



DEPARTMENT
of the PRIME MINISTER
and CABINET



STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga



THE TREASURY
Kaitohutohu Kaupapa Rawa

Undertaking an agency self review using the Performance Improvement Framework, 9 December 2011

PERFORMANCE IMPROVEMENT FRAMEWORK

AGENDA AND INTRODUCTIONS

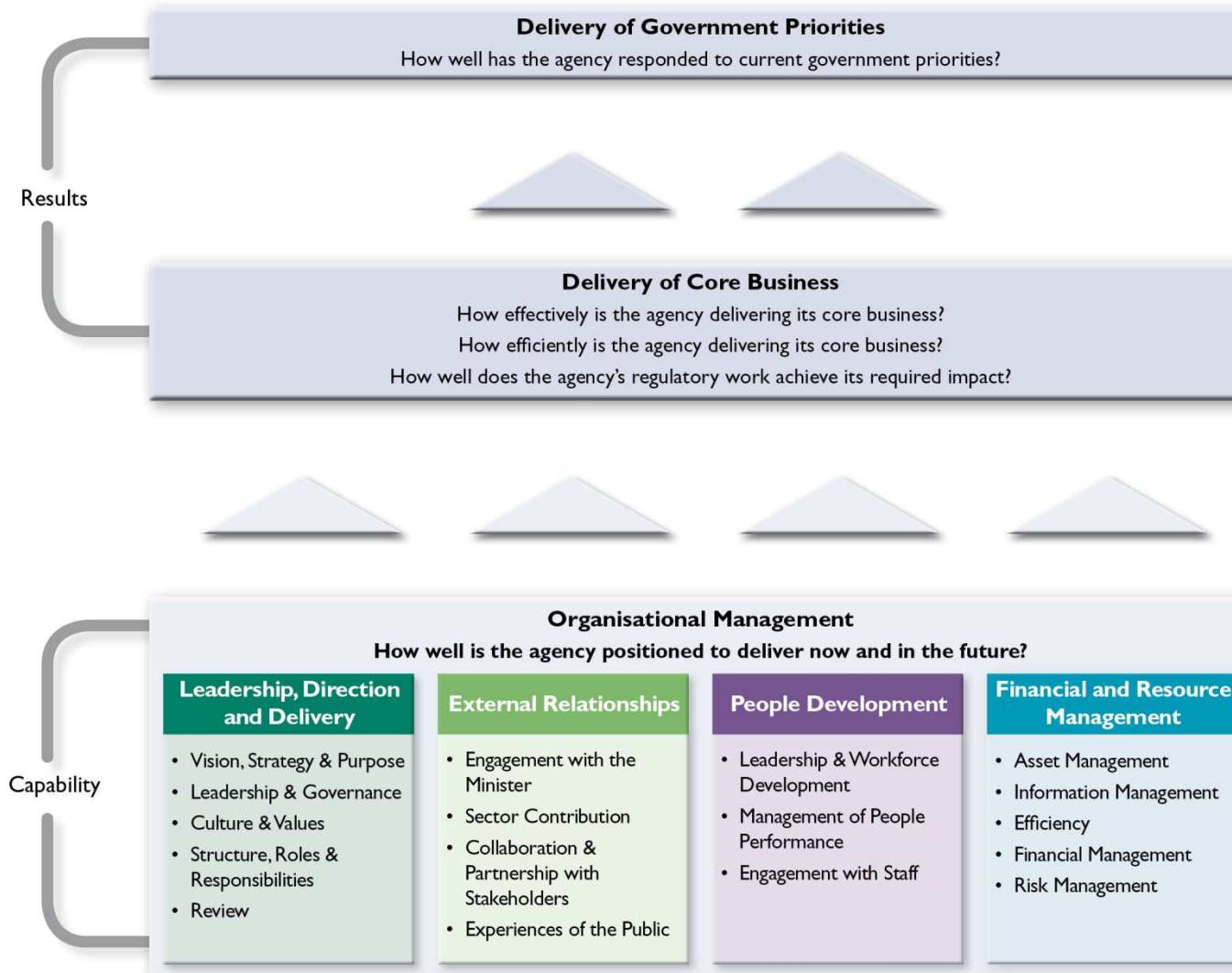
Time	Activity	Who
9.00-9.15	Welcome and introduction to the session	Deborah Te Kawa
9.15-9.30	Overview of the Performance Improvement Framework and findings to date	Deborah Te Kawa
9.30-9.45	The PIF model	Deborah Te Kawa
9.45-10.45	A real PIF self-review	Andy Rodger
10.45-11.00	Morning tea	
11.00-11.30	Ratings exercise	Deborah Te Kawa
11.30-12.00	Question and Answer session	All

CURRENT CONTEXT

- The State Services are in an environment where Government and public expectations about the quality of service delivery is rising and the medium to long-term financial forecast is one of restraint. This means significant and ongoing change.
- Agencies are expected to rethink the ways they operate to ensure they are responding to rising expectations, and are focussed on achieving results where they matter the most all the while delivering quality services to New Zealanders.
- The Performance Improvement Framework (PIF) has been designed to help agencies and the system to rise to this challenge by developing agencies that are high performing, flexible, innovative and responsive to shifts in the communities they serve.

THE MODEL ITSELF

Performance Improvement Framework – High Level Agency Model



WHAT IS PIF ?

The Performance Improvement Framework is:

- a diagnostic tool for chief executives of State service agencies to drive the most impactful improvement in agency and cross agency performance
- a tool for Central Agencies to have a view of and drive the most impactful improvements in overall system performance
- a tool to provide Ministers, the public and other stakeholders with assurance that the most impactful improvements in agency performance and across the system are occurring.

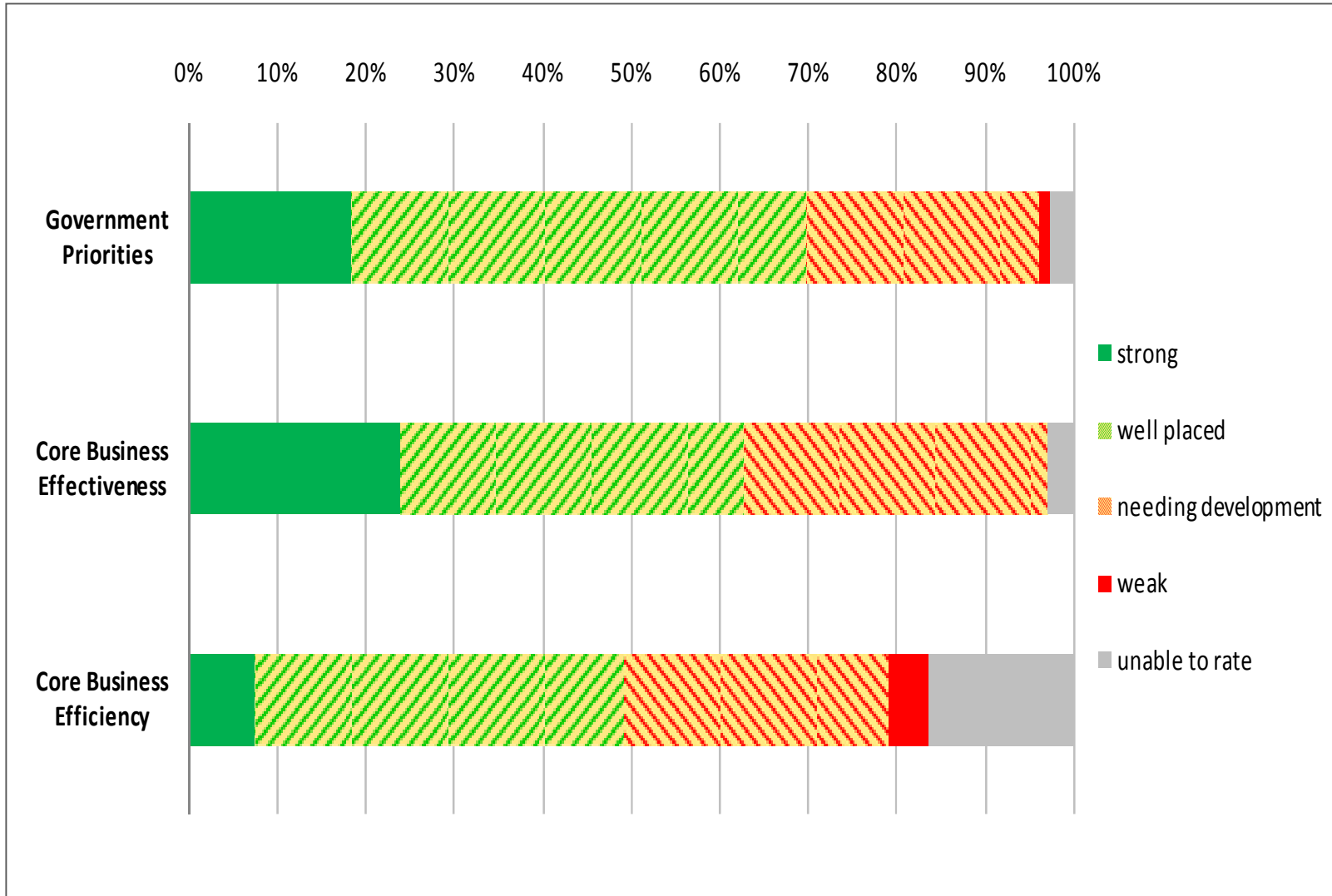
WHAT ARE WE TRYING TO ACHIEVE?

- In the short-term:
 - a common performance language and expectations across the State Services
 - transparent and useful performance information at agency, sector and system level
 - improved decision-making at agency, sector and system level
 - enhanced learning opportunities for State Services agencies, and
 - greater accountability for delivering results and for organisational stewardship.
- In the medium term :
 - an improved understanding of sector and system performance themes and issues, and ultimately improved system performance
 - greater efficiency and effectiveness in the delivery of services to meet the Government's strategic policy goals
 - better customer experiences with the services provided meeting or exceeding public expectations in terms of access and value, and
 - stronger working relationships between agencies and within sectors.

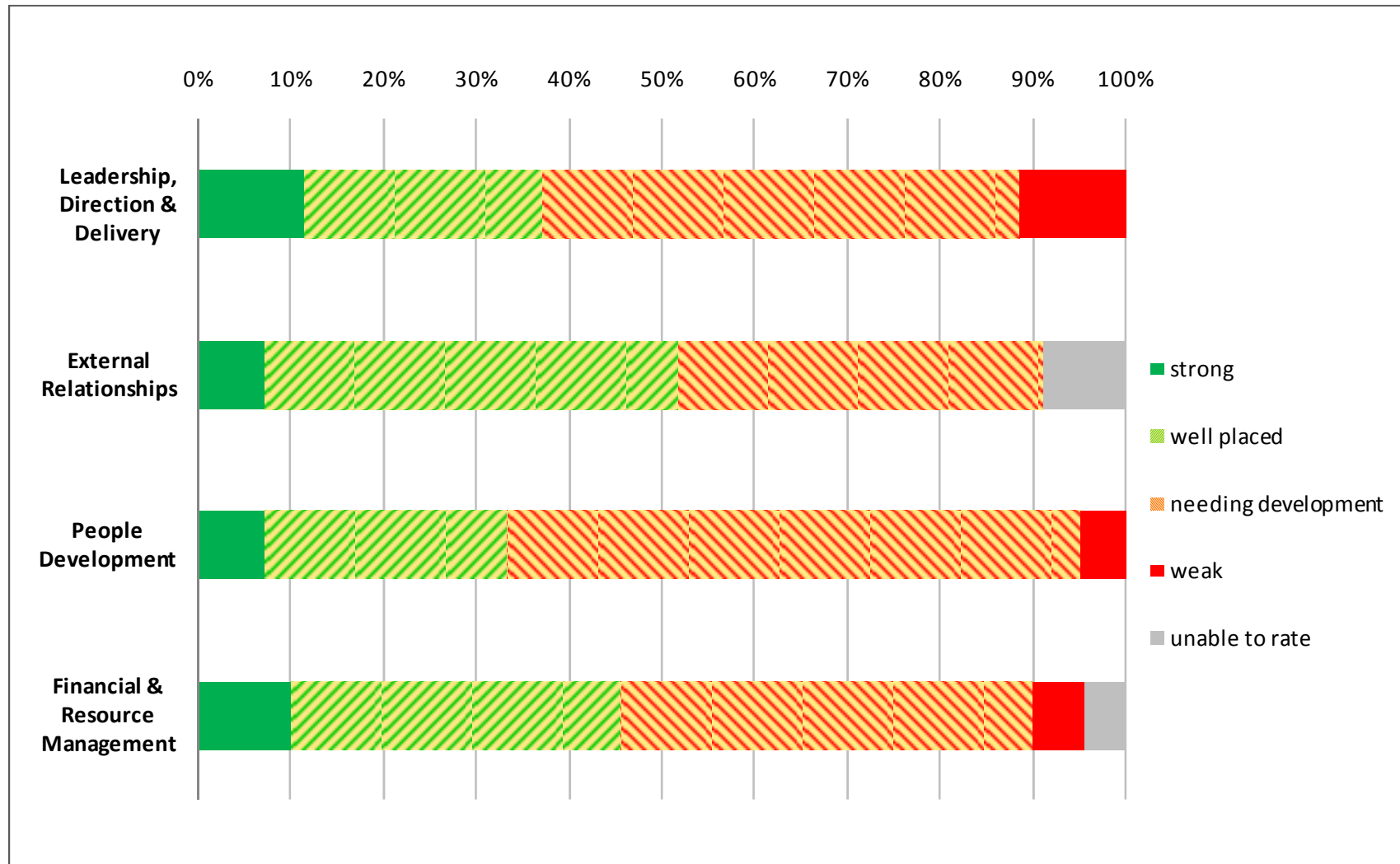
FORMAL REVIEWS CONDUCTED TO DATE

- Piloted with the Education Review Office, Ministry of Agriculture and Forestry and the Department of Internal Affairs in 2009.
- The first tranche of formal reviews, released in September 2010, were reviews of: Ministry of Foreign Affairs and Trade, Department of Conservation, Te Puni Kokiri and Land Information New Zealand.
- The second tranche of formal reviews, released in May 2011, were reviews of: Inland Revenue, NZ Trade and Enterprise, NZ Transport Agency, Ministry of Social Development and Treasury.
- Ministry of Education first formal review released individually in June 2011.
- Ministry of Women's Affairs formal review released September 2011.
- Ministry of Pacific Island Affairs, Crown Law, and Statistics NZ formal reviews released in October 2011.

RESULTS



CAPABILITY

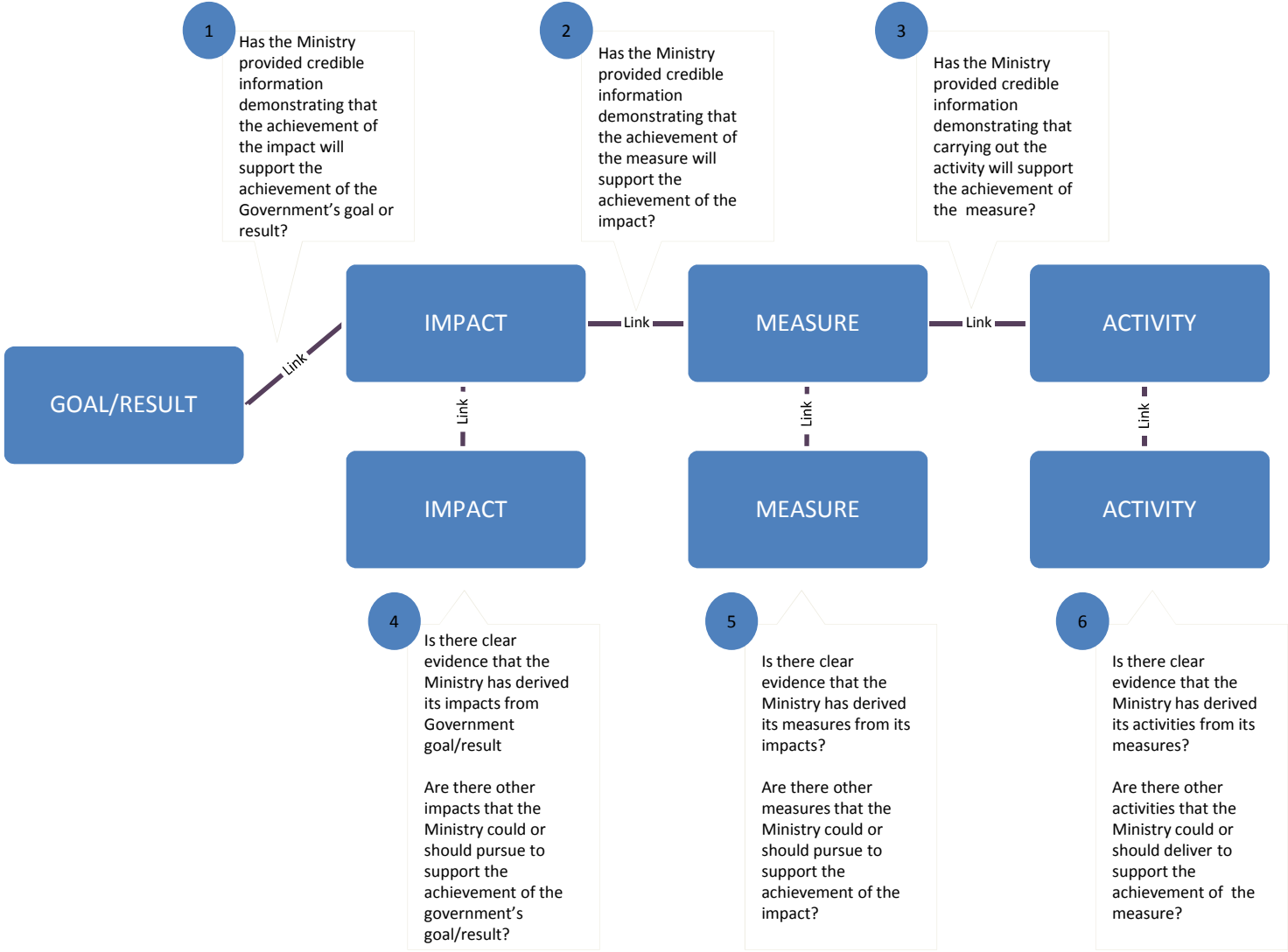


Good and great practice in every
agency, as well as across every
element of the Performance
Improvement Framework

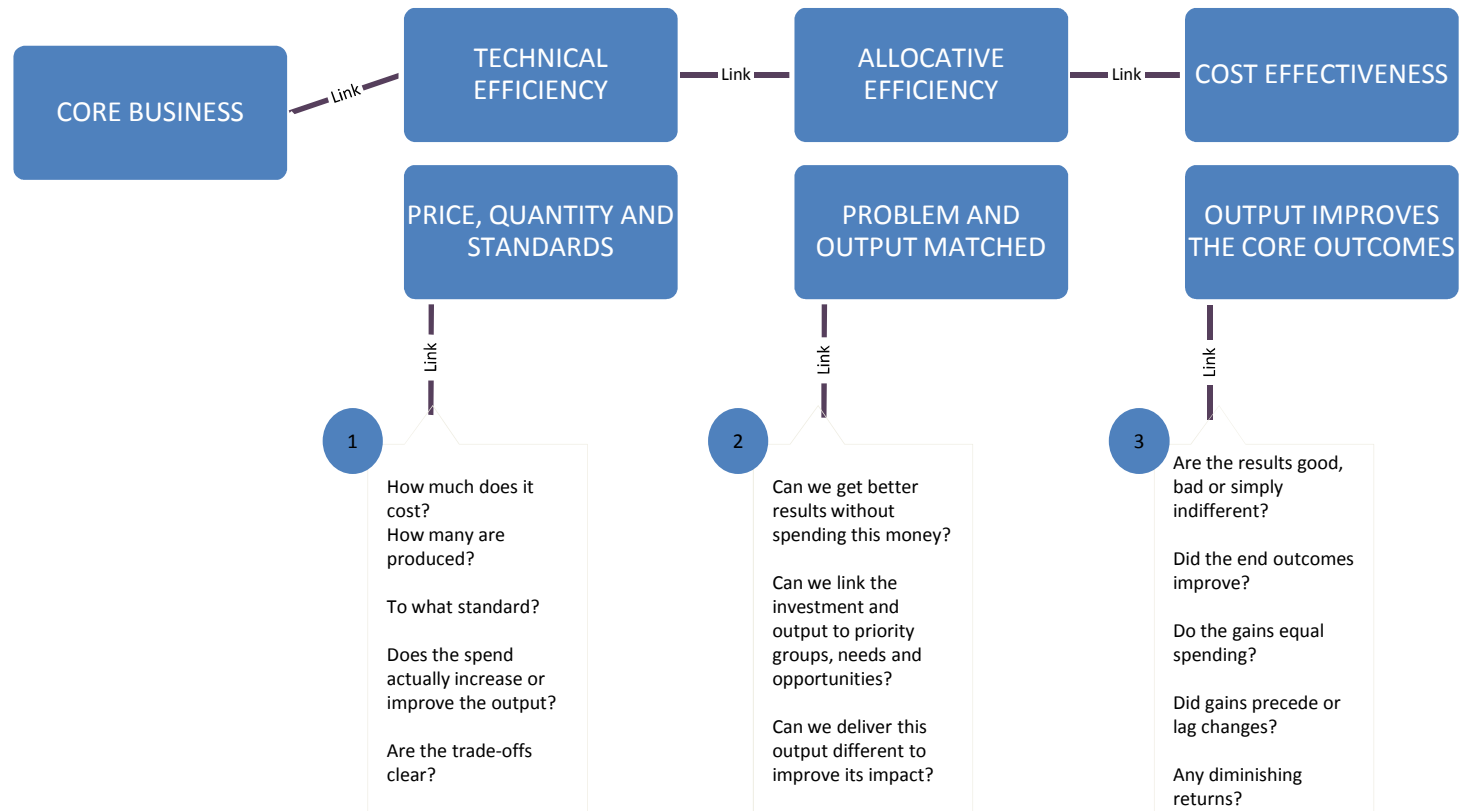
AGENCY RATINGS

Critical Area	Element	MFAT	DOC	TPK	LINZ	NZTA	NZTE	TSY	MSD	IRD	MOE	MWA	MPIA	SNZ	CLO
Leadership, Direction & Delivery	Vision, Strategy and Purpose	Orange	Orange	Orange	Orange	Green	Red	Orange	Green	Orange	Orange	Orange	Red	Green	Orange
	Leadership and Governance	Orange	Orange	Green	Green	Green	Orange	Orange	Green	Orange	Orange	Orange	Red	Green	Red
	Culture and Values	Orange	Orange	Green	Orange	Orange	Red	Orange	Green	Green	Orange	Orange	Orange	Green	Green
	Structure, Roles and Responsibilities	Red	Orange	Green	Orange	Green	Orange	Orange	Green	Green	Orange	Green	Orange	Green	Orange
	Review	Orange	Orange	Orange	Red	Green	Green	Green	Orange	Green	Green	Green	Red	Green	Orange
External Relationships	Engagement with the Minister(s)	Orange	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Orange	Orange	Green
	Sector Contribution	Green	Orange	Green	Orange	Orange	Orange	Orange	Green	Green	Orange	Orange	Orange	Orange	Orange
	Collaboration & Partnerships with Stakeholders	Green	Orange	Green	Green	Green	Orange	Orange	Green	Green	Orange	Orange	Green	Green	Orange
	Experiences of the Public	Orange	Orange	Green	Green	Green	Grey	Grey	Green	Green	Green	Grey	Grey	Green	Grey
People Development	Leadership & Workforce Development	Orange	Green	Orange	Green	Green	Red	Orange	Green	Green	Orange	Orange	Orange	Orange	Orange
	Management of People Performance	Orange	Green	Orange	Orange	Orange	Orange	Orange	Green	Green	Orange	Orange	Red	Orange	Green
	Engagement with Staff	Orange	Orange	Green	Green	Orange	Orange	Orange	Green	Green	Orange	Orange	Orange	Green	Orange
Financial & Resource Management	Asset Management	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Orange	Grey	Grey	Orange	Grey
	Information Management	Orange	Orange	Green	Green	Orange	Orange	Orange	Orange	Orange	Green	Red	Orange	Orange	Green
	Efficiency	Red	Green	Orange	Orange	Orange	Orange	Orange	Green	Green	Orange	Orange	Red	Orange	Orange
	Financial Management	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Green	Green	Red
	Risk Management	Orange	Orange	Orange	Orange	Green	Green	Orange	Green	Green	Orange	Green	Orange	Orange	Orange
	Regulatory impact	Grey	Green	Orange	Green	Orange	Grey	Green	Grey	Green	Green	Grey	Grey	Grey	Grey

GOVERNMENT PRIORITIES



CORE BUSINESS



A REAL PIF SELF REVIEW

Andy Rodger



Inland Revenue
Te Tari Taake

WHY

Purpose of the self review – objectives

Within the limitations of a document based review the PIF self review specifically aims to:

- Review how well IR has identified and responded to current Government priorities
- Review how effectively and efficiently IR is delivering on its core business
- Review IR's capability in the following operational management areas:
 - Leadership, Direction & Delivery
 - External Relationships
 - People Development
 - Financial & Resource Management
- Provide a view of key systemic issues / opportunities for improvements.

KEY PERSONNEL

Self Review Sponsor	Peter Mersi
Self Review Team	<ul style="list-style-type: none">• Review Team lead• 6 Analysts (mix of skills and experience)• Team Administrator
IR senior leadership team (SLT)	<ul style="list-style-type: none">• Commissioner Inland Revenue• Deputy Commissioner Service Delivery• Deputy Commissioner Policy Advice• Deputy Commissioner Corporate Services• Chief Tax Council• Deputy Commissioner Information Design & Systems• Deputy Commissioner Business Transformation

WHAT

The Review Team's Role

The primary role of the review team is to undertake research and analysis and provide judgement of IR's performance using the PIF model. In doing this, the review team members:

- identify the most appropriate lines of enquiry and information sources that are likely to provide evidence for the lead questions and appropriate lines of enquiries
- identify, collect and analyse IR information
- conduct interviews if deemed necessary
- write up findings to come up with a complete report
- present the findings to the SLT.

BENEFITS

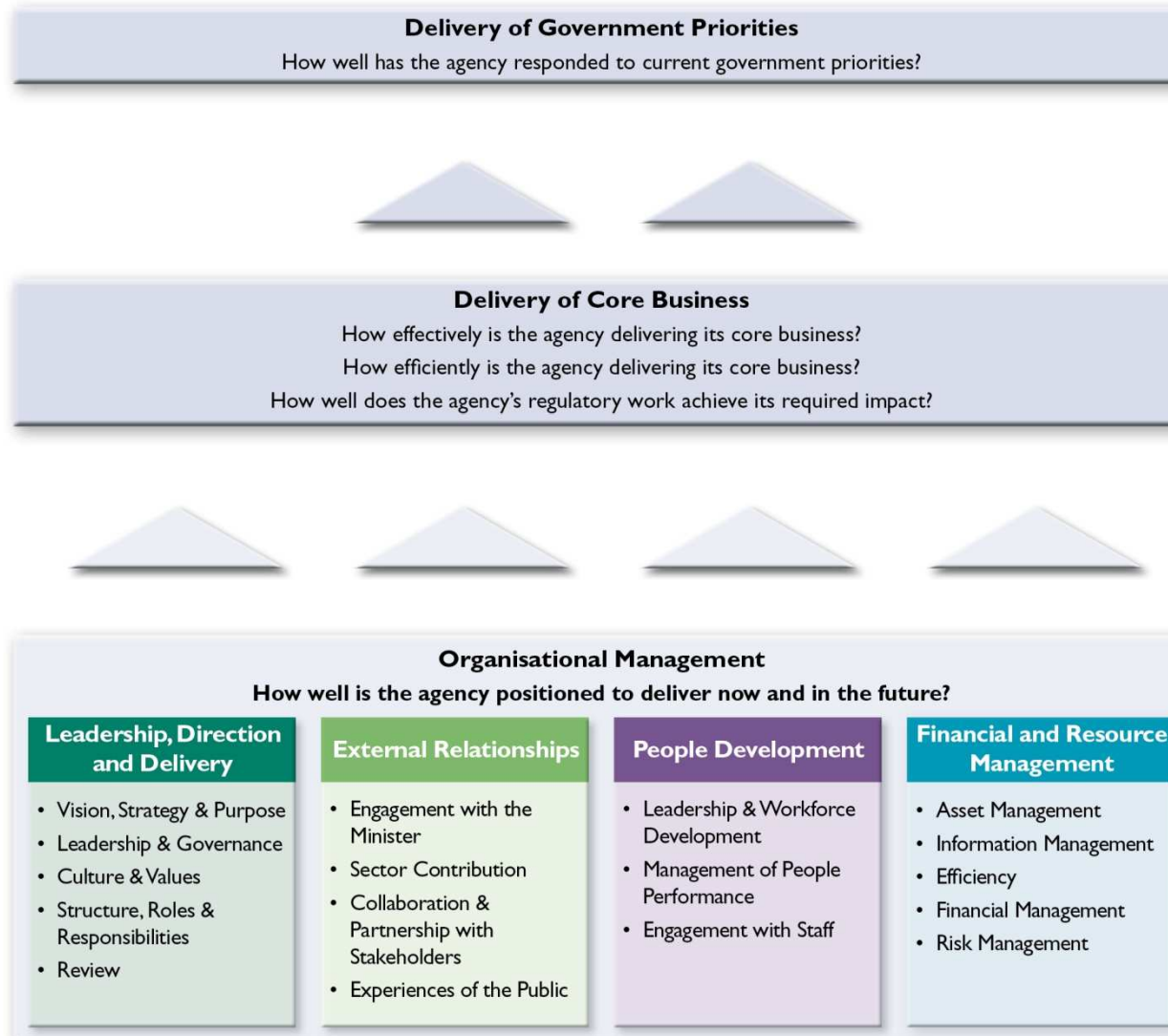
- Provided a systematic approach for the self review team to understand our strengths and weaknesses, and to agree a common unvarnished view across all of our business areas.
- Allowed us to better organise our documentation in advance and helped to prepare and categorise a wide range of strategic and operational documentation for the SSC review team.
- Provided some means to validate our other monitoring mechanisms.
- Use of a cross-business team provided a unique development opportunity for a number of the team members.

ISSUES AND CHALLENGES

- Tight deadlines
- Limiting the self review to a document based review
- Volume of documentation
- A number of documents covered same or similar topics seemingly without reference to each other leading to inconsistencies in content / message
- Lack of a organisation wide information management approach
- Team's approach to review of documentation

THE PIF MODEL

Performance Improvement Framework – High Level Agency Model



HOW TO MAKE A RATING






Exercise

RATINGS GUIDANCE

- Ratings should:
 - be consistent with commentary across interdependent areas
 - reflect immediate past challenges and current and expected challenges – look forward and reflect strategic positioning
 - be supported by commentary (positive and negative) to justify them and related recommendations
 - identify when they are affected by specific factors e.g. external constraints
 - if it is not possible to make a rating (for example because it is too early in the life cycle to make a judgement on performance or because the agency has been unable to act for reasons outside its control) the element should not be rated and the reasons for this set out in the commentary, and
 - recommendations should be consistent with ratings and commentary.

PIF RATINGS

Rating scale

Rating	Judgement	What it means
	Strong (Excellent)	Best practice/excellent <ul style="list-style-type: none"> • High level of capability and sustained and consistently high levels of performance • Systems in place to monitor and build capability to meet future demands • Organisational learning and external benchmarking used to continuously evaluate and improve performance.
	Well placed	Capable <ul style="list-style-type: none"> • Delivering to expectations with examples of high levels of performance • Evidence of attention given to assessing future demands and capability needs • Comprehensive and consistently good organisational practices and systems in place to support effective management
	Needing development	Developing <ul style="list-style-type: none"> • Adequate current performance – concerns about future performance • Beginning to focus on processes, repeatability, evaluation and improvement and management beyond and across units • Areas of underperformance or lack of capability are recognised by the agency • Strategies or action plans to lift performance or capability, or remedy deficiencies are in place and being implemented
	Weak	Unaware or limited capability <ul style="list-style-type: none"> • Significant area(s) of critical weakness or concern in terms of delivery and/or capability • Management focuses on tasks and actions rather than results and impacts • Agency has limited or no awareness of critical weaknesses or concerns • Strategies or plans to respond to areas of weakness are either not in place or not likely to have sufficient impact
	Unable to rate/not rated	There is either: <ul style="list-style-type: none"> • no evidence upon which a judgement can be made; or • the evidence available does not allow a credible judgement to be made.

QUESTION AND ANSWER SESSION

END