



EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 467

Cybersecurity Compliance *Inquiry based on Auditor- General's report 42 (2016-17)*

General comments

The Australian Taxation Office (ATO) places high priority on cybersecurity and recognises that confidence in security and safety of data and systems is paramount to offering services to the Australian community. These commitments to cybersecurity are in our Corporate Plan and supported at the ATO Executive level.

The ATO has achieved compliance, has made significant progress in addressing the ANAO recommendations and is on track to finalise the recommendations this financial year.

The ATO continues to enhance our systems to provide better services for the Australian community. We are focused on maintaining the security and integrity of our data and information by understanding threats and protecting our systems from malicious cyber threats as well as preparing incident response plans.

Recommendation No: 1

The Committee recommends that the Australian Taxation Office and Department of Immigration and Border Protection report back to the Committee on their progress to achieving full compliance with the Top Four mitigation strategies by June 2018, including advice as to barriers and timelines to complete outstanding actions.

Response: Agreed

- The ATO achieved compliance with the Australian Signal's Directorate (ASD) Top Four mandatory mitigation strategies for targeted cyber intrusions in November 2017, and is progressively implementing the ASD Essential 8.
- An independent review to provide assurance of the ATO's Top Four compliance and progress against the ANAO recommendations to ensure cybersecurity activities are aligned with the outcomes of the Top Four will be conducted in this financial year.

Recommendation No: 3

The Committee recommends that the Australian Taxation Office and Department of Immigration and Border Protection report back to the Committee on their progress in implementing ANAO Recommendation 1, including advice as to barriers and timelines to complete outstanding actions.

Response: Agreed

Progress in relation to ANAO recommendation 1:

- Regular assessment of strategies and priorities relating to cybersecurity by the ATO Security Committee which has strategic responsibility for the ATO's security objectives.
- Improved governance for security across the ATO with our third party suppliers to monitor the level of compliance, a refreshed cybersecurity strategy, and program of work to ensure resilient, compliant systems that promote trust.
- A multifaceted approach to cybersecurity to continuously strengthen the ATO's security posture that incorporates vulnerability management, regular security risk and threat assessments, strategy and policy, system certification reviews, and a monitoring and compliance regime.
- Contract clauses are being strengthened to more effectively ensure compliance.

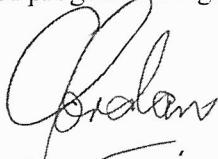
Recommendation No: 7

The Committee recommends that the Australian Taxation Office and Department of Immigration and Border Protection report back to the Committee on their progress in implementing ANAO Recommendation 2, including advice as to barriers and timelines to complete outstanding actions.

Response: Agreed

Progress in relation to ANAO recommendation 2:

- Cybersecurity is a priority in the ATO Corporate Plan.
- Compliance with the Protective Security Policy Framework, including compliance with the Top Four cybersecurity mitigations is a formal performance measure in the ATO Corporate Plan, monitored by the ATO Executive Committee.
- The ATO Security Sub-Committee and Security Committee are monitoring the implementation of the recommendations from the ANAO and other audits relating to cybersecurity.
- Strengthened governance oversight through the ATO's Risk and Conformance Committee.
- Increased governance oversight of third party supplier compliance through the ATO Operational Security Committee.
- A program of regular cybersecurity risk and threat assessments.



Chris Jordan AO
Commissioner of Taxation

6 April 2018