

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Outcome 2

Topic: JCPAA Inquiry-Management and Integrity of Electronic Information in the Commonwealth Report-compliance with recommendations

Written Question on Notice: Supp Lundy 1

Senator Lundy asked:

Has the Australian Tax Office complied with the recommendations accepted by the Government arising out of the JCPAA Inquiry into the Management and Integrity of Electronic Information in the Commonwealth Report?

If so, please itemise the activities that constituted compliance.

If not, provide specific details regarding the recommendations not complied with and why.

Answer:

The ATO has complied with the recommendations as follows:

Recommendation	ATO Status
Physical Security	
Recommendation 1 The Defence Signals Directorate (DSD) in conjunction with other agencies where appropriate, ensure that Commonwealth agencies institute without delay, physical security plans for each of their information technology systems. Additional plans may be necessary for key information technology centres. DSD to advise the Committee within six months of the tabling of this report, on status and adequacy of these plans.	ATO System Security Plans which address physical security controls are in place for all critical systems and are being developed for 'business as usual' or non-critical systems. Since April 2004, ATO has conducted reviews of over 90% of our computer rooms across all States and Territories. Information collected by the reviews has been used to draft Policy and Guidelines for Physical Security for ATO computer rooms. The policy includes the requirement from the ACSI-33 manual (Aust. Govt Information and Communications Technology Security manual – DSD publication) for a site security plan.

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Recommendation	ATO Status
	<p>A Site Security Plan template is being developed and will be used to implement plans for all server rooms as required by ACSI-33. These will be finalised after the modified EDS contract comes into force on 1 July 2005.</p>
<p>Recommendation 2 The Australian Government Information Management Office advise all Commonwealth agencies that new or renegotiated contracts for outsourcing of information technology services need to pursue best practice and include the following:</p> <ul style="list-style-type: none"> • clear information sharing protocols that require each party to inform the other when an information technology security incident occurs that, directly or indirectly, affects the security of agency information technology networks; • prohibition of unauthorised subcontracting of information technology services; • provision for a graduated hierarchy of sanctions in response to security breaches. 	<p>The Tax Office fully complies with the recommendation. Appropriate clauses exist in contracts that have already been initiated by the ATO Information and Communications Technology (ICT) Sourcing Office, and they will form part of any future contracts.</p>
<p>Recommendation 3 The Department of Prime Minister and Cabinet introduce regulations that address the issuing and use of laptop computers and other portable electronic devices by Commonwealth agencies. The regulation should require that:</p> <ul style="list-style-type: none"> • such equipment is only issued to officers on a needs basis; • such equipment is assigned to an individual, rather than to a work area, to ensure clear accountability; • portable electronic devices are given 	<p>The ATO's Information and Communications Technology (ICT) group defines procedures for issuing and using laptops and other portable electronic devices obtained under outsourcing agreements. These procedures comply with points 1, 2, 3 and 6.</p> <p>In relation to point 6, EDS (as the IT equipment owner) conducts the inventory audits and ICT undertakes regular validation processes.</p>

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Recommendation	ATO Status
<p>Recommendation 6</p> <p>The Australian Government Information Management Office (AGIMO) monitor and report on the performance of Commonwealth agencies regarding:</p> <ul style="list-style-type: none">• implementation and maintenance of a flexible and responsive security risk management strategy for IT networks including hardware, software and data protection; and• maintain an awareness of current and emerging threats to their computer networks and the recommended countermeasures. <p>AGIMO should advise the Committee in an Executive Minute, of the status and completeness of these arrangements.</p>	<p>The ATO has implemented a comprehensive security risk management framework, which includes the requirement to undertake risk and vulnerability assessments before projects are implemented.</p> <p>The ATO also conducts assurance activities to both ensure ongoing compliance with security policy and identify new risks.</p> <p>The ATO employs a team of analysts to identify, analyse and anticipate threats to ATO networks and provide timely advice for operational staff on threat management.</p>
<p>Recommendation 7</p> <p>The Australian Government Information Management Office (AGIMO), with support from the National Archives of Australia (NAA), ensure that Commonwealth agencies implement knowledge management and archival policies such as e-permanence which give equal priority to preserving electronic and paper-based records. AGIMO to advise the Committee, in an Executive Minute, of the status of these arrangements. The NAA to be resourced properly.</p>	<p>The ATO's compliance with respect to Recommendation 7 is evidenced through the delivery of the following initiatives and activities:</p> <p>The ATO has appointed a Chief Knowledge Officer with broad responsibility for information and knowledge management across the full range of Tax Office activities.</p> <p>The ATO has adopted the Information Management Strategic Framework which establishes a policy commitment to ensuring we comply with relevant legislation and standards that relate to the management of records, both electronic and paper.</p> <p>The Framework also identifies Information Management principles, quality criteria and life cycle management processes which will contribute to the Tax Office's ability to meet e-permanence standards in the future.</p>

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Recommendation	ATO Status
	<p>The Chief Knowledge Officer has also recently developed a Tax Office Data and Information Standards statement, which provides further direction on the implementation of this Framework. This document currently has the status of 'Exposure Draft' while input and feedback is being sought from ATO business lines.</p> <p>Revised policy relating to Employee obligations in respect to record keeping will be deployed in the Tax Office in July 2005, along with associated communication and education support. This will be strengthened by a second policy statement on Records Management in December 2005. National Archives of Australia was consulted in the development of both policies.</p> <p>The ATO has recently acquired and installed an enterprise-wide capable system for document management, content management and records management. This will greatly enhance the e-permanence capability of the Office. Implementation will improve ATO's compliance for both physical and electronic records.</p> <p>The ATO has governance and corporate assurance processes in place with respect to record keeping.</p> <p>The National Archives of Australia has written to the ATO in March 2005 advising of a number of initiatives and seeking assistance in their development. The Tax Office and National Archives of Australia are working in partnership.</p>

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Recommendation	ATO Status
<p>Recommendation 8 The Australian Government Information Office (AGIMO), in consultation with the Australian National Audit Office, ensure that Commonwealth agencies have in place comprehensively and tested business continuity and disaster recovery plans for their electronic records networks and services. AGIMO to advise the Committee, in an Executive Minute, of progress with the implementation and testing of these plans.</p>	<p>The ATO has a 24 hour disaster recovery solution for the mainframe. The solution is tested twice yearly, with recent tests conducted in November 2004 and May 2005. We are implementing a disaster recovery solution for the midrange (server) environment, and mission critical applications will be covered from 1 July 2005. Regular backups occur for all platforms, and backups are stored securely offsite.</p> <p>The ATO has taken a systemic approach to Business Continuity, mapping all of it's business processes, rating them for risk and identifying their locations and leadership. This is verified and updated on a monthly basis, and used by a network of incident managers to deal with crises as they arise. In the past 18 months we have tested all 10 of our regional teams as well as managing a real crisis where a critical building was unavailable for a week. All of these events have been debriefed and improvements identified.</p> <p>The current focus is on integration with Disaster Recovery and communication and education programs. A draft program covering the next two years has been prepared and is awaiting feedback from key people in the ATO.</p>
<p>Recommendation 9 The Department of the Prime Minister and Cabinet should review and report to the Committee on the cost effectiveness of Gatekeeper versus other commercially available public key infrastructure products and systems.</p>	<p>ATO participated in the Gatekeeper Review convened by AGIMO from 11/2004 to 3/2005 to meet JCPAA's recommendations.</p> <p>ATO presented its views clearly on the current and future Gatekeeper policies and framework, and operational and regulatory roles played by the relevant parties involved.</p>

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Recommendation	ATO Status
	ATO also conducted a separate costing study on its own Public Key Infrastructure (PKI) operation, for comparing with other PKI operations.