



Tasmanian
Audit Office

Shared services arrangements in the General Government Sector

Report of the Auditor-General No. 10 of 2024-25

Some background

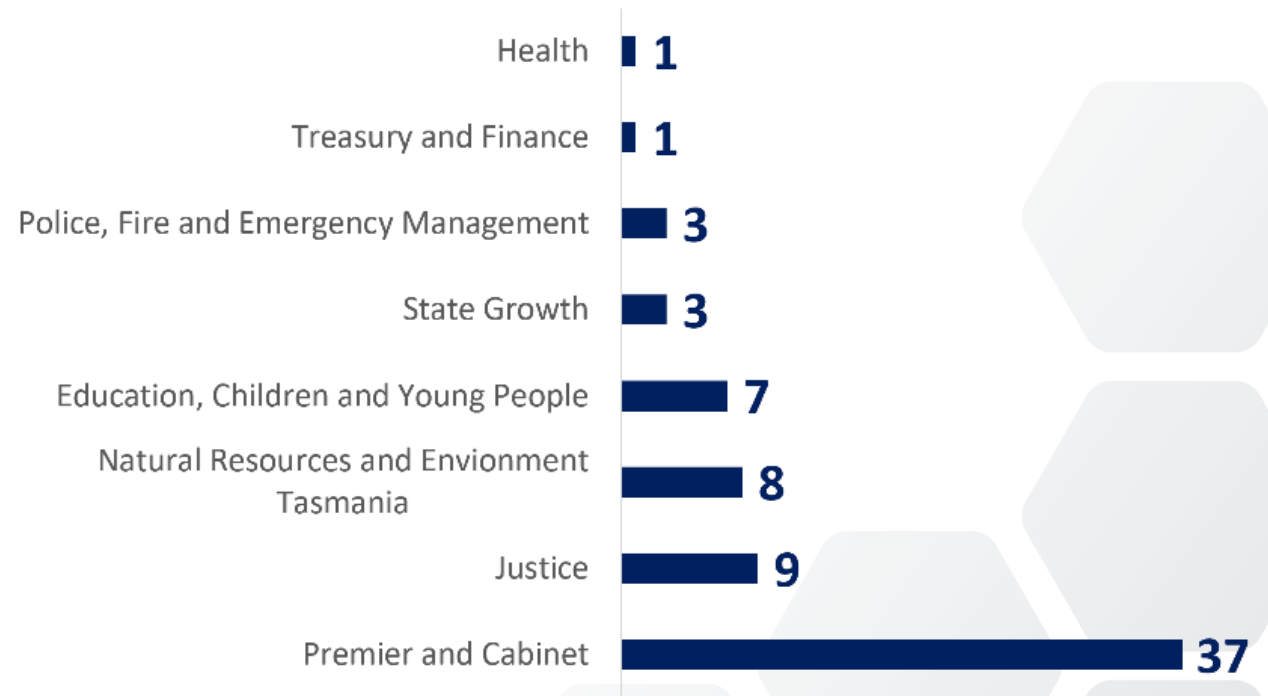
- Standardised, high-volume administrative services – for example:
 - payroll
 - human resources
 - accounts payable and receivable
 - ICT infrastructure support
 - asset management
- There is no guidance to support planning for and managing shared services

Some background

Agencies reported **69**
shared service arrangements

\$49.9 million paid to service
providers each year

Arrangements reported by Departments



About this audit

We did this audit to assess whether the design and delivery of shared services arrangements was effective, efficient and economical.

We asked:

- Were shared services arrangements planned or renewed effectively?
- Is the performance of shared services arrangements appropriately monitored and improved?

What we concluded

Shared services arrangements were, in part, effectively designed and delivered with some areas for improvement.

However, we could not conclude on the efficiency or economy of shared service arrangements as sufficient information was not available.

Key findings

1. A collaborative, whole of government approach is needed to support the planning, delivery and oversight of shared services
2. Machinery of Government (MOG) changes impacted on the planning, delivery and oversight of shared services
3. Data is needed to assess and monitor service quality, cost, value-for-money and capacity

What we recommended

Department of Premier and Cabinet...	Develop a strategy to achieve standardised, high-volume administrative services that is more effective, efficient and economic.	AGREED
	Create comprehensive whole-of-government guidelines for both providers and recipients on the establishment and management of shared service arrangements, which define roles, responsibilities, risk management, reporting protocols and performance measures.	AGREED
	Require regular reports on the effectiveness, efficiency, and economy of arrangements from service providers to ensure the whole-of-government strategy and guidelines are fit-for-purpose.	AGREED

What we recommended

Providers ...	Improve assessments of their capacity to deliver shared services	AGREED
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Providers and recipients ...	Improve performance review and feedback mechanisms	AGREED
	Implement thorough financial monitoring to evaluate both direct and indirect costs of services	AGREED
	Improve risk management	AGREED