



Australian Government

Department of the Prime Minister and Cabinet

SECRETARY

Mr Jullian Hill, MP
Chair, Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600
jcpaa@aph.gov.au

Dear Mr ^{Julian}Hill,

**Inquiry into Commonwealth Financial Statements 2022-23
Request for a submission**

The Department of the Prime Minister and Cabinet (PM&C) provides this submission to the Joint Committee of Public Accounts and Audit (JCPAA) to support its consideration of the Auditor-General Report No. 9 of 2023-24 Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023.

This submission focuses on improvement actions implemented as part of PM&C's response to the moderate (B) category finding raised against PM&C in the report.

PM&C has a range of internal controls to protect the department's people, information and assets consistent with the Protective Security Policy Framework.

Finding by the Australian National Audit Office (ANAO)

The Report noted the status of findings by the ANAO for PM&C as follows:

| Category | Closing position (2021-22) | New findings (2022-23) | Findings resolved (2022-23) | Closing position (2022-23) |
|--------------|----------------------------|------------------------|-----------------------------|----------------------------|
| Moderate (B) | — | 1 | — | 1 |
| Total | — | 1 | — | 1 |

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In relation to the new Moderate (B) finding, the ANAO noted:

The ANAO identified instances where users had accessed the PM&C's systems after completion of their employment or contract. The ANAO noted that investigation of post termination access was not always timely.

PM&C is developing a standard operating procedure (SOP) to support more timely investigation of user access post termination. PM&C will update its risk assessment and policy once the SOP is finalised. The effectiveness of these processes will be assessed by the ANAO as part of 2023-24 financial statements audit.

Response and actions taken

PM&C has a number of existing controls in place that mitigate, remove or reduce risks to ensure the timely removal of user access to the PM&C ICT network. These measures reduce the risk of unauthorised access to sensitive information as per the ANAO report. The controls include:

- The exiting staff or their manager is required to submit and complete an employee off-boarding form in advance of their separation date.
- A monthly off-boarding review reconciliation between Aurion (HRIMS) records data and Microsoft Active Directory (AD) is undertaken. This captures and disable network user accounts of terminated staff.
- ICT network accounts for all types of contract or non-ongoing users are created only for the term of the user's engagement (unless extended via the 'Employment Extension' request Service Portal with a legitimate business requirement).
- Immediate removal of all access on request by an authorised delegate in the event of any form of disciplinary action.
- Network accounts are automatically disabled after 45 days of inactivity, resulting in user being unable to access the PM&C ICT network.

PM&C continues to communicate and educate internally with rolling reminders to all staff exiting the department to complete the employee off-boarding form in a timely manner. This communication plan has been rolled out via various media channels available throughout the department.

Controls have been strengthened, if a user is found to have accessed the ICT network post termination an investigation is undertaken, PM&C developed a short risk assessment on *Network Access Termination Post Staff Departure* and

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developed a standard operating procedure on the monthly off-boarding review reconciliation.

PM&C has also engaged an external provider to perform an internal audit to assess the department's off-boarding process and associated controls.

The department was able to confirm that there were no malicious activities for the three users that were identified by the ANAO during the 2022-23 financial statement audit. There were legitimate authorisation and appropriateness of access for one user and the remaining two were undertaking the off-boarding process.

PM&C looks forward to working with the ANAO and for the ANAO to consider the work undertaken by PM&C to resolve the finding.

Regards,



Professor Glyn Davis AC

28 March 2024

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