

**Submission  
No 9**

## **EXAMINATION OF SELECTED AUDITOR-GENERAL'S FINANCIAL AUDIT REPORTS 2020**

**Organisation:** Department of Communities and Justice

**Date Received:** 23 June 2021

Mr Greg Piper MP  
Public Accounts Committee  
NSW Parliament  
Macquarie Street  
SYDNEY NSW 2000

Email: [pac@parliament.nsw.gov.au](mailto:pac@parliament.nsw.gov.au)

Ref: EAP21/7455

Dear Mr Piper

### **Follow up on Auditor-General's Report 2020 on Stronger Communities**

Thank you for your letter of 13 May 2020, on behalf of the Public Accounts Committee (**the Committee**), seeking comments on the findings and recommendations of the Auditor-General's Report on Stronger Communities, tabled in the NSW Parliament on 10 December 2020. I apologise for the delay in replying.

I have set out below the responses of the Department of Communities and Justice (**the Department**) to the Committee's specific queries in relation to the 'unresolved data quality issues' connected to the VS Connect system used by our Victims Services business unit.

#### **PAC Queries:**

- 1) The Auditor-General's report commented on the VS Connect system, which revealed that there has been a significant data quality issue resulting from its implementation in 2019. Can you provide a progress update on this issue?
- 2) Can you provide further details on the issues identified by the independent actuary on data analysis and reconciliations on the systems data? What methodologies or processes could be implemented to ensure accuracy and completeness of data recorded in the system?
- 3) Is the Department expected to resolve the data quality issue before year end in order to support the preparation of the 2020-21 financial statements?

#### **Department Response:**

There are no data quality issues remaining which would affect the preparation of the 2020-21 financial statements.

The Department has resolved the data quality issues to the satisfaction of the independent actuary who initially raised the concern.

The Department further advises that the NSW Audit Office, in its June 2021 letter to the Department on early close procedures, sent following the engagement of a review actuary and review by their technical committee, concluded that it was satisfied with the proposed accounting treatment of the Victims Support Scheme

**PAC Query:**

- 4) What is the initial budget for the implementation of the VS Connect system? In the report, it stated that the Department is expected to spend a further \$8.6m in 2020-21. Can you provide more details on the additional cost of the project?

**Department Response:**

The project had a final total cost of \$16 million, less than the \$16.662 million as reported in the Auditor General's 2020 report to Parliament. The remediated system went live in December 2020.

The original budget for the VS remediation was \$9.8 million. Delivery of the project was complicated by additional system design complexities identified in the detailed design phase, which showed that more extensive remediation was required than had initially been expected. The design of the underlying data model and data migration due to the system design complexities also required additional resourcing and changes to the delivery model.

**PAC Query:**

- 5) Are there any lessons going forward from the implementation of the VS Connect system and data migration process?

**Department Response:**

The Department has shared lessons learnt from the VS Connect remediation project with key areas within the Department, including Information Technology and Finance areas.

Good project and data governance structures were key for the successful implementation of the remediation of the VS Connect system. Staff training through change management processes also contributed to the successful remediation process.

Should you have any additional queries or would like further clarification of the Department responses, please do not hesitate to contact [REDACTED], Executive Director Victims Services, via email at [REDACTED].

Yours sincerely

[REDACTED]

**Michael Coutts-Trotter**  
**Secretary**

23 June 2021