



2006

PARLIAMENT OF TASMANIA

**AUDITOR-GENERAL  
SPECIAL REPORT No. 62**

**TRAINING & DEVELOPMENT**

**November 2006**

*Presented to both Houses of Parliament in accordance with the provisions of Section  
57 of the Financial Management and Audit Act 1990*

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2 November 2006

President  
Legislative Council  
HOBART

Speaker  
House of Assembly  
HOBART

Dear Mr President  
Dear Mr Speaker

**SPECIAL REPORT NO. 62**  
**Training and Development**

This report has been prepared consequent to examinations conducted under section 44 of the *Financial Management and Audit Act 1990*, for submission to Parliament under the provisions of section 57 of the Act.

Performance audits seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, thereby identifying opportunities for improved performance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H M Blake', with a long horizontal stroke extending to the right.

H M Blake  
AUDITOR-GENERAL



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## Foreword

The combined focus of training and development (T&D) is to identify and ensure — through planned learning — the development of key competencies that enable employees to perform current or future jobs.

T&D helps organisations attain improved productivity, increased quality of outputs and better ability to cope with change. For employees, it can open up opportunities for advancement or secure existing positions.

This Report examines how effectively five government departments managed T&D. Essentially, we looked at systems for determining needs, whether the T&D was well carried out and how the overall process was managed.

Each of the five departments had performance management systems that enabled them to identify knowledge and skill gaps in their workforces. Most departments had devolved that task to the branch or divisional level so they could respond better to changing needs in their respective business environments. However, we found just over half of the T&D that employees attended during 2004–05 had not been previously identified through a formal process.

Regarding T&D actually delivered, we found in two departments their annual requirements of T&D had not been achieved for 2004–05 or, for the remaining departments, insufficient evidence to gauge the extent of delivery. Also, there was limited measurement of the cost-effectiveness of T&D by management, a situation that could be improved through better monitoring and recording.

Notwithstanding the above findings, T&D in the public sector was delivering benefits. As an example, we surveyed employees who had received recent T&D and they cited various pluses such as acquisition of new skills or knowledge, increased motivation and more sharing of knowledge.

The Report contains a number of recommendations aimed at enhancing departments' identification of current or future skill and knowledge requirements, reducing levels of ad hoc T&D and encouraging programs that meet common needs.

HM Blake

Auditor-General

2 November 2006

## List of acronyms and abbreviations

DIER	Department of Infrastructure, Energy and Resources
DPAC	Department of Premier and Cabinet
DPIW	Department of Primary Industries and Water
DTAE	Department of Tourism, Arts and the Environment
FMAA	<i>Financial Management and Audit Act 1990</i>
HR	Human Resource Management Branch
LADDER	Electronic planning and reporting tool that was being implemented at DTAE
PMR	Performance Management Review
SSA	<i>State Service Act 2000</i>
TAO	Tasmanian Audit Office
TTC	The Training Consortium
T&D	Training and Development
Treasury	Department of Treasury and Finance

## **Executive summary**

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## Executive summary

Training and Development (T&D) plays a significant role in the management and protection of the collective knowledge and skills of the Tasmanian Public Service.

Training is targeted at improving or updating the skills and knowledge that employees need to meet their current job responsibilities. Development, on the other hand, prepares employees for their future job responsibilities.

In this audit we examined T&D to ascertain whether it was effectively managed. In particular we asked:

- Was there an adequate system for determining T&D needs?
- Was implementation of T&D effective and efficient?
- Was T&D well managed?

The audit reviewed five Government departments:

- Department of Treasury and Finance (Treasury)
- Department of Infrastructure, Energy and Resources (DIER)
- Department of Premier and Cabinet (DPAC)
- Department of Primary Industries and Water (DPIW)
- Department of Tourism, Arts and the Environment (DTAE)

The scope of the audit was limited to a:

- survey of employees at the selected departments
- review of the documentation and procedures in place at each department.

### *Audit opinion*

#### *Determination of needs*

Treasury had an effective approach for identifying required skills based on core competencies and individual branch and employee requirements. Other departments tended to base their requirements on tasks listed in duty statements rather than competencies, and in most cases, the approach was not sufficiently detailed and comprehensive to identify all required skills. We noted that DTAE was in the process of introducing a new system that appeared likely to improve its capacity to determine skill requirements.

Having identified required knowledge, skills and abilities, departments should regularly assess each employee to determine T&D requirements. For the period of our review (i.e. 2004-05), only Treasury had performed reviews for all employees, with other agencies achieving a completion rate of less than 50% and DTAE unable to determine its completion rate.

In any event, despite the existence of such mechanisms for structured identification of employee T&D needs, we found high rates of ad hoc training (between 42% and 62%) at all departments.

### *Effective and efficient implementation*

We found that three quarters of identified June 2005 training needs had not been met at Treasury and DPAC in approximately 12 months, while the other audited departments were unable to provide information to enable us to assess the extent to which training needs were being met.

Although survey results from employees and supervisors indicated benefits (ability to perform new tasks, improved motivation, sharing of knowledge) from T&D, actual measurement of cost-effectiveness by management was limited.

We also found that:

- Treasury was the only department to identify common training needs.
- DIER, DPIW, DPAC and DTAE needed to ensure that all employees received adequate training on the State Service Act code and principles.
- Budgeting for T&D expenses was often historically based and did not link with branch action plans to address identified needs.
- We were not able to determine the level of funding for T&D at all departments.

### *Management*

At DTAE, Treasury and DIER, policies and procedures existed that supported T&D, although DIER's policies did not reflect current processes. DPAC and DPIW policies and procedures did not provide appropriate guidance and direction to ensure that branches were effectively and efficiently identifying and implementing T&D.

There was scope for all departments to improve recording of T&D identified and attended. There was also a need for better monitoring and reporting of the extent to which T&D needs had been met and T&D had been effective.

## *Recommendations*

In all, we made 21 recommendations aimed at improving the efficiency and effectiveness of T&D in the five departments.

Principally, these recommendations were targeted at:

- developing or enhancing frameworks to identify current and future knowledge and skill requirements
- reducing the levels of ad hoc training by making better use of the PMR system to identify needs
- developing programs to address common needs
- recording, measuring and reporting the benefits derived from T&D.

## Recommendations and management response

### *List of recommendations*

The following table reproduces the recommendations contained in the body of this report.

No	Report section	Recommendation
1	1.1.2.2	<p>DIER, DPAC and DPIW</p> <p>Frameworks should be developed or enhanced to identify the current and future knowledge and skills requirements at a department, division, branch and individual level. The frameworks should link directly with mechanisms to identify and appropriately address knowledge and skill gaps.</p>
2	1.2.2.3	<p>DIER, DPAC, DPIW and DTAE</p> <p>The PMR process should be fully implemented across departments with implementation and completion centrally monitored. In conjunction with Recommendation 1, PMRs should be further extended by developing frameworks that identify current and future knowledge and skills requirements at a department, branch and individual level.</p>
3	1.3.2.2	<p>DIER, DPAC and DPIW</p> <p>The performance of PMRs should be aligned with the annual planning process. Periodic follow-up reviews should be performed to ensure T&amp;D needs identified remain current and are implemented accordingly.</p>
4	1.4.2.5	<p>DIER, DPIW and DTAE</p> <p>A formal training approval process should be implemented that is capable of identifying whether the training is in response to a previously identified need or ad hoc.</p>
5	1.4.2.5	<p>DIER, DPAC, DPIW and DTAE</p> <p>Procedures should be introduced to ensure the T&amp;D approval processes are followed with documentation.</p>
6	1.5.2	<p>Treasury</p> <p>Treasury should look to reduce the quantity of ad hoc training being implemented.</p>

7	2.1.1.3	<p>All departments</p> <p>Departments should use the PMR process effectively to make certain that identified training needs from previous PMR processes have been implemented.</p> <p>A system should be implemented to assess the effectiveness of the PMR process.</p>
8	2.2.2.3	<p>DIER, DPAC, DPIW and DTAE</p> <p>Periodically, common T&amp;D needs of the department should be identified. T&amp;D programs addressing common needs should be developed and endorsed by the respective management group.</p> <p>The success of the programs should be centrally monitored and reported.</p>
9	2.3	<p>DIER, DPIW, DPAC and DTAE</p> <p>Departments should implement mechanisms to ensure that all employee's knowledge, skills and abilities include the requirements of the SSA code and principles.</p>
10	2.4.2.2	<p>DIER, DPAC, DPIW and DTAE</p> <p>Departments should monitor the expenditure on T&amp;D as one element of determining whether the level of T&amp;D is appropriate.</p>
11	2.4.2.2	<p>DIER, DPAC, DPIW and DTAE</p> <p>Departments should make an annual assessment of the effectiveness of the training budget.</p>
12	2.5.3.2	<p>All departments</p> <p>There should be a mechanism to ensure that, where applicable, T&amp;D leads to information sharing with other employees.</p>
13	2.5.3.2	<p>DIER, DPAC, DPIW and DTAE</p> <p>Departments should implement effective feedback mechanisms to assist in evaluation of T&amp;D activities.</p>
14	2.5.3.2	<p>All departments</p> <p>Departments should attempt to evaluate the improvement in organisational performance from T&amp;D activities.</p>
15	2.6.2	<p>DPAC, DPIW and DTAE</p> <p>Departments should develop a listing of preferred training providers including available courses to meet their core competency requirements. Cost-effectiveness of preferred training providers should be regularly reassessed.</p>

16	3.1.2.3	<p>DIER, DPAC and DPIW</p> <p>Policies and procedures for the management of T&amp;D should be re-developed and cover all aspects of the management of T&amp;D, including:</p> <ul style="list-style-type: none"> <li>▪ identification of training needs</li> <li>▪ link between T&amp;D and department objectives</li> <li>▪ approval and documentation processes</li> <li>▪ roles and responsibilities</li> <li>▪ T&amp;D budget.</li> </ul>
17	3.1.2.3	<p>DIER</p> <p>DIER should ensure that its T&amp;D policy is current and that current practices are in accordance with the policy.</p>
18	3.2.2.4	<p>All departments</p> <p>Departments should upgrade their records of T&amp;D identified and attended to improve management decision-making.</p>
19	3.3.2.4	<p>DIER, DPAC, DPIW and DTAE</p> <p>Performance information on all T&amp;D activities and processes should be reported periodically to the management group.</p>
20	3.3.2.4	<p>All departments</p> <p>Reporting should include an evaluation of the efficiency and effectiveness of the extent to which T&amp;D needs had been met and T&amp;D had been effective.</p>
21	3.4.4	<p>DIER, DPAC, DPIW and DTAE</p> <p>Departments that currently use a devolved T&amp;D model should consider adopting whole of department approaches to some T&amp;D management functions, for example policy development and reporting.</p>

### *Management response*

#### **DIER**

1 DIER *has* identified a set of common training needs and provides centrally coordinated and funded programs in the areas of:

- Giving and Receiving Feedback;
- Negotiating the Way;
- Recruitment and Selection;

- Workplace Behaviour (including information on the Code of Conduct and State Service Principles); and,
- Employee Orientation (also includes information on the Code and Principles).

The organisation is currently creating a development program for managers.

DIER maintains central records relating to employee attendance at the above courses.

2 DIER's Self Management Planning (SMP) proforma encourages employees to identify their development needs as part of the performance appraisal process, based on the employee's Statement of Duties, work plans and other sources. The SMP is not being widely utilised at present but it will be amended and re-issued as part of the review of the Performance Appraisal system.

3 DIER has recently conducted an internal review of its Performance Appraisal system, and as a direct consequence the system will be amended to systemically strengthen the links between business objectives and individual performance. This process will include an emphasis on setting learning and development targets that are linked to business objectives, and following up to ensure that the targets are achieved.

### **DPAC**

The following comments are provided in respect of the above Report:

- DPAC intends to pursue a number of recommendations contained in the report, however it does have some concerns if implementation of all the recommendations compelled it to introduce a centralised "top down" approach to the formulation of all training and development (T&D) needs.
- As with many other State Service agencies DPAC is an organisation with considerable organisational diversity, which requires T&D solutions to be tailored to the specific requirements of the various organisation units. For example, the T&D strategies in the Office of Parliamentary Counsel have no particular relevance for those required for Women Tasmania or the Telecommunications Management Division.
- A component of the Department's Corporate Planning process does involve the specification of departmental strategies but the formulation of T&D needs based solely on such broad strategic direction would not satisfy T&D needs at each individual organisational unit level.

- This diversity of function between divisions and branches within DPAC means that it has a devolved managerial model. This includes the devolution of business planning and financial management responsibilities to those organisational units, including management of the T&D budget.
- There are, of course, some situations when Department-wide T&D initiatives are implemented and these are usually funded centrally and carried out for all staff of the Department. Examples include the implementation of the Departmental Performance Management and Development program and the introduction of an updated version of the Windows operating system. These form a relatively small part of the overall Departmental T&D activity.
- DPAC acknowledges that its performance management system is still maturing and improvements can and will be made in its management of T&D, and that further work will be required to work with the recommendations of this report in the context of DPAC's management approach.

### **DPIW**

The Performance Audit On Training And Development in the Public Sector relates to the period 2004-05. Since that time the Department of Primary Industries, Water and Environment (DPIW) has continued to utilise performance management processes as a critical management tool in improving organisation performance through the identification and development of employee skills and abilities.

The Department's Senior Executive Officers are required to report (bi-annually) through the senior executive performance management process on the implementation of performance management system within their Divisions, as this is a key corporate performance indicator of the Agency. As part of their reports the Senior Executive Officers also report on the training and development requirements of their respective divisions

The Agency's current performance management system was introduced in 2004 with a two-year implementation period.

After full implementation of performance management processes within the Agency by July 2006, DPIW has commenced planning for a comprehensive review of its performance management system. As part of that planning process it has been agreed that the recommendations of the Performance Audit on Training And Development conducted by your Office be considered as part of the formal review of DPIW's performance management system and policies.

## **DTAE**

The Department of Tourism Arts and Environment is a relatively new department having been effectively operational since June 2003. The Environment Division was transferred to the Department in April 2006 from the former Department of Primary Industries, Water and the Environment.

Fundamental frameworks and policies have been developed for the Department to manage its people and ongoing capability. A capability framework has been developed with an integrated focus on:

- performance management;
- workforce planning; and
- learning and development.

As noted on a number of occasions in the Report these initiatives are being progressively implemented within each Division. A Learning and Development Coordinator position has been established recently to support the framework implementation and ongoing programme management.

The continued implementation of these frameworks, policies, processes and information tools will address the major recommendations in the Report relevant to the Department and in particular:

- Implementation of the Department's performance management system (WLAT) will be completed by 30 June 2007 across all divisions;
- Implementation of the Department's learning and development framework (LDF) will be fully implemented early in the 2007-08 financial year in support of the (WLAT);
- All training and development requirements are linked to the WLAT and LDF. In addition all training is recorded in an electronic workflow that requires the appropriate manager's approval;
- The Coordinator position will review the WLAT and LDF implementation across the Department and report to executive management;
- Training and development needs and generic programmes including Code of Conduct will be identified and coordinated through this position; and
- The Coordinator will also monitor expenditure and effectiveness of training and development across the

Department and maintain a register of preferred training providers.

The Department strongly supports the directions proposed within the Report and will ensure that the processes, information and “centralised” resources underpin the necessity for managers to allocate resources to whole of department and specialised training and development.

Thank you for the opportunity to provide comments on the Report.

### **Treasury**

Treasury places an important focus on learning and development activities, to both enhance organisational capability and to provide development opportunities for our staff. In recent time Treasury has adopted an even more systematic and strategic approach towards the delivery of our learning and development programs with the establishment of various learning frameworks. We have also placed increased emphasis on the strategies to overcome the recognised barriers to an effective transfer of learning back into the workplace.

We have a strong belief in continuous improvement and appreciate the Auditor-General’s recommendations as assisting us in our endeavours. The final report will be tabled at our Learning and Development Committee and any subsequent actions, in the light of the recommendations, to further enhance the operation of our learning and development program, will be identified.



## **Introduction**

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## Introduction

### *Background*

Training and Development (T&D) plays a significant role in the management and protection of the collective knowledge and skills of the Tasmanian Public Service.

With training, individual employees and groups of employees learn to improve or update the skills and knowledge they require to meet their current job responsibilities. On the other hand, development, assists employees in preparing for their future job responsibilities.

Under the *State Service Act 2000*, Heads of Agency are required to<sup>1</sup>:

develop and implement systems to evaluate the performance of employees in that Agency to ensure that the duties of employees are performed effectively and efficiently.

Section 4 of the Commissioner's Direction No.4 outlines principles that underpin effective performance management systems, including the principle that "training needs relevant to performance objectives should be clearly identified, agreed upon and a strategy put in place to address them" and that performance reviews should occur at least yearly.

The way T&D is provided within each department may vary. Some T&D is generic in its nature (e.g. leadership training provided to managers) and may be amenable to a model of centralised control and coordination. Alternatively, for departments with widely varying and complex lines of business and service delivery (e.g. as with DPIW where staff include veterinarians, quarantine officers, wildlife rangers, scientists, laboratory analysts) the situation may be different. There, de-centralised models may better manage T&D needs — and sourcing of suitable providers — provided that policies and processes are in place to ensure that the desired outcomes are effectively and consistently achieved.

Regardless of the organisational setting, the common goal should be to improve the overall performance of each department by employees performing their current and future jobs at the highest possible level. One way to achieve this is through the appropriate identification and implementation of T&D. Although T&D can be a significant investment, to not invest in T&D can have adverse effects on a department's performance.

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<sup>1</sup> Section 34(1)(g)

Also, training delivered at any level without the appropriate management of the investment can result in ineffective and inefficient use of department resources.

### *Objective*

The audit objectives were to:

- examine the efficiency and effectiveness of the management of T&D
- determine whether management had set appropriate objectives, strategies, standards, and performance indicators
- assess the adequacy of measurement and reporting systems.

### *Scope*

The audit reviewed five Government departments, namely:

- Treasury and Finance (Treasury)
- Infrastructure, Energy and Resources (DIER)
- Premier and Cabinet (DPAC)
- Primary Industries and Water (DPIW)
- Tourism, Arts and the Environment (DTAE).

The scope of the audit was limited to a:

- survey of employees at the selected departments
- review of the procedures in place at each department.

Our survey involved a representative random sample of employees at each department. It sought the employees' views on, and experience of, T&D within their department, in particular an assessment of the most recent T&D course undertaken in the financial year 2004-05. Employees were also requested to respond to the survey if no T&D had been undertaken during that period. To obtain a broad view of T&D, each employee's immediate supervisor was also requested to take part in the survey.

We sent surveys to 495 employees and their immediate supervisors and received a 37% response rate with employees and 32% with supervisors. The survey findings are included within the body of this Report. Interpreting the data to obtain meaningful results was difficult due to the low response rates. In the Report we do not use the responses to form statistical conclusions. However, we were confident that the number of responses was sufficient to be

indicative, particularly when there was a consensus amongst the respondents.

Finally, we conducted reviews of T&D strategies undertaken at the selected departments. We contacted officers within HR and selected branches and reviewed relevant documentation. We conducted detailed testing on selected processes.

Treasury was the only department with a centralised learning and development unit including a Learning and Development Committee. DTAE was in the process of moving to a more centralised system. At the time of our audit, DTAE was implementing new initiatives including a capability development framework and LADDER, an electronic planning and reporting tool. The other departments audited had devolved such responsibilities, to certain degrees, to individual divisions and branches. We interviewed responsible officers at selected branches at each of these departments, including DTAE, to gain an understanding of how they managed T&D.

Our audit scope did not include an assessment of the effectiveness and efficiency of the management of other forms of learning, for example on-the-job T&D or acting in another role.

### *Criteria*

We applied the following audit criteria:

- determination of T&D needs
- implementation of effective and efficient T&D
- management of T&D.

### *Audit methodology*

The audit included:

- conducting interviews and discussions with key personnel and the review of agency documentation
- detailed testing to confirm our understanding of the major relevant processes
- use of a questionnaire for completion by the recipients of T&D and their immediate supervisors.

### *Stakeholder input*

In line with the Audit Office's established practice for the conduct of performance audits, we convened an advisory committee to reflect stakeholder views. The committee provided input to the audit's methodology and reviewed the draft report upon its completion.

Nevertheless, the views expressed in this Report are those of the Auditor-General, and are not necessarily shared by other members of the advisory committee.

The Auditor-General chaired the committee and its members were drawn from the following Agencies:

- Treasury
- DIER
- DPAC
- DPIW
- DTAE
- The Training Consortium (TTC).

### *Timing*

The audit commenced in October 2005 and concluded in November 2006.

### *Resources*

The total cost of the audit excluding report production costs was approximately \$108 000.



## **1 Determination of T&D needs**

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## 1 Determination of T&D needs

This section of the report examines the effectiveness and efficiency of the determination of T&D needs within the Tasmanian Public Sector, including the:

- identification of required skills, knowledge and ability
- identification of employee training needs
- timing of T&D identification
- approval of T&D
- ad hoc T&D analysis.

### 1.1 *Identification of required skills, knowledge and ability*

#### 1.1.1 *Background*

Determining the best strategy for managing T&D requires departments to regularly identify the knowledge, skills and abilities needed to achieve the goals and objectives of the department, now and in the future. Ideally, this should be done at an individual employee and department level. By comparing existing competencies with necessary competencies, skill gaps will be identified.

The skill gaps should then be analysed to determine if T&D can effectively address the identified needs, how much T&D is required and where it should be targeted.

#### 1.1.2 *Findings*

All departments had a mechanism that defined required skills.

##### 1.1.2.1 *Treasury*

The most important element of Treasury's needs analysis was the core competency framework. This document outlined the knowledge, skills and abilities required for each position type and level. The core competency framework was not regularly updated, but was supplemented by the branch development needs analysis performed during the annual planning process and reflected in individual employee statements of duties. In addition, each new major project incorporated an assessment of any new skills required.

This core competency framework and the statement of duties fed into Treasury's Performance Management Review (PMR) process that was the basis for determining T&D needs in conjunction with the branch development needs analysis. We were satisfied that the Treasury approach would be effective in identifying required department, branch and individual knowledge and skills.

### 1.1.2.2 DIER, DPAC and DPIW

DIER, DPAC and DPIW adopted similar processes for the identification of T&D needs. Each department used statements of duties to assess required knowledge and skills and, like Treasury, each new major project incorporated an assessment of any new skills required.

The specific skills, knowledge and ability required for each position were stated within each position's statement of duties.

DPIW had a framework based on a business/service delivery model that directly linked individual training needs to corporate and business planning in the department. However, in our view the focus tended to be on tasks rather than competencies — comments that equally apply to DIER and DPAC.

At DIER and DPAC we also found:

- There was no formal framework that provided a strategy for linking individual T&D needs to department goals and objectives.
- Each manager was individually responsible for identifying the required skills, knowledge and ability for each branch and individual position in conjunction with the statement of duties. Statements of duties were required to be updated annually in conjunction with the PMR and business planning processes. There was no guidance or instruction given on how this process should be undertaken, other than the principles outlined in Section 4 of Commissioner's Direction No. 4. Furthermore, there was no regular or systematic process to ensure that it occurred across the department.
- Statements of duties were utilised for initial employee recruitment. In most cases, they were not sufficiently detailed and comprehensive to identify all required skills.

**Recommendation 1 (DIER, DPAC and DPIW)**

**Frameworks should be developed or enhanced to identify the current and future knowledge and skills requirements at a department, division, branch and individual level. The frameworks should link directly with mechanisms to identify and appropriately address knowledge and skill gaps.**

### 1.1.2.3 DTAE

Previously, DTAE utilised statements of duties to assess the required knowledge and skills. In addition, each new major project incorporated an assessment of any additional skills required.

DTAE was implementing a department-wide framework with supporting tools that will aid branches not only in identifying T&D needs but the overall PMR process. The most important elements of DTAE's needs analysis were the capability development framework and the PMR process, 'Working Learning and Achieving Together'. The capability development framework performed during the annual planning cycle will map the knowledge, skills and abilities required for each branch and identify the current and future skill gaps. The PMR procedure also included a current set of core competencies at an employee and managerial level.

We were satisfied that the DTAE future approach was likely to be effective in identifying department, branch and individual knowledge and skills requirements.

## 1.2 Identification of employee T&D needs

### 1.2.1 Background

Having identified required needs, departments should assess each employee's current levels of knowledge, skills and abilities with those needs. The assessment should consider whether T&D is the best approach to address knowledge and skill gaps or if other factors, including the work environment, are the source of performance issues.

PMRs are an effective mechanism to identify T&D needs. Ideally, the process should:

- determine whether previously identified training needs have been met
- consider all identified needs for the employee
- identify future T&D activities to meet identified skill and knowledge needs by review undertaken by suitably trained personnel.

### 1.2.2 Findings

#### 1.2.2.1 Treasury

At Treasury, we found that all PMRs were completed six-monthly. PMRs assess the employee's current skills against the required skills of the position, and identified future training needs. The process also reviewed whether previously identified training needs had been met.

The positive findings reflect:

- PMRs had been in place for a number of years.
- Completion was monitored centrally by the HR group.
- There was reporting to the Corporate Management Group on PMRs completed, which enhanced accountability.

#### *1.2.2.2 DIER, DPAC and DPIW*

PMR systems were at various stages of development and implementation at the three departments. At this stage, only DIER and DPAC had implemented any level of centralised monitoring. At all three departments the focus was on implementing identification of training needs at branch rather than at an overall organisational level and accordingly there were substantial variations between the approach and extent of implementation at different branches.

DPIW had devolved the PMR process to its business units. We found that, at the time of the audit, two of the four branches visited had no PMR process in place. Individual Managers at DPIW report once a year to the General Manager directly on PMR performance. The department subsequently advised us that the annual reporting of PMRs by General Managers of the respective business units had been fully completed by the end of June 2006.

At DPAC, HR had a monitoring role that was reinforced by annual reporting to the management group. At DIER, General Managers and the Executive received quarterly reports detailing the rate of performance appraisal completion in each Branch. All branches that we visited at DIER and DPAC had PMRs. Despite the varying approaches, we concluded that the rates of PMR completion in the three departments were all less than 50% in 2004-05<sup>2</sup>. We acknowledge that participation rates were increasing at DIER and DPAC.

As noted in Section 1.1.2.2, at these departments, knowledge and skills had not been determined other than in their statements of duties and thus the PMR process exhibited only a limited capacity to determine knowledge or skills deficiencies and training needs. Where PMRs had been completed, most did identify training needs.

In all three departments, the PMR forms provided for evaluation of whether previously identified training needs had been met. In the case of DPIW, the PMR template was only a guide, which branches may have chosen not to follow.

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<sup>2</sup> State Service Commission – Annual Report for 2004-2005

### 1.2.2.3 DTAE

The PMR process, ‘Working Learning and Achieving Together’ was fully developed but at various stages of implementation across DTAE. Nonetheless, branches visited had a PMR process in place. The completion of PMRs was not centrally monitored and therefore we were unable to determine completion rates as very few records were maintained. The implementation of LADDER (an intranet-based planning and reporting tool) will allow the completion of PMRs to be centrally monitored.

As noted in section 1.1.2.3, knowledge and skills had not been determined other than in statements of duties. However, the capability development framework was likely to effectively determine knowledge and skills requirements, gaps and T&D needs.

The PMR form provided for evaluation as to whether previously identified training needs had been met.

#### **Recommendation 2 (DIER, DPAC, DPIW and DTAE)**

**The PMR process should be fully implemented across departments with implementation and completion centrally monitored. In conjunction with Recommendation 1, PMRs should be further extended by developing frameworks that identify current and future knowledge and skills requirements at a department, branch and individual level.**

## 1.3 *Timing of T&D identification*

### 1.3.1 *Background*

To maximise the effectiveness of the identification of T&D through the OPMR process, PMRs should be aligned with the department annual planning period that incorporates knowledge and skill needs assessment. To ensure T&D needs identified remain relevant, periodic progress reviews should be performed during the year. Progress reviews also ensure that T&D plans were being effectively implemented.

The performance of PMRs at the same time each year may also lead to efficiencies where common T&D needs are identified, programs are developed and implemented simultaneously.

### 1.3.2 *Findings*

#### 1.3.2.1 *Treasury and DTAE*

We were satisfied that the system in place at Treasury and the new initiatives being implemented at DTAE were effective and efficient

mechanisms for the identification of T&D in a timely fashion. In particular:

- Treasury performed PMRs every six months for the periods ending 30 June and 31 December. The branch development needs analysis was performed during the annual planning process.
- DTAE's 'Working Learning and Achieving Together' was structured to include three reviews to identify goals, an interim progress review and annual review. The identification of individual goals will be aligned with the annual planning cycle and capability assessment.

#### 1.3.2.2 *DIER, DPAC and DPIW*

DIER performed PMRs annually on the anniversary date of each employee's commencement.

DPAC and DPIW performed PMRs annually and branches were encouraged to perform PMRs during annual planning activities but this was not a compulsory requirement. For example, TMD at DPAC performed a review in October each year and a progress review in April for all employees.

#### **Recommendation 3 (DIER, DPAC and DPIW)**

**The performance of PMRs should be aligned with the annual planning process. Periodic follow-up reviews should be performed to ensure T&D needs identified remain current and are implemented accordingly.**

### 1.4 *Approval of T&D*

#### 1.4.1 *Background*

Ideally, all T&D undertaken should be of genuine value to the department. To support that objective, mechanisms should be established to make sure that all T&D is assessed and approved by accountable officers.

To guarantee that accountable officers do appropriately assess T&D, evidence of their approval should identify the T&D as being either:

- planned through the department's formal needs identification process
- meeting some other formally identified organisational need
- not previously identified, but valuable nevertheless.

### 1.4.2 Findings

The majority of departments had procedures in place to confirm that all T&D was appropriately assessed.

#### 1.4.2.1 Treasury

Supervisors and branch managers were required to approve all T&D, and ensure that the training was:

- a PMR identified training need
- approved as a skill required in current position
- identified as a personal development need.

Our review of a sample of T&D undertaken concluded that approval forms were being used and appropriately authorised. The majority of forms included comments supporting the purpose of the T&D.

We were satisfied that the Treasury approach was effective in ensuring that T&D was appropriately approved and the identification of T&D was appropriately evidenced. We also noted that the centralised processing and storage of approval forms facilitated summary recording and reporting.

#### 1.4.2.2 DIER

Branch managers must complete and approve all T&D application forms and forward them to HR for filing on the employee file. The audit noted that although the form required the purpose of attending the T&D to be recorded, there was no requirement to identify whether or not it was intended to address a need previously identified by formal processes.

Our review of a sample concluded that forms were not being used to support the application of T&D. Selected branch officers confirmed that although all T&D was approved, application forms were very rarely used.

#### 1.4.2.3 DPAC

Branch managers must complete and approve all application forms and forward them to HR for filing on the employee file and ensure that the T&D was:

- skills and/or knowledge development
- related to the development review
- to meet the prime purpose of the skills and knowledge within the statement of duties.

We were informed that approval forms were generally not used. Again, selected branch officers confirmed that although all T&D was approved, application forms were seldom used.

#### 1.4.2.4 *DPIW*

Branch managers must approve all T&D and individual branches were responsible for the development of T&D approval mechanisms since there was no standardised department approval form. Here too, selected branch officers confirmed that although all T&D was approved, application forms were not utilised.

#### 1.4.2.5 *DTAE*

Branch managers must approve all T&D but there was no standardised department form. Although all T&D was approved, selected branch officers confirmed that application forms were not utilised.

LADDER will be used to track applications and approval of T&D. This system was being implemented across the department and was likely to result in T&D being appropriately approved.

There was no current specific requirement within LADDER to link the T&D attended as designed to meet a need identified previously using PMR processes or on an ad hoc basis. However, PMR procedures require identified development actions including T&D to be entered into LADDER.

#### **Recommendation 4 (DIER, DPIW and DTAE)**

**A formal training approval process should be implemented that is capable of identifying whether the training is in response to a previously identified need or ad hoc.**

#### **Recommendation 5 (DIER, DPAC, DPIW and DTAE)**

**Procedures should be introduced to ensure the T&D approval processes are followed with documentation.**

### 1.5 *Ad hoc T&D analysis*

#### 1.5.1 *Background*

T&D may be identified through a number of mechanisms including:

- organisational need
- legislative requirement
- planning through PMR

- ad hoc.

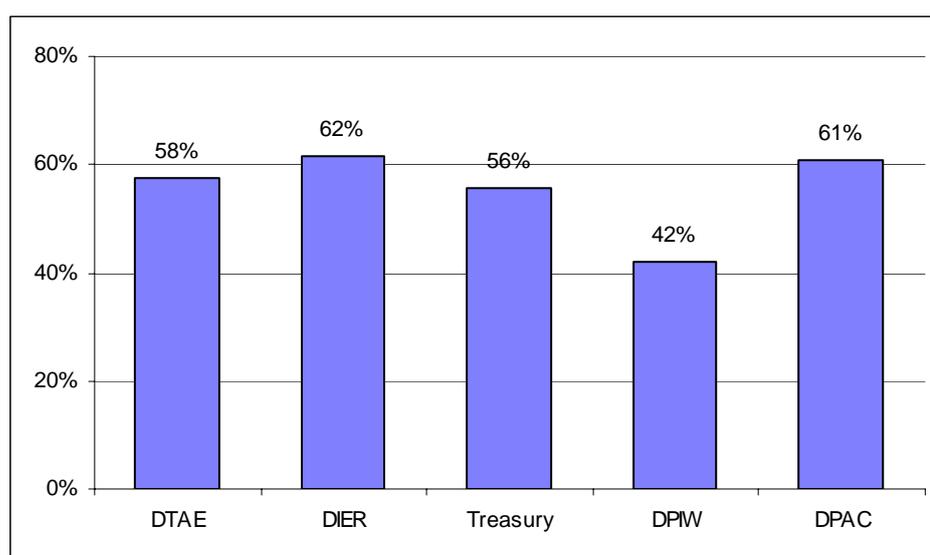
Ad hoc identification and implementation of T&D increases the risk that training will focus on the individual requests from employees rather than being used as a tool for increasing department performance. That does not mean that we can conclude that ad hoc training was not valuable. Nonetheless, we believe that training to meet a previously identified need can be expected to be more valuable than training identified on ‘the spur of the moment’.

### 1.5.2 Survey results

Of the employees who responded to the survey, 56% reported that the last training course attended during 2004-05 was ad hoc, that is not previously identified through a formal process. Our testing was limited due to available data but available information supported the survey results.

For each department, the percentages of ad hoc T&D reported from the employee survey are shown in Figure 1.

**Figure 1: Survey results of ad hoc training attendance**



The high percentage for ad hoc training was expected given the level of implementation of needs-based training at all departments other than Treasury. There, a higher than expected percentage of T&D had not been based on the formal needs assessment system. In our view, it is undesirable that substantial ad hoc training should occur where sophisticated systems exist to identify systemic training needs.

#### **Recommendation 6 (Treasury)**

**Treasury should look to reduce the quantity of ad hoc training being implemented.**

## **2 Implementation of effective and efficient T&D**

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## 2 Implementation of effective and efficient T&D

This section of the Report examines the effectiveness and efficiency of the implementation of T&D within the selected departments of the Tasmanian Public Sector, including:

- implementation of T&D
- internally provided training
- T&D funding
- evaluation of cost-effectiveness
- promoting cost-effectiveness.

We also included in this section a review of the extent to which T&D was provided in the area of the State Service Act code and principles and the role of The Training Consortium in providing this training.

### 2.1 *Implementation of T&D*

#### 2.1.1 *Background*

Departments should have mechanisms to ensure that the identified T&D needs of employees are met.

#### 2.1.2 *Findings*

##### 2.1.1.1 *Treasury*

Treasury had a centralised system for tracking T&D requirements and course attendance.

A sample of employees tested indicated that the majority of T&D undertaken was not identified as a result of PMRs. Our sample indicated that although 100% of PMRs completed did identify T&D, only 23% of that T&D had been undertaken at the time of our review (although that may have been a little understated because record keeping was one month behind). Further, our testing was based on PMRs for June 2005 and therefore relevant courses may not have been available for employees to attend from that time to the date of our testing.

Survey results indicated that only:

- 26% of respondents believed they were not getting enough training.
- 19% of respondents believed that other training was more important than the training undertaken.

- 15% of respondents believed that funding cuts had prevented them from undertaking training to meet formally identified needs.

In our view the above percentages are low given the subjectivity of people's perceptions in this area.

One explanation for the apparent contradiction between the low percentages of T&D needs being met and employees' high satisfaction with the level and selection of training was that they were not making PMR-identified T&D a high priority.

The PMR form required T&D undertaken since the last review to be listed including learning outcomes achieved. The PMR form also required an assessment of the progress achieved on the previous action plan including any T&D identified. This process could not be tested as PMRs had only been centrally maintained for a short period. From the low level of training undertaken to meet identified needs it would appear that this follow up process was not effective.

#### *2.1.1.2 DIER, DPIW and DTAE*

We were unable to assess at DIER, DPIW and DTAE whether T&D needs were being effectively implemented as the PMR process was in the early stages of implementation. Additionally, minimal details of T&D undertaken were recorded centrally.

PMR forms required an annual assessment on the progress of previous action plans identified through the previous PMR.

DTAE's PMR form required an assessment on the progress of previous goals identified through the previous PMR noted at the annual, interim and final PMR meeting. Furthermore, DTAE's new initiative LADDER was planned to electronically track all T&D attended.

#### *2.1.1.3 DPAC*

DPAC had a centralised system for tracking T&D requirements and course attendance.

Our sample indicated that although 92% of the PMRs completed identified T&D, only 24% of that T&D had been undertaken at the time of our review. However, our testing was based on PMRs performed during 2005 and relevant courses may not have been available for employees to attend up to the date of testing.

The results reflect the newly implemented PMR process and the doubts held by DPAC about the completeness and accuracy of centrally recorded information.

Survey results indicated that only:

- 35% of respondents believed they were not getting enough training.
- 35% of respondents believed that other training was more important than the training undertaken.
- 22% of respondents believed that funding cuts had prevented them from undertaking training to meet formally identified needs.

As previously noted, such percentages were highly subjective and we considered the above percentages to be low.

One explanation for the apparent contradiction between the low percentages of training needs being met and employees' high satisfaction with the level and selection of training was that employees were not making PMR-identified training a high priority.

The PMR form required an annual assessment of progress achieved on development plan actions. We were unable to test the effectiveness of this process as the PMR was in the early stages of implementation.

DPAC's Corporate Management Group received an annual report on PMRs including T&D identified. Future reports will include an assessment of T&D identified through PMRs against actual T&D undertaken.

**Recommendation 7 (all departments)**

**Departments should use the PMR process effectively to make certain that identified training needs from previous PMR processes have been implemented.**

**A system should be implemented to assess the effectiveness of the PMR process as it relates to T&D.**

## 2.2 *Internally provided T&D*

### 2.2.1 *Background*

In this category we included:

- internally developed training programs
- external T&D programs delivered in-house
- TTC T&D programs.

Internally provided T&D is an efficient mechanism for implementing common T&D needs of departments. The development of department-wide programs offers the following benefits:

- increased likelihood that employees will receive the required training

- reduced the cost of T&D through economies of scale.

T&D programs should be developed and the promotion and communication of the availability of T&D activities should be made to all employees within the departments. T&D programs should be assessed periodically to ensure the programs remain relevant.

### 2.2.2 Findings

#### 2.2.2.1 Treasury

Treasury developed six-monthly corporate T&D programs, with the corporate T&D budget being 45% of the expenditure on T&D in 2004–05. The programs reflected T&D priorities identified through PMRs and the branch development needs analysis, and were designed to meet these needs in a cost effective manner. It was the shared responsibility of supervisors and employees to ensure T&D outside of the T&D programs was implemented.

The Corporate Management Group endorsed all programs and the Learning and Development Committee monitored and reported to their respective management group on the success of the programs. The Learning and Development Committee regularly assessed the implementation of the centrally coordinated T&D programs.

We were satisfied that Treasury’s approach was effective and efficient in identifying and implementing T&D programs for the department.

#### 2.2.2.2 DIER, DPAC and DPIW

Limited T&D programs were centrally co-ordinated at DIER, DPAC and DPIW. Branches were primarily responsible for the implementation of all T&D. There were no other mechanisms to continually identify common training needs within these departments:

- DIER was implementing a development program for all managers. Training to support the PMR, negotiating, communication, recruitment and induction processes was also centrally coordinated and monitored. This training was identified as a department need through the annual planning process and was regularly reviewed for appropriateness
- DPAC centrally coordinated courses to support the State Service Act (SSA) code and principles
- DPIW was implementing a development program for all managers in addition to the implementation of courses to support the SSA code and principles.

The above courses were assessed periodically for appropriateness. It was not possible to continually identify common T&D requirements across DIER and DPIW. Specific branches ran programs to meet statutory or compulsory T&D needs only.

DPAC centrally monitored a register of T&D needs identified through the PMR process and ensured that relevant employees were notified when a suitable course became available.

### 2.2.2.3 DTAE

Limited T&D programs were centrally co-ordinated at DTAE. There were no other mechanisms to identify common training needs within the department. Centrally coordinated training included courses to support the SSA code and principles, occupational health and safety and a leadership development program for all managers and supervisors was being implemented.

Specific branches ran programs for statutory and compulsory T&D needs. No other assessment was undertaken of common T&D needs outside of these requirements.

The new capabilities development framework was likely to result in common needs being identified for each specific branch and division, and the department as a whole via T&D action plans. Progress achieved against division and branch T&D action plans will be reported annually to the DTAE Executive.

#### **Recommendation 8 (DIER, DPAC, DPIW and DTAE)**

**Periodically, common T&D needs of the department should be identified. T&D programs addressing common needs should be developed and endorsed by the respective management group.**

**The success of the programs should be centrally monitored and reported.**

### 2.2.3 Survey results

The survey requested that respondents classify their T&D previously undertaken in 2004-05 as externally provided or provided internally, provided in-house or through the TTC.

**Table 1: Internal training attendance**

Department	Internally provided
Treasury	30%
DIER	19%
DPAC	27%
DPIW	38%
DTAE	29%

Table 1 shows that a high percentage of employees sampled had undertaken internal training. Interestingly, Treasury did not have the highest percentage of employees, despite having the most sophisticated and centralised system for determining needs. The Treasury corporate training program was only implemented in approximately September 2005. Therefore, it was likely that the level of internally provided T&D will improve.

The results perhaps reflected the low rate of questionnaire completion and potential ambiguity over the internal and external classification. Another possibility is that individual branches were performing internal training, which may not offer the same economies of scale as department-wide programs.

### 2.3 *State Service Act and The Training Consortium (TTC)*

TTC is a unit within DPAC that provides training for the Tasmanian Public Sector. On the one hand, it is just another training coordinator in a competitive market and we have given little attention to this aspect of its operations. On the other hand, we believe the TTC has an important role in ensuring that the principles of the SSA are effectively promulgated. We were interested to see whether departmental processes were effective to ensure that employees receive this training.

A link to the TTC web site was available on the intranet at each of the departments reviewed. The majority of departments promoted specific TTC courses via the intranet or newsletter notification. However, there was no requirement for employees to attend TTC courses, in particular those courses addressing the SSA code and principles.

There was no consistent or widespread strategy within departments to ensure all employees received sufficient T&D on the SSA code and principles. However, Treasury and DTAE had included the requirement to uphold SSA principles in their core competency frameworks. Treasury's induction program included new employees discussing and formally confirming their understanding of the SSA

principle and code. Furthermore, Treasury also required employees to read and affirm their commitment to the SSA principles and code of conduct at each six-monthly PMR.

**Recommendation 9 (DIER, DPIW, DPAC and DTAE)**

**Departments should implement mechanisms to ensure that all employee’s knowledge, skills and abilities include the requirements of the SSA code and principles.**

## 2.4 *T&D funding*

### 2.4.1 *Background*

An indicator of a department’s commitment to T&D is the level of investment it makes in training and developing its employees. T&D, however, can be viewed not only as an investment but also as a cost that can be increased or decreased in response to budget decisions. Budget restrictions can reduce the ability of departments to train and develop employees as funds are directed to maintaining current service levels and maintaining employee positions.

To ensure resources are effectively used, budgets should be developed and clearly aligned against the T&D needs and priorities. Budgets and T&D activities should be regularly monitored to ensure priorities are effectively and efficiently met.

To support such monitoring, and to appropriately assess the effectiveness of T&D activities, expenditure must be clearly and consistently recorded for reporting and analysis.

### 2.4.2 *Findings*

Table 2 represents the T&D spending in the financial year 2004–05. Figures were obtained from financial data included within the annual report and finance systems. The Table also includes the level of survey respondent participation in 2004–05 and the respondent’s perception of the impact of funding restraints on T&D availability.

**Table 2: T&D investment and participation:**

<b>Department</b>	<b>Average cost per employee</b>	<b>Participation rate<sup>3</sup></b>	<b>Perceived funding restriction<sup>4</sup></b>
DIER	\$900	60%	19%
DPAC	NA	56%	22%
DPIW	NA <sup>5</sup>	66%	26%
DTAE	\$905	76%	31%
Treasury	\$863	73%	15%

We were concerned about the comparability of data and these matters are discussed separately in the sections below. We do not express an opinion on the level of funding or participation rate that was considered appropriate. The overall majority of survey respondents believed that funding restraints did not restrict T&D opportunities in 2004-05.

#### *2.4.2.1 Treasury*

The Corporate Management Group and the Learning and Development Committee develop and monitor the Corporate T&D budget. The budget is based on T&D identified through PMRs and the annual branch development needs assessment. The mechanism for the development and monitoring of other T&D budgets outside of the corporate budget is the responsibility of individual branches. The Learning and Development Committee monitors expenditure across the department, branch by branch, every six months.

#### *2.4.2.2 DIER, DPAC, DPIW and DTAE*

Individual branches were responsible for the development and monitoring of T&D budgets. Branch officers noted that budgets were based on an assessment of planned T&D and the previous year's allocation. However, there was no requirement to directly link T&D identified by PMRs and other mechanisms to the budget established.

The new capability development framework at DTAE will require direct links to be established between T&D budgets and branch action plans to address identified needs. Action plan implementation will need to be regularly monitored against established budgets.

Table 2 indicates that both DPIW and DTAE had the highest percentage of survey respondents who believed that training

<sup>3</sup> Percentage of employees surveyed who had T&D in 2004-05

<sup>4</sup> Percentage of employees surveyed who believed T&D availability was restricted by funding restraints

<sup>5</sup> T&D expenditure was not separately tracked within the financial management information system

opportunities had been restricted due to funding. Both departments had high participation rates over the surveyed period. A possible explanation was that despite the substantial training provided, it was still not sufficient in the eyes of some employees.

**Recommendation 10 (DIER, DPAC, DPIW and DTAE)**

**Departments should monitor the expenditure on T&D as one element of determining whether the level of T&D is appropriate.**

**Recommendation 11 (DIER, DPAC, DPIW and DTAE)**

**Departments should make an annual assessment of the effectiveness of the training budget.**

## 2.5 *Evaluation of cost-effectiveness*

### 2.5.1 *Background*

Departments should obtain feedback on their T&D investment and report on how T&D has affected performance. Furthermore, the results should also be used to assist in improving the cost-effectiveness of future T&D. Evaluation can be based on:

- departmental performance
- delivery of specific services and programmes
- an employee's capability.

It is difficult to evaluate the effectiveness of T&D because of the inability to isolate its contribution to both organisational outcomes and employee development, although models<sup>6</sup> have been developed that purportedly can assist with such evaluations.

Some data collection techniques could include:

- feedback from employees
- feedback from supervisors
- review of skill deficiencies addressed in PMRs
- review of branch performance data
- performance of assessments and tests.

We used a survey to attempt to assess the value of training provided by obtaining feedback from employees and supervisors. Also, we

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<sup>6</sup> Australian Public Service Commission, 2005, *Evaluating Learning and Development: A Framework for Judging Success*, 2005.

reviewed the extent to which the audited departments used the above techniques.

### *2.5.2 Survey results*

Our survey included several questions evaluating the employees' most recent T&D activity. The overall majority of respondents rated their training as "Good-Excellent". In most cases, employees were able to remember three or more specific points from their course. However, the results should be treated with caution because of the inherent bias of employees who overwhelmingly stated that they enjoy training.

Employees and supervisors surveyed believed that their previous training course had led to the following benefits:

- ability to perform a new task, or an existing task more confidently (46%)
- improved motivation, relationships or non-technical skills (25%)
- ability to provide training or information to others (14%)
- improved promotion prospects or led to a pay increase (7%)
- facilitated organisational change (4%)
- other (4%).

Supervisors were further asked whether there was a process at departments to share information with other employees after an employee had attended T&D. Only 48% of respondents noted that there were processes (formal and informal) to share such information.

### *2.5.3 Evaluation*

#### *2.5.3.1 Treasury*

The evaluation of the effectiveness of T&D activities at Treasury focused on measuring employees' immediate reactions to the design and content of the T&D attended. All employees attending in-house or externally provided T&D were requested to provide feedback. In addition, employees and their supervisors completed T&D action plans for all courses longer than one day. HR collated the results from this information and provided reports to the Learning and Development Committee. Also, the Learning and Development Committee continually reviewed the processes and procedures supporting T&D identification and implementation and regularly reported the status of T&D to the Corporate Management Group.

There was no structure or process within Treasury to evaluate the effect T&D had on departmental performance. Assessments did not involve the extraction and collation of information on the extent to which PMR-identified skill deficiencies had been rectified by training undertaken between successive PMRs.

The Learning and Development Committee was investigating strategies and models on the evaluation of T&D on organisational performance. Furthermore, the current feedback mechanisms were continually being assessed and improved.

### *2.5.3.2 DIER, DPAC, DPIW and DTAE*

As noted above with Treasury, there was no structure or mechanism within these departments to evaluate the effectiveness and efficiency of T&D processes and activities and the overall effect T&D had on department performance. This was primarily due to the lack of complete and accurate information available to make an appropriate assessment.

Furthermore, evaluations were not performed at DIER and DPIW on the effectiveness and efficiency of T&D processes and procedures supporting the management of T&D.

#### **Recommendation 12 (all departments)**

**There should be a mechanism to ensure that, where applicable, T&D leads to information sharing with other employees.**

#### **Recommendation 13 (DIER, DPAC, DPIW and DTAE)**

**Departments should implement effective feedback mechanisms to assist in evaluation of T&D activities.**

#### **Recommendation 14 (all departments)**

**Departments should attempt to evaluate the improvement in organisational performance from T&D activities.**

## *2.6 Promoting cost-effectiveness*

### *2.6.1 Background*

In this section we look at whether departments were promoting those training providers and courses that would maximise cost-effectiveness of training provision.

### 2.6.2 Findings

Treasury maintained a training matrix of preferred training providers and available courses. The matrix was updated every six months in conjunction with the PMR process and was available via the intranet to all employees. This was an effective and efficient mechanism to provide employees with guidance to the appropriate selection of courses and providers, particularly in core-competency areas.

Through the development of T&D programs, Treasury's Learning and Development Committee also assessed the cost-effectiveness of in-house T&D.

The remaining departments did not maintain a centralised listing of preferred training providers and available courses. The intranets of all departments provided a link to the TTC while HR branches were available for advice on training providers when requested. There were no mechanisms to assess the cost-effectiveness of courses.

**Recommendation 15 (DPAC, DPIW and DTAE)**

**Departments should develop a listing of preferred training providers including available courses to meet their core competency requirements. Cost-effectiveness of preferred training providers should be regularly reassessed.**



### 3 Management of T&D

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## 3 Management of T&D

This section of the report examines some T&D management processes, including:

- T&D policies and procedures
- management records
- monitoring and reporting
- structure.

### 3.1 *T&D policies and procedures*

#### 3.1.1 *Background*

Departments need to have a clear T&D strategy in order to ensure that it is used as a tool for addressing skill deficiencies and increasing performance rather than being focused on the individual requests of employees or mandatory training. The strategy needs to be effectively communicated and promulgated via policies and procedures. Some of the elements that need to be covered include:

- identification of training needs
- link between T&D and corporate objectives
- approval process
- roles and responsibilities
- T&D budget.

It is important that policies and procedures should represent current practice.

#### 3.1.2 *Findings*

##### 3.1.2.1 *Treasury*

There were policies and procedures to support T&D within Treasury. The policies adequately reflected current processes and were continually assessed and updated.

##### 3.1.2.2 *DIER*

There were several policies and procedures to support T&D within DIER. The policies did not reflect current processes and were not widely utilised by employees. In particular:

- The PMR policy did not directly focus on T&D identification and implementation as a component of PMRs.

- The self-management planning policy did not reflect current processes, as self-management plans were not used.
- The learning and development policy stated that T&D management was devolved to branches and they were required to establish separate policies and procedures for the implementation of T&D. However, selected branch officers noted that separate branch policies and procedures did not exist.

### 3.1.2.3 DPAC and DPIW

Both departments had extensive performance management policies but there were no specific T&D policies and procedures. The policies linked the PMR process to the goals and objectives of the departments and the annual planning process. Guidance was also provided to branches on developing branch-specific policies and procedures on PMR and T&D. While T&D was mentioned within the policy as a component of PMR, no further guidance was provided. Selected branch officers noted that separate branch policies and procedures did not exist. Within DPAC, TMD had developed separate policies and procedures for T&D.

Policies and procedures did not provide appropriate guidance and direction to ensure that branches were effectively and efficiently identifying and implementing T&D. There were no specific policies and procedures on how branches should implement and manage T&D including approval and documentation procedures outside of the standard procurement requirements.

#### **Recommendation 16 (DIER, DPAC and DPIW)**

**Policies and procedures for the management of T&D should be re-developed and cover all aspects of the management of T&D, including:**

- **identification of training needs**
- **link between T&D and department objectives**
- **approval and documentation processes**
- **roles and responsibilities**
- **T&D budget.**

#### **Recommendation 17 (DIER)**

**DIER should ensure that its T&D policy is current and that current practices are in accordance with the policy.**

#### 3.1.2.4 DTAE

Policy and procedure documents supporting the new capability development framework ‘Working, Learning, Achieving Together’ and LADDER were extensive and thorough, adequately addressing all aspects of the management of T&D including the department’s T&D strategy. The processes, supporting policies and procedures were being rolled out in stages across the department to ensure appropriate adoption and implementation.

We were satisfied that the new DTAE policies and procedures were likely to effectively support T&D at DTAE.

### 3.2 Management records

#### 3.2.1 Background

Complete and accurate T&D records are an essential tool for maximising the effective and efficient identification and implementation of T&D. Also, T&D records are required to evaluate the effectiveness of T&D and the appropriateness of the supporting processes and procedures. Typical T&D records might include:

- PMR completion data
- needs identified
- courses undertaken (linked to identified needs)
- feedback data
- duration
- costs.

#### 3.2.2 Findings

##### 3.2.2.1 Treasury

Treasury maintained comprehensive records in two separate databases updated manually by HR. An example of information extracted from the databases was that in 2004–05 approximately 78% of employees attended training. There was no electronic link between courses attended and needs identified through PMRs. A link of this nature would provide an effective reporting mechanism to ensure that identified needs were addressed.

##### 3.2.2.2 DIER

DIER maintained limited information updated manually by HR. Records included PMR completion status and T&D courses attended.

As noted previously, training application forms were not widely used, or reliably forwarded to HR, which adversely impacted the completeness of records maintained.

Our discussions also highlighted that T&D records were not maintained at individual branches or divisions.

### 3.2.2.3 DPAC

DPAC maintained T&D information in two separate databases updated manually by HR. Information included:

- needs identified through PMRs (manually used to identify training participants when a course became available)
- PMR completion status
- T&D courses attended and cost information (separately maintained by the Finance Branch).

HR did not consider the information received from Finance Branch to be complete. There was no electronic link between courses attended and needs identified through PMRs. Such a link would provide an effective reporting mechanism to ensure identified needs were addressed.

### 3.2.2.4 DPIW and DTAE

There were no centrally maintained records of T&D at DPIW and DTAE, although individual branches maintained varying levels of information about training courses completed.

The capability management framework and LADDER when fully implemented at DTAE were expected to meet all or most information requirements.

#### **Recommendation 18 (all departments)**

**Departments should upgrade their records of T&D identified and attended to improve management decision-making.**

## 3.3 Monitoring and reporting

### 3.3.1 Background

Departments need monitoring and reporting processes to enable management to determine whether:

- knowledge and skill needs are being addressed
- the level of T&D is excessive
- T&D is equitable between employees and branches

- T&D being provided is at a reasonable cost
- T&D is effective.

### 3.3.2 Findings

#### 3.3.2.1 Treasury

Treasury, through HR and the Learning and Development Committee, had sound mechanisms in place to assess and continually improve T&D processes, at both the departmental and branch level. The success of the corporate T&D programs was monitored by HR and reported to the Learning and Development Committee.

However, there were no reporting mechanisms to assess whether all identified T&D needs had been met and whether training had been effective.

#### 3.3.2.2 DPAC

The DPAC Corporate Management Group received an annual report assessing the implementation of the PMR process, including an analysis of the number and nature of T&D activities identified for each branch. Further reports will include an assessment on whether T&D needs identified had been met.

There were no reporting mechanisms to assess whether identified T&D needs had been met and whether training had been effective. Primarily, this was due to the lack of available systems to appropriately track T&D identified and implemented across the department as noted in section 3.2.

#### 3.3.2.3 DIER and DPIW

DIER and DPIW did not routinely report any information regarding the management of T&D to their departmental management groups. Again, this was primarily due to the lack of available systems to appropriately track T&D identified and implemented across the departments as noted in section 3.2.

#### 3.3.2.4 DTAE

DTAE did not report any information regarding the management of T&D to respective management groups. As noted with DPAC, DIER and DPIW, this was primarily due to the lack of available systems to appropriately track T&D identified and implemented across the department (noted in section 3.2).

HR reported to the DTAE Executive on the progress achieved on the implementation of HR initiatives including the capability development framework and LADDER.

The new capability development framework and LADDER were likely to result in effective reporting mechanisms. Although not fully implemented, it is our understanding that the new processes will involve improved reporting to the DTAE Executive including progress achieved on the implementation of T&D needs identified.

**Recommendation 19 (DIER, DPAC, DPIW and DTAE)**

**Performance information on all T&D activities and processes should be reported periodically to the management group.**

**Recommendation 20 (all departments)**

**Reporting should include an evaluation of the efficiency and effectiveness of the extent to which T&D needs had been met and T&D had been effective.**

### 3.4 *Structure*

#### 3.4.1 *Background*

Departments need to have clearly defined roles and responsibilities for managing T&D. Treasury and DTAE either had or were moving towards centralised models. DIER, DPAC and DPIW had largely devolved implementation and management of T&D to divisions and branches.

#### 3.4.2 *Policy setting*

At all departments reviewed, HR was responsible for the development of policies and procedures to support the T&D process. DIER, DPAC and DPIW devolved the responsibility of developing specific T&D procedures to individual branches. As noted in section 3.1, branches at these departments had developed specific policies and procedures.

#### 3.4.3 *Identifying needs and implementing T&D*

Treasury's Learning and Development Committee (in conjunction with HR) centrally managed the planning and implementation of department-wide strategies and initiatives. These strategies involved a whole of department approach to the identification of knowledge and skills and the implementation of common T&D needs through centrally managed T&D programs.

DIER, DPAC, and DPIW had fully devolved the management of T&D to branches but had provided minimal direction or instruction to aid in the identification of skills and knowledge requirements or the implementation of T&D. Furthermore, DPIW had fully

devolved the management of the PMR process — including the development of PMR frameworks — to individual branches: a decision based on the diversity and specialisation of that department's functions. At that time, all DPIW managers participated in compulsory PMR training.

The new capability development framework at DTAE involved a whole of department approach to the identification of knowledge and skills. Additionally, the implementation of LADDER was likely to lead to a similar approach to the implementation of T&D.

In our opinion, there are substantial benefits from a more centralised T&D model including:

- identification and implementation of targeted T&D through the establishment of department programs
- increased efficiencies via economies of scale through department programs
- increased ability to monitor and report complete and accurate information on the effectiveness and efficiency of T&D procedures.

#### *3.4.4 Feedback and monitoring*

Treasury, through HR and the Learning and Development Committee, centrally managed and monitored the implementation of PMRs and T&D (including procedures and supporting tools and the feedback received). There was no equivalent body at the other departments.

DTAE was appointing a Learning and Development Officer whose appointment was likely to increase the amount of effective feedback and monitoring undertaken at the department.

#### **Recommendation 21 (DIER, DPAC, DPIW and DTAE)**

**Departments that currently use a devolved T&D model should consider adopting whole of department approaches to some T&D management functions, for example policy development and reporting.**

## 4 Recent Reports

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## 4 Recent reports

<b>Year</b>	<b>Special Report No.</b>	<b>Title</b>
2001	36	Collection of receivables and loans in Tasmanian government departments
2001	37	Archives Office of Tasmania
2001	38	The implementation of Goods and Services Tax in government agencies and local government entities
2001	39	Bank account reconciliations
2002	40	Environmental management and pollution control
2002	41	Keeping schools safe
2002	42	Follow up of performance audits
2002	43	Oral health service: Something to smile about?
2002	44	Managing community service orders
2003	45	Business names and incorporated associations: What's in a name?
2003	46	Leave in government departments
2003	47	Public sector web sites
2003	48	Grants to the community sector
2003	49	Staff selection in government agencies
2003	50	Police response times
2004	-	Ex-gratia payment to the former Governor Mr R W Butler AC
2004	51	Special purpose and trust funds: Department of Health and Human Services
2004	52	Internal audit in the public sector
2005	53	Follow-up audits
2005	54	Compliance audits
2005	55	Gun control in Tasmania
2005	56	TT-Line: Governance review
2005	57	Public housing: Meeting the need?
2005	58	FBT, Payment of Accounts and Bridges
2006	59	Delegations in government agencies, Local government delegations and Overseas Travel
2006	60	Building Security and Contracts appointing Global Value Management
2006	61	Elective Surgery in Public Hospitals

## 5 Future projects

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## 5 Future projects

Details of performance and compliance audits that the Auditor-General is considering are:

### PERFORMANCE AUDITS:

<b>Business case and recurrent funding for new Risdon Prison</b>	Examines:  some economic aspects of the business case for the new prison  adequacy of planning and provision of recurrent funding to run the new prison.
<b>Follow up of previous performance audits</b>	Examines the degree of implementation of recommendations in selected performance audits between July 2001 and December 2004:  No 37: Archives Office of Tasmania  No 40: Environmental management and pollution control  No 43: Oral health services: Something to smile about?  No 44: Managing community service orders  No 45: Business names and incorporated associations: What's in a name?  No 50: Police response times  No 52: Internal audit in the public sector.

### COMPLIANCE AUDITS:

<b>Building security part 2</b>	Continuing on from Special Report No. 60, the audit will examine physical security at public access sites such as schools, hospitals and libraries.
<b>Selected allowances and nurses' overtime</b>	Examines allowances paid to Ambulance Officers, Visiting Medical Officers and Custodial Officers. Also reviews trends in nurses' overtime at the Royal Hobart Hospital over a three-year period.
<b>Environmental Management and Pollution Control Act 1994 Level 1 activities</b>	Examines compliance by councils with their obligations to manage small-scale industry under the <i>Environmental Management and Pollution Control Act 1994</i> .

