



Office of the Auditor General Western Australia

SECOND PUBLIC SECTOR PERFORMANCE REPORT 2011

Report 7 – September 2011

This is the second Public Sector Performance Report for 2011. It contains the results of an audit and a preliminary investigation.

USE OF ICT CONTRACTORS IN GOVERNMENT

Background

Government agencies often engage ICT contractors to provide advice and deliver technology solutions. When managed well, ICT contractors can deliver ICT solutions effectively and efficiently. Maintaining a current strategic ICT plan and establishing a robust governance framework is key to making effective use of ICT contractors and delivering successful outcomes.

This audit examined whether six agencies are strategically managing ICT contractors to achieve agency objectives and in accordance with government policy and guidelines.

We also examined the role of the Department of Finance in pre-qualifying and monitoring suppliers to Common Use Arrangements (CUAs) 14008 – ICT Services, and 22008 - Temporary Personnel, Category 4 – Temporary ICT Personnel.

What the audit found

- One agency planned, procured and managed ICT contractors well. The other agencies need to strengthen their processes to ensure they are managing strategically and promoting open and effective competition to achieve value for money. Specifically:
 - four agencies lacked either comprehensive or up-to-date strategic ICT plans
 - three agencies did not fully comply with procurement policy for some of their contracting arrangements
 - potential conflicts of interest were not effectively recognised and managed at three agencies.

- The Department of Finance had a robust pre-qualification process to list suppliers on CUAs 14008 and 22008 and administered it well overall. However it could improve its ongoing monitoring of suppliers through the life of the CUAs to ensure they remain appropriately qualified to deliver services.

ACCEPTANCE OF GIFTS AND BENEFITS BY PUBLIC OFFICERS IN THE DEPARTMENT OF HEALTH

Background

The acceptance of a gift by a public officer can cause a conflict of interest if that officer later makes or influences a decision that affects the provider of the gift or benefit. In May 2011, the Minister for Health tabled a report that gave details about the acceptance of 234 offers of free travel and accommodation and 25 other gifts since July 2010. In June 2011, the Minister and a member of the opposition requested the Auditor General investigate the Department of Health's management of gifts.

Health care companies across the world commonly offer travel sponsorships to health professionals so that they can participate in research and professional development. This can help these health care professionals to improve the quality of the care they provide to patients. Nonetheless, the Department of Health must identify and manage the potential conflicts of interest that arise when its officers accept gifts and benefits such as these from industry.

What the investigation found

- Free travel and accommodation was properly approved and the anticipated benefits were documented, but the conflict of interest risks were not well recognised or managed.
- Testing did not find any instances of officers who accepted free travel and accommodation being involved in evaluating contract bids by the companies that supplied them with the free travel.
- Non-travel gifts were accepted in breach of Department policy.
- The Department did not have a program in place to monitor staff compliance with its travel and gift policy.
- The Department has revised its approach to managing gifts and sponsored travel and is implementing policy and process improvements to address concerns.