

Silver Review Implications for VPS Financial Decision Makers: Guardrails, Savings and Financial Stewardship

Victorian Public Service (VPS) leaders are at the centre of the Silver Review's implementation challenge. As the Review moves from recommendations to action, senior financial decision-makers in departments and agencies – including CFOs – will be key to translating high level fiscal expectations into disciplined budgeting, sustainable savings, and credible financial stewardship.

The new fiscal reality for Victoria

The Silver Review identifies outdated systems, high transactional volumes and fragmented service delivery as major drags on efficiency and user experience. Over 40 per cent of core departmental systems are approaching end-of-life, public servants waste time navigating bespoke platforms, and citizens face repetitive information requests and manual approvals.

For CIOs and CTOs, this creates both urgency and opportunity: digital reform is positioned as a system-wide priority that can unlock savings, improve service quality and free up capacity for higher-value work, but only if executed with strong governance, risk management and cross-functional alignment.

Enhanced financial management principles

The Review proposes strengthened financial management principles and annual budget “rules” that reshape how the system allocates and manages resources, including a single annual decision window for major funding decisions, deeper scrutiny of base expenditure, reduced reliance on fixed-term programs and more systematic expenditure evaluation.

For VPS finance leaders, this implies a shift from reactive, bid-driven budgeting to a more planned, cyclical approach that emphasises long-term sustainability. Budget processes, timetables and internal governance will need to align with these principles, with clearer decision-making forums, better integration of strategic planning and budgeting, and a stronger reliance on evidence when seeking new or continued funding.



Government commitments and financial accountabilities

The Government has broadly endorsed the direction of the Silver Review and committed to delivering multi-year savings across workforce, entities and programs while maintaining essential services. As these commitments flow through to budgets, departmental and agency finance leaders will be expected to challenge and provide input and advice into plans to realistically deliver the required savings and to ensure that financial risks are being identified and managed.

This demands stronger financial governance: better visibility of financial performance across portfolios, more robust challenge of assumptions underpinning savings plans, and clearer delegations and decision rights. Business leaders and CFOs will also play a key role in identifying and informing the financial implications of reforms to Secretaries, Deputy Secretaries, Audit and Risk Committees and central agencies.

Impacts on departmental and agency finance functions

The Review's focus on entity consolidation, workforce changes and digitisation will significantly affect how finance functions operate. More rigorous expenditure evaluation will lift demand for high-quality financial and non-financial data, analytical capability and program-level insights, with finance teams working more closely with policy, operational and transformation colleagues to understand cost drivers, demand trends and impacts on service outcomes.

At the same time, finance systems, data structures and reporting will need to support this more analytical and risk-aware approach. This includes

improving the accuracy and timeliness of financial reporting and ensuring that key indicators such as unit costs for services delivered, productivity measures and benefits-realisation metrics are visible and reliable for both departmental executives and agency boards.

Key implementation risks for finance leaders

The scale and pace of change contemplated by the Silver Review creates real risks for leaders to manage. These include:

- Savings being implemented without a clear strategy, leading to short-term reductions that erode critical capabilities or create hidden costs elsewhere.
- Unintended impacts on frontline services, vulnerable cohorts or regulatory functions if financial pressures override risk and service considerations.
- Weak or inconsistent benefits tracking, making it difficult to demonstrate whether savings have been delivered and whether reforms are improving efficiency or outcomes.
- Finance functions being stretched by parallel demands – business-as-usual reporting, reform design and assurance over implementation – without adequate re-prioritisation or support.

Addressing these risks requires finance leaders to embed structured financial risk assessments into reform planning, strengthen internal reporting on savings progress and impacts, and ensure that financial controls are not weakened in the push for change.



How finance leaders can lead 'good cuts', not 'bad cuts'

In this context, VPS leaders have a critical role in shaping and challenging the quality of savings, not just their quantum. This includes:

- Using program evaluations and cost-to-serve analysis to identify where expenditure is misaligned with outcomes, and where efficiency gains are genuinely achievable.
- Applying clear prioritisation frameworks that protect high-impact services and cohorts, and that distinguish between temporary deferrals and sustainable reductions.
- Supporting outcome-based budgeting approaches that link funding to measurable service objectives, rather than historical allocations alone.
- Leveraging opportunities for process standardisation and shared services, particularly in corporate and back-office functions, as triggers for full process redesign and optimisation, rather than simply centralising existing inefficiencies.

Cross-functional collaboration will be essential. Finance leaders will need to work closely with technology leaders to ensure finance systems and data are fit for purpose, and with risk management and assurance functions to align financial governance and reporting with broader risk and assurance frameworks.

Strengthening governance, risk and controls in finance

As financial guardrails tighten, strengthening governance, risk and controls within finance functions is as important as identifying savings. Finance leaders should drive:

- Reviewing financial governance structures, committees and delegations to ensure they support faster, better-informed decisions aligned to the new budget rules.
- Re-examining risk management frameworks to ensure financial risks related to restructuring, entity changes and digital initiatives are clearly articulated and monitored.
- Testing the resilience and efficiency of core finance processes – budgeting, forecasting, month-end, reconciliations and management reporting – under new spans of control and staffing levels.
- Maintaining regular engagement with internal audit and Audit and Risk Committees so that key risk areas are independently assessed and control weaknesses are addressed before they lead to financial misstatements or service disruption.

How Protiviti Australia can help

Protiviti understands that each Victorian department and public sector entity is confronting the Silver Review from a different financial starting point, with distinct budget pressures, risk profiles and service priorities. That's why a one-size-fits-all approach to financial governance and assurance will not work.

Our public sector specialists bring deep experience, independent insight and a collaborative style to help finance leaders strengthen financial stewardship in a constrained environment. We support leaders across the full financial management cycle, including:

- Review and uplift of financial governance structures, delegations and decision-making forums.
- Assessment of budgeting, forecasting and base-spend review processes.
- Design and review of financial performance, savings and benefits-tracking reporting.

- Assurance and risk assessments over major savings programs, restructures and consolidation initiatives.
- Targeted reviews of finance systems, data quality and key financial controls.

Our team has extensive experience working with state and federal agencies on high-profile reform, savings and transformation programs. Our focus is on helping finance leaders navigate complexity, meet governance and assurance obligations, and deliver savings plans that are transparent, sustainable and aligned with public value.

What's next in the series?

This blog has explored the implications of the Silver Review for VPS finance leaders and decision-makers, highlighting the need for strengthened financial governance, more rigorous budgeting and evaluation, and a deliberate focus on “good cuts” that protect public value. The final blog in this series will examine how risk and assurance leaders can respond:

- [Blog 4: Assuring the Silver Review Reforms – The Critical Role of Risk Management and Assurance](#) discusses how leaders, including Audit and Risk Committees and Chief Risk and Audit Officers can facilitate strategic assurance over workforce, entity, digital and change management reforms, and elevate internal audit as a key partner in safeguarding public value.

If you missed blog 1 in this series, read [Resetting the Victorian Public Service: What the Silver Review Means for VPS Leaders](#).

For blog 2, visit [Digitising the VPS – Shared Platforms, AI and the Responsibilities of Technology Leaders](#).

Find out more about Protiviti Australia's [internal audit services](#), and [finance transformation services](#) or get in touch with Lauren Brown, Elly Maddy, or Daniel Agosta.

About the authors



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Lauren is the country lead for Protiviti Australia with more than two decades of experience working with a range of clients including the public sector, multinationals and private sector organisations in Australia and abroad.

She specialises in governance, risk, and internal controls, across multiple industries including health, higher education, federal and state government, consumer products, and energy.

Lauren has extensive experience working with various stakeholder groups including boards, audit committees, executive management teams and line management staff and has acted as an active member and contributor to the Institute of Internal Auditors since 2014.



Elly Maddy
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Elly is a director at Protiviti Australia and provides internal audit services to federal and state government departments and agencies. Elly is known for her innovative problem-solving approach and for providing her clients with new approaches to their operational issues. Over 13 years, she has accumulated valuable experience that provides a sound understanding of the complexities, challenges and unique funding and regulatory environment in which her clients operate.

She leads the delivery of outsourced and co-sourced internal audit and assurance services to several government departments and agencies across Victoria and the ACT, working directly with senior leadership and chief audit executives to deliver high-quality, risk based internal audit programs.



Daniel Agosta
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Daniel is an associate director at Protiviti Australia and delivers internal audit, risk management, and compliance services to public sector, corporate, healthcare, and medical research clients. Known for his client-centric solutions and analytical approach, Daniel combines practical knowledge with a commitment to continuous improvement to help organisations navigate complex operational and regulatory challenges.

With seven years as an internal audit professional and recently qualified CPA, he has developed deep expertise in internal audit, operational performance improvement, and compliance audits. Daniel currently leads the delivery of tailored internal audit and advisory projects for public sector departments and agencies, working closely with public sector leaders, CFOs, and chief audit executives to provide assurance over risk management and controls.

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