



Premier of New South Wales

2013-233857

Ms R Miller
Clerk of the Legislative Assembly
Parliament House
Macquarie Street
Sydney NSW 2000

28 NOV 2013

Dear Ms Miller *Rada,*

Please find enclosed the NSW Government's response to Report 7/55 of the Public Accounts Committee entitled *Procurement and Management of ICT Services in the NSW Public Sector*.

The Government's response was prepared by the Department of Finance and Services in consultation with other agencies.

Yours sincerely

Barry O'Farrell MP
Premier

NSW Government Response to PAC Report *Procurement and Management of ICT Services in the NSW Public Sector*

The NSW Government welcomes the May 2013 Public Accounts Committee report *Procurement and Management of ICT services in the NSW Public Sector*.

The Committee made 41 recommendations regarding procurement and ICT project management. Many of the recommendations are being implemented through procurement reform and implementation of the *NSW Government ICT Strategy*.

By way of context, the NSW ICT Strategy is one of three whole of government initiatives aimed at developing and implementing a new approach to the Government's use of ICT. Key focus areas of the ICT Strategy are a move for government agencies to a service orientation, developing ICT skills and capabilities across the public sector, and ICT procurement reform.

The NSW Government's Strategic Centre Initiative clarifies the respective roles, functions, responsibilities and accountabilities of each central agency, and changes the way central agencies work with each other, clusters and external stakeholders.

As a central agency, the Department of Finance and Services' role is to support agencies in delivering services to the community through the key enabling functions of Government: ICT, corporate and shared services, construction, procurement, property asset management, government accommodation and fleet. The Department works with agencies to develop the policies and guidance that assist the implementation of the NSW Government ICT Strategy across government.

The NSW Government has made a commitment to devolved decision making, which recognises that ICT projects are best managed close to the operational areas of the business. Accordingly, Directors General are responsible and accountable for delivery of individual projects by their agency.

Within the devolved accountability model, the ICT Board is currently considering its' appropriate role in whole-of-government oversight of ICT investment. A consideration of the ICT Board will be avoiding an overly prescriptive approach that may unnecessarily limit an agency's flexibility to deliver projects in a manner suitable to the scale and complexity of the project.

The Committee's report provides useful context for the Board's consideration of its ICT investment role, and will inform the development of a more accountable and better performing approach to ICT investment in New South Wales.

NSW Government Response to PAC Report Procurement and Management of ICT Services in the NSW Public Sector

Recommendation	Response
<p>Recommendation 1</p> <p>That the NSW Government adopts as best practice, shorter, more iterative projects with timeframes of no more than two to three years.</p>	<p>Supported.</p> <ul style="list-style-type: none"> • Projects should be as small as practicable and appropriately scoped for business requirements. This would reduce project risk and increase agility within a rapidly changing technology environment. • Exceptions to this will arise and project risk will be managed in line with NSW Government's commitments to devolved decision making and building ICT skills, including project management capability.
<p>Recommendation 2</p> <p>That NSW Procurement and the Department of Finance and Services review all existing projects that have been running for over four years and request the agencies prepare detailed action plans regarding outstanding deliverables and time lines for completing the project.</p>	<p>Not supported.</p> <ul style="list-style-type: none"> • Directors General are responsible and accountable for delivery of individual agency projects. • The role of DFS is to develop, in consultation with agencies, policies and supporting guidance for agencies to successfully implement the <i>NSW Government ICT Strategy</i> across government, including building ICT skills.

Recommendation	Response
<p>Recommendation 3</p> <p>That the Department of Finance and Services sponsor regular seminars across government where knowledge gained by agencies can be presented as case studies, including key lessons learned from ICT projects.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • DFS has sponsored and facilitated seminars, including case studies, to communicate best practice ICT projects and innovate approaches to service delivery. Events of this type will be sponsored by DFS, as well as other agencies as appropriate. • The Community of ICT Professionals is a forum through which agencies share experiences and lessons learned from ICT-enabled projects. Community events include seminars on ICT case studies. For example, the theme for the Community event on 28 August 2013 was <i>Case studies of innovative government ICT practice</i>. Speakers shared experiences on innovative ICT solutions and lessons learned. • DFS also publishes cases studies on the ICT Strategy website, including lessons learned from ICT projects, and examples of best practice.
<p>Recommendation 4</p> <p>That the Department of Finance and Services implement a project management framework to be applied sector wide and make its use mandatory.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • Directors General are responsible and accountable for delivery of individual projects by their agency. • There are a number of project management frameworks available to agencies that provide appropriate tools, capabilities and guidance for agencies to successfully implement projects. • An overly prescriptive approach to project management may unnecessarily limit an agency's flexibility to adopt project management tools that best fit the scale and complexity of the project being undertaken. • The ICT Strategy has identified that the skills mix required to drive ICT reform includes project management capability. • The ICT Board will consider providing guidance for agencies on project management frameworks. • See also the responses to recommendations 5, 12 and 16.

Recommendation	Response
<p>Recommendation 5</p> <p>That the Department of Finance and Services establish a centralised mechanism to scrutinise the effectiveness of the framework, to ensure a consistent approach to project governance in NSW.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • Directors General are responsible and accountable for delivery of individual projects by their agency. • Within the devolved accountability model, the ICT Board is considering the appropriate role for the Board in portfolio management and this will have benefits for project governance. • Recent guidance issued on program evaluation will provide an opportunity for agencies to consider improved project governance. • See also the responses to recommendations 4, 12 and 16.
<p>Recommendation 6</p> <p>That the Department of Finance and Services and the Public Service Commission review and update project sponsor training and ensure that competencies required for effective project sponsorship are included in the revised capability framework.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The revised NSW Public Sector Capability Framework includes non-occupation specific procurement and project management capabilities. These core capabilities apply to all NSW public sector employees. • The Capability Framework design also allows for complementary occupation/profession specific capability sets to be applied in conjunction with the core capabilities for employees in various occupations, such as procurement/commissioning and project management. The PSC intends to develop or acquire occupation specific capability sets for the sector in the future. • The PSC will work closely with the sector to provide support and advice on implementation of the Capability Framework across the full range of workforce management and development activities.

Recommendation	Response
<p>Recommendation 7</p> <p>That the Treasury and the Department of Finance and Services monitor and provide advice to agencies when cost underestimations impact on the financial management of ICT projects.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Government strongly supports a financial management framework that incorporates program information to drive accountability and better manage performance. • Treasury supports the recommendation in principle and works with agencies to avoid cost under/over estimations. Treasury supports agencies in the development of robust cost estimations and business case development through, amongst other initiatives, the Gateway review process, business case guidelines and the provision of ongoing support from Treasury staff. • Under the devolved accountability model, monitoring of projects falls within the remit of Directors Generals and agencies. Treasury currently tracks budgeted to actuals through the Fiscal Effectiveness Office (FEO) and ongoing budget processes. These do not provide for project-by-project monitoring. • Treasury and DFS will continue to work together to manage the appropriate processes and provide agencies with financial advice and support.

Recommendation	Response
<p>Recommendation 8</p> <p>That the Department of Finance and Services and the Public Service Commission review the training currently available for the preparation of project cost estimates.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • NSW Treasury administers the Gateway Review System, which is a series of structured reviews that are held at key decision points (gates) in the procurement process. The Government has developed the Gateway Review System to help agencies improve their procurement discipline and to achieve better service results from their procurement activity. The Gateway Review process monitors project progress against, amongst other things, the cost estimate provided by the agency. Reviews are undertaken by procurement practitioners that are not involved in the projects. • As required by NSW Treasury Circular 10/13, government agencies are required to submit for Gateway Review all procurement proposals for projects with an estimated total cost over \$10 million, and for proposals over \$1 million where requested by NSW Treasury. • The Institute of Public Administration Australia (IPAA) runs a number of training courses on behalf of NSW Treasury to support capability development in the gateway process, including in developing financial appraisals of project proposals. • The revised Public Sector Capability Framework includes non-occupation specific procurement and project management capabilities. These core capabilities apply to all NSW public sector employees. • The Capability Framework design also allows for complementary occupation/profession specific capability sets to be applied in conjunction with the core capabilities for employees in various occupations, such as procurement/commissioning and project management. The PSC intends to develop or acquire occupation specific capability sets for the sector. • The PSC will work closely with the sector to provide support and advice on implementation of the Capability Framework across the full range of workforce management and development activities.

Recommendation	Response
<p>Recommendation 9</p> <p>That the Department of Finance and Services implement the finance and performance reporting framework as soon as possible and consider ways to use the system to improve transparency and accountability.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Department of Premier and Cabinet is the lead agency for this initiative and work is progressing. • DFS will incorporate links to the finance and performance reporting framework from the Information Management Framework, as appropriate.
<p>Recommendation 10</p> <p>That the Department of Finance and Services encourage agencies to complete Benefit Realisation Plans for all major ICT projects.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Procurement Board's Strategic Directions Statement 2013-14 outlines the Procurement Board's responsibility to develop a Benefit Realisation Framework at category management level. • Guidance will also be given to agencies, through the Procurement Policy framework, about assessing and measuring benefits and costs at the project level.
<p>Recommendation 11</p> <p>That the NSW Government encourage agencies to establish project management offices to strategically manage projects, including ICT projects.</p>	<p>Supported.</p> <ul style="list-style-type: none"> • NSW Government agrees that Project Management Offices should be established within agencies as appropriate. • Consideration will be given to how these offices could work together and share information across agencies and clusters, including through the Procurement Leadership Group, the ICT Leadership Group and the NSW Government Community of ICT Professionals.
<p>Recommendation 12</p> <p>That the Department of Finance and Services ensure that an appropriate project management methodology is used by agencies for all major ICT projects.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • Directors General are responsible and accountable for delivery of individual projects by their agency. • Within the devolved accountability model, the ICT Board is considering the appropriate role for the Board in portfolio management. A consideration of the ICT Board will be to avoid an overly prescriptive approach to project management methodologies. This may unnecessarily limit an agency's flexibility to adopt project management tools that best fit the scale and complexity of the project being undertaken. • See also the responses to recommendations 4, 5 and 16.

Recommendation	Response
<p>Recommendation 13</p> <p>That the Department of Finance and Services and the Public Service Commission review and consider options for the accreditation of project managers.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The revised Capability Framework includes non-occupation specific project management capabilities in the “Business Enablers” capability group. These core capabilities apply to all NSW public sector employees • An action from the skills and innovation initiative within the <i>NSW Government ICT Strategy</i> outlines the need to partner with industry associations to leverage industry ICT skills accreditation for the ICT workforce. • The PSC will research and review existing accreditation frameworks to determine ‘best fit’ for the NSW context in terms of establishing accreditation for the ICT Capability Framework (which includes the NSW Capability Framework and the <i>Skills for the Information Age</i> (SFIA) framework).
<p>Recommendation 14</p> <p>That the Department of Finance and Services and the Public Service Commission ensure that the new ICT capability framework being developed takes into account specific competencies regarding ICT project management.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The ICT Capability Framework provides the framework for all capabilities (both core and occupation-specific) for the ICT workforce. These will be used to develop a suite of role descriptions for the ICT workforce, which will then be used as the foundation for the full range of workforce management and development activities. • Role descriptions will include capabilities from the NSW Public Sector Capability Framework and relevant skills/capabilities from SFIA.
<p>Recommendation 15</p> <p>That the Department of Finance and Services develop a model for the use of concept testing.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • While concept testing is an important component of an effective procurement strategy, different concept testing models are required for different business and ICT challenges. • Examples of recent use of concept testing include the Service NSW initiative, and for the Messaging As-A-Service and Desktop As-A-Service ‘proof of concept’ projects being undertaken by ServiceFirst. • Consideration will be given to the best way to use the ICT and procurement governance groups, and the ICT Professionals Community of Practice, as forums for concept testing innovative ideas. • The Department of Finance and Services will continue to work with industry associations on appropriate concept testing models for specific business projects.

Recommendation	Response
<p>Recommendation 16</p> <p>That the Department of Finance and Services establish a centralised mechanism to scrutinise the effectiveness of project management in the NSW public sector.</p>	<p>Not supported.</p> <ul style="list-style-type: none"> • Directors General are responsible and accountable for delivery of individual projects by their agency. • Within the devolved accountability model, the ICT Board is considering the appropriate role for the Board in portfolio management. • All clusters have Internal Audit functions which are responsible for monitoring compliance with the regulatory framework, and can conduct performance reviews of projects, including the adequacy of project management discipline. Clusters can consider the need to review effectiveness when setting Internal Audit Plans. • See also the responses to recommendations 4, 5, and 12.
<p>Recommendation 17</p> <p>That the Department of Finance and Services and NSW Procurement provide guidance to NSW Government agencies on renewals and/or roll overs of ICT contracts.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Procurement Board has responsibility for policy setting in relation to the renewal and/or replacement of contracts, including ICT contracts. • In this regard, the Procurement Policy Framework provides guidance to agency heads. • Specifically, a policy on competition has recently been issued which requires agencies not to unquestioningly accept the status quo and roll over contracts.
<p>Recommendation 18</p> <p>That the Department of Finance and Services provide more detail regarding the implementation and effectiveness of the NSW ICT Strategy. This should be made public on the ICT Strategy website.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The <i>NSW Government ICT Strategy Implementation Update 2013</i> includes a list of completed actions and outlines the Government's priorities for ICT over the coming months. • It is proposed to continue to publish progress reports on the ICT website.
<p>Recommendation 19</p> <p>That the NSW Government make the annual testing of disaster recovery plans a mandatory part of the agency attestations.</p>	<p>Supported in part.</p> <ul style="list-style-type: none"> • The NSW Government will consider incorporating this under the Core Requirements of the <i>NSW Government Digital Information Security Policy</i> (Point 8 - Business processes and continuity), which was published in November 2012.

Recommendation	Response
<p>Recommendation 20</p> <p>That the capability framework developed by the Public Service Commission be applied sector wide and its use made mandatory.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • All NSW Government agencies will embed the Capability Framework in workforce management practices as soon as possible but no later than the end of a three year implementation period. • The PSC will work with the sector to support adoption of the Capability Framework, including developing tools and resources in partnership with cluster HR representatives. • The Framework will be used as a key input for a number of reforms and sector wide initiatives including aligning and developing employees' capabilities through implementing the Performance Development Framework and as the basis for assessment of executives under the 2014 Executive Development Program.
<p>Recommendation 21</p> <p>That the Department of Finance and Services and the Public Service Commission develop an online knowledgebase where the ideas and knowledge generated from Communities of Practice can be shared.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Community of ICT Professionals was launched on 23 May 2013. It currently has 650 members from across the public sector. • The Community's purpose is to build and maintain an active community of ICT professionals to support ICT innovation and operation across the NSW Public Sector. The Community holds member events where colleagues from the Sector can network, share information and build capability. The Community provides opportunities for members to engage with experts and leaders in ICT from the public and private sectors. • The Community of ICT Professionals also maintains a LinkedIn group for sharing knowledge, and may consider other online tools as it develops. • PSC has established an overarching website site to house the ICT sector's existing and new Communities of Practice (Comprac). A membership module is available to allow secure sharing of information by Comprac members. • The Comprac website promotes information sharing and provides opportunities for improved distribution of resources and promotes the benefits of Comprac membership to the sector.

Recommendation	Response
<p>Recommendation 22</p> <p>That once implemented, the Department of Finance and Services makes the use of e-Catalogue and e-Quote mandatory across the whole sector.</p>	<p>Not supported.</p> <ul style="list-style-type: none"> • Given the wide variety of procurement systems used by agencies to suit their own needs and purposes, it is not considered feasible to mandate the use of NSWBuy eCatalogues or eQuote. • The Procurement Board may provide guidance or minimum requirements to agencies on procurement systems (for example that they be trackable and traceable). • The Department will continue to encourage agencies to utilise NSWBuy eCatalogues or eQuote systems, however agencies must see value in using those systems.
<p>Recommendation 23</p> <p>That NSW Procurement update Procure IT documentation to reflect the new governance structure, including the NSW Procurement Board, ICT Board and Leadership Groups.</p>	<p>Supported.</p> <ul style="list-style-type: none"> • In June 2013 Procure IT v3.1 was released, reflecting the new governance structure. • References to the State Contracts Control Board have been removed, and references to the NSW Procurement Board have been included.
<p>Recommendation 24</p> <p>That the NSW Government implement a vendor management framework to assist agencies and vendors improve communications and ongoing relationships.</p>	<p>Supported – in principle.</p> <ul style="list-style-type: none"> • This matter will be considered by the Procurement Board during 2013/14.
<p>Recommendation 25</p> <p>That NSW Treasury review the current funding framework for ICT projects and expenditure, and implement an appropriate investment model that reflects the adoption of as-a-service models in order to maximise the potential cost savings.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The ICT Board has approved ICT investment principles and a review of ICT investment processes is currently underway. • Treasury and DFS are currently preparing guidance to support agencies in considering as-a-service options based on value outcomes. This work is expected to be complete by the end of 2013.

Recommendation	Response
<p>Recommendation 26</p> <p>That the Department of Finance and Services monitor and report on agency compliance with the requirements to prepare opportunity statements and Small and Medium Enterprise participation plans.</p>	<p>Supported in part.</p> <ul style="list-style-type: none"> • The Procurement Board has responsibility for policy development in relation to small and medium enterprise (SME) opportunity statements participation plans, and agencies' general compliance with the <i>Goods and Services Procurement Policy Framework</i> and the <i>SME Procurement Policy Framework</i>. • Agency chief executives are responsible for compliance. • The Procurement Board issued Board Direction 2013-01, effective from 1 July 2013, which draws agencies' attention to their statutory and policy obligations and sets specified obligations on agencies. Board Direction 2013-01 notes that compliance with procurement laws and policies is a matter for the agency itself, having regard to its operations and audit arrangements. Agencies are required to demonstrate through the accreditation process compliance with laws and policies.
<p>Recommendation 27</p> <p>That the Department of Finance and Services and NSW Procurement sponsor 'Meet the Buyer' events to promote the work of Small and Medium Enterprises in NSW.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • NSW Procurement previously hosted an annual <i>Contracts on Show</i> exhibition. • <i>Contracts on Show</i> was a forum for suppliers to present their goods and services to NSW Government buyers. In 2006 <i>Contracts on Show</i> was discontinued as it did not deliver sufficient benefits to justify the costs of hosting the event. • DFS has a program of work underway to assist Small and Medium Enterprises through Government procurement which includes education and awareness training delivered in partnership with the Office of the Small Business Commissioner and the NSW Business Chamber.

Recommendation	Response
<p>Recommendation 28</p> <p>That the Department of Finance and Services and the Public Service Commission ensure that the ICT capability framework reflects the as-a-service purchasing model and recognises the importance of having appropriately skilled procurement and contract managers.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The revised Capability Framework includes non-occupation specific procurement and project management capabilities in the “Business Enablers” capability group. These core capabilities apply to all NSW public sector employees. • The Capability Framework design also allows for complementary occupation/profession specific capability sets to be applied in conjunction with the core capabilities for employees in various occupations, such as procurement/commissioning and project management. • The PSC intends to partner with NSW Procurement (DFS) in 2013/2014 to develop occupation specific procurement/commissioning capabilities in the future. Preliminary discussions have already commenced. • The PSC will be guided by NSW Procurement regarding the ‘as-a-service purchasing model’ and how it can be incorporated (if relevant) within the occupation specific capability sets.
<p>Recommendation 29</p> <p>That the NSW Government apply the ICT Capability Framework sector wide and make its use mandatory.</p>	<p>Supported in part.</p> <ul style="list-style-type: none"> • All NSW Government agencies will embed the Capability Framework in workforce management practices as soon as possible but no later than the end of the prescribed three year period. • The PSC will work with the sector to support adoption of the Capability Framework, including developing tools and resources in partnership with cluster HR representatives. • The Framework will be used as a key input for a number of reforms and sector wide initiatives including aligning and developing employees’ capabilities through implementing the Performance Development Framework and as the basis for assessment of executives under the 2014 Executive Development Program. • See also response to recommendation 20.

Recommendation	Response
<p>Recommendation 30</p> <p>That NSW Government agencies consider using an independent quality assurance process to conduct a review of ICT projects, ICT contractors and contract management where appropriately qualified internal staff are not available.</p>	<p>Supported in principle.</p> <ul style="list-style-type: none"> • Directors General are responsible for assessing the need for independent quality assurance on a case by case basis.
<p>Recommendation 31</p> <p>That the Department of Finance and Services and NSW Procurement improve transparency by publishing the milestones and progress of major ICT projects on the ProcurePoint website.</p>	<p>Not supported.</p> <ul style="list-style-type: none"> • It is a matter for individual agencies to determine whether to publish such data, based on commercial in confidence, privacy, and security considerations.
<p>Recommendation 32</p> <p>That the NSW Government reduces the reporting threshold from \$150,000 to contracts valued over \$100,000 and monitor and report on compliance.</p>	<p>Not supported.</p> <ul style="list-style-type: none"> • The current obligation to report ICT contracts above \$150,000 was confirmed by Parliament in 2009, in sections 27 and 35 of the <i>Government Information (Public Access) Act 2009</i>. It is not imposed by either the Procurement Board or the Department of Finance and Services (NSW Procurement). • Under the NSW Procurement Board's Agency Accreditation Scheme for the Procurement of Goods and Services, accredited agencies are obliged to test their compliance with all NSW procurement policies. Thus, it is anticipated that accreditation will improve agencies' reporting practices over time and result in an increased level of compliance with reporting requirements.

Recommendation	Response
<p>Recommendation 33</p> <p>That the Department of Finance and Services and NSW Procurement expand the performance information about suppliers and introduce a rating system for all ICT projects, which should be available to all agencies via the NSWBuy web portal.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • DFS has added a buyer satisfaction rating capability to the NSWBuy eQuotes platform. This feature provides the mechanism for buyers to rate their experience with suppliers in the delivery of a requested service. • A pilot of the buyer satisfaction rating capability is currently underway. The outcome of the pilot will allow final improvements to the buyer satisfaction rating capability, before it is communicated across government. • DFS will investigate using the eTenders system for collecting and sharing information on ICT projects.
<p>Recommendation 34</p> <p>That the Department of Finance and Services and NSW Procurement introduce Annual Procurement Plans based on the Commonwealth model and publish them on the ProcurePoint website.</p>	<p>Supported.</p> <ul style="list-style-type: none"> • The Procurement Board’s Strategic Directions Statement 2013-14 commits agencies to publishing rolling three-year forward procurement plans and industry engagement strategies on all goods and services procurement, including ICT projects, from Q3 2014 onwards. The Commonwealth model has been used by the Board’s Procurement Leadership Group and its Industry Advisory Group as a basis for discussions. • Also, see response to recommendation 31.
<p>Recommendation 35</p> <p>That the Department of Finance and Services complete and publish the NSW Government Cloud Computing Policy and Guidelines as soon as possible and ensure that the guidelines provide clear guidance on risk management and security in cloud implementations.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The <i>NSW Government Cloud Services Policy and Guidelines</i> was published in September 2013. It contains clear guidelines on risk management and data security regarding cloud-based solutions.

Recommendation	Response
<p>Recommendation 36</p> <p>That the Department of Finance and Services review the Digital Information Security Policy and include reporting on actions taken to mitigate the risk of cyber-attacks.</p>	<p>Supported.</p> <ul style="list-style-type: none"> • As outlined in the Digital Information Security Policy, the ICT Board will review the Policy in 12 months after implementation. • This will provide an opportunity to consider whether it is appropriate to report on actions taken to mitigate the risk of cyber-attacks.
<p>Recommendation 37</p> <p>That the NSW Government review existing privacy legislation to ensure that privacy principles are still relevant for personal information held in multiple jurisdictions.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • A legislative and policy framework review of information management is currently being undertaken which will examine the management of NSW Government records in a digital environment. • The review will consider how effectively these frameworks meet privacy, security, accountability, accuracy and accessibility considerations with regard to changing ICT sourcing models (including cloud computing). This would also include privacy implications for personal information held in multiple locations. • The existing instruments of the information management framework that are in scope for the review are: <ul style="list-style-type: none"> - <i>State Records Act 1998,</i> - <i>Government Information (Public Access) Act 2009,</i> - <i>Privacy and Personal Information Protection Act 1998,</i> - <i>Health Records and Information Privacy Act 2002, and</i> - <i>NSW Government Digital Information Security Policy (2012).</i>

Recommendation	Response
<p>Recommendation 38</p> <p>That the NSW Government consider the options for cross-agency collaboration establishing a support network for fraud and corruption prevention.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The ICT and Procurement Leadership Groups currently provide a forum for cross-agency collaboration on issues related to the procurement and management of ICT, including fraud and corruption prevention. • The NSW Public Sector is already serviced by the following support networks and communities of practice in relation to fraud and corruption prevention: <ul style="list-style-type: none"> - Corruption Prevention Network Inc; and - NSW Public Sector Audit & Risk Practitioners Network. • In addition, ICAC provides advice, education and training through forums, newsletters, and other corruption prevention activities (including Australian Public Sector Anti-Corruption Conference, and National Investigations Symposium). • All NSW Government agencies are required to have internal guiding policies regarding fraud and corruption. • The PSC is developing the ethical framework for the NSW Public sector and has established a networking group.
<p>Recommendation 39</p> <p>That the NSW Government implement the ICAC recommendation in the Corruption Risks in NSW Government Procurement, The Management Challenge report to improve the accountability of managers.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • In developing the Procurement Board's <i>Procurement Policy Framework</i>, regard has been had to the ICAC recommendations.

Recommendation	Response
<p>Recommendation 40</p> <p>That the NSW Government implement the ICAC recommendation to hold tender de-briefs for all tenders with unsuccessful tenderers.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • As noted in the response to recommendation 24, consistent with the devolution of procurement activities, guidance will be given to agencies about appropriate features of vendor management systems rather than mandating a particular framework. • This will include guidance on providing information to unsuccessful tenderers.
<p>Recommendation 41</p> <p>That NSW Treasury and NSW Procurement encourage agencies to use the prequalified list of independent chairs and members for audit and risk committees.</p>	<p>Supported – in progress.</p> <ul style="list-style-type: none"> • The Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 09-05) was issued in 2009 as a Treasurer's Direction to all Departments and statutory bodies listed in Schedules 2 and 3 of the <i>Public Finance and Audit Act 1983</i>. • Under TPP 09-05, it is mandatory for Department heads and governing boards of statutory bodies to establish an Audit and Risk Committee with a majority of independent members (including an independent Chair) selected from the Prequalification Scheme: Audit and Risk Committees Independent Chairs and Members. • The Department head or governing board must attest compliance with TPP 09-05 annually and publish a report as to compliance in the agency's annual report. Treasury monitors the attestations and follows up any instances of non-compliance. • The requirement to use the <i>Prequalification Scheme: Audit and Risk Committees Independent Chairs and Members</i> is widely known by agencies. Compliance to this requirement is very high.