



**Submission to the Joint Committee of Public Accounts and Audit**  
**Implementation of COVID-19 measures**  
**Inquiry into Auditor-General Reports Nos. 20, 22, 23, 24 and 39 (2020-21)**

## **Overview**

At the Committee's request, Services Australia (the agency) provides the following submission to the Inquiry on Auditor-General's Report No. 23 of 2020-21: *Services Australia COVID-19 Measures and Enterprise Risk Management*.

### **Agency overview**

Services Australia's purpose is to support Australians by delivering high-quality, accessible services and payments on behalf of Government. We are committed to making government services simple so people can get on with their lives.

When the COVID-19 pandemic was declared in March 2020, Services Australia was still providing payments and services to those affected by bushfires in disaster declared areas. Since then, the operational tempo of the agency has been at record high levels with unprecedented customer demand for payments and services for those affected by the pandemic.

While supporting the Government's COVID-19 response, the agency continues to deliver business-as-usual payments and services to individuals under the Centrelink, Medicare and Child Support programs; and have provided support to other Commonwealth agencies (including delivering contact centre services for the 2021 Census in August, and supporting the repatriation of Australian citizens and visa holders from Afghanistan in September).

### **Former 2020 COVID-19 response (during the audit)**

During the initial COVID-19 economic response in 2020, the agency mobilised thousands of extra staff, increased IT capability to meet the surge in demand and worked closely with policy agencies to deliver support and services to people as quickly as possible. This included the delivery of Coronavirus Supplements and Economic Support Payments to eligible recipients.

### **Current 2021 COVID-19 response**

This year, COVID-19 has further impacted our communities, businesses and workers.

As at 22 September 2021, Services Australia has processed more than 3.3 million COVID-19 Disaster Payment claims, with initial and recurring payments to customers exceeding \$8 billion.

In late July 2021, we also hit an agency record for the most calls in a single day – over 200,000 calls equating to over 5 calls per second.

In addition to delivering COVID-19 response payments, Services Australia is also maintaining the Australian Immunisation Register (AIR), the national register that records vaccines given to all people in Australia, including COVID-19 vaccinations. We are also providing immunisation history statements and COVID-19 digital certificates to individuals for use as proof of vaccination status.

## Auditor-General Report No. 23

The objective of Auditor-General Report No. 23 of 2020-21 (*Services Australia COVID-19 Measures and Enterprise Risk Management*) was to examine whether Services Australia had effectively managed risks relating to the rapid preparation for and delivery of COVID-19 economic response measures.

The report concluded that the agency was largely effective in managing the risks related to the rapid preparation for and delivery of COVID-19 economic response measures, and our governance arrangements were fit-for-purpose.

The report contained no specific recommendations for the agency.

### Preparation and planning

The report found that Services Australia's preparation for the delivery of last year's COVID-19 economic response measures was effective.

The agency built on its existing emergency response frameworks to plan for, and respond to the pandemic – including its emergency management, business continuity and pandemic planning approaches.

Notwithstanding this effective planning approach, the report noted an opportunity to further enhance pandemic planning documentation by more clearly articulating the potential impacts the pandemic may have on agency staff and consequential capacity to deliver.

From May 2020, the agency has worked to validate key action and risk plans underpinning its COVID-19 response.

These documents are now in place and the agency's Pandemic Risk Management Plan has been refreshed and finalised for the current response associated with delivery of the COVID-19 Disaster Payments.

### Governance and oversight arrangements

The report found the governance arrangements to oversee our response to the COVID-19 pandemic and implementation of the Government's stimulus measures were fit-for-purpose.

The agency's Emergency Response and Recovery Committee was already activated for the 2019-20 bushfires at the outset of the COVID-19 pandemic, and commenced focussing on the pandemic from early March. Simultaneously, we activated existing committees and established new arrangements to oversee both the agency-level response and operational-level delivery of the government's economic stimulus measures.

The Chief Executive Officer remained the agency's key decision-maker and the Executive Committee was the key group for reporting issues, risks, opportunities, progress and achievements. A key decisions register was established and continues to be maintained.

During the peak of the 2020 pandemic response, the Executive met regularly and also held regular meetings with the Minister.

The governance arrangements for this year's pandemic response were reactivated, in a manner largely consistent with those last year.

### Mobilisation of resources

At the beginning of the pandemic in 2020, Services Australia identified the need to adjust its workforce, ICT and physical resourcing to deliver on government commitments and meet customer demand volumes.

To achieve this, we scaled-up resourcing by:

- increasing our workforce through internal redeployments, APS redeployments, labour hires and engaging service delivery partners
- enhancing our ICT capacity through additional mobile devices, an expanded virtual private network (VPN) capacity and upscaling of our ICT capability to support the large number of system changes and stability requirements
- implementing physical resourcing changes to support social distancing and hygiene, including office space cleaning, protective screens for face-to-face sites, and workstation configurations to comply with 1.5 metre social distancing requirements.

## **Risk Management**

Services Australia is a risk management leader in the Commonwealth public sector, with strong results in whole-of-government risk management benchmarking.

The report found that Services Australia adequately identified, addressed and communicated its risks. The report noted improvements could be made to risk management processes for welfare payment system access management, however these have since been resolved with further details provided below.

The report further observed that, during last year's COVID-19 response, risks were communicated to the responsible Minister, the agency's Executive, committees, staff and other entities.

### Enterprise Risk Management

Services Australia has well-established systems of risk management and oversight in place to support our decision making and performance management processes. The agency's principles and approaches to risk management are documented in its Risk Management Policy and Framework.

The Deputy CEOs are accountable to the CEO for day-to-day management of risk in the agency. They are empowered to use their professional judgement and experience to make risk-informed decisions and provide direction for applying risk management approaches that are fit-for-purpose.

The agency's senior leadership are accountable for managing risks, while its Enterprise Governance Committees are responsible for ensuring risk management frameworks are fit-for-purpose and consistent with the Commonwealth Risk Management Policy.

The Enterprise Business and Risk Committee actively monitors the agency's enterprise risks through:

- Fortnightly risk watch lists that look at shifts in the agency's internal and external operating environment and potential impacts on our enterprise risks;
- Quarterly risk reports that provide detailed information on how our enterprise risks are being managed at both the enterprise and group level; and
- Deep dives into the individual enterprise risks.

The agency's approach to risk monitoring was recently independently assessed by Comcover (Department of Finance) in the 2021 Comcover Risk Management Benchmarking Program. The agency performed extremely well, achieving an overall risk maturity rating by Comcover of 'Advanced' (the highest maturity level) and ranking in the top 8 entities of the 156 entities assessed.

### Fraud risk management

Services Australia adapted swiftly to manage fraud and other criminal risks associated with government responses to the COVID-19 pandemic.

Services Australia drew on its mature controls to help identify and address suspected fraud and other related crimes, which apply to all grants of payment, as well as during the height of the COVID-19 response. These controls included risk assessments, awareness raising, training, and deployment of detection, intelligence and investigative capabilities. Services Australia also leveraged close relationships across government, the private sector and law enforcement agencies to identify and address criminal activity.

#### ICT risk management (including welfare payment system access management)

Services Australia maintained sound ICT governance arrangements and effective controls to mitigate risks associated with operational changes that occurred during the COVID-19 pandemic period. At no time were change made to our ICT general controls environment during the response to the COVID-19 pandemic period. ICT risks were closely monitored and managed throughout the pandemic.

The report noted improvements could be made to risk management processes for welfare payment system access management. This issue has since been resolved and formally closed by the Australian National Audit Office (ANAO) as part of its Financial Statements Audit in April 2021.

### **Review and monitoring**

The agency continues to monitor risks related to its implementation of its COVID-19 response, and impacts on business-as-usual service delivery through its governance and oversight arrangements.

In addition to the monitoring of implementation risks at meetings with the Executive and Minister, the Services Australia Operations Centre (Ops Centre) maintains 24x7 central monitoring of service delivery performance in real time, and provides an immediate measure of business impacts and service interruptions.