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## **AUDITOR GENERAL SOUNDS WARNING ON FUTURE PUBLIC SECTOR INFORMATION AND COMMUNICATION (ICT) PROJECTS**

With WA public sector agencies set to undertake major information and communication technology projects worth around \$1.5 billion over the next 10 years, and currently deploying advanced computer technologies, Acting Auditor General Colin Murphy has issued a word of caution to agency managers.

His warning is contained in his **Second Public Sector Performance Report**, tabled in Parliament today, that details the results of two audits – one a performance review of past major information and communication technology projects in the public sector, the other a review of the security of wireless local area networks in agencies.

Commenting today on the report Mr Murphy said: “Advances in information technology offer significant opportunities for increasing efficiency, reducing costs and improving services, but serious difficulties can eventuate if the take-up of new information technologies is not well planned and implemented effectively.”

“Whilst I encourage government to take up suitable new information technologies, diligence in planning and implementation is also required so that these projects deliver on their intentions, on time and on budget.”

In examining the track-record of significant past ICT projects the findings are less than encouraging; the report revealing that they often over-promised and under-delivered.

Whilst recognising that some agencies had successfully delivered major ITC projects and that the problems experienced by WA agencies were mirrored internationally, Mr Murphy said that agencies needed to improve their performance, learn from each other’s experiences, and be more accountable for problems in project delivery – clearly and openly reporting on project results, including total cost, timeliness, and benefits realised.

In his review of the security of wireless local area networks Mr Murphy finds that while such technology gives greater flexibility and responsiveness and is also cheap and easy to install, it can create serious risks unless well managed, including risks to the confidentiality of data and service denial.

The report shows that agencies are not yet managing these risks well:

- Serious information security weaknesses were evident in seven of the eight agencies reviewed, including one agency with wireless installed by a business unit without the knowledge or authority of management.
- None of the agencies was monitoring for unauthorised installation of wireless access points or external interception of the agency’s wireless signals.

Also tabled today was the Auditor General’s “**Audit Results Report on Universities and TAFE Colleges and other audits completed since 16 October 2006**”.

Key findings in this report included:

All four universities, four of their subsidiaries and nine TAFE colleges received clear opinions, with C Y O’Connor TAFE receiving a qualified opinion on its financial statements and controls.

- Flaws in the Government Employees Superannuation Board's (GESB) investment switching process allowed a number of members to gain a financial advantage with the GESB having to use \$3.8 million of reserves to offset the disadvantage suffered by other members.
- Weaknesses in information system security arrangements continue with many being contrary to the most basic information system security practices; whilst agencies acknowledge these weaknesses each year they invariably fail to take a holistic approach that will prevent the emergence of related security weaknesses.
- The Department of Education and Training (DET) has serious weaknesses in its financial management and governance arrangements relating to asset management procedures, financial management and controls in schools, and internal audits of schools and the internal audit services provided to TAFE colleges.
- Certification of payroll reports by cost centre managers is a fundamental control that was not consistently followed at two universities and six TAFE colleges – this control failure repeatedly occurs in universities and TAFE colleges.
- The Professional Standards Council has not submitted certified financial statements and performance indicators for audit since the period ending 31 December 2002 – this situation is unsatisfactory and requires resolution.

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