# *South Western Sydney Institute (SWSi)* plan of action in response to recommendations made in *Investigation into the conduct of a TAFE NSW ICT manager (Operation Sonet)*

## PART A: South Western Sydney Institute's response to corruption prevention recommendations

Firstly please indicate the response to be taken for each recommendation made.

**Recommendation 1:** That the South Western Sydney Institute finance unit scrutinises expenditure involving out-of-contract suppliers on a periodic basis.

Please indicate the response the public authority will take in its plan of action:
- ✓  Implement the recommendation as described in the report
- ❑  Implement the intent of the recommendation in an alternative way
- ❑  Partially implement the recommendation
- ❑  Not implement the recommendation

If the action South Western Sydney Institute intends is other than "implement the recommendation as described in the report", please state the proposed action to be undertaken in the space provided below.

Please explain why the above action is action is proposed rather than the ICAC's published recommendation.

**Recommendation 2:** That the South Western Sydney Institute undertakes a regular analysis of vendor payments based on computer-aided audit reports to detect anomalies in the procure-to-pay system.

Please indicate the response the public authority will take in its plan of action:

- ✓ Implement the recommendation as described in the report

- ❑ Implement the intent of the recommendation in an alternative way
- ❑ Partially implement the recommendation
- ❑ Not implement the recommendation

If the action South Western Sydney Institute intends is other than "implement the recommendation as described in the report", please state the proposed action to be undertaken in the space provided below.

Please explain why the above action is action is proposed rather than the ICAC's published recommendation.


**Recommendation 3:** That the South Western Sydney Institute establishes formal project management and governance structures to oversee information and communications technology projects and implement formal value-realisation analysis at the completion of projects.

Please indicate the response the public authority will take in its plan of action:

- ✓ Implement the recommendation as described in the report

- ❑ Implement the intent of the recommendation in an alternative way
- ❑ Partially implement the recommendation
- ❑ Not implement the recommendation

If the action South Western Sydney Institute intends is other than "implement the recommendation as described in the report", please state the proposed action to be undertaken in the space provided below.

Please explain why the above action is action is proposed rather than the ICAC's published recommendation.

# PART B: South Western Sydney Institute's plan of action

In this section, please provide details of South Western Sydney Institute's plan of action in relation to the recommendations and/or proposed actions described above.

The scope and scale of recommendations made in investigation reports varies considerably, and the Commission recognises a single template may not suit every agency or investigation. In view of this, South Western Sydney Institute is invited to develop a format that is appropriate for the proposed plan of action and subsequent report(s).

The Commission asks that the plan of action and subsequent proposed report formats are developed in consultation with the ICAC's corruption prevention representative named in the cover letter. The ICAC corruption prevention representative will advise if the plan or report format has the Commission's endorsement.

However if South Western Sydney Institute prefers to adhere to an established format, the following may be used as a guide.

**Plan of action:**

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| **Recommendation 1:** That the South Western Sydney Institute finance unit scrutinises expenditure involving out-of-contract suppliers on a periodic basis. |
| Action to be taken describing activities, allocating responsibility, measures to be used:<br><br>This recommendation has been fully implemented.<br>On a weekly basis the South Western Sydney Institute Finance Unit generates a customised report from the SAP procurement system to perform vendor analysis.<br>In addition, regular checks are performed on out-of-contract suppliers by senior finance staff. |

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| **Recommendation 2:** That the South Western Sydney Institute undertakes a regular analysis of vendor payments based on computer-aided audit reports to detect anomalies in the procure-to-pay system. |
| Action to be taken describing activities, allocating responsibility, measures to be used:<br><br>This recommendation has been fully implemented.<br>These reports have commenced with the first report provided on 29 March 2016.<br>These reports will be produced and analysed on a quarterly basis. In addition, TAFE NSW's Audit and Risk Unit undertook, with its business partner, Ernst & Young, forensic analysis of expenditure transactions for the prior 18 months to identify other possible anomalies. |

**Recommendation 3:** That the South Western Sydney Institute establishes formal project management and governance structures to oversee information and communications technology projects and implement formal value-realisation analysis at the completion of projects.

Action to be taken describing activities, allocating responsibility, measures to be used:

This recommendation has been fully implemented. A formal ICT Governance structure has been implemented; this includes the establishment of an ICT Project Portfolio Management Committee and an ICT Steering Group, with reporting through the South Western Sydney Institute Capital Asset Strategy Reference Group. South Western Sydney Institute has implemented processes and controls to ensure project expenditure decisions and reporting on project milestones has the necessary rigour to prevent misappropriation of funds. ICT procurement is aligned to the business strategy stated objectives and includes the identification of benefits, costs and risks associated with the project. In addition, the improved process for the purchase of individual ICT items by staff has been implemented and communicated to all Institute users. A review of ICT purchases is conducted at regular intervals.

Formal value-realisation analysis is currently being piloted.