



The Public Accounts and Estimates Committee **BRIEFING PAPER**

Financial and Performance Outcomes inquiry

Background

The Committee's inquiry into the Financial and Performance Outcomes assesses how effectively and efficiently the public sector delivered the initiatives and assets in the State Budget over the last financial year. It complements the Committee's scrutiny of the budget estimates by assessing the outcomes the government achieved compared to what it planned.

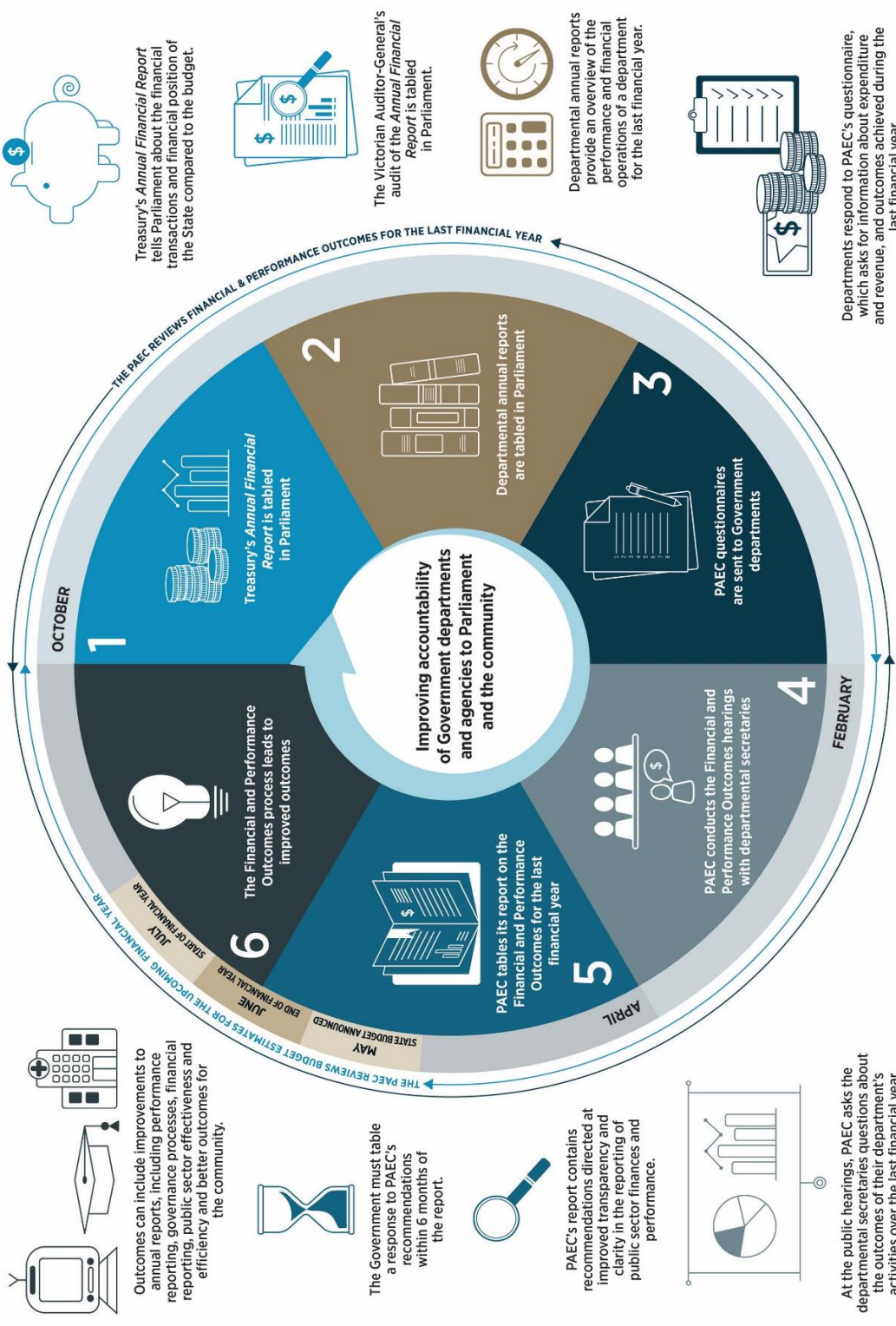
Objectives

The Committee's inquiry into the 2017-18 and 2018-19 Financial and Performance Outcomes examines:

- outcomes delivered to the Victorian community
- the challenges and key issues managed by departments and agencies
- the Government's expenditure and revenue compared to the budgeted expenditure and revenue
- the outcomes achieved against the performance targets set at a departmental/agency level.

The process

The inquiry process is illustrated below.



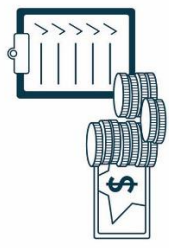
Treasury's Annual Financial Report tells Parliament about the financial transactions and financial position of the State compared to the budget.



The Victorian Auditor-General's audit of the Annual Financial Report is tabled in Parliament.



Departmental annual reports provide an overview of the performance and financial operations of a department for the last financial year.



Departments respond to PAEC's questionnaire, which asks for information about expenditure and revenue, and outcomes achieved during the last financial year.



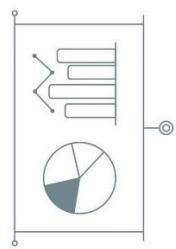
Outcomes can include improvements to annual reports, including performance reporting, governance processes, financial reporting, public sector effectiveness and efficiency and better outcomes for the community.



The Government must table a response to PAEC's recommendations within 6 months of the report.



PAEC's report contains recommendations directed at improved transparency and clarity in the reporting of public sector finances and performance.



At the public hearings, PAEC asks the departmental secretaries questions about the outcomes of their department's activities over the last financial year.

Note: Due to the proroguing of Parliament in 2018, the former Committee did not have the opportunity to carry out a Financial and Performance Outcomes (FPO) inquiry for the 2017-18 financial year. Therefore, this inquiry examines the 2017-18 and 2018-19 FPO.