TAFE NSW
Plan of Action
and
Response to the ICAC's Corruption Prevention Recommendations made in
Investigation into the sourcing of software systems for the Western Sydney Institute of TAFE (Operation Lancer)

Precis

TAFE NSW acknowledges the Independent Commission Against Corruption's (ICAC) report arising from Operation Lancer (October 2021) and accepts the corruption prevention recommendations.

To prepare the plan of action and to oversee the implementation of the ICAC's recommendations, TAFE NSW has established an internal taskforce.

TAFE NSW's response to the corruption prevention recommendations, the status as of January 2022 and the plan of further action prepared by the Taskforce is set out below and comprises Part A and Part B per the ICAC's template.

Background

TAFE NSW is the NSW Government's provider of vocational education and training. TAFE NSW was established as a statutory body by the *Technical and Further Education Commission Act 1990* (NSW).

In October 2021, the ICAC reported its findings in Operation Lancer, including that two former managers at Western Sydney Institute of TAFE engaged in serious corrupt conduct by soliciting and receiving payment for favouring a supplier when sourcing of a software program for TAFE NSW.

Over the past decade there have been major policy changes impacting TAFE NSW, including the Smart & Skilled reform. Before 2017, Western Sydney Institute of TAFE was one of ten separate institutes. Following the 2016 release of the NSW Governments vision for TAFE NSW, TAFE commenced its One TAFE modernisation reform and has been operating under this consolidated model, implementing substantial operational changes, over the last six years.

It is understood that the corruption prevention recommendations made by the ICAC are intended to bolster TAFE NSW's resistance to corruption. Some of the work to implement the recommendations is complete. The intended course in relation to the remaining recommendations is outlined below in the Plan of Action.

Response to Corruption Prevention Recommendations and Plan of Action

Recommendation 1:

That TAFE NSW further constrains local ICT projects that are "architectural exceptions" by:

- **closing regional data centres, and moving applications and software into the TAFE NSW Private Cloud or a local cloud provider**
- **evaluating local software modules, applications and versions for requirement and removal, where appropriate.**

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

Status

In 2021, six of 12 regional Data Centres were fully decommissioned; data migration of the final regional Data Centres is currently in progress and is expected to be completed by August 2022.

Local software rationalisation and decommissioning will occur as part of the TAFE NSW Digital Adoption Strategy 2021. When completed the Digital Adoption Strategy will have moved most TAFE NSW applications to the public cloud with a reduced set of applications within the TAFE Private Cloud.

Action(s)	Planned Due Date	Owner(s)
(a) Decommission six of 12 regional Data Centres.	Completed	Chief Information Officer
(b) Decommission remaining regional Data Centres.	August 2022	
(c) Local software rationalisation and decommissioning will occur with the Digital Adoption Strategy (which includes SMS and related projects. Estimated final phase closure is 30 June 2023).	June 2023	

Recommendation 2:

That TAFE NSW ensures robust and measurable criteria are used in relation to decision-making for the governance of ICT projects by uplifting capability to members of Project Control Boards to better understand aspects of approvals, risk monitoring and seeking assurance. 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

Status
TAFE NSW has taken steps to improve the governance of ICT projects. Early in 2021, TAFE NSW restructured its System Group and introduced a 'Delivery Office' focused on project governance and assurance of ICT based projects. TAFE NSW ICT Projects comply with the TAFE NSW Enterprise Project Management framework to ensure correct governance processes are in place and provide a level of assurance commensurate with the risk. The project management framework ensures selection of members of project control boards have the capability required to perform their role.

Action(s)	Planned Due Date	Owner(s)
(a) Adopt an enterprise tool to manage IT Project Governance risks, issues, actions, and decisions to uplift reporting capability and information available to PCBs.	Completed	Chief Information Officer
(b) Engage third party to undertake gap analysis of IT Project Governance operations and capability, consider findings and implement as appropriate key actions arising.	July 2022	

Recommendation 3:

That TAFE NSW expands existing training material to cover risks associated with direct negotiations. 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

Status
TAFE NSW's procurement framework has evolved over the last four years, with the establishment of a centralised procurement function and the introduction of the TAFE NSW Procurement Policy and associated procedures that provide training, guidance and support to buyers and approvers across the whole organisation. The Procurement Framework is reviewed every two years to update and maintain accuracy and relevant information. The next review in early 2022 will include a focus on appropriate coverage of risks associated with direct negotiations.

Action(s)	Planned Due Date	Owner(s)
(a) Schedule and deliver external training in targeted negotiations.	Completed	Chief Corporate Service Officer
(b) Review Procurement Framework and update as required to provide guidance on the management of risks associated with direct negotiations.	March 2022	

Recommendation 4:

That TAFE NSW develops strategic category plans that:
- **cover all ICT spend (in collaboration between ICT procurement category teams and stakeholders); and**
- **denote which spend is significant.**

including the formulation of a schedule and project plan to ensure all significant spend is brought under contract.
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

> *COMPLETED*
> *TAFE NSW procurement function has been centralised and includes a team of ICT category managers who are responsible for analysing ICT procurement activity across the whole organisation and implementing strategic category plans.*
>
> *All significant spend is now under contract and monitored through the TAFE NSW Checkout system. Significant spend is defined as total life cost greater than $250,000. For spend below this threshold, quarterly analysis is performed which comprises sampling of spend and assessment of compliance to TAFE NSW policies and procedures.*

Recommendation 5:

That TAFE NSW re-evaluates and strengthens the process by which corruption information requests from integrity agencies to it are case managed. 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

> *Status*
> *TAFE NSW is investing in corruption prevention. In June 2020, TAFE NSW recruited a dedicated specialist resource for corruption prevention responsibilities. This position includes responsibility to support TAFE NSW to fulfil information requests from integrity agencies. In addition, TAFE NSW is reviewing its complaint-handling, investigative and disciplinary policies and procedures. This review will encompass its processes, resource capacity, and system enablers (and case management capability will be included and assessed as part of the desired business requirements).*

Action(s)	Planned Due Date	Owner(s)
(a) Develop scope of works and complete gap analysis. Include requirements from Recommendation 5 into this scope of work as set out in Recommendation 10 and issue to service provider. Noting the completion for the development of scope of works is March 2022.	July 2022	Chief Corporate Services Officer
(b) Develop an Action Plan on agreed recommendations arising from service provider's gap analysis.	October 2022	
(c) Implement Action Plan arising from Action 5b. *Noting the Action Plan will include people, process, technology and systems change management tasks.*	December 2023	

Recommendation 6:

That TAFE NSW invest additional resources to:
  (a) **increase trained Nominated Disclosure Officers (NDOs) by 50% including a cohort that are accessible, diversified and distributed throughout TAFE NSW within various administrative and teaching areas**
  (b) **refresh training related to current Nominated Disclosure Officers to improve their skill levels**
  (c) **refresh content regarding PIDs in the annual mandatory training.**

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

Status		
TAFE NSW has previously partnered with the NSW Ombudsman to deliver training and uplift capability to TAFE NSW staff in public interest disclosures.		
During 2021 training to Nominated Disclosure Officers has pivoted from face-to-face to virtual delivery due to COVID restrictions. Online training was provided during 2021 by the NSW Ombudsman, of which many nominated disclosure officers attended.		
TAFE NSW's annual mandatory training is reviewed each year ahead of its rollout. The November 2021 review included consideration of lessons from Operation Lancer.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Assess representation of Nominated Disclosure Officers of all TAFE NSW business areas, then develop a project plan to increase this cohort ensuring it is appropriately accessible, diversified and distributed across the business.	July 2022	Chief People & Culture Officer, Chief Corporate Services Officer and Chief Audit Executive
(b) Assess training needs of current Nominated Disclosure Officers; develop and implement project plan to train current Nominated Disclosure Officers and future Nominated Disclosure Officers.	October 2022	
(c) Mandatory training is examined annually to ensure it remains current.	Completed	

Recommendation 7:

That TAFE NSW conduct targeted training for complaint-handling and investigation specialists regarding the identification of fraud and corruption reports and escalation of PIDs. 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

Status		
TAFE NSW has completed developing three parts of a six-part Moodle training package targeted at managers and business partners to assist this cohort in the identification, reporting and escalation of potential fraud and corruption. Upon completion of the remaining parts of the training package, targeted staff will be scheduled to undertake the training. Completion of training will be tracked.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Complete development of remaining three parts of a six-part Moodle training package.	June 2022	Chief People & Culture Officer and Chief Audit Executive
(b) Roll out training for identification, reporting and escalation of potential fraud and corruption matters.	October 2022	

Recommendation 8:

That TAFE NSW introduce robust and centralised serious-wrongdoing reporting mechanisms across all areas of the business. 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

Status		
TAFE NSW has existing centralised reporting mechanisms that are dedicated to fraud and corruption (including a 24/7 dedicated phoneline), supported by ongoing awareness raising activity.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Develop scope of works and complete gap analysis. Include requirements from Recommendation 8 into the scope of work as set out in Recommendation 10 and issue to service provider. Noting the completion for the development of scope of works is March 2022.	July 2022	Chief Corporate Services Officer
(b) Develop an Action Plan on agreed recommendations arising from service provider's gap analysis.	October 2022	
(c) Implement Action Plan. *Noting the Action Plan will include people, process, technology and systems change management tasks.*	December 2023	

Recommendation 9:

That TAFE NSW analyse its treatment of prior reports of corruption including PIDs to further inform its corruption prevention planning efforts. 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

Status		
TAFE NSW has conducted an initial assessment of reported employee conduct matters to identify underlying and aged unreported integrity matters; and established quarterly trend analysis.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Analyse prior reports of corruption, obtain resources and undertake analysis.	June 2022	Chief Corporate Services Officer and Chief Audit Executive
(b) Update Fraud and Corruption Control Plan based on insights arising from completion of Action 9a.	August 2022	

Recommendation 10:

That TAFE NSW re-evaluate the staff complaints management framework with a view to investing in an appropriate centralised and secure complaints management system for all staff. 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

Status		
TAFE NSW has procured additional Service Now[1] modules enabling the development of a centralised case and records management system for staff complaints. Implementation is projected for 2023. Prior to any system implementation an assessment of current state (people, processes and controls) and design of a future state is required. Upon completion an action plan will be formed; this will include the full suite of a system development life cycle tasks.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Engage an external service provider to undertake a gap analysis of TAFE NSW's current processes and resources to manage staff complaints. The scope of this gap analysis incorporates the ICAC's recommendations 5,8,10,11, and 12. Noting the completion for the development of scope of works is March 2022.	July 2022	Chief People & Culture Officer
(b) Develop an Action Plan on agreed recommendations arising from service provider's gap analysis.	October 2022	Chief Information Officer
(c) Implement Action Plan. *Noting the Action Plan will include people, process, technology and systems change management tasks.*	December 2023	

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[1] Service Now is a cloud-based service provider that provides technical management support to help companies manage digital workflows, and is part of TAFE NSW's suite of enterprise systems.

Recommendation 11:

That TAFE NSW reconsider the appropriate resourcing of the corruption investigation function including the current practice of referring outside of the Internal Audit Unit to the Employee Relations Unit.

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

Status		
Resourcing of the corruption prevention and employee relations units will be further examined.		
Action(s)	**Planned Due Date**	**Owner(s)**
(a) Develop scope of works and complete gap analysis. Include requirements from Recommendation 11 into this scope of work as set out in Recommendation 10 and issue to service provider. Noting the completion for the development of scope of works is March 2022.	July 2022	Chief People & Culture Officer and Chief Corporate Services Officer
(b) Develop an Action Plan on agreed recommendations arising from service provider's gap analysis.	October 2022	
(c) Implement Action Plan arising from Action 11b. *Noting the Action Plan will include people, process, technology and systems change management tasks*.	December 2023	

Recommendation 12:

That TAFE NSW invests in a centralised records management database for grievances and wrongdoing that is accessible to complaints management, investigative, corruption prevention and audit units noting the confidentiality provisions when designing this access.

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

Status
TAFE NSW has procured additional Service Now modules enabling the development of a centralised case management and records management database for serious wrongdoing. Implementation is projected for 2023. Whilst the module is part of TAFE NSW's suite of enterprise systems there remains a requirement to obtain resources to enable commencement of the standard seven phases of system development life cycle (SDLC), ie planning, system analysis and functional requirements, system design, development, integration and testing, implementation and lastly, operations and maintenance.

Action(s)	Planned Due Date	Owner(s)
(a) Develop scope of works and complete gap analysis. Include requirements from Recommendation 12 into the scope of work as set out in Recommendation 10 and issue to service provider. Noting the completion for the development of scope of works is March 2022.	July 2022	Chief Information Officer and Chief People & Culture Officer
(b) Develop an Action Plan on agreed recommendations arising from service provider's gap analysis.	October 2022	
(c) Implement Action Plan. *Noting the Action Plan will include people, process, technology and systems change management tasks.*	December 2023	

Recommendation 13:

That TAFE NSW provide greater transparency and oversight of serious conduct to senior managers at Chief level on a periodic (e.g. quarterly) 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

COMPLETED

Quarterly Chief reporting commenced in August 2021. Where matters are of a significant nature, escalations occur immediately so Chiefs and the Managing Director are aware of such matters.

Recommendation 14:

That TAFE NSW undertake a review within three years to provide assurance that the measures it has taken to improve ICT project governance, oversight of ICT procurement, complaint management and recruitment are achieving their objectives.

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

Action(s)	Planned Due Date	Owner(s)
Engage a service provider to review and provide assurance that the measures TAFE NSW has taken to improve ICT project governance, oversight of ICT procurement, complaint management and recruitment are achieving their objectives.	October 2024	Chief Corporate Services Officer

END