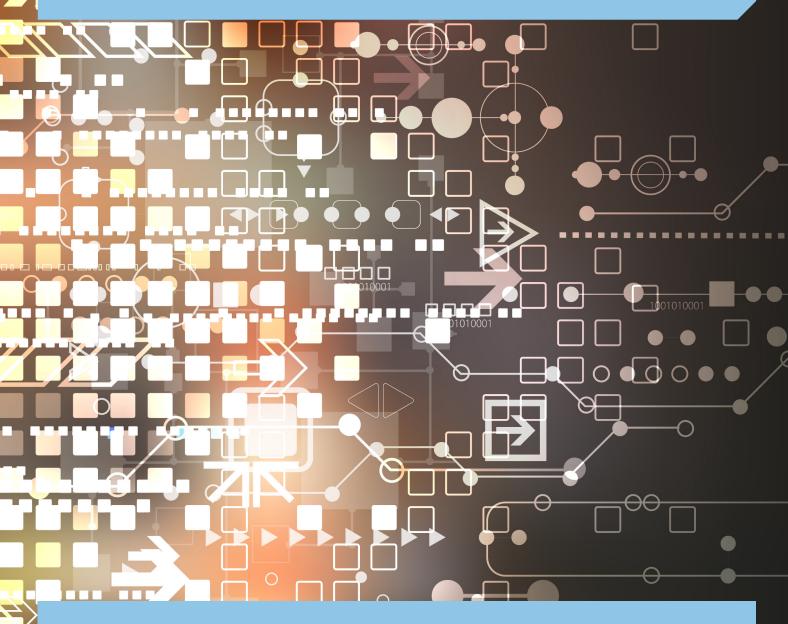# Sir Rupert Hamer Awards Case Study

Public Record Office Victoria

Victorian Auditor-General's Office

From Melbourne to Mornington: the end of the paper trail and the start of the digital journey

Public Record Office Victoria

VICTORIA State Government

The Victorian Auditor-General's Office (VAGO) initiated a project to transform into a 'digital by default' office, proving that auditors can audit and transact successfully and compliantly using electronic means. VAGO received the award for Excellence and Innovation in Records Management at the 2018 Sir Rupert Hamer Awards.

About VAGO

The Auditor-General is an independent officer of the Victorian Parliament and VAGO employs approximately 190 staff. VAGO provides assurance to Parliament and the Victorian community about how effectively public sector agencies are providing services and using public money. VAGO achieves this through an annual program of financial and performance audits of state and local government public sector entities.

The Challenge

VAGO's corporate culture of paper preference was costing the organisation in terms of materials and staff time. In addition, delays would regularly occur due to a highly mobile workforce not being able to access and work with information when working remotely. For VAGO's Information Management team, the challenge of transforming VAGO into a 'digital by default' office was to convince their colleagues of the potential for electronic transactions to be more efficient, and have more robust evidentiary value than paper records.

The challenges they faced included:

- determining a suitable means of electronic approval

- an organisation that considered 'wet' signatures on hard copy records to be less of a risk to the organisation and were a requirement under applicable legislation and standards

- a perception that digital transformation would be very costly, requiring new software and tools

- deeply entrenched processes using existing hybrid paper and electronic records processes

Key Topics

Electronic Records Management

Digital by Default

Information Management

Key Discoveries

A corporate culture of paper preference can be challenged with a well-planned pilot project that delivers clear results.

The Solution

Following extensive research into legislation and a subsequent determination that no applicable legislation prevented their approach, VAGO's Information Management team proposed:

- developing a risk-based e-approvals procedure, listing the risks of key office transactions and communications

- leveraging existing systems and tools

- initiating a pilot project that focused on the transformation of a key single, annually-repeated process

- undertaking analysis of the pilot project

The key process selected for the pilot was the preparation and issue of financial audit opinion letters. This annual process involved sending a letter to on average six positions at each of more than 550 public sector entities audited by VAGO. This resulted in 3,300 separate letters being sent via post—approximately 233,000 pieces of A4 paper—which if laid end to end would reach from VAGO's office in the CBD to Mornington! The process required printing the documents in order to apply a 'wet' signature, then scanning and capturing them into the appropriate business information system, before mailing them out. The entire process took over 100 hours of staff time (from VPS3 to Executive Officer level) and cost the organisation $12,500 annually in materials alone (paper, printing and postage).

Using a risk-based e-approvals approach, VAGO's Information Management team determined that from a signature/approval perspective, it was an acceptable risk to replace this hybrid process with a completely digital one. For the pilot project, the procedure followed was:

1. the image of a signature was applied to a word document
2. the file was converted to PDF
3. the PDF was emailed to the client
4. the email was captured into the audit-logged business information system

Approach

VAGO's Information Management team discussed with the Governance, Legal and Strategy team the applicable legislation, advice and precedence. After securing 'in principle' agreement from this team, they then approached the Operational Management Group to gain their support for this business improvement project. The project outline included:

- identification of common communications (internal documents, outgoing correspondence, employment and service provider contracts)
- a risk assessment relating to these key internal and external transactions, detailing what the key risks were with the existing and suggested method, and how to mitigate them
- documenting business rules around who can apply digital signatures to letters (i.e. the signature owner, or an individual with documented permission to apply it)
- researching currently available e-approval methods and tools
- developing an e-approval guideline, which recommends selecting an appropriate process based on the transaction type
- process analysis and benchmarking of process time and costs
- engaging stakeholders involved in the process analysis and redesign (from the administration team to the directors who prepare the correspondence), ensuring they feel involved in the process
- using simple storytelling techniques to illustrate the current state and sell the benefits of change to colleagues at VAGO
- redesigning the process and measuring efficiency gains

- updating their electronic client database
- training staff and preparing documentation to embed the change
- celebrating, promoting and sharing the outcome

The Result

The pilot was considered to be highly successful, delivering economic efficiencies to VAGO whilst adding to employee flexibility and complying with PROV standards. It included the following tangible benefits:

- signatures could now be applied in under 25 seconds per document
- the process now takes under 22 hours (a time saving of 78 hours!)
- the annual spend of $12,500 for materials has been eliminated
- staff can apply their signatures when working remotely
- records with a robust audit trail are captured into compliant business information systems and are evidence of the audit opinion transaction
- the e-approvals approach is now being used for other internal processes