



Australian Government
Department of Social Services

**Submission to the Joint Committee of Public Accounts and Audit
Inquiry into Commonwealth Financial Statements 2021-22**

Following the Joint Committee of Public Account’s invitation, the Department of Social Services (the department) submits the following to the Joint Committee of Public Accounts and Audit Inquiry into Commonwealth Financial Statements 2021-22.

The Auditor-General, in his 2021-22 financial statements audit of Commonwealth entities reported 19 moderate findings relating to weaknesses in IT control environment with 7 pertaining to management of terminated user access¹. Of these, one moderate finding was issued to the department on our management of terminated user access.

The issue of user access was first raised as a finding with the department by the Australian National Audit Office (ANAO) in its 2020-21 interim audit phase relating to contractors not being terminated from the system in a timely manner. That audit did not identify any instances of unauthorised access after termination of contractors, but in working through the audit testing it was identified the department did not have a control in place to monitor for this risk. To address this, the department commenced implementing additional controls to mitigate this risk associated with post-termination access.

The ANAO reported as part of their 2021-22 financial statements audit the department had “made significant effort to build a detective process” to address this finding. However, they identified an instance of this new detective control not operating effectively. Although only one exception was identified, the department agreed that the newly implemented control needed to be further strengthened.

The department agrees with the ANAO that the risk of unauthorised access to its systems should be addressed. The department has since bedded down its new detective controls during 2022-23. This includes obtaining regular user access exception reports from Services Australia, the department’s IT services provider, and investigating any post-termination activity in a timely manner. The department has also tightened its guidance around exit procedures for non-ongoing staff and contractors and has been raising staff awareness through all-staff communication on management’s responsibilities pertaining to information access and separate reminders to managers on the terminations process.

Next Steps

The department actively monitors its progress on the actions taken to address the audit finding and to ensure that the implemented controls are operating effectively. The department is working towards an effective resolution and closure of this audit finding in the 2022-23 financial statement audit.

¹Auditor-General Report No.8 2022-23: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2022, p56