

## **Standing Committee on Tax and Revenue**

### **ANSWERS TO QUESTIONS ON NOTICE**

Australian Taxation Office

28 March 2018

**Department/Agency: ATO**

**Topic: Outsourcing Gender and System Breaches**

**Reference:** Supplementary submission 2.2 (Supplementary to 2.1)

**The below information is in response to the Committee's request for further detail on two responses to questions taken on notice at the 28 March 2018 public hearing for the review of the 2017 Annual Report of the ATO.**

#### **Outsourcing Gender**

##### **Question:**

The Committee requests copies of the reports provided to the Workplace Gender Equality Agency for ATO outsource providers.

##### **Answer:**

It should be noted that the ATO procures services (outsource services) with numerous private organisations within Australia. This is the procurement of prescribed services not people and therefore the ATO cannot state any conditions on gender related remuneration decisions for those suppliers.

ATO chosen suppliers (as Australian private sector employers) are contractually accountable to the Workplace Gender Equality Agency, and under the *Workplace Gender Equality Act 2012* (Act) are required to submit a compliance report each year. Reports are made publically available on the Workplace Gender Equality Agency website <https://www.wgea.gov.au/report/public-reports>.

#### **System Breaches**

##### **Question:**

The Committee requested the ATO provides explanatory analysis as to why the months of October 2016 and May 2017 had significantly higher levels of unauthorised access incidents than other months reported – two breaches by internal employees and 45 by non-ongoing employees in October 2016 and 20 breaches by internal employees and 11 by non-ongoing employees in May 2017.

##### **Answer:**

During the 2016-17 financial year the ATO conducted nine separate integrity data scans to detect instances of unauthorised access of taxpayer data, four of these data scans and their results were referred for to our internal investigations team in October 2016, and one data scan and its results were referred for full investigation in May 2017.

As such the referral dates of the unauthorised access cases are attributed to the noted increase of incidents in October 2016 and May 2017. The number of incidents recorded against these months is not indicative of when the unauthorised access occurred but when the unauthorised access incident was proven substantiated.

**Standing Committee on Tax and Revenue**

**ANSWERS TO QUESTIONS ON NOTICE**

**Australian Taxation Office**

28 March 2018

The difference between the internal and external workforce numbers can be attributed to the type of data scan that was conducted. Fraud detection scans are conducted using different parameters to gain results, such as examining only external employees or all ATO employees. The scans that returned results in October were solely conducted on the external workforce whereas the scan that returned results in May was conducted on both the internal and external ATO workforce.

## Standing Committee on Tax and Revenue

### ANSWERS TO QUESTIONS ON NOTICE

Australian Taxation Office

28 March 2018

**Department/Agency:** ATO

**Question:**

**Topic:** System Breaches

**Reference:**

**Member:** Terri Butler

**Question:**

**Ms BUTLER:** Do you keep data on how many breaches there are?

**Ms Smith:** Yes, we do.

**Ms BUTLER:** Do you keep it disaggregated by who is internal and who is external?

**Ms Smith:** Yes, we do.

**Ms BUTLER:** Can we have some information about how many breaches per month are from external and internal people. We don't want names or identifying information, but it would be useful to understand that too.

**Ms Smith:** Yes.

**Answer:**

Unauthorised Access incidents during 2016-17 Financial Year

Month	Internal*	External**
July 2016	2	0
August 2016	1	0
September 2016	8	0
October 2016	44	3
November 2016	11	0
December 2016	0	0
January 2017	0	0
February 2017	13	10
March 2017	0	1
April 2017	0	0
May 2017	22	9
June 2017	0	0
<b>TOTAL</b>	<b>101</b>	<b>23</b>

\*Internals includes ongoing, non-ongoing and casual employees.

\*\*Externals include labour hire, contractors and outsourced workforce.

#### Additional context

During the 2016-17 financial year the ATO conducted nine separate integrity data scans to detect instances of unauthorised access of taxpayer data, four of these data scans and their results were referred to our internal investigations team in October 2016, and one data scan and its results were referred for full investigation in May 2017.

As such the referral dates of the unauthorised access cases are attributed to the noted increase of incidents in October 2016 and May 2017. The number of incidents recorded against these months is not indicative of when the unauthorised access occurred but when the unauthorised access incident was substantiated.

The difference between the internal and external workforce numbers can be attributed to the type of data scan that was conducted. Fraud detection scans are conducted using different parameters to gain results, such as examining only external employees or all ATO employees. The scans that returned results in October were conducted on the ATO casuals and external contractor workforce whereas the scan that returned results in May was conducted on the entire ATO workforce on all employment types.