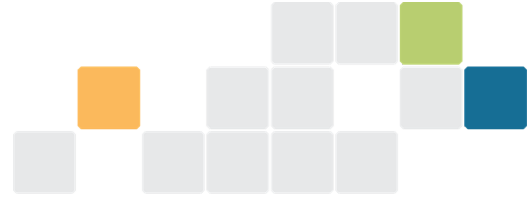


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Australian Government
Clean Energy Regulator



IS24-000001

27 March 2024

Dr Kilian Perrem
Inquiry Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Dr Perrem,

I refer to your letter of 15 February 2024 informing the Clean Energy Regulator (CER) of the inquiry into Commonwealth Financial Statements 2022-23 and inviting us to make a submission.

This submission outlines the activities the CER has undertaken to address an unresolved moderate finding identified through the 2021-22 Financial Statements. The finding noted weaknesses in the design and operating effectiveness of controls supporting privileged user access for systems that support administration of the ACCU Scheme¹ and the Renewable Energy Target. Limited policies, procedures or risk assessments were identified that specified the extent to which the activities of privileged users should be monitored across impacted systems. These weaknesses may increase business risk and compromise the integrity of financial data and transactions. In the 2022-23 Financial Statements, while the CER had commenced the implementation of revised controls, they were not yet fully mature or operating effectively.

The CER welcomes insights on how we can improve the integrity of our systems. The CER is committed to closing the finding and in the 2023-24 financial year has implemented the following measures to mature and strengthen our controls:

- ▶ Conducted a risk assessment to identify higher risk roles and permissions. Each role and permission was assessed to determine the harm associated with misuse of the permission.
- ▶ Improved the policies and processes used to review the activities of users with higher risk roles or permissions to ensure the activities are appropriate. Considerations into this review included:
 - Defining which roles or permissions should be subject to additional monitoring or review.
 - Identifying how specific users and transactions are selected for review (based on the risk associated with the role or permission).

¹ The Australian Carbon Credit Unit (ACCU) scheme was known as the Emissions Reduction Fund during the 2021-22 Financial Statement Audit.



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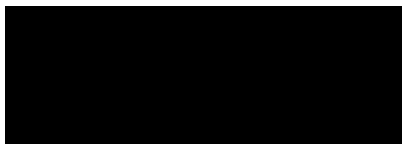
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- Outlining how data and data logs are extracted to perform these reviews.
- Defining the frequency on which the review is undertaken.
- ▶ Ensuring the monitoring and reviews are occurring as outlined in the policies and procedures. Processes have been put in place to check the reviews will occur as scheduled.
- ▶ To support this work the CER conducted a second risk assessment to identify the threats associated with unauthorised changes to each system and consider the risk acceptable. This risk assessment identifies the broader business, IT, security and financial controls, such as separation of duty controls, which work alongside the user access controls to manage these threats.

The CER has provided the ANAO with a closure pack in preparation of the 2023-24 Financial Statement audit and we are awaiting ANAO's review and decision regarding these findings.

Yours sincerely



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