

## Department of Planning and Environment

PUBLIC ACCOUNTS COMMITTEE

EXAMINATION OF SELECTED AUDITOR-GENERAL'S FINANCIAL AUDIT REPORTS 2021

Parliament House, Sydney on Thursday 29 September 2022

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**SUBJECT:** DPE Responses to Questions on Notice

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### Question 1 – Refer Page 18 of Transcript

**Mr David Layzell:** One of the payroll controls listed identified employees with net pay over \$15,000. Is that an amount per week, per fortnight or per month? I know it is a pay listing, but we are not quite sure of that. ***How many people actually appear on the report on average, and how did you come up with that threshold mark?***

### Answer

The threshold is set with a small margin above the net fortnightly pay that is expected of senior executives including our secretary, so that no individual appears on the exception report repeatedly.

On average, four employees exceed the \$15,000 net threshold each fortnight. These are all cross checked for a valid reason. The most common reason staff appear on this report are:

- Final payments of staff entitlements on departure from the Organisation
- Backpay on allowances / casual payments (especially in Emergency Management situations where staff may submit a request for several weeks in bulk).

There have been no improper payments found.

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Question 2 – Refer pages 18 and 19 of Transcript

Mr DAVID LAYZELL: You said it has been sent back to Accenture now, the vendor, to fix that part of the system. *What is the time frame that the vendor has indicated to you it will take for another system test?*

Answer

We have been working closely with our vendor to resolve the segregation of duties issues. This has been an iterative process to identify the technical limitations preventing payroll staff updating various aspects of their own records.

We have been working closely with our vendor to provide options and potential solutions. The proposed solution was tested in August and September 2022, however further works were identified as being required during the testing.

The vendor has now identified 17 information types that we can restrict without adverse impacts. These have passed initial testing. This is now with the Department to complete an end-to-end pay run test during October 2022. Providing the testing is successful, then the new functionality is expected to be available for use in November 2022.

There are still a further five information types that are unable to be constrained without adversely impacting employee self-serve functions for the payroll staff. We will continue to work with our vendor and in house teams to improve segregation and risk mitigation.

**Question 3 – Refer page 19 of Transcript**

**Mrs NICHOLE OVERALL:** *My question is did the department perform another retrospective review of changes to bank files for the 2021-22 financial period? If so, what were the results?*

**Answer**

In July 2021, we performed a review of all changes to bank details for the entire 2020-21 financial year and found no anomalies.

For the 2021-22 financial year, a review of all bank changes was again undertaken and found no anomalies. This review is now completed on a fortnightly basis after each pay period.

An analysis of the bank changes for the 2021-2022 financial year is included below:

- 2021-2022 FY analysis revealed that there were 6138 changes to bank files across all client groups on MyHQ & MySAP (the two payroll platforms)
- 62% of all bank account changes related to a new hire by payroll. This is expected and as a control measure, every new hire is checked by a payroll officer who did not process the request. Checks are conducted against source documents in CS Connect.
- 34% of changes were initiated via Employee Self Service (ESS)
- Less than 0.5% of bank details changes were due to bank rejections. Employees are encouraged to complete this task in ESS but infrequently this needs to be completed by payroll if the employee does not have access i.e. Board members
- 4% of changes undertaken by payroll staff relate to separations or updating bank details upon receipt of instructions from employees. Each of these changes were reviewed by another officer to ensure no inappropriate actions can occur.

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Yours sincerely,

Shaun Smith

Deputy Secretary – Corporate Services  
Department of Planning and Environment

7 October 2022