO has engaged with diverse community members through a wide range of activities. This includes presentations, letterbox drops, regional roadshows, and relationships with peak bodies representing disadvantaged groups.

114.VO's annual plans document the engagement activities for the year. Key engagement activities from the annual plans are in Figure 6.10.

Figure 6.10: Engagement activities in the annual plans

- Establishing working relationships with 2 metropolitan and 3 regional community legal centres (CLCs) to facilitate complaints to VO and conducting several complaint workshops for CLC clients (Annual Plan 2022-23)
- Piloting partnerships with Peninsula and Loddon Campaspe CLCs and establishing a complainant referral service (Annual Plan 2021-22)
- Conducting outreach programs engaging culturally and linguistically diverse (CALD) communities and young people. Held programs with the Federation of Ethnic Communities Council of Australia and the Vic Multicultural Commission to raise awareness (Annual Plan 2021-22).
- Developing and distributing targeted brochures, particularly for Aboriginal and Torres Strait Islander communities, explaining VO's role and services (Annual Plan 2020-21).

Source: VO Annual Plan 2020-2021, VO Annual Plan 2021-2022, VO Annual Plan 2022-2023

Improvement opportunity

115.In late 2023, VO implemented an Engagement Register to enable it to record and monitor its engagement activities. This should improve its ability to review and analyse its engagement with the community for continuous improvement.

116. In 2023, VO commenced planning work to inform the development of the 2024-27 Engagement Action Plan. This Action Plan is in draft form. In 2023, VO also engaged an Indigenous consultant to develop an Indigenous Engagement Plan. It has used this work to inform the development of its First Peoples Engagement Action Plan. This work commenced in January 2024 and is expected to be finalised by mid-late 2024.

117. It will be important this work is progressed and completed as planned and that it includes performance measures to monitor its impact and continually improve the program. This is necessary for VO to know if its engagement activities are achieving the intended outcomes.

Recommendation 7

That VO completes and implements its engagement action plans and develops output and outcomes-based performance measures and targets.



1.13 Complaint handling systems are accessible and responsive to the needs of people with disability

118. VO partially met this indicator of performance. VO has done significant work to strengthen the accessibility of its complaint handling systems. This includes staff training in disability awareness and communication access, development of communication resources, and development of key documents in a range of formats. However, it has not gathered sufficient evidence to confirm that its complainants who have a disability find its complaints handling systems accessible and responsive.

119. VO's policies and procedures include the requirement that staff make reasonable adjustments for complainants who need assistance, including those with a disability so that they can access its services.

120. VO has processes in place to enable all complainants, including those who identify as having a disability, to raise concerns about the handling of their complaints. This includes opportunities to give feedback about VO's service while they are initiating a complaint and during the complaint handling process. Complainants can also request an internal review that focuses on the process VO followed to make its decisions (procedural fairness).

121. In November 2020, a disability service provider confirmed that VO's website satisfies all *W3C Web Content Accessibility Guidelines (WCAG) 2.1* Level AA success criteria. Compliance with these guidelines is mandatory for all Victorian government online services. They define how to make web content more accessible to people with disabilities.

122. VO partnered with another disability service provider in April 2021 to gain accreditation as a 'fully communication accessible organisation'. To get this accreditation, the provider delivered training in disability awareness and communication to VO staff. Its assessors also looked at the ease of lodging complaints via the website. This accreditation expired in March 2024, and VO does not intend to renew it, rather it is adopting a 'train the trainer' model. This will entail using the staff that has received the training from the accreditation provider to provide on-going training in disability awareness and communication.

Improvement opportunity

123. While the external service provider awarded the accreditation, its assessors found it difficult to navigate through the online system when trying to lodge an online complaint. The provider used assessors who had a communication difficulty and used a communication aid or device.

124. Results of the most recent (2022-23) independent survey of complainants show that compared to participants without a disability, those who identified as having a disability were significantly more likely to have made multiple attempts to contact VO to lodge their initial complaint (36% vs 23%). Similarly, a higher percentage (26% vs 19%) found the ease of having their complaint considered as 'difficult' or 'very difficult'. It is unclear whether these results reflect the experience of accessibility and responsiveness issues by people with a disability.

Recommendation 8

That VO obtains feedback from people with a disability who have lodged a complaint, to continue to improve accessibility and responsiveness of the complaint handling systems.



1.14 Information about the performance of its legislative functions and outcomes is published

125. VO met this indicator of performance. It publishes performance measures related to its legislative functions in its annual reports. The key ones are its output measures against the appropriation funding for Budget Papers 3 (BP3). This is a requirement of the *Financial Management Act 1994 (Vic)*.

126. VO's suite of 8 BP3 measures covers key aspects of performance- quantity (3 measures), quality (3 measures), and timeliness (2 measures) as shown in Figure 6.11.

Figure 6.11: BP3 Performance Statement 2020-21 to 2022-23

Measures	2020-21		2021-22		2022-23	
	Actual	Target	Actual	Target	Actual	target
Quantity						
Number of jurisdictional cases opened	18,058	14,000	18,889	14000	18405	14000
Jurisdictional cases selected for enquiry/investigation (%)	30	20	27.7	20	29	20
Education and training participants (number)	358	642	532	642	1000	490
Quality						
Jurisdictional cases that lead to agreed improvement (%)	19*	35	67.8	35	80	35
Public sector education program satisfaction rate (%)	87	85	95.1	85	96	85
Complaint service satisfaction (%)	57	60	56	60	54	60
Timeliness						
Complaints closed within 30 days (%)	89	85	94.8	85	96	85
Investigations closed within 12 months (%)	93	80	75	80	75	80

Source: Annual reports 2020-21 to 2022-23

Note: *There was an error in the calculation of the number of jurisdictional cases that led to agreed improvement in the 2020-21 reporting.

Improvement opportunity

127. VO's targets for 7 of its 8 performance measures remained the same over the review period. For 4 of the 8 performance measures, VO's performance exceeded the target for each of the 3 financial years. VO did not adjust these targets in response. Consistently exceeding a target suggests it may be set too low. *The Department of Treasury and Finance Victoria Resource Management Framework* states that targets should be reassessed and amended where there is constant over or underperformance against the current target.

128. VO has reported in its Annual report for FY2023 that it has reviewed and adjusted some of its targets for 2023-24.

Recommendation 9

That VO works to revise its targets where appropriate as part of its annual review of performance.

7. Domain 2 - Corporate governance and planning

129. The IOC identified 9 indicators of performance to be assessed for Domain 2.

130. We have assessed from 9 indicators of performance, VO met 7 and partially met 2 as shown in Figure 7.1.

Figure 7.1: Results of the audit for each indicator of performance

Reference Number	Indicators of performance
 2.1	Adequate processes are in place for making sound and impartial decisions about operational priorities and a method for evidencing such decision-making exists.
 2.2	Compliance with all statutory reporting obligations is met.
 2.3	Robust systems are in place for identifying and managing internal and external risks across relevant domains.
 2.4	Stakeholders/relevant parties involved in the execution of functions are effectively managed (including persons of interest and witnesses in hearings and investigations).
 2.5	Strategic planning processes (including, for example, those related to VO's annual plan) are robust and responsive to the external environment and include measures for assessing whether the VO has attained (and how it will maintain) the confidence of the public.
 2.7	Good practice initiatives (including investigations, research, and projects) undertaken by like bodies nationally and internationally are identified and considered for adoption.
 2.7	Internal business plans and staff work plans demonstrate how strategic objectives will be met and are well understood by staff.
 2.8	Evidence-based submissions are made to support budget bids.
 2.9	Performance against strategic goals is monitored, measured, and publicly reported on.



2.1 There are adequate processes for making sound and impartial decisions

131. VO partially met this indicator of performance. Although VO has systems, processes, and governance structures, there are opportunities for improvement.

132. It has several committees to act as a governance sounding board and a monitoring platform on actions senior executives take or plan to take. To ensure staff adhere to the corporate culture of

an integrity agency, VO has policies and procedures that influence the operational integrity, accountability, and transparency of the Office.

133. VO has an annual internal audit program. The Audit and Risk Management Committee (ARMC) provides oversight of internal audit and risk management.

134. The governance processes include approving the receipt of gifts and benefits and declaring conflicts of interest for all staff. The maintenance of registers of gifts and benefits and conflicts of interest is explored further in Domain 4, Indicator of Performance 4.1. VO publishes its Gift Register on its website.

Improvement opportunities

135. The Chair of the ARMC had been in the role for more than 10 years until 28 Feb 2024. This term has been longer than what is recommended as good practice. It has the potential to reduce the objectivity of the Chair and or create a perception that the committee is not independent. Good practice guides, issued by the Auditing and Assurance Board, Australian Institute of Company Directors, The Institute of Internal Auditors Australia, and some Australian Auditors General suggest fixed terms for audit committee members, including the independent Chair.

136. A staff member of the Ombudsman records the gifts on the Ombudsman's behalf and by default, the approving manager was the manager of the person recording the gift. Whilst we did not see evidence that the Ombudsman has received any personal gifts, it would be good practice to ensure that the approving manager is the manager of the gift recipient and not the person recording the transaction. In the case of the Ombudsman, the gift can be approved by the Chief Operating Officer, who is the head of the Governance and Reporting team.

137. The Ombudsman's expenses, including travel expenses, are approved by staff of the Ombudsman. This is due to there being no other practical means to have these approved by a more senior officer than the Ombudsman. To improve governance and transparency, VO can document specific procedures for approval of the Ombudsman's expenses. These may be approved by the CFO and discussed as a standing item at the ARMC quarterly. We also suggest the VO publishes the Ombudsman's travel expenses on its website quarterly.

Recommendation 10

That VO ensures ARMC Chair and independent audit committee members are appointed on fixed terms (for example, a 3-year term with a maximum of 2 terms).

Recommendation 11

That VO ensures ARMC discusses the Ombudsman's expenses as a standing agenda item in its meetings and VO publishes the Ombudsman's travel expenses on its website quarterly.



2.2 Compliance with all statutory reporting obligations is met

138. VO met this indicator of performance. It has complied with all its statutory reporting obligation. VO has systems, tools, and procedures to ensure compliance with statutory reporting requirements.

139. A previous internal audit identified the VO has taken appropriate actions to address compliance with the Standing Directions and the majority of the Victorian Protective Data Security Standards (VPDSS).

Improvement opportunities

140. VO does not have a compliance framework to enhance and drive employees' understanding and commitment to the organisation's and personal obligations toward statutory compliance. Such a compliance framework influences organisational culture and accountability toward compliance with statutory obligations. VO has commenced developing this framework.

Recommendation 12

That VO completes and implements its compliance framework to ensure its corporate culture continues to be responsive and accountable, to mitigate risks, maintain legal compliance, and safeguard its reputation.



2.3 Robust systems are in place for managing risks.

141. VO partially met this indicator of performance. It has a structured risk management process to identify and manage internal and external risks. However, it needs to address high and medium risk internal audit issues in a more timely manner.
142. The Governance and Reporting team conducts formal workshops across all divisions in February each year to identify risks, assess their impact, and develop action plans. It has informal discussions with other divisions as and when required. Informal risk training is also conducted.
143. It is evident from our assessment the business is continuing to mature around Enterprise Risk Management. The risk management processes are also a key driver for VO's compliance work.

VO's risk management maturity has grown from 61% (2021) to 90% (2023) – assessment by the Victorian Managed Insurance Authority.

Improvement opportunity

144. VO can further enhance its risk culture by implementing formal risk meetings across all the divisions more regularly. This means taking a more proactive approach to engage all divisions within the organisation so that they regularly consider the risks they are managing in light of new and emerging risks.
145. Additionally, we noted medium and high-risk audit issues have a 12-month lead time to remediate and implement mitigating actions. This timeframe is applied across all categories of audit risk issues which is not ideal as these issues expose the organisation to risks over a prolonged period. This may have significant consequences unless remediation actions are implemented.
146. While VO has met its reporting obligations, Internal Audit has identified the VO is yet to meet some of its compliance requirements relating to the VPDSS. VO has implemented 41 of 57 recommendations. Out of the 16 outstanding recommendations, 7 recommendations are considered high risk. Implementation of corrective actions to mitigate these risks are either delayed or at risk of not meeting the agreed timeline.

Recommendation 13

That VO reviews and updates the enterprise risk management framework and policy to ensure there are more regular and formal risk meetings and workshops across the organisation for a proactive approach to managing risks. It should also include appropriate timelines to manage remedial actions.

Recommendation 14

That VO prioritises its compliance activities based on risks to avoid prolonged non-compliance, ensuring attention is focused on medium to high risks.



2.4 Stakeholders, including persons of interest and witnesses are effectively managed.

147. VO met this indicator of performance. It has implemented adequate monitoring processes for stakeholders and staff engagement in their respective functions. Complaints from stakeholders can be monitored through reviews of activities as they progress and issues logs.

148. Staff and stakeholders involved in statutory functions including dealing with persons of interest and investigations are monitored and managed through established policies and procedures designed to ensure that due care and diligence have been undertaken.

149. VO has established a quality assurance process to review steps and actions taken by staff.



2.5 Strategic planning processes are robust and responsive to the external environment.

150. VO met this indicator of performance. The Strategic Planning processes are structured and clear. VO has developed a 4-year Strategic Plan for 2021 - 2024, supported by annual plans developed and actions reported on each year.

151. VO holds an annual strategy day to assess the achievements of the previous actions, and strategies used to achieve its strategic objectives. It assesses actions from the preceding year and updates them to reflect changes in their operating environment.

152. VO consults with the IOC on VO's strategic and annual plans before publishing the documents on their website. It also tracks and regularly monitors the strategic and annual plan actions.



2.6 Good practice initiatives from other like bodies are identified and considered for adoption.

153. VO met this indicator of performance. This measure has been largely assessed by asking VO how they have kept abreast of good practice initiatives and considered them for their organisation. VO collaborates with other Victorian, national, and international integrity agencies to identify and make improvements to their processes. It participates in forums, conferences, and other (formal or informal) events.

154. VO explained that it considers best practice learnings, into the strategic planning process, which occurs once a year. It evaluates those initiatives and if accepted and endorsed, they are incorporated into the annual plan. VO further explained that it attends meetings across Australia and New Zealand every two weeks to share information on initiatives with the other offices.



2.7 Internal business plans and staff work plans demonstrate strategic objectives will be met

155. VO met this indicator of performance. It has implemented reporting on business plans, staff work plans, and related KPIs to track that strategic objectives and actions are met. Each strategy and annual plan action is assigned to key personnel who are accountable for ensuring outcomes are met in the year. Line managers monitor progress monthly, and the Executive Committee monitors it quarterly.

156. Staff understand their obligations to ensure that strategic targets are met. Targets are set and are either built into the internal business plans or individual work plans.

157. VO uses other operational performance reports to monitor the progress and status of internal business plans. Apart from performance reporting, informal meetings are held monthly to review the achievement of strategic outcomes. This also contributes to staff being engaged in steering the business so that VO can achieve its strategic outcomes.



2.8 Evidence-based submissions are made to support budget bids.

158. VO met this indicator of performance. It has followed the budget procedures set by the Department of Treasury and Finance in preparing and submitting its budget bids.

159. VO has applied the Act and the Financial Management Act 1994 (Vic) appropriately to operate as an integrity agency and manage its budget bid process as intended.

160. The last budget bid VO submitted was in 2020-21 for \$18 million (this amount does not include Treasurer's Advances). VO did not submit budget bids for 2021-22 to 2023-24. It requested supplementary budgets to existing budgets.



2.9 Performance against strategic goals is monitored and reported

161. VO met this indicator of performance. It has a robust performance reporting process. Each division has developed performance dashboards to track the progress of their allocated action items for meeting the strategic objectives. These are reported to the Executive Committee and the ARMC according to their governance and risk reporting program.

162. VO has put in place procedures, tools, and guidance documents to allow employees from various divisions to continuously monitor and update their operational KPIs. This is to ensure that key outcomes associated with the strategic objectives are achieved as set out in that year.










163. Annual plan outcomes are tracked via an action plan tracker and dashboard reports for the executive leadership team.

8. Domain 3 - Business processes and performance

164. The IOC identified 9 indicators of performance to be assessed for Domain 3.

165. We have assessed that of the 9 indicators of performance, VO met 5, and partially met 4. Figure 8.1 shows our assessment against each measure of performance.

Figure 8.1: Indicators of performance and the preliminary results for Domain 3

Reference Numbers	Indicators of performance
 3.1	Structured and evidence-based processes are in place for prioritising work against its statutory objectives.
 3.2	Staff participate in suitable induction processes when they join the office or change roles.
 3.3	Staff receive regular on-the-job supervision and participate in periodic performance management processes.
 3.4	A clear policy and procedural framework exist to guide staff in the performance of their work to ensure quality and productivity.
 3.5	Technology systems are used to support the work of staff and promote business efficiency.
 3.6	Business processes are regularly reviewed to improve performance and related changes are made to operations when appropriate.
 3.7	Planning is undertaken to ensure capability building for future needs.
 3.8	Intelligence capability exists to enable staff to detect trends in complaints and inform operational activities, as well as to assist authorities in learning from their complaints.
 3.9	Adequate processes are used to measure and manage the costs of performing statutory functions, including how potential savings are identified, and costs and waste are reduced.



3.1 Structured and evidence-based processes are in place for prioritising work against statutory objectives

166. VO partially met this indicator of performance. It has structured, evidence-based processes for prioritising work for its core legislative functions, However, it needs to articulate outcomes from actions in its plans to demonstrate it is achieving its statutory objectives. Additionally, it needs to improve planning for the preventative functions it gained in July 2020.
167. The prioritising of the core functions is evidenced by VO's annual planning, budget setting (allocating funding to the key functions), and how it manages related risks. It is also evident through its annual reports.
168. VO uses an activity-based costing model in conjunction with other analyses and staff input in planning, prioritising, and monitoring staffing levels for its core functions.
169. VO has a strategic framework, a strategic plan, outlining objectives and strategies, and an annual plan, which sets out specific actions under each objective. The following year's annual plan includes a progress update on the actions planned in the prior year.

Improvement opportunity

170. VO's outcomes as reported in the following year's annual plans confirm whether or not the intended actions were achieved or are likely to be achieved. VO's delivery of these actions are outputs, not outcomes.
171. Outcomes are the impact, benefit, and/or change experienced by the public sector as a result of VO's actions. VO needs to be able to measure the outcomes of its actions to optimise prioritisation of its work against statutory objectives.
172. Figure 8.2 includes two examples from actions planned in 2022-23 and the reported outcomes in its plan for 2023-24. These examples demonstrate that what is recorded as outcomes is a completion of the actions.

Figure 8.2: Examples of actions and outcomes in the 2022-23 plan

Objective 1 (Relevance)

Action- "Operationalise at least 2 metropolitan and 2 regional community legal centre partnerships."

Outcome – "VO has commenced working relationships with 2 metro and 3 regional CLCs consisting of referral to VO via dedicated phone line and conducting a number of complaint clinics for CLC clients."

Objective 3 (Quality)

Action – "Develop a sustainable hybrid working model."

Outcome – "Hybrid working model has been developed and implemented."

Source: Extracts from VO Annual Plan 2022-23 and 2023-24

173. VO needs to articulate the outcomes it intends to achieve from the actions it undertakes. This would require VO to develop outcome-based key performance measures, systems, and processes to measure the outcomes.
174. Additionally, VO needs to improve its planning for the new statutory functions it gained in July 2020, including alternative dispute resolution/conciliation, and engagement functions. It has internal data and intelligence on the volume of work, which it can integrate with external sources of data. These include key government priorities, feedback from key clients, and targeted environmental scans related to these specific functions. This will help strengthen its evidence base and progressively increase the maturity of its planning and reporting processes.

Recommendation 15

That VO strengthens its strategic and annual planning, use insights from internal and external sources of data, and develops outcomes-based performance measures that align with statutory objectives.



3.2 Staff participate in suitable induction processes

175. VO partially met this indicator of performance. It has suitable materials for the general mandatory induction training and the mandatory training for statutory functions. However, VO does not have records that all employees have attended their induction training. All employees were recorded as having completed some elements (an average of 57%) of the induction training.

176. Induction training was not available online before and during COVID-19. This contributed to staff not completing the training during that time. VO developed and released the training material online after the COVID-19 lockdown period.

Improvement opportunity

177. Only 1% of staff have been recorded as having completed all elements of the general mandatory induction training and 12 % completed the mandatory induction training for statutory functions during the review period.

There was **no central tracking** of staff induction during the review period.

178. Of the courses that had completion dates, 11% had delays of over 30 days to completion. This is because there is no mechanism to track the completion of mandatory courses, nor is there a required completion time.

179. VO has implemented a new online learning management system to record the completion of the induction modules after the review period.

Recommendation 16

That VO monitors that staff participate and complete the mandatory induction training.



3.3 Staff receive on-the-job supervision and participate in periodic performance management

180. VO partially met this indicator of performance. It provides regular on-the-job supervision to staff. However, VO was not able to provide all of the staff personal development plans (PDPs) we requested for audit.

181. VO has a comprehensive performance development process. It has adopted this from the Victorian Public Services policies that provide supplementary guidance on the *Victorian Public Services Award Agreement*.

182. Clause 29 of the Award Agreement provides the framework through which the performance, and learning, and development of staff are to be planned, managed, and reviewed throughout the performance cycle. All employees must participate in the performance cycle, including the development of performance plans and participation in performance discussions and reviews.

183. Performance development planning is an opportunity to clarify roles and performance expectations. It is also used to plan, manage, and review employees' learning and development throughout the performance cycle.

Improvement Opportunity

184. We sampled 16 employees and sought to sample the respective 38 PDPs which would have been completed during the review period. We only received a total of 26 PDPs (68%).

185. Figure 8.3 shows our analysis of processes and the level of completion of the 26 PDPs.

Figure 8.3 Analysis of a sample of Performance Development Plans

We received 26 out of the 38 PDPs we requested. We found:

- 22 (58%) PDPs were completed for the mid-year/bi-annual cycle
- 26 (68%) PDPs were completed for the end of year cycle
- 21 (55%) PDPs for the end-of-year cycle were signed by a manager
- 1 (4%) employee had no PDP.

Source: OCM's analysis of VO data

186. VO implemented a central system for PDPs in 2023. This software can be set up for staff to develop their PDPs and centrally monitor their progress throughout the performance cycle.

187. PDPs are an important element in developing capability, doing succession planning, and promoting retention of staff. It is essential for VO to centrally monitor that PDPs are effectively, efficiently, and completed on time per the requirements of the Victorian public service policies.

Recommendation 17

That VO monitors employee performance development plans that are completed on time.



3.4 Clear policy and procedural framework exist to guide staff in the performance of their work

188. VO met this indicator of performance. There are clear policy and procedure frameworks to guide staff in their work. We have listed examples of their policies and procedures in Appendix 1.

189. From our interviews with the employees, we noted they are aware of what the policies and procedures are and that the procedures helped them in performing their work.

190. VO has developed detailed workflow charts for its key legislative functions. These have been built into its complaints management system.



3.5 Technology systems are used to support the work of staff and promote business efficiency

191. VO met this indicator of performance. Technology systems are used to support the work of staff.

192. VO has automated a substantial part of the complaints management processes and it recognises that there are opportunities for more automation. Some of the key technological changes VO implemented for the legislative functions include:

193. Introduction of an online complaints form in early 2020 allowing people to lodge complaints anytime rather than the previous 9 am to 5 pm.

194. Online complaints are integrated into the complaints management system.

195. Online forms automated some of the processes for non-jurisdictional complaints.

196. Web chat is currently human-driven and can be progressed to assisted decision-making.

197. For its business systems, including Human Resources and Payroll, VO uses cloud solutions and in-house developed dashboard reporting.

198. The case management system provides end-to-end management of all complaints from the first contact through to alternative dispute resolution and a formal investigation if required. It also has tools to monitor the flow (journey) of complaints through its systems.

199. VO's IT strategies align with its business functions, and it is continually evolving its ways of working to improve the efficiency with which complaints can be lodged with VO.



3.6 Business processes are regularly reviewed and changed to improve performance

- 200.VO met this indicator of performance. Extensive business improvement processes exist, with each team implementing continuous business improvements.
- 201.VO has an open perspective to improving the efficiency of current processes, with a high level of automation of its statutory functions.
- 202.There are routine monthly audits of all the complaints officers. Each month, managers review and discuss audit findings with each Complaints Officer in their team.
- 203.VO undertakes regular thematic audits of specific areas of concern within the Complaints team to identify areas for improvement and to provide recommendations for enhancing performance. These audits assist in addressing any potential concerns about practices as they emerge.



3.7 Planning is undertaken to ensure capability building for future

- 204.VO partially met this indicator of performance. It has implemented several capability enhancements during the review period, a significant component of which is related to legislative changes that were effective from July 2020. However, not all of the legislative reforms have been fully implemented. Work has started on some, such as alternative dispute resolution/conciliation processes. Significant capability building is needed to implement these processes.
- 205.VO has strategic and other planning frameworks, through which it plans for enhancing capability where actions are required. These frameworks and initiatives are discussed in Domain 2, Indicator of Performance 2.5.

Improvement opportunity

- 206.During the review period, VO's planning and initiatives for building capability have been mainly focussed on what needed to be done to keep the office operational during COVID-19 lockdowns and implement significant legislative reform.
- 207.Going forward, VO needs to focus on developing a framework comprising short, medium, and longer-term plans. The framework needs to be agile to enable VO to respond effectively to changes in the labour market and emerging technologies. This will involve assessing VO's current capabilities including its resources (for example, facilities, office space, and technology infrastructure), in light of future ways of working. This means it needs to plan for building capability where it currently has gaps while ensuring it is strengthening the foundations to meet future needs.
- 208.VO also needs to develop a technology roadmap for each of its key systems, especially for the complaints management system, which is a legacy system and difficult to replace at once.
- 209.VO is undertaking actions to strengthen its capability in the use of coercive powers in investigations. As part of this exercise, VO could undertake intelligence-led planning, including a needs analysis for resources, and training and development. For this, VO would need to ensure corporate services teams, including human resources and learning and development teams are working with the statutory functions team from planning, risk management, and delivery to monitoring and assessing the effectiveness of the efforts to build capability.

Recommendation 18

VO develops a framework for building organisational capability which, includes:

- strategic workforce management, including undertaking an analysis of training needs across VO
- technology roadmaps for each of its key systems, particularly the complaints management system
- facilities and office space to be in line with future ways of working.



3.8 There is intelligence capability to detect trends that inform operational activities and assist authorities in learning

- 210.VO met this indicator of performance. There are tools and techniques to detect trends and inform operational activities. We attended several team meetings where senior managers and executives discussed trend analysis of complaints.
- 211.VO met with authorities to share learnings and any concerns from the trends in complaints and highlight any investigations they are currently conducting. Trends in complaints is explored in Domain 1, Indicator of Performance 1.6.



3.9 There are adequate processes to measure and manage the costs of statutory functions, including identifying potential savings










- 212.VO has implemented significant automation across the organisation and various processes, including cost management. For example, it has developed an Activity Based Costing model to analyse complaints handling and other related costs. The model is used to manage costs and provides one of the inputs to the budget bids when VO decides to put a bid in.
- 213.Measuring and managing costs of the statutory function is done through the overall budget management processes. There are quarterly financial reports to the Executive Committee. The report has an analysis of key cost items and budgets versus actuals.
- 214.VO manages its operations within the budgets and requests for funding as and when needed. It covers a large jurisdiction, handling a significant number of complaints within its allocated budgets.

9. Domain 4 - Workforce suitability and capability

215. The IOC identified 9 indicators of performance to be assessed for this domain.

216. We have assessed that of the 9 indicators of performance, VO met 6 and partially met 3 as shown in Figure 9.1.

Figure 9.1: Indicators of performance and the preliminary results for Domain 4

Reference Numbers	Indicators of performance
 4.1	Effective systems for ensuring the probity, integrity, and suitability of staff are in place.
 4.2	Existence of a strong integrity culture which is regularly promoted and reinforced.
 4.3	Strategies are implemented to promote staff well-being, safety, and resilience, and related measures to assess their success (e.g., regular culture surveys).
 4.4	Effective communication channels exist between staff, management, and the executive to report and address staff concerns.
 4.5	Sound systems, policies, and procedures for handling complaints and public interest disclosures by staff as well as other internal grievances are in place.
 4.6	Fair, equitable, and inclusive staff recruitment processes are utilised.
 4.7	Effective staff retention, succession, and transition planning occur, including a comprehensive staff training program, on-the-job learning, rotation and professional development, and leadership opportunities being offered.
 4.8	Key workforce gaps are identified and addressed through targeting recruitment and training.
 4.9	Appropriate internal controls exist for engaging and managing external contractors, including compliance with the Victorian Public Sector Commission's Guidance for managers engaging contractors and consultants.



4.1 There are systems for ensuring probity, integrity, and suitability of staff

217. VO partially met this indicator of performance. It has systems in place to drive the culture of probity, integrity, and suitability of staff. It has aligned these to the Victorian Public Sector Guidelines (VPSC) guidelines and code of conduct. However, it can make improvements in the management of its conflicts of interest (COI) and gifts, benefits and hospitality (GBH) registers.
218. It has processes and practices in place for declaring COI annually and receipt of GBH within 5 days of a GBH offer.
219. VO has a recruitment and selection policy which is underpinned by public sector employment principles (fairness, merit, equity). It has supporting strategies and plans, such as the Diversity, Equity, and Inclusion Strategy, Reconciliation Plan, and a Gender Equity Action Plan.
220. Its recruitment processes include a range of approaches to help determine the suitability of staff. These include the promotion of its values and expectations in the advertisement of positions, pre-employment screening, and an oath process for all new starters.
221. Collectively these processes promote the application of merit, equity, and fairness in assessing the suitability of applicants.

Improvement opportunities

222. The effectiveness and efficiency of its systems for COI and GBH recording were undermined by using paper-based records and not having centralised record keeping during the review period.
223. VO has progressively migrated its paper-based records to a central register and developed reporting to management on an exception basis. However, the GBH Register showed that not all staff had declared GBH within the required 5 days of its offer. Additionally, not all staff complied with the required annual COI declaration and or updated their declaration. These omissions leave the VO unable to have confidence that their staff are complying with the integrity and probity requirements.

Recommendation 19

That VO ensures the currency and completeness of its GBH and COI registers and updates its current COI policy to require staff to complete an annual COI declaration (regardless of whether they have a COI at the time) and immediately following a COI arising.



4.2 A strong integrity culture exists and is regularly promoted

224. VO met this indicator of performance. It promotes, reinforces, and champions integrity in its dealings with the public sector, the community, and internally with its staff. It does this in several ways including through awareness raising, (for example mission and vision statements, strategies, policies and practices, and training), and communications (for example, newsletters, presentations, and all staff meetings).
225. Integrity is embedded across the organisation from its mission and values, strategies and plans, policies and practices, staff training, and communications to its recruitment approach aimed at attracting people with compatible values.
226. Importantly, there is strong agreement among staff regarding the commitment to and demonstration of integrity at an organisational level as well as in the behaviour of managers and the leadership. We evidenced this through our interviews with staff and a review of the results from the People Matters Survey (PMS) across the review period.



4.3 Strategies are in place to promote staff well-being, safety, and resilience and related measures to assess their success

227. VO partially met this indicator of performance. It has policies, procedures, and processes for promoting staff well-being, safety, and resilience. These include a scheduled program for staff wellbeing and resilience and an Occupational Health and Safety (OHS) Committee. However, VO needs to evaluate these programs to ensure they are achieving the intended outcomes.

228. Staff wellbeing

229. People and Culture oversees the delivery of the health and wellbeing program. It engages an external provider to deliver a range of health and wellbeing initiatives. These include a dedicated intranet page providing information and resources aimed at supporting staff health and wellbeing. Examples include webinars, presentations, experiential sessions, and access to an Employee Assistance Provider.

230. Its decisions about what initiatives to implement are informed by staff feedback through the annual *VPS PMS*. Staff feedback from previous surveys had informed the implementation of wellbeing initiatives. For example, the mental health peer support officers, wellness webinars and seminars, and onsite weekly counselling services.

Improvement opportunity

231. VO does not measure the success of its staff health and wellbeing initiatives. Instead, it relies on the staff feedback from the *PMS*. However, the survey questions do not enable assessment of the impact or success of VO's specific wellbeing initiatives. A direct causal correlation cannot be drawn between the implementation of certain initiatives in a given financial year and any improvements observed in staff feedback on the *PMS*. At best, VO could conclude that its initiatives may have contributed to any such improvement.

232. VO's focus has been on the implementation of initiatives and not on the measurement of their success. This means that it has limited assurance that the use of its resources to provide this support is achieving the intended outcome of improved staff wellbeing and resilience.

233. In January 2024, VO's People and Culture team developed a brief evaluation form. It plans to administer this following all its wellbeing and resilience initiatives, as well as a 3-month follow-up, and use the results to inform future planning.

Occupational Health and Safety

234. VO has an obligation under the Occupational Health and Safety Act 2004 (Vic) to provide a safe workplace for its employees. In line with this obligation, VO established an Occupational Health and Safety (OHS) Committee. Its role is to advise the executive about strategies for staff health and safety. It is also responsible for ensuring staff are aware and comply with health and safety standards and procedures. Examples of safety initiatives that have been implemented over the review period include the development of COVID-19 safe plans; and ensuring staff working from home were provided with support to ensure a safe working environment.

235. The OHS Committee takes a proactive stance, developing initiatives in response to emerging situations. An example of this is the development of a safety checklist for staff visiting high-risk locations (e.g. prisons) in response to their request for advice.

Improvement Opportunity

236. VO does not measure the success of its health and safety initiatives. Its measure of outcomes is the closure of an action item on the Committee's actions register. It also considers the annual *PMS* survey results. Staff responses to the *PMS* across the review period consistently show over 90% agreement that VO provides a physically safe work environment. While this is positive feedback the *PMS* does not assess the impact or success of VO health and safety initiatives.

Recommendation 20

That VO develops a strategic and risk-based plan to ensure it has the optimal mix of initiatives to support staff its wellbeing, safety, and resilience of its staff. The plan should include performance indicators to enable VO to demonstrate it is achieving the intended outcomes.



4.4 Effective communication exists between staff, management, and the executive to report and address staff concerns.

237.VO met this indicator of performance. VO has an issues and dispute resolution policy, which is consistent with the *VPS Enterprise Agreement*. It states that VO's approach is to enable staff concerns to be resolved locally and in a reasonable, timely, fair, and safe manner.

Definition of staff concern

For this report, we defined staff concerns as:

“a workplace matter about which staff has an issue or a dispute”.

Source: OCM's interpretation of the VO Issues and Dispute Resolution Policy

238.A review of VO staff responses in the annual PMS shows consistently strong agreement with the statement 'People in my workgroup can bring up problems and tough issues'.

239.With the focus on the resolution being local in the first instance, VO does not keep records of this process and its outcome(s). This means that VO is not able to determine the number of concerns raised by staff over the review period, or how they were resolved.



4.5 Sound systems and procedures are in place for handling complaints and public interest disclosures and grievances by staff

240.VO met this indicator of performance. It has policies and procedures for complaints, PID, and raising grievances by staff.

241.The Complaints about and Oversight of the Ombudsman policy states that any person (member of the public or VO staff member), may complain or make a disclosure about VO or VO staff. There are different types of complaints that staff can raise. These range from disruptive behaviour (e.g. being disrespectful) to misconduct, and improper or corrupt conduct.

242.Complaints up to the level of 'misconduct' are to be dealt with internally by a manager or by the People and Culture team. VO follows the VPS common policy for the management of misconduct. VO has one recorded complaint about misconduct for the period under review.

243.VO has a PID policy and procedure in place. PIDs concerns allegations of improper conduct which should be made directly to IBAC regardless of whether the discloser is a VO staff member or not. VO does not know if any PIDS were made by VO staff during the review period. This is because the confidentiality requirements under the Public Interest Disclosures Act 2012 (Vic) protect the identity of disclosers.

244.VO has a grievance review process as part of its Issues and Dispute Resolution Policy. It addresses a staff concern, which cannot be resolved informally. VO has no recorded grievances lodged during the review period.



4.6 Staff recruitment processes are fair, equitable, and inclusive

245.VO met this indicator of performance. The recruitment processes support compliance with the VPS employment legislations, standards, and principles.

246.Key strategies that support fair, equitable, and inclusive recruitment processes include the Gender Equality Action Plan and Diversity Equity and Inclusion Strategy and Reconciliation Plan.

247. VO has a recruitment and selection policy, which reflects its commitment to a fair and consistent approach towards recruitment. The application of the principles of fairness, equity, and inclusion is evident across the spectrum of the recruitment processes. This ranges from the development of position descriptions, the attraction of candidates, screening and short-listing processes, to interview approaches, and selection decisions.

248. Additionally, it has a review process where applicants can request a review of the recruitment processes if they believe they were not afforded procedural fairness. VO does not have any records of requests for a review of recruitment processes during the period of the review.



4.7 Staff retention, succession, and transition planning including staff training, professional development, and leadership opportunities

249. VO partially met this indicator of performance. It uses the VPS capability framework and has undertaken gap analysis work. It is also developing a Workforce Capability Plan 2024-28 (currently in draft), due for completion in June 2024. However, it has not developed a strategic workforce plan that includes retention, succession, and transition plans.

250. An Internal Audit in 2022-23 identified the lack of a VO workforce and succession plan as a 'Medium' risk to the organisation. In response, VO engaged an external consultant in February 2023 to assist in workforce planning and deferred action on succession planning until the appointment of a new Ombudsman in March 2024.

251. The report from this consultant outlined methods for workforce planning, with a focus on attraction, evaluation, induction, and retention of staff. It had an emphasis on Complaints Officer and Investigator roles. Concurrently VO undertook other work to progress key workforce elements, such as diversity, equity, and inclusion.

252. VO has subsequently brought these 2 streams of work under the Workforce Plan Program, which is led by the People and Culture team. As part of this program, People and Culture regularly engage with the executive team and directors in Complaints and Investigations to discuss various workforce issues.

253. Our discussions with VO officers and management confirmed that they have developed strategies for staff retention and development. These include mentoring and coaching; providing acting opportunities (including different areas of the office), reducing phone shifts, and developing hybrid roles and obtaining qualifications that would enable members of the early resolution and assessment teams to be able to perform conciliation.

254. The 2022 and 2023 PMS responses to the question 'I am satisfied with opportunities to progress in my organisation' showed results of 43% and 51% agreement respectively. These were included in the lowest-scoring questions. VO advised that this could be due to the relatively flat structure, which presents limitations for staff promotion.

Improvement opportunity

255. Staff turnover in the last two financial years has been high: FY 2022 – 34.7%; and FY 2023 – 24.1%. VO advised the high turnover may have been due to several factors, including the impact of COVID-19 and shortages in the labour market. While these may be legitimate reasons, VO did not have evidence of staff retention, succession, and transition planning documents. These would normally form part of strategic workforce planning.

256. The advantage of a Strategic Workforce Plan is that it brings together the key elements of workforce planning. These include recruitment, retention, transition, and succession planning. It ensures that an organisation is better prepared to deal with changes and that identified business risks, such as future skill gaps are appropriately addressed.

Recommendation 21

That VO completes the workforce capability plan which identifies its capability requirements for key operational roles over the next 2-4 years.

Recommendation 22

That VO takes an integrated and strategic approach to workforce planning by incorporating current and future workforce matters such as planning for staff attraction and retention, succession, and transition. This will enable VO to better respond and adapt quickly to challenges such as a competitive labour market, emerging technology, and increasing complexity of complaints and complainants.



4.8 Key workforce gaps are identified and addressed

- 257.VO met this indicator of performance. It uses an activity-based costing model in conjunction with its capability framework to assist with analysing gaps in the workforce for the core statutory functions.
- 258.While the ABC model helps in understanding the number of staff needed for the core statutory functions, the capability framework defines the skills, knowledge, and behaviours required to achieve business objectives.
- 259.The workforce gap analysis is a focus of regular discussions between the People and Culture team and directors of Complaints and Investigations. For example, to proactively manage resourcing demands for upcoming investigations.
- 260.VO has implemented several strategies to address identified workforce gaps. It has undertaken bulk targeted recruitment to address significant staff losses on 2 occasions during and after COVID-19 lockdown periods. It also undertakes leadership training and provides professional development opportunities (e.g. undertaking higher duties).



4.9 Appropriate internal controls exist for engaging and managing external contractors

- 261.VO met this indicator of performance. It has processes and systems in place to support the management of contractors and ensure it complies with VPSC guidance. It has developed a contract management framework, guides, tools, and resources to support staff with responsibility for managing contractors.
- 262.It has also developed tools and resources to support staff with responsibility for managing contractors. (e.g. guidance on the use of its contract management system and records management and a Contract management guide).
- 263.VO's Procurement Framework and supporting policies provide appropriate governance arrangements, with regular reporting on contractors to the Executive Committee. VO also has processes and systems in place to manage any complaints by contractors.

Appendix 1 Victorian Ombudsman’s response to recommendations of this report

Number	Recommendation	VO Response
Domain 1 – Performance of principal and other statutory functions		
1	Uses a data-led approach to develop a targeted and risk-based plan, focused on building capability across entities within its jurisdiction to achieve improved quality in complaint handling.	Agree in principle
2	Measures and reports on outcomes achieved from its activities to improve the quality of administration and complaints handling across its jurisdiction.	Agree in principle
3	Reviews its approach to promoting existing products, including investigation reports, better practice guides, and training programs to improve awareness across public sector entities. This can include leveraging existing relationships it has with entities.	Agree in principle
4	Measures the impact of its products to determine the extent to which they are achieving the intended outcomes. VO could also to obtain feedback on how the entities have used the products and whether they have helped the agency to improve their complaints handling.	Agree in principle
5	Develops an education and training plan, driven by greater use of its data, to identify the needs of the entities and ensure its training is prioritised and targeted to entities that need it most.	Agree in principle
6	Disseminates its recommendations from private reports more broadly. This would be on a case-by-case basis with consideration of privacy concerns and whether it is in the public interest. This has the potential to further enhance the value of VO’s recommendations in driving improved public administration.	Agree (noting that this may require legislative reform to support effective implementation)

Number	Recommendation	VO Response
7	Completes and implements its engagement action plans and develops output and outcomes-based performance measures and targets.	Agree in principle
8	Obtains feedback from people with a disability who have lodged a complaint, to continue to improve accessibility and responsiveness of the complaint handling systems.	Agree in principle (noting that VO will continue to work to improve accessibility for all who approach the VO)
9	Works to revise its targets where appropriate as part of its annual review of performance.	Agree in principle
Domain 2 – Corporate governance and planning		
10	Ensures ARMC Chair and independent audit committee members are appointed on fixed terms (for example, a 3-year term with a maximum of 2 terms).	Agree
11	Ensures ARMC discusses the Ombudsman's expenses as a standing agenda item in its meetings and VO publishes the Ombudsman's travel expenses on its website quarterly.	Agree
12	Completes and implements its compliance framework to ensure its corporate culture continues to be responsive and accountable to mitigate risks, maintain legal compliance, and safeguard its reputation.	Agree
13	Reviews and updates the enterprise risk management framework and policy to ensure there are more regular and formal risk meetings and workshops across the organisation for a proactive approach to managing risks. It should also include appropriate timelines to manage remedial actions.	Agree
14	Prioritises its compliance activities based on risks to avoid prolonged non-compliance, ensuring attention is focused on medium to high risks.	Agree in principle
Domain 3 – Business processes and performance improvement		
15	Strengthens its strategic and annual planning, uses insights from internal and external sources of data, and develops outcomes-based performance measures which align with statutory objectives.	Agree in principle

Number	Recommendation	VO Response
16	Monitors staff participate and completion of mandatory induction training.	Agree – completed
17	Monitors the completion of employee performance development plans.	Agree – completed
18	<p>Develops a framework for building organisational capability which includes:</p> <ul style="list-style-type: none"> • strategic workforce management; • technology roadmaps for each of its key systems, particularly the complaints management system; • facilities and office space to be in line with future ways of working. 	Agree in principle
Domain 4 – Workforce suitability and capability		
19	Ensures the currency and completeness of its GBH and COI registers and updates its current COI policy to require staff to complete an annual COI declaration (regardless of whether they have a COI at the time) and immediately following a COI arising.	Agree - completed
20	Develops a strategic and risk-based plan to ensure it has the optimal mix of initiatives to support staff its wellbeing, safety and resilience of its staff. The plan should include performance indicators to enable VO to demonstrate it is achieving the intended outcomes.	Agree (noting that VO will continue to build upon and improve its current OHS plan)
21	Complete the workforce capability plan which identifies its capability requirements for key operational roles over the next 2-4 years.	See response to recommendation 18
22	Takes an integrated and strategic approach to workforce planning by incorporating current and future workforce matters such as planning for staff attraction and retention, succession, and transition. This will enable VO to better respond and adapt quickly to challenges such as a competitive labour market, emerging technology, and increasing complexity of complaints and complainants.	See response to recommendation 18

Appendix 1 Key documents reviewed during the audit

Document title
Legislation
Ombudsman Act 1973 (Vic) /
Public Interest Disclosures Act 2012
Victorian Financial Management Act 1994
Victorian Government
Victorian Government Risk Management Framework
Department of Treasury and Finance Standing Directions 2018
Department of Treasury and Finance Standing Directions Guidance 2018
Victorian Public Sector Commission, Code of Conduct, Public Sector Values; Employment Principles and Standards; Strategic Workforce Planning
Victorian Public Service Enterprise Agreement 2020, selected Common Policies
Victorian Public Sector Capability Framework
Victorian Ombudsman
Victorian Ombudsman Strategic Framework 2020-2024
Victorian Ombudsman Strategic Plan 2021-24
Victorian Ombudsman Service Delivery Charter
Victorian Ombudsman Annual Reports for the review period
Victorian Ombudsman Annual Plans for the review period
Victorian Ombudsman Accessibility Action Plan 2021-2024
Victorian Ombudsman Diversity, Equity, and Inclusion Strategy 2024-2026
Victorian Ombudsman Gender Equality Action Plan 2021-2025
Victorian Ombudsman Reconciliation Plan 2021-2024
Victorian Ombudsman Committees

Document title
Audit and Risk Committee meeting minutes and papers
Executive Committee meeting minutes and papers
Occupational Health and Safety Committee meeting minutes, papers and action registers
<i>Internal Audit function</i>
Internal audit Charter and program
Internal audit reports for review period
Internal audit strategic plan for the review period
Quality assurance
Quality Assurance Business Rules
Quality Assurance Framework
Victorian Ombudsman Policies and procedures
Alternative dispute resolution – conciliation Policy and Procedure
Complains about and Oversight of the Ombudsman Policy and procedure
Complaints and Approaches Policy and Procedure
Conflict of Interest Policy and Procedure and Register
Contract Management and Disclosure Policy
Dealing with Complex Behaviour Policy and Procedure
Early Resolution of Complaints Policy
Employee Assistance Program Policy
Enterprise Risk Management Policy
Enquiries Policy and Procedure
Human Rights Policy
Issue and Dispute Resolution Policy
Incident Management Policy and Procedure
Investigations Policy and Procedure
Occupational Health and Safety Policy
Own Motion enquiries and investigations Policy and procedure

Document title
Procurement, Governance, Complexity, Capability and Sourcing Policy
Public Interest Disclosures Policy and Procedure
Recommendations and Proposals Policy and Procedure
Review of complaint practices and procedures of an authority Policy and procedure
Referrals and Notifications Policy and Procedure
Recruitment and selection Policy
Role of the Ombudsman Policy
Supporting the Well-being of VO complainants and witnesses Policy
<i>VO staff, complainant and stakeholder satisfaction surveys</i>
Complainant surveys for the review period
Independent stakeholder research 2023
Victorian Public Sector People Matters Survey for review period
Victorian Ombudsman staff safety, wellbeing and resilience documentation
Victorian Ombudsman Community engagement documentation and data
Victorian Ombudsman public sector and community Education and training documentation and data
Victorian Ombudsman People and Culture staff training documentation
Victorian Ombudsman Induction documentation
Victorian Ombudsman Professional Development Plans documentation
<i>Performance data</i>
BP3 performance measures for the review period
Victorian Ombudsman Internal Key Performance Indicators (KPIs) for review period
<i>VO contract management</i>
Victorian Ombudsman Contract Management Guide
Victorian Ombudsman Procurement Strategy
Contract management and disclosure policy
Victorian Ombudsman Enterprise Risk Management Policy and Framework

Document title
Victorian Ombudsman Enterprise Risk Management Action Plan
Victorian Ombudsman Risk Appetite and Tolerance
Victorian Governance Framework
Victorian Ombudsman strategic planning documentation
Victorian Ombudsman Business Continuity Management Policy and Framework
Victorian Ombudsman Activity based costing documentation
Victorian Compliance and Control Framework
Victorian Ombudsman Budget bids for the review period

Appendix 2 Key stakeholders interviewed

Position title
Victorian Ombudsman Office
The Victorian Ombudsman (current and former)
Deputy Ombudsman
Assistant Ombudsman
Chief Operating Officer
Chief Information Officer
Chief Financial Officer
Current and former Chair of the Audit and Risk Committee
Chair of the Occupational Health and Safety Committee
Chair of the Executive Committee
Principal Legal Advisor
Head of Governance and Reporting
Head of People and Culture
Head of Communications and Media
Engagement, Education and Prevention Manager
Directors of Complaints and Investigations
Senior Manager, Conciliation and Review
Principal Officer Assessments
Representatives of Early Resolution, Assessment, Investigations and Alternative Dispute Resolution/Conciliation Officers
External stakeholders
Victorian Inspectorate – Inspector and Chief Executive Officer and General Counsel
Independent Broad-Based Anti-Corruption Commission –Deputy Commissioner
Representatives from 8 public sector entities

