



Australian Government

Department of Veterans' Affairs

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# DVA Enterprise Level Risks

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This document is a point-in-time assessment of DVA risks and the actions planned to address them. It was facilitated by KPMG but the contents of this document are the opinions and intentions of DVA Management.

# Introduction

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The Department of Veterans' Affairs operates under the policy agenda set by the Government, the Repatriation Commission and the Military Rehabilitation and Compensation Commission. It has been established to support those who serve or have served in the defence of our nation and commemorate their service and sacrifice.

It aims to be a responsive and flexible organisation, efficiently delivering high quality, connected services to all generations of veterans and the wider veteran community and to uphold the Australian Public Service values.

## Objectives

While it has a range of detailed objectives, they may be expressed overall as:

- A. Provide clients with necessary and entitled assistance to achieve their full potential
- B. Timely, efficient and accurate processing
- C. Make services available to DVA clients wherever they may live
- D. Appropriately recognise the sacrifice of those who have served
- E. Operate within assigned budget; operate in compliance with the law; preserve and improve DVA's reputation
- F. Retain a stable and competent workforce

## Strategy

DVA's overall strategy is defined in the document *DVA Towards 2020*.

	 Client-Focused	 Responsive	 Connected
Client	<p>We will think of the whole person and their family when considering client needs.</p> <p>We will better deliver compensation and rehabilitation support with a strong focus on the accuracy and timeliness of claims processing.</p> <p>We will sensitively acknowledge service and sacrifice through the delivery and support of commemorative programs.</p>	<p>We will listen to feedback and act on it to implement the services clients need.</p> <p>We will tailor and customise service delivery to respond to emerging needs.</p>	<p>We will work with Defence, Ex-Service Organisations, providers and other stakeholders to achieve the best health and wellbeing outcomes for clients.</p> <p>We will work with clients and stakeholders to co-design cohesive client-centric services.</p>
Culture	<p>We will communicate clearly and simply.</p> <p>We will base our policies and programs on understanding client needs and experiences through research and evidence.</p>	<p>We will be flexible in the way we manage our approach to service delivery.</p> <p>We will be quick to adapt to change.</p>	<p>We will design effective policies and programs, and ensure they are linked across business areas.</p> <p>We will work across boundaries to ensure seamless, connected service delivery.</p>
Organisation	<p>We will be a rewarding place to work with empathetic, capable and conscientious staff who put clients first.</p> <p>We will support staff with efficient IT systems so they serve clients better.</p> <p>We will support staff to deliver client-centric services by providing opportunities for ongoing learning and development.</p>	<p>We will think of fresh ways of doing business and managing our money.</p> <p>We will be more responsive by simplifying policies, processes and systems.</p>	<p>We will enable clients to have the choice to access more services online.</p> <p>We will take advantage of whole of government initiatives and leverage the expertise of others to design and deliver services.</p>

## Enterprise Level Risks

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Risks are associated with all objectives in every organisation. Risk management is a formalised process to help managers identify, prioritise and address the significant risks relevant to their responsibilities. Each risk is, by definition, associated with one or more objectives; risks are the expression of uncertainty in relation to corporate objectives.

DVA monitors its most significant risks at the senior executive level in the organisation. In February 2014, the DVA senior executive formally considered the enterprise-level risks of DVA. This document details the result of this consideration.

DVA has adopted the relevant Australian Standard (AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*) as the basis for its risk management practices.

## Summary of Risks

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DVA has identified seven risks to be monitored at enterprise level:

- Inability to adapt to client/stakeholder needs and feedback and/or failure to develop/implement appropriate solutions/services to address them (Objective A).
- Failure to respond to and meet the requirements of Government (Objectives A to E).
- Failure to make the right budget choices to facilitate appropriate response to change (Objective E).
- Failure to initiate and/or complete appropriate reform activities (Objectives A and C).
- Failure to deliver appropriate, successful, dignified and solemn activities (Objective D).
- Failure to retain/develop a skilled workforce - people who are skilled to deliver (Objective F).
- Failure to maintain/develop ICT and business capability – the processes and systems to deliver current and future services (Objectives A, B, C, E, F).

## Risk Management Strategy

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Each of the identified risks will be assigned a **Coordinator** (SES Band 1 officer), who is responsible for establishing a plan for managing the risk and ensuring that each component of the risk management plan has an accountable manager and appropriate resourcing.

Each risk will also be assigned an **Assurer** (SES Band 2 officer), who will assess the risk management plan and monitor its implementation. The Assurer will provide advice at least once a year on the status of the risk to the Performance and Projects Committee.

The notes below amplify the intent of the statement of risk and point to factors that must be considered in the treatment.

### **Inability to adapt to client/stakeholder needs and feedback and/or failure to develop/implement appropriate solutions/services to address them.**

#### *Issues to be Considered:*

- Risk of failing by trying to take on too much, too soon without recognising resource constraints.
- Need to consider the external components/aspect (ESOs, clients and broader community). Risk of not adequately assessing the role of intermediaries in the system. What should our system look like and what is the role of intermediaries in it? ESOs, lawyers, advocates, providers, carers.
- Consider the groups who are intermediaries between DVA and Government.
- The changing needs of our client base are both a threat and opportunity. What is the changing need? What is the service standard, how do we maximise the service delivery?
- Maximising service to clients should be the focus. This should be a driver of our ability to adapt. Opportunities – ‘channel choice’ how do we go about delivering services? How do we respond to community expectations?

- As more of our services are delivered by contractors/providers/agencies, how do we ensure that our strategic themes (client-focus, responsive, connected) are embodied into the service delivery of these entities? How do we ensure that they meet our service standards?
- Underlying fundamentals of concern – leadership group being too risk averse, not taking on new measures. Limited ability to respond to changes. Too slow to reform or to implement reform. There is a need to build/maintain credibility with staff, as many were initiatives not completed in the past.
- Need to consider the changing technology in the medical field. We need to leverage what others can provide and use appropriate technology to deliver services to clients.

### **Failure to respond to and meet the requirements of Government.**

#### *Issues to be Considered:*

- The current Government is keen to simplify processes. There is too much complexity in our systems and processes, opaque to our clients, impenetrable for clients accessing services.
- To gain efficiencies we need buy in: willingness from staff and of those sharing the provision of services. Services are not delivered by DVA on its own. DHS, contract providers, hospitals etc need to embrace responsive, strategic direction/vision of DVA.
- Underlying fundamentals of concern – leadership group being too risk averse, not taking on new measures. Limited ability to respond to changes. Too slow to reform or to implement reform.
- Government initiated activities such as Regulation Reform, against which all policy must be considered, and the implementation of the Public Governance, Performance and Accountability Act 2013.

## **Failure to make the right budget choices to facilitate appropriate response to change.**

### *Issues to be Considered:*

- Reducing budget impacts service delivery, office location and structure. It leads to a potential negative consequence for service delivery. It is necessary to change how we go about service delivery.
- There is a decision making risk – reducing budgets lead to conflicting priorities, the wrong priority choices can lead to failure. Constrained options, due to reduced finance, amplify the requirement to make the right choice
- The implication of this is that each funding decision should be accompanied by an appropriate risk assessment that considers not only the risks associated with cost and implementation but also the risks associated with benefits realisation. Such a risk assessment should have scope, level of detail and technique that is appropriate to the complexity of the decision and the timeframe in which it must be made. Nevertheless, it is not appropriate to allow tardy submission of a request to force a decision.

## **Failure to initiate and/or complete appropriate reform activities.**

### *Issues to be Considered:*

- Commission of Audit provides an opportunity to look at processes and simplify them, make more client-focused and easier for staff to implement. E.g. simplify process for submissions to Commissions.
- Underlying fundamentals of concern – leadership group being too risk averse, not taking on new measures. Limited ability to respond to changes. Too slow to reform or to implement a reform.

**Failure to deliver appropriate, successful, dignified and solemn activities.**

*Issues to be Considered:*

- These could be really positive for DVA in a reputational sense. These are high profile; the community is very interested. They do not necessarily touch on other aspects of business, but the consequence of poor delivery would impact other business areas.
- Mounting public opinion about weighing costs of commemoration against costs to provide support (including mental health support) for contemporary veterans.

**Failure to retain/develop a skilled workforce - people who are skilled to deliver.**

*Issues to be Considered:*

- We need to develop and retain a workforce of appropriate size and skill to deliver services wherever needed.
- We need a workplace culture that focuses on the ability to meet future needs of the organisation: to embed a performance based workplace culture. All managers must take responsibility to manage staff. Failure to do this leads to inability to work as a whole and puts more pressure on senior management group.
- We tend to consult rather than do. Need to accept the risks of going with 80:20 rule.

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**Failure to maintain/develop ICT and business capability – the processes and systems to deliver current and future services.**

*Issues to be Considered:*

- Day-to-day operations are reliant on ICT systems – significant risk if they become unsupported, redundant, delivery at risk. Failure of systems leads to compromised service delivery
- ICT systems are not set up to support our business challenges. We have multiple platforms, mixed ages, product orientation rather than client orientation, and a lack of online capability.
- There are difficulties with Business-as-Usual and change management running in parallel. History of failed change. Need to ensure Department is engaged; there is a workplace culture of non-engagement.