

**Submission
No 13**

PROCUREMENT AND MANAGEMENT OF ICT SERVICES IN THE NSW PUBLIC SECTOR

Organisation: Auditor-General's Department, South Australia
Name: Mr Simon O'Neill
Position: Auditor-General
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Mr J O'Dea MP
Chair
Public Accounts Committee
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Dear Mr O'Dea

Inquiry into procurement and management of ICT services in the NSW public sector

Thank you for your letter of 18 September 2012 inviting the South Australian Auditor-General's Department to make a formal submission to the abovementioned inquiry.

It is not my intention to make a fulsome submission with respect to the specific matters of focus of the inquiry. Notwithstanding, as this area of government activity is significant, I wish to assist the inquiry with the provision of some relevant information that has been included in Reports of the Auditor-General to the South Australian Parliament.

For a number of years the procurement and management of ICT systems and services has been a key and integral component of our annual audit program of coverage and reporting to Parliament.

A December 2003 Supplementary Report entitled "ICT Future Directions: Management and Control" examined some fundamental aspects of ICT Management, including:

- ICT governance and management
- Project and risk management for major ICT developments.

A copy of that Report is enclosed. Subsequent Reports have provided further observations and comments on the outcomes from major ICT project developments within the South Australian public sector.

More recent Reports have commented on shortcomings in agency and government management of a number of selected major ICT systems acquisition and development projects. These projects are incurring additional costs with legacy systems not being decommissioned, benefits deferred and the systems being implemented with less than required operating functionality. These recent Reports are also enclosed for your information.

I trust the information will assist the Public Accounts Committee in its inquiry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon O'Neill'.

Simon O'Neill
Auditor-General