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## PERFORMANCE IMPROVEMENT FRAMEWORK

# **Review of Office of the Clerk of the House of Representatives (the Office)**

**JULY 2014**

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State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

## **Lead Reviewers' Acknowledgement**

As Lead Reviewers for this Performance Improvement Framework Review for the Office of the Clerk of the House of Representatives (the Office) we would like to acknowledge the thoughtful input made by the Office staff. All those we talked to including the Clerk, the Senior Management Team and others were open and generous with information and support. We also appreciate the time Members of Parliament and their staff gave us and their frank opinions and constructive suggestions.

In addition we had input from the Parliamentary Service, the Parliamentary Counsel Office, the Office of the Controller and Auditor-General, the Ministerial Support division of the Department of Internal Affairs, the Parliamentary Press Gallery and some external observers of Parliament. We also had the benefit of input from officials from the Department of the Prime Minister and Cabinet, the State Services Commission and the Treasury.

We acknowledge the work already undertaken by the Office to improve its service delivery, as well as the high degree of self-awareness about organisational performance reflected in its PIF Self-review. This bodes well for the future.

**Performance Improvement Framework  
Review: Office of the Clerk of the House of Representatives**

**State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet  
Wellington, New Zealand**

**Published July 2014  
ISBN 978-0-478-43412-5  
Web address: [www.ssc.govt.nz/pif](http://www.ssc.govt.nz/pif)**

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## AGENCY'S RESPONSE

The Office welcomes the insights of the Performance Improvement Framework (PIF) Review. The feedback is thought provoking, and has made a meaningful contribution to consideration of the Office's four-year horizon, and its operating model. It also confirmed the importance of enhanced engagement of the Office's most important asset, its people. The findings and ratings of the PIF reviewers are not dissimilar to those of the Self-review, which is encouraging. We would like to thank the Lead Reviewers and staff in the Office for their valuable involvement in the process.

The Office has been working over the past year on new initiatives in many of the areas suggested in the review. These include initiatives to increase engagement levels, enhance governance and management, understand what the Office's customers want, and define the type of culture required to deliver on the Office's strategic goals. However, more work is required.

The reviewers have highlighted challenges which we will address over the next 12 to 18 months. Priority actions to be achieved during the period are:

### Outcomes

The review recommends further work on clarifying the Office's outcomes. We welcome this recommendation. It is important that the work of the Office is well understood internally and externally. We intend to address this matter at a Parliament Sector level with the Parliamentary Service through the Advisory Board, including the Speaker.

- The Office will work with the Parliamentary Service to develop Parliament Sector outcomes common to both organisations.

The Senior Management Team (SMT) will include staff in processes to develop better ways to communicate the Office's outcomes and the impacts it aims to achieve, thereby ensuring that all staff comprehend how they contribute to the work of the Office, as well as to Parliament itself.

- The Office will utilise workshops with all staff to enhance engagement with wider outcomes and assist to connect their work with what the Office seeks to achieve.

Clarity about the Office's outcomes should create greater certainty about our advocacy role and our role in public engagement in a representative parliamentary democracy.

### Management and governance model

We are committed to improving the governance and management of the Office. The Parliament Sector Advisory Board has only recently commenced its role in assisting the Chief Executives of the parliamentary agencies in their governance capacities. Its charter will be reviewed after the first year of operation.

- As a first step, the Office will work to appoint a specialist advisor in the area of organisational development to assist the work of the board.

The SMT will re-prioritise its activities in order to be more "on the business rather than in it" and focus on strategic and people issues, while balancing the need to continue to be leaders of the profession of clerk. Achieving the right balance will allow the SMT to recognise the centrality of the needs of House and select committee business, while ensuring that development for staff with management responsibilities is put into practice. This new focus, coupled with access to strategic

organisational development capability, will enable us to enhance our performance in this area. New agreed behaviours and priorities will be communicated and demonstrated to all staff.

- The SMT will undertake a coaching and development programme to assist it with top-led re-prioritisation of activities and delegation down the organisation.
- The SMT will be renamed the senior leadership team (SLT), to signal the team's commitment to focus on coaching, leading by example and coordinating leadership development.
- The Office will engage expert organisational development services to assist in developing a workforce strategy and plan, reviewing career pathways, enhancing staff development and confirming the operating model.

As part of implementing the workforce strategy priority will be given to:

- The development of a professional stream to provide an alternative career progression for specialist proceduralists outside the management development programme.
- Routinely reviewing our operating model as technology advances to ensure our processes are effective and efficient and our people correctly deployed. This will commence in Select Committee Services following the implementation of the electronic committee services system.

### **Portfolio management and project execution**

We need to improve how our projects are prioritised, planned and delivered on time. We need to ensure that they can advance regardless of the House and committees' schedules. Addressing the management and governance of the Office, including the delegation of senior managers' responsibilities down the organisation is only the first step. The Office will need to manage its portfolio of projects better to ensure that strategic projects are prioritised, resources are allocated properly, and to enable the SMT to monitor progress against agreed milestones.

- The Office will bring in expertise to assist with portfolio management and take up the recommendation to maintain momentum by adopting a 90-day planning cycle.

### **Greater connectedness to other parliamentary and executive agencies, both on and offshore**

The Office will set aside time for greater connectedness to the wider State sector and inclusion in chief executive fora, State sector events, access to the Top 200 and functional leadership events. This will enable the Clerk and the SMT to keep abreast of organisational development trends and contribute to the building of knowledge about Parliament in the public sector. However, much of this will be at the discretion of the State Services Commission and we look forward to working with it to advance this idea.

The reviewers have drawn attention to the Office's shared service arrangements. Shared services between the Office and the Parliamentary Service have been in place for many years, but during the past couple of years the range of shared services has been increased to include more strategic finance services, as well as most of the Office's ICT function. Developing good shared services is not easy, but the Office is committed to actively maturing the relationship.

- The Office will strive to be a good client and Parliament Sector partner of the Parliamentary Service by actively communicating its requirements, regularly monitoring progress, final milestones and deliverables, and developing person to person relationships.

The Office enjoys a good level of engagement, mostly at senior level, with other Westminster system parliaments, but we agree that even more can be done in this area.

- The Office will formulate a plan for more systematic engagement with other parliaments for a greater number of our procedural staff as part of the training and development goals in our workforce strategy.

## **More explicit attention to the internal culture and behaviours**

The Office has recognised a “dual culture” in its management for some time. It is important in the role of clerk-at-the-Table and clerk of committee (“being on stage”) to have a very clear chain of command, an agreed plan and leadership. However, (“off-stage”) we aim to foster innovation, take calculated risks, and embrace collegiality in our management culture. We acknowledge that we have more work to do to achieve a better understanding of this “dual culture” amongst our operational managers and staff.

In order to realise the culture we want the leadership team has developed a set of aspirational strategic goals focusing on its people and culture. These goals are:

- *People*
  - *Everyone goes the extra mile*
  - *There is a successor for every role*
  - *We have committed, busy and engaged staff looking forward*
  - *Everyone feels trusted*
  - *Everyone is knowledgeable*
  - *People feel recognised, listened to and cared for*
  - *People development is our priority*
- *Culture*
  - *We all live our values*
  - *Delegation is enhanced and control and micro-management minimised*
  - *We communicate openly*
  - *We are a caring organisation*
  - *Everyone is accountable for the Office’s success*
- The Office will hold a series of workshops involving all staff, in order to develop a shared view about these aspirational goals, along with the Parliament Sector outcomes, the Office’s impacts, strategies, key priorities, targets and accountabilities.

These workshops and the stronger leadership focus of the SMT and continued and enhanced leadership development should assist in achieving an understanding of the “dual culture” and achieving our people and desired cultural goals.

## **Stronger staff engagement**

The key to embedding our new culture is the engagement of our staff. As the reviewers noted, the Office has a huge opportunity due to the “passionate commitment and stewardship focus of its staff”. We need to harness this and transform that affiliation to Parliament into increased levels of engagement at all levels with the Office. Several initiatives to achieve this goal have been in place over the past year, and engagement conversations are taking place. We believe that the combined impact of implementing all of the initiatives set out in this agency response will achieve stronger staff engagement.

## **International contribution to parliamentary democracy**

We recognise the need to measure and enhance performance in the delivery of the inter-parliamentary relations programme, through setting clear goals related to building parliamentary capacity.

- The Office will develop as a matter of urgency an inter-parliamentary relations strategy along five strategic directions:
  - Parliamentary diplomacy: Speaker-led contributions to New Zealand’s foreign policy foster understanding and promote international co-operation between members on global issues
  - Engagement with inter-parliamentary organisations: enhanced participation in inter-parliamentary organisations develops understanding and co-operation between nations, and promotes democratic values across the political spectrum
  - Bilateral select committee and friendship group visits: enhance quality of select committee scrutiny and members’ understanding of global issues
  - Capacity building and parliamentary strengthening in the Pacific: provide opportunities for members’ active engagement in building functioning legislatures and to further their understanding of the Pacific region
  - Members’ professional development: tailored opportunities for members to develop their parliamentary capacity.

We believe the Office is well placed to take on the challenges highlighted by the reviewers and to bring our staff along with us to implement these plans and achieve our vision.

**Mary Harris**

Clerk of the House of Representatives

## THE FOUR-YEAR EXCELLENCE HORIZON

*In undertaking this review the Lead Reviewers considered: “What is the contribution that New Zealand needs from the Office and, therefore, what is the performance challenge?”*

### Environment

The Office is an agency within the Legislative branch of government. It is the secretariat of Parliament and assists the Clerk of the House of Representatives (the Clerk) in carrying out her statutory duties as the principal permanent officer of the House.

While in some Westminster jurisdictions the Office and the Parliamentary Service are one organisation, in New Zealand these are standalone agencies, albeit with considerable sharing of back office support services.

The Office is a relatively small agency, with annual funding of around \$19 million and just over 100 staff. The Clerk is both the technical expert and professional leader on the running of the House and Standing Orders, as well as the chief executive of the agency.

### Performance challenge – Outcomes

All those who work for the Office see themselves both as contributing to the effective operation of the House of Representatives here and now, and as stewarding the institution of parliamentary democracy for all New Zealanders, now and in the future.

These high level outcomes require attention to four key priorities:

- Ensuring that parliamentary procedures remain relevant, open and easy for members and citizens to engage with
- Ensuring effective parliamentary scrutiny, such as that provided by select committee processes
- Promoting public respect for the institution of Parliament
- Enhancing the capability of Parliament by promoting members’ engagement with other parliaments and inter-parliamentary organisations.

All of these outcomes require a skilful balance between responsiveness to the immediate needs of Parliament and guardianship of the institution of Parliament for the future. They require dispassionate and objective interpretation of the rules of procedure in order to support the day-to-day operation of Parliament and its members, while remaining strictly impartial.

The role of the Clerk requires physical attendance while the House is sitting, technical expertise in parliamentary rules and procedures, a close relationship with and unobtrusive support to the Speaker and Leader of the House, solution-focussed assistance to members while remaining impartial, and attention to the balanced interpretations that can surround procedural matters, as well as an eye to the future with regard to improvements to the Office’s contribution to the workings of representative democracy.

The role (and thus the Office that supports the Clerk) therefore requires both technical and relationship skills, both authority and self-effacement, and attention to both detailed process and strategic vision.

At present the Office is viewed as balancing all these attributes and requirements with some sophistication and is admired by stakeholders for its contribution to the effective 'silent running' of the House, its professionalism and procedural expertise. The Office maintains a good balance between proactively guiding the Speaker and members toward solutions, while maintaining the strictest impartiality and integrity.

Its role in those outcome areas that relate to the relevance and accessibility of Parliament however is not well understood, either within or outside the agency. Internally the Office needs to come to a landing on what concepts like 'accessibility', 'relevance' and 'advocacy for Parliament' practically mean, both for day-to-day prioritisation and decision-making and in the context of its stewardship role. Externally it needs to communicate this relevant and accessible Parliament story more actively. It is likely to find this somewhat challenging given its self-effacing internal culture, where staff take a deep pride in the invisible and seamless delivery of process, service and support to Parliament.

As a nation without a well understood constitution, little history of direct threats and little civics education, New Zealanders can be very complacent about their parliamentary democracy or confuse the well publicised behaviours of members with the institution of Parliament. For representative democracy to thrive it must be both open and adaptive, as well as carefully tended. While there are many players with a role in this (the Electoral Commission, schools, media and so on) no other agency sits so practically in the kaitiakitanga role as the Office of the Clerk. This is deeply felt by its staff and is the cultural glue that binds them. However, the role is perhaps more felt than it is intellectually understood. This aspect of the Office's value to New Zealand needs to be more fully worked through as a core tenet of agency strategy and purpose.

## **Performance challenge – Agency**

### **i Purpose and targets**

While the aspect of agency purpose that relates to the procedural effectiveness and efficiency of Parliament is well understood in the Office, the targets that currently support it need to better reflect strategic outcomes as opposed to process driven inputs.

The accessibility outcomes discussed above not only require clarification, but will also need careful thought regarding to the currency in which targets might be measured. If enhanced citizen engagement in parliamentary processes is the aim, the intermediate outcomes need to be much more explicitly developed and in a way that connects to the stewardship mission of the Office's people. If this is the key outcome, then targets and benefits attribution will be challenging. If greater diversification of participation in representative democracy is the key outcome sought, then that will lead to a different target set and required operating model than if participation per se is the issue. Other strategic goals and thus measurement currencies might relate to improved financial scrutiny functions, more mature select committee enquiry activities, more active public discourse on the constitution and so on. All such strategic clarification will require very careful work with members to avoid creating political spillovers.

There is an immediate opportunity here to engage all Office staff to better develop the outcomes story and agree the currency and reporting dashboard through which it can be monitored and measured. The process will help to unify staff, focus them on the big picture (always a challenge in organisations required to focus on technical and process excellence) and assist them in better prioritising their work.

Given the passion staff in the Office have for their work and for the institutions of representative democracy, better harnessing their collective vision and ambition into a clear strategic story and some testing and specific targets will help to take an already well performing agency to the next level.

## **ii Business strategy**

If purpose and vision are the ‘why’ of an agency, business strategy is the ‘what’ it will do to give effect to these and reach its targets. SMT has recently developed a simple strategic roadmap which (whatever the ‘why’ turns out to be) appears to focus on broadly the right priorities and projects. Staff and stakeholder feedback and survey information has been carefully taken into account in its development.

Rather than now take this out to staff and stakeholders for fine tuning (which risks messages stopping at middle level managers and losing the insights of the frontline staff) we would like to see a more inclusive process of bottom-up co-development of the key priorities, targets and accountabilities with staff and the external Parliament Sector Advisory Board which has recently been formed. We think this needs to include some quite fundamental discussion about the nature of the organisation and the operating model that will be required to execute the strategy.

At present, the Office has a view of itself as a production-based organisation, somewhat akin to a theatrical production or major events management entity (albeit with policy and advisory roles). This means its people have almost a dual culture; the consummately professional one when they are ‘on stage’ in Parliament, select committee and so on, and a more private camaraderie behind the scenes. From a management perspective this places a premium on being authentic in both modes and not letting the pressure of the set piece events crowd out inclusive and empathetic people management. Most senior managers presently do a good job at maintaining this balance, but below this there is evidence that staff do not feel well supported by third tier managers when ‘off stage’.

This production model, and the rhythms of the parliamentary year, also drive a curiously episodic approach to organisational management. During sitting weeks all matters are subsumed to the needs of House business; during the (only) 19 non-sitting weeks other matters are ‘caught up on’. There is an intensity to sitting periods ‘in’ the business which seems to crowd out proactivity and working ‘on’ the business. This jerky rhythm, while predictable, seems to make it hard for staff to consistently progress internal strategic projects, when they are always traded off against operational process requirements.

Once the current very promising strategic refresh has been further enhanced by staff input and insight, it will be important to apply stringency to strategy implementation. As is discussed below, this could come through greater use of portfolio management techniques and 90-day planning cycles. The episodic rhythm of the Office needs to be smoothed by better planning. Staff will need to be encouraged by quick wins, in addition to longer term performance improvements.

## **iii Operating model**

We believe there are five aspects of the operating model for the Office that provide significant opportunity to further lift the performance of an already respected organisation. These are:

- the management and governance model
- portfolio management
- greater connectedness to other parliamentary and executive agencies, both on and offshore
- more explicit attention to the internal culture and behaviours required to deliver the strategy
- stronger staff engagement.

As noted above, the fundamental challenge in the Office's management model is the need for managers to be at once technical and process experts, big picture thinkers and good people managers. They must be as authentic a leader 'on stage' as off. As a practical point, they simply have less time to spend being managers than in most organisations because they are heavily committed to time in the House or in Committee. Time on show in the House or Committee is not just time spent; rather it is 80% routine and 20% challenging interpretation and member support, with high consequences for a wrong judgement.

It is akin to more than asking an actor to also be the director of a high profile production; it requires them also to be the stage manager and the executive in charge of the production company. At the moment, the piece getting lost in the mix is good people performance management and organisational development or strategic HR. While esprit de corps is strong, it is more attached to the stewardship role of the Office and allegiance to parliamentary democracy than to the Office as an organisation.

There are several opportunities that are worth exploring:

- The Office should invest in more extensive and systematic management development, particularly for frontline and middle (tier three) managers. Importantly this development training must then be put into practice in the workplace, including being part of performance expectations.
- Access is needed to high quality strategic HR and organisational development support. This will assist the strategic people and capability plan which is to be developed to address staff development, succession, and career pathways. This plan is an urgent requirement.
- SMT needs to spend more time on people and capability management matters and think about mechanisms that help its members to be more 'on' the business than 'in' it, such as leadership development or coaching for SMT members.
- The Office may benefit from an extended Advisory Board to support the Chief Executive and SMT, which might comprise former chief executives or externals with experience in organisational development.

The Office is ambitious and creative in its desire to be more responsive to the needs of members to work anytime and anywhere. It has conceptualised a number of projects for improved service, including several technology projects. It is also exploring a range of mechanisms that could provide improved access by citizens to information that supports greater participation. Progress on actually delivering these innovation projects can be slow however, as attention to them gets distracted by the operational demands of the running of the House. Three things might help:

- The Office needs to derive a clearly prioritised set of strategic projects from its strategic plan. These should be the things that will contribute most to its overall ambition and targets. They should be run as a strategic portfolio using programme/portfolio management techniques.
- The Office needs to be clearer on where the handover point between specification and build is for these key projects, particularly in ICT. Once conceptualised and specified at a high level, such projects can be handed to the shared service to be the subject of business and project management plans, with the Office holding the shared service accountable for progress and final milestones and deliverables. This will require being a much smarter customer of the shared service. Rather than diverting busy managers into project management, the Office needs a business integrator to engage with the shared service.

- The uneven business cycle of the Office discussed above makes it hard to maintain consistent momentum and urgency around change and organisational development projects. This would be greatly enhanced with the use of 90-day planning cycles to improve momentum and outline clear accountabilities. The Office needs to apply the same degree of professionalism to projects as it does to its work in support of the House.

Greater connectedness will help the Office to identify opportunities for shared development projects and to understand best practice levels for all aspects of management. There are three key aspects to greater connectedness:

- The first is improved connection to the system of Executive branch agencies. While constitutionally separate, the Office faces the same management challenges as any other agency and would benefit from greater inclusion in chief executive fora, State sector events and the like (while also having something to offer to others). The Chief Executive in particular, needs more engagement with peers on organisational management matters. SMT members would benefit from Top 200 and functional leadership events. The constitutional understanding of those in the Office is sophisticated. There is no danger of Executive branch capture or contamination.
- The second is greater inter-parliamentary connectedness. This is already present to some extent, but could be moved from the present somewhat ad hoc basis to a more systematic engagement with other Westminster system Clerks, such as those in Scotland, Ireland, Canada and Australia. The issues alluded to earlier around purpose, targets and the currency of measurement appear to be common, and are particularly stark for the Scottish Clerk, resulting from the establishment in 1998 of a new parliament and with possible further changes to come. While the New Zealand Office's inter-parliamentary work in the Pacific is very strong, it is so well regarded internationally that it could benefit from investing greater effort in a more systematic engagement with the wider group of mature Westminster democracies.
- Thirdly, the Office needs to be a more demanding and sophisticated priority client of the Parliamentary Service shared service. Back office functions are something of a distraction for the Office, and it should not balk at a more comprehensive handover of these functions to the Parliamentary Service.

A particularly interesting aspect of the Office's operating model is its internal culture and behaviours. Technical skill is prized, but so too is a low ego approach to the delivery of services. Staff take pride in their ability to effect the smooth operation of House business in a manner that adheres to Standing Orders, respects conventions and balances interests but which also appears invisible to members and the public. This modesty and subtlety, while admirable, can risk driving internal contest and creativity underground. It requires a particularly skilled management style to ensure that the self-effacement exhibited while 'on stage' doesn't chill 'off stage' fun, experimentation and debate. While the current Chief Executive effectively holds this balance, her nuanced (and by the staff, greatly respected) management of 'dual cultures' may not be sustainable under a different leader.

If the strategic clarification we suggest above is to be undertaken, it may call into question some of the core behavioural traits of the Office. Greater proactivity with respect to the relevance and accessibility of Parliament seems likely to require a less retiring style. Given the Office's key roles and the immense respect in which it is held, it will be important while doing this to preserve the best of the legacy behaviours, and act in a way that does not detract from the Office's work in support of the House, the Speaker and other parliamentary office holders.

Enhancing staff engagement is an area of huge opportunity for the Office because it is so well placed with the passionate commitment and stewardship focus of its staff. More systematic people management, supported by strategic HR as described above, will help, but the key to unlocking the energy and engagement of staff will be enlistment in strategy creation and the development of a unifying story around purpose and targets. We have seldom reviewed any agency in which the stewardship role was so palpable. This could be unleashed by a more inclusive management style, particularly by middle managers.

The other critical element in improving engagement is a more holistic and explicit approach to career management for staff, many of whom cannot presently see a sustained career path in the Office. This has created some significant succession challenges. More strategic capability and workforce planning should entail engagement with other Executive and Legislative branch agencies with like workforces (eg, Parliamentary Counsel Office, Crown Law, Ministry of Defence, Office of the Auditor-General etc) for career path management across and between agencies.

#### **iv Implementation (including change capability)**

We suggest early work on the establishment of an expanded and skills based Advisory Board to support the SMT in the implementation of the measures suggested above.

Also important for successful implementation will be the divestment of some corporate activities to the shared service to reduce distractions.

The Office's Chief Executive and SMT are very able in their core roles supporting Parliament, but they are not accustomed to having the time and space to work on strategic business and people issues. Interim support from an executive coach or similar may be helpful, in addition to the greater State sector connectedness and more extensive Advisory Board support suggested here.

### **What will success look like?**

Four years hence, the Office will be as well respected and admired for its organisational management as it is for its support of the House and its stewardship of representative parliamentary democracy.

Its staff will be iconic for their levels of engagement with their stewardship mission and with the organisation. Working in the Office will be regarded as a rite of passage for some of the most talented people in the Executive and Legislative branches of our government.

The Office will be well known in the Commonwealth for its technical depth, integrity, commitment to service and for its creativity in responding to Parliament's and members' needs.

Rather than being a hidden gem, the Office will balance consummately professional support for the silent running of the House with a slightly more assertive role, in conjunction with others, in ensuring all New Zealanders value and understand the importance of contributing to and guarding a well performing representative parliamentary democracy. With other agencies, it will have contributed to raising citizen engagement and will also be more widely known for its contribution, with the Speaker and members, to preserving the integrity of parliamentary democracy for future generations of New Zealanders.

**Debbie Francis**  
Lead Reviewer

**Grant Taylor**  
Lead Reviewer

## CENTRAL AGENCIES' OVERVIEW

The Office is a small agency that has a vital role in contributing to the effective running of Parliament and more broadly in helping steward parliamentary democracy in New Zealand. The reviewers point out that the role of the Clerk, and thus the Office also, requires a mix of skills - both technical and relationship skills, both authority and self-effacement, and attention to both detailed process and strategic vision. The reviewers note the Office is viewed as balancing these attributes and requirements very well and is admired by stakeholders for its contribution to the effective 'silent running' of the House, its professionalism and procedural expertise.

The Office has recently developed a strategic roadmap and the reviewers would like to now see an inclusive process of bottom-up co-development of the key priorities, targets and accountabilities with staff. The reviewers also consider there are aspects of the operating model required to execute the strategy that require thought. Important areas for attention are management and people capability, culture and staff engagement. A portfolio management approach and planning cycles will assist the Office as it enhances and redevelops core systems and in its overall change programme. This will also help the Office to scope its requirements better in the important relationship with the Parliamentary Service as shared services provider.

The Office is an agency within the Legislative branch of government and thus our role as central agencies is different than our role with Executive branch agencies. However the reviewers note that the Office faces similar management challenges as other agencies and would benefit from greater inclusion in State Services fora and events and support in its change and people development programmes. The reviewers consider this can happen without imperilling the Office's constitutional status. We will work with the Office to agree the support to be offered in these areas.

**Iain Rennie**  
State Services Commissioner

**Gabriel Makhoul**  
Secretary to the Treasury

**Andrew Kibblewhite**  
Chief Executive, Department of  
the Prime Minister and Cabinet

# SUMMARY OF RATINGS

## Results

PRIORITIES	RATING
Parliament remains relevant because it has the capacity to adapt its procedures	
Effective parliamentary scrutiny enhances government outcomes	
Public respect for the institution of Parliament grows because the public is informed about what Parliament is doing and able to participate	
Parliament's capacity is enhanced by members' engagement with other parliaments and inter-parliamentary organisations	

CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Secretariat services to the House and Committees		
Maintaining the record		
Publishing		
Advocacy for Parliament		
International contribution to parliamentary democracy		
	<b>RATING</b>	
Regulatory Impact		

## Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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## Organisational Management

LEADERSHIP, DIRECTION AND DELIVERY	RATING
Purpose, Vision and Strategy	
Leadership and Governance	
Values, Behaviour and Culture	
Structure, Roles and Responsibilities	
Review	

EXTERNAL RELATIONSHIPS	RATING
Engagement with the Ministers	
Sector Contribution	
Collaboration and Partnerships with Stakeholders	
Experiences of the Public	

PEOPLE DEVELOPMENT	RATING
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Improving Efficiency and Effectiveness	
Financial Management	
Risk Management	

## Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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Note: There have been three significant upgrades to the PIF Agency Model since it was implemented in 2009. The first was the inclusion of the Four-year Excellence Horizon in October 2011. The second was the Strategic Financial Management upgrade in December 2012. The most recent is the Better Public Services upgrade in January 2014. These upgrades affect comparability with previous PIF reports. For more information on the upgrades see: <http://www.ssc.govt.nz/pif-core-guide-1>.

## AGENCY CONTEXT

The Office of the Clerk is established under section 14 of the Clerk of the House of Representatives Act 1988. It is the legislature's secretariat and assists the Clerk in carrying out the core functions established under the Act.

The Clerk of the House of Representatives is the principal permanent officer of the House and carries out the functions required under section 3 of the Clerk of the House of Representatives Act 1988, which provides that:

The functions of the Clerk of the House of Representatives shall be:

- a to note all proceedings of the House of Representatives and of any committee of the House:
- b to carry out such duties and exercise such powers as may be conferred on the Clerk of the House of Representatives by law or by the Standing Orders and practice of the House of Representatives:
- c to act as the principal officer of the Office of the Clerk of the House of Representatives and, in that capacity, to manage that office efficiently, effectively, and economically:
- d to ensure that the members of the Office of the Clerk of the House of Representatives carry out their duties (including duties imposed on them by law or by the Standing Orders or practice of the House of Representatives) and maintain:
  - i proper standards of integrity and conduct; and
  - ii concern for the public interest:
- e to be responsible, under the direction of the Speaker of the House of Representatives, for the official reporting of the proceedings of the House of Representatives and its committees.

As at 30 July 2013, the Office employed 110 staff (104 FTEs). The Office is funded through Vote Office of the Clerk with planned departmental baseline funding of \$18.866 million for 2014/15 and out years.

## RESULTS SECTION

### Part One: Delivery of Priorities

This section reviews the agency's ability to deliver on its strategic priorities. While the questions guide Lead Reviewers to retrospective and current performance the final judgements and ratings are necessarily informed by scope and scale of the performance challenge.

The priorities listed are the impacts from the Office's outcomes framework.

#### Priority 1: Parliament remains relevant because it has the capacity to adapt its procedures

Performance Rating: **Well placed**



Parliament is a traditional and ceremonial environment. Its traditions and conventions are sometimes in tension with the need to be ever more accessible and responsive to both members and to the public who wish to engage with democratic processes.

The Office's role in regard to this priority is advising and supporting the Speaker and members as consideration is given to updating parliamentary procedures. Standing Orders are reviewed every three years by the Standing Orders Committee, which is serviced by the Office. This process is well regarded and effective. The Office's advice is viewed as proactive and constructive in suggesting and facilitating procedural change. It is seen as both agile and authoritative.

However the Office has been slow to develop technology to automate and simplify some parliamentary processes and to redevelop its core systems. That work is now underway and needs to be subject to a much more rigorous portfolio management system and improved governance.

Some observers consider there should from time to time be a more fundamental review of Parliamentary practice, for example to consider the effectiveness of financial and regulatory scrutiny and how Parliament promotes accessibility. While the Office is receptive to mechanisms to enhance practice and accessibility, its high operational tempo and lumpy week-to-week workload seems to make it difficult to give attention to the case for such a review.

The Office needs to develop better impact and outcomes measures for this area. This should be addressed through the current strategic planning process and would benefit from an inclusive approach with staff.

#### Priority 2: Effective parliamentary scrutiny enhances government outcomes

Performance Rating: **Needing development**



In recent years the Office has improved the induction and training of Select Committee staff to support improved legislative and financial scrutiny. Despite this the Office's PIF Self-review notes that more meaningful analytical information could be provided to members to discharge their scrutiny function eg, through select committees, and that it is crucial that everyone understands the purpose of the scrutiny process.

In this New Zealand is unusual compared to other Westminster democracies in having a model whereby select committees tend to be regarded more as useful training grounds for aspiring ministers than as arenas for long serving backbenchers to make their mark. The incentives in New Zealand to take a medium-term strategic approach appear weaker than in jurisdictions with more backbench members to spread across committee roles.

The Office's 2013 Four-year Plan notes that legislative scrutiny is highly regarded but there is room to enhance scrutiny of constitutional and administrative law issues and regulatory impact, including cost benefit and value for money considerations.

Stakeholders, and the Office in its Four-year Plan, note that financial scrutiny is not as rigorous as legislative scrutiny. Improving the Select Committee financial scrutiny function will require deeper engagement with the Office of the Auditor-General at one level and wider parliamentary support at the next level. Both will entail thinking about more strategic approaches to financial scrutiny while balancing the different political interests in the process of government and opposition members.

Some observers note that the enquiry function could be used more by select committees and that more could occur to encourage a wider range of submissions to some select committees. These are areas where the day-to-day demands on the Office and its role as a facilitator of process can make it difficult to take a longer term view. They also require carefully balancing political considerations given that both may appear to benefit opposition rather than Government members.

**Priority 3: Public respect for the institution of Parliament grows because the public is informed about what Parliament is doing and able to participate**

Performance Rating: **Needing development**



The Office has enhanced the accessibility of Parliament in recent years with initiatives such as improvements to the Parliament website (but with more to do), more extensive television and radio broadcasting (including YouTube clips), the use of social media and pilots of televised Select Committee hearings including through webcasting and podcasting. The Office is, with the Parliamentary Service, developing a Parliament Communication Strategy based on a 2011 agreement with the Standing Orders Committee. This is a good development but it requires greater project management discipline to help implement its priorities.

The Office has limited understanding of what the public wants and which programmes will have the most impact in enhancing public respect for Parliament and participation. Between it and the Parliamentary Service, some more systematic voice of customer work is required. The Office also needs to consider how its contributions marry with the contributions of the Speaker, members and other agencies such as the Parliamentary Service, Electoral Commission and the education system (in regard to civics).

As a result of its limited customer analysis, the Office cannot be sure that it is procuring the most representative array of submissions to parliamentary processes such as select committees. Until it knows more about barriers to participation and preferred customer channels by segment, it cannot be sure that processes are as accessible as possible for all New Zealanders.

While this accessible Parliament story is arguably the most important contribution it can make to stewarding parliamentary democracy, the Office's PIF Self-review notes that some regard this outcome as aspirational and that strategies to make it meaningful need to be devised.

## Delivery of Priorities

This matter needs to be progressed with some urgency. Staff and stakeholders are confused about this aspect of the Office's positioning. There is an immediate opportunity here to engage with all Office staff to better develop the outcomes story and agree the currency and reporting dashboard through which it can be monitored and measured. The process will help to unify staff, focus them on the big picture (always a challenge in organisations required to focus on technical and process excellence) and assist them in better prioritising their work.

There are some challenging issues that will have to be managed in this process; discourse on these matters conflicts somewhat with the Office's prevailing culture of 'silent running'. It will also require Speaker and across Parliament support (while recognising that parties may want to give such a process a political dimension).

### **Priority 4: Parliament's capacity is enhanced by members' engagement with other parliaments and inter-parliamentary organisations**

Performance Rating: **Needing development**



This priority is concerned with members' engagement with other parliaments and organisations, and the Offices' role in facilitating such engagement. The major activities are developing a high level inter-parliamentary relations strategy (to do), facilitating opportunities for members to advance their professional development through attendance at conferences and workshops (ongoing), and assisting with the hosting of the Conference of Speakers and Presiding Officers of the Commonwealth (held in early 2014). The development of the strategy should be a priority and the Office's PIF Self-review notes it should include measurable goals. This strategy will explore the contribution the Speaker and the House can make to both parliamentary democracy worldwide and New Zealand's international reputation.

## RESULTS SECTION

### Part Two: Delivery of Core Business

This section reviews the agency’s effectiveness and efficiency in delivering its core business. While the questions guide Lead Reviewers to retrospective and current performance the final judgements and ratings are necessarily informed by scope and scale of the performance challenge.

<b>Core business 1: Secretariat services to the House and committees</b>	
Performance Rating (Effectiveness): <b>Strong</b>	
Performance Rating (Efficiency): <b>Needing development</b>	

The Office performs very well in delivering services to the House and committees. The Office has improved its procedures and has met the logistical challenges of extended sittings. There has been increased training for Select Committee clerks to induct and support new clerks as they come into the role and to reduce variability of practice.

Stakeholders’ note that the Office has dedicated and helpful staff who are well connected to the Office’s purpose. The 2013 stakeholder survey rated the Office’s overall performance at 96% satisfaction (compared with 97% in 2009) and its procedural advice at 94%. These are the Office’s core functions and the Office is very focused on their delivery. However there was a decline in satisfaction with services to select committees from 85% in 2009 to 73%. This will need to be explored in ‘voice of the customer’ work.

In discussion members (who are the Office’s major stakeholders) praise the performance of the Office. It is very highly regarded for its contribution to the effective running of the House, its procedural expertise, professionalism, objectivity and impartiality.

The Office’s PIF Self-review notes that it struggles with a very lumpy workload that can lead to staff being either under or over-committed. Resourcing its projects well is particularly important as it updates the core systems that support the House (as noted elsewhere). This lumpiness is very predictable and thus not an excuse for underachieving on projects. Discipline needs to be applied to advancing projects in sitting as well as adjournment weeks if the Office is to achieve the upgrades required.

There are comments in the Four-year Excellence Horizon section above regarding the unusual activity cycles of the Office’s business. They can be smoothed by more rigorous portfolio management of key development initiatives, rolling 90-day plans and increased divestment of the build aspect of projects to the shared service. The Office’s SMT knows it needs to get to grips with this challenge if it is to improve its focus on being ‘on’, rather than ‘in’, the business.

As noted there is a variable workload and the Office intends to progress work to review processes, resource allocation and responsibilities in some areas. This should include the development of measures and costing information that indicate performance and progress over time. In the absence of these, it is difficult to give an efficiency rating for this and the other Core Business areas described below.

<b>Core business 2: Maintaining the record</b>	
Performance Rating (Effectiveness): <b>Strong</b>	
Performance Rating (Efficiency): <b>Needing development</b>	

The Office has made improvements in recent years to the way it maintains the record, including the move to a more verbatim record for Hansard which has improved timeliness. A captioning service for the hearing impaired is being introduced. Hansard and the Journal are regarded as accurate and high quality.

The Office faces challenges as it seeks further improvements to enhance relevance, openness and timeliness. For example can the record of the House be audio-visual only? Can electronic versions of parliamentary records reduce the need for printed copies?

The broadcasting of Parliament is generally well regarded. A trial of broadcasting select committees is underway and this will enhance the public’s experience. The Parliamentary website is widely known to be difficult to navigate and there are plans to improve it.

Again here, more systematic capture of voice of the customer would assist the Office in prioritising some key projects to maintain the record above others.

As noted the Office has made improvements in this area in recent years, but in the absence of adequate performance measures it is difficult to assess efficiency.

<b>Core business 3: Publishing</b>	
Performance Rating (Effectiveness): <b>Needing development</b>	
Performance Rating (Efficiency): <b>Needing development</b>	

Stakeholders consider that Hansard and the Journal are accurate and well balanced and that the quality and timeliness of publications has improved in recent years. The move to online publishing is welcomed and users want enhanced ability to search for information rather than just access the material sent to them. There is pressure from users for more real-time information on proceedings in the House available through a range of channels.

Many of the systems underlying the Office’s publication functions use aging technology and do not meet modern business needs. The Office is undertaking a major redevelopment of its core systems and is also scoping the Sitting Day Information project which will draw data from core systems to present members with the information they need daily.

In doing this the Office needs to work closely with the Parliamentary Counsel Office to integrate with its systems (and where necessary with those of the Parliamentary Service) and thereby provide the one source for information required by members. The Parliamentary Service is now the Office’s outsourced systems provider and these arrangements require the Office to be better at scoping and specifying its business requirements and benefits, as well as being a more demanding customer of the shared service for reporting and delivery. The Parliamentary Service (and possibly other external advisors) will need to help the Office as it develops this capability.

There is room to improve efficiency given the manual nature of many core processes at present and the high number of touch points required. Processes for making submissions to committees for example, are highly manual, as is the publication of submissions and sessional compilations. Core time-critical processes such as Questions for Oral Answer are old fashioned and high touch, although stakeholders agree that within these constraints, Office staff go the extra mile to make things as smooth as possible.

<b>Core business 4: Advocacy for Parliament</b>	
Performance Rating (Effectiveness): <b>Well placed</b>	
Performance Rating (Efficiency): <b>Needing development</b>	

The advocacy role is recognised by the Office as being about its input into deliberations on parliamentary procedure and on the constitutional framework that ensures Parliament’s independence (for example in regard to privilege, freedom of information and privacy). This work largely falls to the Clerk, who has to combine it with busy roles as the agency’s chief executive and as the procedural champion in the House in support of the Speaker.

The role is not currently a proactive one or external to the precinct. If it were to be more proactive there are questions on how this would interface with the Speaker and members, what its target audience would be and how the Clerk would prioritise this role against other demands on her time.

<b>Core business 5: International contribution to parliamentary democracy</b>	
Performance Rating (Effectiveness): <b>Needing development</b>	
Performance Rating (Efficiency): <b>Needing development</b>	

The Office organises a programme of inwards and outwards inter-parliamentary visits. The programme is aimed at supporting members’ and the House’s engagement with inter-parliamentary organisations, delegation visits, a limited select committee exchange with Australia and hosting of conferences and events (and see Priority 4 above also). The programme also supports parliamentary capacity building in the Pacific where good governance is important to support New Zealand’s aid efforts and where the realm and other states look to New Zealand as a model. The Office consults with the Ministry of Foreign Affairs and Trade (MFAT) and the Visits and Ceremonial Office (VCO) that help facilitate some of these visits. MFAT provided funding for the successful Pacific Parliamentary and Political Leaders Forum in 2013, hosted by the Office.

The programme regarding the Pacific is currently quite reactive. Some goals and a structured programme need to be developed (and see Priority 4 above). As a small agency it is difficult for the Office to scale up and resource this activity. Thus it is important to prioritise.

The Office has little evidence of the efficiency of the current programmes. While an instinctively cost conscious culture is apparent, this is not reflected in cost to serve tools at present.

## ORGANISATIONAL MANAGEMENT SECTION

This section reviews the agency's organisational management. The questions guide Lead Reviewers to current and future performance. Final judgements and ratings are informed by the scope and scale of the performance challenge.

### Part One: Leadership, Direction and Delivery

#### Purpose, Vision and Strategy

How well has the agency defined and articulated its purpose, vision and strategy to its staff and stakeholders?

How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?

Performance Rating: **Needing development**



#### Leadership and Governance

How well does the senior team provide collective leadership and direction to the agency?

Performance Rating: **Needing development**



#### Values, Behaviour and Culture

How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?

Performance Rating: **Needing development**



#### Structure, Roles and Responsibilities

How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?

How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?

Performance Rating: **Needing development**



#### Review

How well does the agency encourage and use evaluative activity?

Performance Rating: **Needing development**



As noted in the Four-year Excellence Horizon section, the Office's purpose as the secretariat of Parliament is well understood and articulated, but the deeper and more visceral aspect of its strategic identity (its role as steward of a relevant, accessible Parliament for all New Zealanders, now and in the future) is much less developed. How it will measure progress on an outcomes basis in these areas is something that needs much more work. This is the element of the strategy that connects to the deepest motivations of the Office's strongly committed staff.

There is an immediate opportunity to engage with all Office staff to better develop the outcomes story and agree the currency and reporting dashboard through which it can be monitored and measured. The process will help to energise and unify staff, focus them on the big picture (always a challenge in organisations required to focus on technical and process excellence) and assist them in better prioritising their work.

Once articulated, the Office will need to think carefully about how to engage the wider group of stakeholders in its development and execution. The more active the Office, the more it risks changing perceptions of its hard won reputation for political neutrality. The balance must be found. History shows us that parliamentary democracy can be damaged as much by complacency and ossification as by more direct attack. Taking a more proactive role in what the Office refers to as 'constitutional conversation' is likely to be required. To do so, the Office must be crystal clear on its stewardship strategy.

As noted above, the fundamental challenge in the Office's management model is the need for managers to be at once technical and process experts, big picture thinkers and good people managers. They must be as authentic a leader 'on stage' as off.

SMT has listened to engagement survey feedback from staff and understands that it needs to work on itself in terms of improved robustness in debate, demonstration of greater collective responsibility, improved visibility to staff, and better alignment with tier three managers. There is a sense of team at the top table, and this could be further enhanced by spending more time on strategic rather than operational management matters and thinking about other mechanisms which help SMT members to be more 'on' the business than 'in' it, such as leadership development or coaching for members.

If SMT is to step up and reach its full potential as a strategic leadership team, significant investment lifting the capability of the Office's tier three operational managers will be required, particularly with respect to people and performance management, as discussed in section three below.

SMT members also need to build their confidence as people managers and remain vigilant to ensure that the innate hierarchialism and formality of the Office, which derives from its role, does not work against collegial relationships with and among staff. At present SMT members are trying hard in this respect, with demonstrable success.

As noted above, from a governance perspective the Office would benefit from an extended advisory board to support the Chief Executive and SMT. This might comprise former chief executives or externals with experience in organisational development.

A more systematic engagement with other Westminster Clerks, such as those in Scotland, Ireland, Canada and Australia could be beneficial. Issues of purpose, targets and the currency of measurement appear to be common, and for example are particularly stark at present for the Scottish Clerk. While the New Zealand Office's inter-parliamentary work in the Pacific is very strong and greatly respected, the Office is so well regarded internationally that investing greater effort in a more systematic engagement with the wider group of mature Westminster democracies would reap benefits in terms of enhanced strategic heft and opportunities for shared staff and systems development.

## Leadership, Direction and Delivery

The values of the Office (accuracy, impartiality, expertise and integrity) are well understood and modelled throughout all levels of the organisation. Positive behaviours in the culture include a lack of egoism, elegance in speaking truth to power, strong responsiveness to members' needs, and as noted, an unusually strong stewardship ethos. Engagement surveys suggest that less constructive traits include lack of management confidence in decision-making, hierarchicalism, staff working in silos and an overly process driven and technocratic approach to people issues.

Behaviours that need further internal discussion and perhaps reinforcement for the future strategic positioning are likely to be agility, risk taking, innovation and a more proactive stance on parliamentary kaitiakitanga. In other words, the Office of the future (and thus its people) might need a less retiring personality. It will be very important for the Office not to lose the legacy cultural traits and to encourage wide ranging discourse on risk appetites, the right balance of behaviours and so on.

As the Office's strategy becomes clearer and work on its operating model is undertaken, attention will also need to be paid to greater clarity in decision-making and accountability. A natural risk aversion (and an organisation in which the chief executive is also the professional leader) causes staff and junior managers to escalate upwards more than is conventional. As the Office's PIF Self-review noted, this can impede individual manager development, innovation, creativity and risk taking. The Office is currently trying to develop communities of practice to encourage staff to discuss and learn from mistakes rather than blaming. While there are signs of progress, the most powerful lever is day-to-day feedback from managers to staff, and modelling by SMT members. Staff will readily spot any disconnect between management rhetoric and behaviours.

A more systematic approach to evaluation and review of key portfolio initiatives would also help embed a continuous improvement culture in the Office. Benefits identification, monitoring and reporting is, at present, highly underdeveloped. The extended governance suggested above also has a role in ensuring review and reporting against intended targets and benefits are undertaken systematically, honestly and constructively.

## ORGANISATIONAL MANAGEMENT SECTION

### Part Two: External Relationships

<p><b>Engagement with the Ministers</b></p> <p>How well does the agency provide advice and services to Ministers?</p>
<p>Performance Rating: <b>Strong</b></p> 
<p><b>Sector Contribution</b></p> <p>How effectively does the agency work across the sector?</p>
<p>Performance Rating: <b>Well placed</b></p> 
<p><b>Collaboration and Partnerships with Stakeholders</b></p> <p>How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?</p>
<p>Performance Rating: <b>Well placed</b></p> 
<p><b>Experiences of the Public</b></p> <p>How well does the agency understand customers' and citizens' satisfaction?</p>
<p>Performance Rating: <b>Needing development</b></p> 

The Speaker is the responsible Minister for the Office. The Clerk, the Deputy Clerk and House staff work closely with the Speaker to facilitate the smooth running of Parliament, and in other support for his role. The Office is regarded as highly technically competent and as very professional, helpful and capable.

The Office works most closely with the Parliamentary Service, the Parliamentary Counsel Office and the Office of the Auditor-General. It also has links to the other agencies in the parliamentary precinct, the other Offices of Parliament and the Treasury.

The Office and the Parliamentary Service have considerably increased their level of collaboration in recent years and have put in place joint governance arrangements including the Parliament Sector Advisory Board and the Parliament Sector Senior Managers Group. They are planning to develop joint sector outcomes. As noted above the shared services arrangements between the two agencies still require some work to specify their respective roles and responsibilities, and to get to a stable state.

Cooperation with the Parliamentary Counsel Office is maturing, such as in the use of its LENZ system. The Office could consider working with the Office of the Auditor-General to see if an enhanced approach to supporting Select Committee financial review is possible.

## External Relationships

The Office's core role in supporting the House can make it seem internally focused to other agencies and to stakeholders outside Parliament. The innate modesty that is central to its culture means it has a low profile and some stakeholders say they are unsure who to talk to when they have an issue.

The Office's main stakeholders are members of Parliament. Relationships with members are excellent, with the Office consistently highly regarded for its professionalism and responsiveness. Some members and their staff comment on the slow pace of updating systems such as eCommittee, Questions for Written and Oral answer and Sitting Day Information. The Office surveyed stakeholders, including some members and staff, in 2009 and 2013 and is actively using this feedback as it seeks to improve its services.

The Office's work is less visible to stakeholders outside Parliament. For example 98% of those submitting to select committees did not see the newspaper advertising. The Office notes that it currently has little understanding of the public's expectations and that there is little systematic capture of customer voice. The newly developed Communications Strategy looks to be a good platform from which to develop an improved approach to systematically and regularly identifying customer/stakeholder expectations and using these to diversify channels and improve services.

## ORGANISATIONAL MANAGEMENT SECTION

### Part Three: People Development

#### Leadership and Workforce Development

How well does the agency develop its workforce (including its leadership)?

How well does the agency anticipate and respond to future capability requirements?

Performance Rating: **Weak**



#### Management of People Performance

How well does the agency encourage high performance and continuous improvement among its workforce?

How well does the agency deal with poor or inadequate performance?

Performance Rating: **Weak**



#### Engagement with Staff

How well does the agency manage its employee relations?

How well does the agency develop and maintain a diverse, highly committed and engaged workforce?

Performance Rating: **Needing development**



As the Office's PIF Self-review acknowledges, considerably more attention needs to be paid to strategic workforce and capability development. This will require access to high quality strategic HR and organisational development support and is also likely to require greater connectivity with other agencies. Almost every aspect of workforce development is presently underdeveloped or ad hoc, with succession issues and management development as two areas of particular need and opportunity. A strategic people and capability plan is to be developed and is an urgent requirement.

Succession will need to be managed in part by a multi-agency approach to recruitment, career pathing and talent management, including with Executive branch agencies. A management development programme for third tier managers is important and might best be accessed by piggybacking on such programmes in another agency. Talent management needs to be undertaken very openly with staff, so all managers are aware of individual aspirations and requirements. The Office is taking steps to address these issues. Early steps have been taken in talent management and succession planning and a management development programme for third and fourth tier managers is being developed under the auspices of the Leadership Development Centre.

As the new strategy becomes more clearly articulated through joint work with staff, there is an opportunity to enlist them in articulating the broad outline of a people capability strategy which will ensure the Office has the right capability in the right places to deliver on its new purpose and targets.

## People Development

The Office also accepts that people performance management could be improved. With the current performance appraisal system viewed by some staff and managers as a somewhat perfunctory, tick-box exercise, it will be critical to embed and normalise a culture of regular, ongoing performance discussions and developmental feedback. Management of poorer performers needs to be less variable between managers and more creativity needs to be applied to the recognition and reward of excellent performance.

The Office might also consider developing a professional stream to provide an alternative career progression route for people with these skills. This would mean these skills are valued and retained in the organisation, while ensuring that managers have the time and focus to manage their teams.

Union relationships are sound and well invested in. There is real attention to the health and wellbeing of staff given the pressures of being 'on stage' and the constant stress of making critical judgements on process that may have major consequences. Staff and managers take care to respect the emotional and intellectual toll that serving Parliament can sometimes take.

Staff engagement surveys report weaknesses in management communications with staff and a sense that greater diversity of personality and thinking style amongst staff should be sought and valued. Some staff see the Office as a hierarchical organisation with technical expertise valued above all else. Some believe that this can result in pressures for conformity which reduce agility and risk taking.

Enhancing staff engagement is an area of huge opportunity for the Office because it is so well placed with the intense commitment of its staff to the institution of Parliament. How powerful this could be if this passion was also applied to the Office as an organisation. More systematic people management, supported by strategic HR as described above, will help, but the real key to unlocking the energy and engagement of staff will be their enlistment in strategy creation and the development of a unifying story around purpose and targets through constant, meaningful face-to-face interaction between managers and staff.

At their heart these issues can best be addressed by authentic and committed leaders at all levels engaging effectively with staff, not by telling them things, but by the constant reinforcement and modelling of desirable behaviours and by working together in the service of a powerful collective ambition. Staff must be supported to see the meaning in all their work. This is well within the grasp of the Office's leadership. They should seize the opportunity provided by the talent and commitment of their people.

## ORGANISATIONAL MANAGEMENT SECTION

### Part Four: Financial and Resource Management

#### Asset Management

How does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?

Performance Rating: **Needing development**



#### Information Management

How well does the agency manage and use information as a strategic asset?

Performance Rating: **Needing development**



#### Improving Efficiency and Effectiveness

How robust are the processes in place to identify and make efficiency improvements?

How well does the agency evaluate service delivery options?

Performance Rating: **Needing development**



#### Financial Management

How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?

Performance Rating: **Needing development**



#### Risk Management

How well does the agency manage its risks and risks to the Crown?

Performance Rating: **Well placed**



Small agencies can find it difficult to maintain adequate capability in the Finance and Resource Management areas. In the past few years the Office has increased the use of the Parliamentary Service as a service provider for ICT, financial management, payroll and some information and research services. If this works well it can both create efficiencies and give access to higher levels of capability than would normally be available in a small agency.

The Office's assets are mainly internally developed software. There has been limited asset planning to date (most key applications are ageing and not meeting business needs) but a start is being made. The Parliamentary Service has taken over the Office's ICT infrastructure and services. The applications development for the Office's bespoke applications is also moving to the Parliamentary Service, but

the Office will need to have excellent capability as the owner and purchaser of these systems as it works collaboratively with Parliamentary Service.

The Office has several information management projects in planning or under way including a website enhancement, Core Parliamentary Data, Hansard publishing system, and eCommittee upgrade. These projects are important to improve the management of information and to help maintain and enhance service levels and improve users' experience. There needs to be better connectivity with the Parliamentary Counsel Office and other agencies. Another important information management project being scoped is Sitting Day Information which will draw data from various systems to provide seamless access to members to parliamentary and legislative information for each sitting day. This project has been subject to delays. There is a need for much better project governance and management as the Office undertakes the considerable suite of information system upgrades required across its portfolio.

As noted in the Four-year Excellence Horizon section above, the Office needs to be very clear about its strategic information management projects and the handover points from specification/business integration to production/build. The former should be done in house; the latter is a matter for which the Office needs to hold the shared service more actively to account.

Quarterly reporting to SMT includes reporting on quality and timeliness measures. These measures need to be reviewed for usefulness and can be used as the Office evaluates service delivery options. The Office's PIF Self-review notes there is not a culture of constantly looking for efficiency gains – staff are much more focused on quality. Despite this efficiencies have been made including staff numbers reducing from 116 to 110 since 2011 (primarily management and administrative roles). The drive for shared services with the Parliamentary Service and the transition to a 'parliamentary sector' approach is based on seeking efficiencies and delivering seamless services.

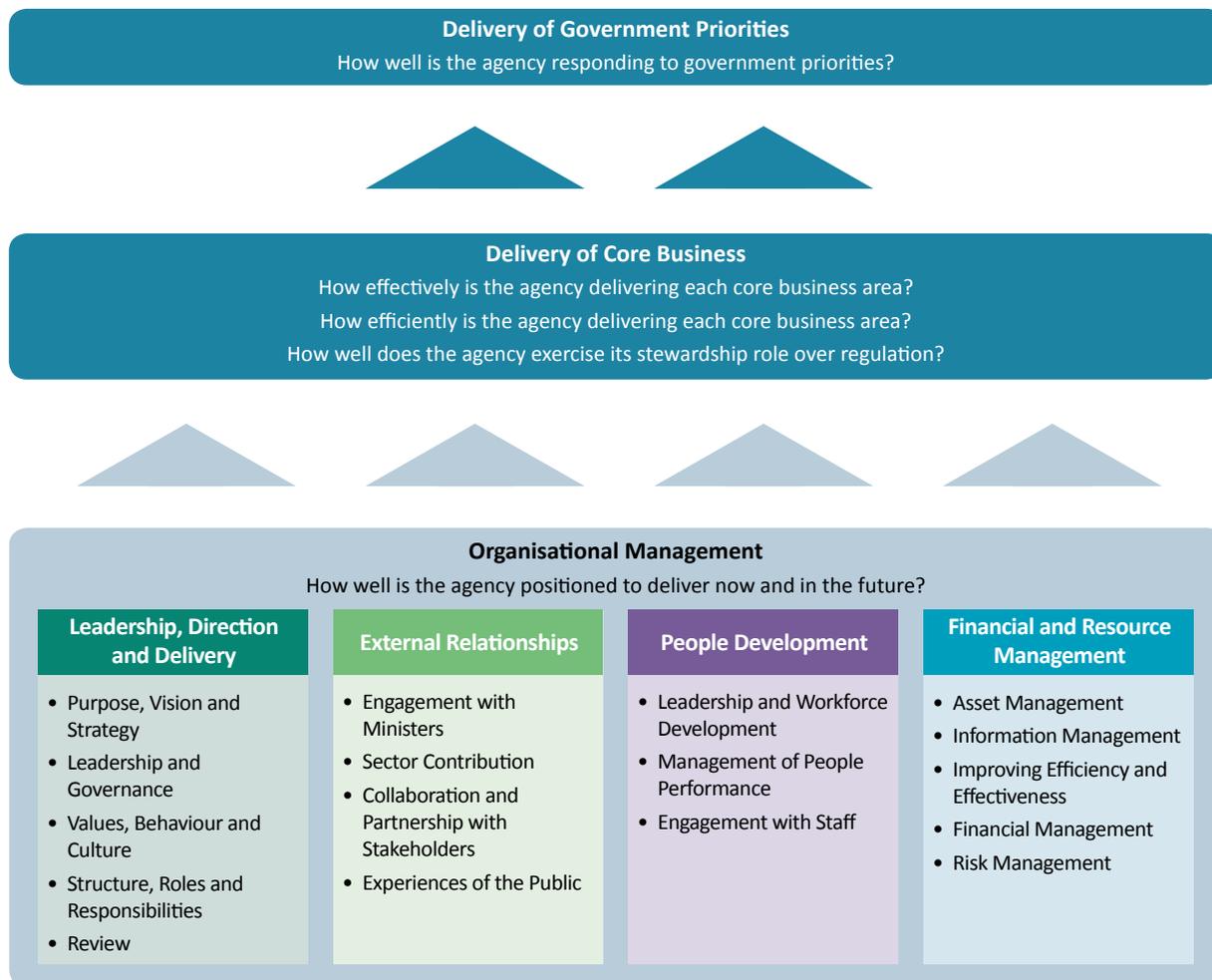
The Office's PIF Self-review notes that previously there was not a clear linkage between financial budgeting and overall strategic direction. It notes that the Office now shares a CFO and management accountant with Parliamentary Service and this has already resulted in better reporting and strategic financial management being delivered to SMT. Financial management skills in the Office however, are currently low. SMT will need to take care to be a more active and aware customer of the shared service in this area.

The Office has a risk management policy and framework and is soon to use an automated system for recording and monitoring risks. The Office's role means it is very conscious of risk and it has handled operational risk well. As noted in the Leadership, Direction and Delivery area above, the Office can be risk averse. Accordingly it needs to be aware of its risk tolerances and ensure that decision making, accountability and innovation are not stifled. Understanding of strategic risks and a dynamic approach to these, including regular discussion at SMT, will be very important in this.

Previously there were poor disciplines, including risk management, around projects but this situation is improving and the arrangements with Parliamentary Service mean that some of the project work is now being undertaken there.

# APPENDIX A

## Overview of the Model



## Lead Questions

### Results

Critical Area	Lead Questions
Government Priorities	1. How well is the agency responding to government priorities?
Core Business	2. How effectively is the agency delivering each core business area? 3. How efficiently is the agency delivering each core business area? 4. How well does the agency exercise its stewardship role over regulation?

### Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Purpose, Vision and Strategy	5. How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership and Governance	7. How well does the senior team provide collective leadership and direction to the agency? 8. How well does the Board lead the Crown entity? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?
	Structure, Roles and Responsibilities	10. How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business? 11. How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?
	Review	12. How well does the agency encourage and use evaluative activity?
External Relationships	Engagement with Ministers	13. How well does the agency provide advice and services to Ministers?
	Sector Contribution	14. How effectively does the agency work across the sector?
	Collaboration and Partnerships with Stakeholders	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?
	Experiences of the Public	16. How well does the agency understand customers and citizens' satisfaction?
People Development	Leadership and Workforce Development	17. How well does the agency develop its workforce (including its leadership)? 18. How well does the agency anticipate and respond to future capability requirements?
	Management of People Performance	19. How well does the agency encourage high performance and continuous improvement among its workforce? 20. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	21. How well does the agency manage its employee relations? 22. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Financial and Resource Management	Asset Management	23. How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?
	Information Management	24. How well does the agency manage and use information as a strategic asset?
	Improving Efficiency and Effectiveness	25. How robust are the processes in place to identify and make efficiency improvements? 26. How well does the agency evaluate service delivery options?
	Financial Management	27. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?
	Risk Management	28. How well does the agency identify and manage agency and Crown risk?