

Appendix E:

Department action plans in response to our 2021 audit

Figure E1: Action plans in response to recommendations from the audit

Rec	Action(s)
Department of Education	
1	Review and update Corporate Procurement policies and related documents to require formal activation/close-off of critical incident procurement, conflict-of-interest declarations at the start of each critical incident procurement regardless of value, clear definitions and engagement processes for secondments/contractors/consultants, and practical guidance.
2	Develop a Critical Incident Procurement form and guidelines for staff via the Corporate Procurement Portal, documenting reasons for using the process, value-for-money considerations, reasons for single quote, State Purchase Contract consideration, conflict-of-interest declaration, and financial approvals.
3	The current Ariba system provides the register of all DET goods and services procurements and is updated with each new procurement.
10	Review DET guidance material regarding grants risk management to ensure alignment with Better Grants by Design, specifically for identifying and managing risks associated with implementing grants programs.
11	Update the DET Grants Policy and guidance material to require staff assessing grant applications to declare conflicts of interest.
15	Conduct an internal audit on COVID-19 related grants programs to identify gaps in controls or administrative processes leading to risks of fraud, corruption or waste.
16	Review ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data and consider implementing central agency solutions if appropriate.
Department of Energy, Environment and Climate Action	
1	DELWP will undertake a review of its procurement policies and make amendments where appropriate to clarify formal activation/close-off of critical incident procurement, require conflict-of-interest declarations at the start of procurements, define secondments/contractors/consultants and engagement processes, and provide practical guidance for using critical incident procurement processes.
2	DELWP will review its critical incident procurement form and amend it where appropriate so it documents reasons for using the process, value-for-money assessment, reasons for single quote, consideration of existing contracts/State Purchase Contracts or DELWP panels, conflict-of-interest declaration requirements and financial approvals.
3	DELWP will implement a policy to regularly review and update its Critical Incident Procurement Register. Staff will receive practical guidance about reporting requirements when the CIP policy is activated, and Procurement will regularly review the CIP register to assure accurate reporting of procurement expenditure.
10	Implemented. DELWP guidance has been updated to incorporate Better Grants by Design requirements for identifying and managing risks in grant programs. Grants management system requirements are monitored monthly. DELWP also updated conflict-of-interest guidance and developed a quick reference guide on managing conflicts of interest in assessment processes.
11	DELWP continues to conduct regular internal audit reviews on grants management, including COVID-19 grants programs, to assess fraud, corruption and waste risks.

Rec	Action(s)
15	Implemented. DELWP reviews ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data, and is actively participating in DPC's Common Corporate Platforms program.
16	Implemented. DELWP has implemented arrangements to regularly report and monitor all material COVID-19 initiatives.
Department of Families, Fairness and Housing	
1	The department has amended its critical incident procurement policy to enable the Chief Procurement Officer to activate and close off the critical incident procurement process. Ensure communications on the new conflict-of-interest system reinforce the requirement that staff undertaking a procurement must complete a conflict-of-interest declaration regardless of central procurement team involvement. The CPO will write to the conflict-of-interest policy owner to request the policy reinforce this requirement. The CPO will work with People and Culture to establish engagement rules for contracted secondees and related reporting, and ensure a specific intranet SharePoint page explains rules for engagement of contracted secondees. The CPO will review the existing critical incident procurement policy to confirm the use of CIPP, management of conflicts of interest and monitoring of staff use of procurement policies are reflected in current policy.
2	The CPO will review the existing critical incident procurement policy to confirm that use of CIPP, management of conflicts of interest and monitoring of how staff use procurement policies are reflected in current policy.
3	The CPO will be provided regular reports on the status of procurement under the critical incident procurement policy, including procurements not submitted for inclusion in the central critical incident procurement register.
9	The department will ensure the distinction between consultants, contractors and secondees is clarified and understood across relevant areas of the department.
10	Develop and implement a departmental Grants Management Framework aligned with Better Grants by Design that incorporates improved guidance on grant program risk and conflicts of interest for grants assessors.
11	Identify and review DFFH's COVID-19 grants program/s to identify gaps in controls or administrative processes that lead to risks of fraud, corruption or waste.
15	Continue to review ways to align financial systems, policies and business practices to improve consistency, accessibility and accuracy of whole-of-government data such as DPC's Common Corporate Platforms project.
16	Continue to regularly monitor and report budgets and expenditure for COVID-19 initiatives, including dashboard reporting to track COVID-19 initiatives and corrections/updates to tracking as identified.
Department of Health	
1	The department amended its critical incident procurement policy to enable the CPO to activate and close off the critical incident procurement process. Update Conflict of Interest policy to clarify that staff must complete a conflict-of-interest form for all procurements regardless of central team involvement. Establish engagement rules for contracted secondees and related reporting and ensure these rules are communicated and available on the department's intranet. The CPO will review the existing critical incident procurement policy to confirm current policy reflects use of CIPP, management of conflicts of interest and monitoring of procurement policy use.
2	The CPO will review the existing critical incident procurement policy to confirm it reflects use of CIPP, management of conflicts of interest and monitoring of how staff use procurement policies.
3	The CPO will receive regular reports on procurement under critical incident procurement policy, including identification of procurements not submitted for inclusion in the central critical incident procurement register.
9	Clarify and ensure understanding of the distinction between consultants, contractors and secondees across relevant areas of the department.

Rec	Action(s)
10	Complete the review into how grant programs align with Better Grants by Design for managing risks associated with implementing programs and declarations of conflict of interest.
11	Complete a review of COVID-19 grants programs to ensure strong controls and administrative processes are in place.
15	The department has completed a review of its financial systems, policies and practices to align with whole-of-government data and is partnering with DPC as part of the Common Corporate Platforms project.
16	The department now regularly reports and monitors its budget and expenditure for COVID-19 initiatives.
Department of Justice and Community Safety	
1	Completed. DJCS procurement policies already include the required controls for critical incident procurement activation/closure, conflict declarations, definitions and engagement processes, and practical guidance.
2	Completed. DJCS critical incident procurement forms already document the required information, including reasons, value for money, single quote, relevant State Purchase Contract, conflict-of-interest declaration and financial approvals.
3	Completed. DJCS already regularly reviews and updates its centralised procurement register to ensure it is accurate and up to date.
8	EMV and DJPR will establish a working group including DPC to resolve transfer of surplus Combined Agencies Operations Group PPE stock from Emergency Management Victoria to DJPR.
10	Review internal grants guidance material to ensure alignment with Better Grants by Design requirements for grants program risk management and grant assessor conflicts of interest.
11	Coordinate reviews of any COVID-19 grants programs to identify gaps in controls or administrative processes leading to fraud, corruption or waste risks.
15	Continue participation in the Common Corporate Platforms project to consider solutions that improve accuracy of whole-of-government spend and procurement data and implement changes/align with whole-of-government practice where appropriate and practicable.
16	Completed. DJCS specifically monitors COVID-19 expenditure and maintains dashboards reporting budgets and expenditure for COVID-19 initiatives.
Department of Jobs, Skills, Industry and Regions	
1	Review policy in line with government requirements to ensure critical incident procurement is formally closed off as required; update Conflict of Interest Policy to require declarations at the start of each procurement where practical; note definitions of secondments, contractors and consultants are in DJPR Procurement Policy; develop further critical incident procurement guidance.
2	Review and update Critical Incident Procurement forms accordingly.
3	Review the centralised procurement register bi-annually to ensure it is accurate and up to date.
8	DJPR noted the McCann Review had 19 substantive recommendations and a formal government response was yet to be formalised. DJPR was secretariat for the WoVG non-health PPE Taskforce and Working Group, with monthly reporting on PPE stock, usage and open orders. DJPR supported establishing a working party to address surplus stock.
10	Develop a revised Grants Framework providing detail on operational mechanisms for administering grants, including fit-for-purpose fraud controls, aligned with DTF's Better Grants by Design and focused on enhanced risk management and conflict-of-interest practices.
11	DJPR undertook a comprehensive program health check in 2020 and will continue to review grant program administration to consolidate good practice and identify enhancements, including in risk management and integrity practices. Integrity Services Unit partners with program delivery areas to monitor and act on integrity and fraud risks and issues.

Rec	Action(s)
12	Develop a revised Grants Framework with operational mechanisms for administering grants, including fit-for-purpose fraud controls, aligned with DTF's Better Grants by Design and focused on enhanced risk management and conflict-of-interest practices.
15	Continue to engage with DPC to consider solutions to improve whole-of-government data through common platform initiatives.
16	Continue to regularly report and monitor the budget and expenditure for COVID-19 initiatives.

Department of Premier and Cabinet

1	Update critical incident information on intranet so each incident has a clear start and end date; use communications to inform business areas of extension or closure of critical incident protocols; update Corporate Procurement Team Operations Manual with compliance checklist for Critical Incident requests including Conflict of Interest checks; update Critical Incident Procurement Outcome Document to capture staffing related engagements and engagement process; review critical incident guidance; implement step-by-step workflow for critical incidents on intranet.
2	Critical Incident Procurement Outcome Document form to be reviewed and amended to incorporate recommendations.
3	Ongoing responsibility of the Corporate Procurement Team to maintain and ensure accuracy of data inputted. CPT to ensure all relevant Critical Incident documentation is stored in Content Manager.
5	Work with VPSC to review and revise the whole-of-government Administrative Guidelines on Engaging Professional Services in the Victorian Public Service to include guidance aligned to the revised Market approach: goods and services policy guidance on critical incident procurement policies.
6	Work with departments to establish clear leads on implementation of the WoVG PPE Review; coordinate cross-departmental discussions and advice to Government; support DTF's establishment of a PPE State Purchasing Contract for non-health settings; assist relevant taskforces; and work with departments to report to government on implementation of the McCann Review.
8	Support effective and efficient use of surplus PPE. DJPR, through the WoVG Non-Health PPE Taskforce, is working with departments to dispense surplus stock, engage with EMV to identify and distribute excess CAOG stock, and oversee a review of forward stockpile requirements in early 2022. The CAOG stockpile is not proposed to be formally transferred from EMV to DJPR.
10	DPC updated its Grant Management Framework to apply a risk-based assessment when developing, administering and evaluating grant programs. The source notes most COVID-19 grant payments made by parts of DPC in 2020–21 transferred to DFFH on 1 February 2021.
11	DPC updated its Grant Management Framework to apply risk-based assessment when developing, administering and evaluating grant programmes and included further guidance to mitigate against fraud.
15	DPC will consider ways the Common Corporate Platforms project, in consultation with all departments, can be specified and developed to improve whole-of-government data accuracy and consistency.
16	DPC created specific chart of account segments to use for COVID-19 specific budget and expenditure. COVID-19 reports are included in DPC internal management reports and in DTF COVID-19 quarterly expenditure and forecasting returns.

Department of Treasury and Finance

1	Review and amend policies as recommended by VAGO and publish advice and practical guidance for staff.
2	Review procurement forms to ensure critical incidents clearly document information recommended by VAGO.
3	Continue current practice of maintaining the centralised procurement register to ensure it is accurate and up to date.
4	The Victorian Government Purchasing Board will revise the policy guidance as recommended.
7	DTF developed a business case for a State Purchase Contract panel arrangement following extensive stakeholder consultation.

Rec	Action(s)
13	Publicly report on costs directly attributable to the COVID-19 pandemic for 2021–22. Review the relevance of reporting for future years as public health conditions evolve and service delivery returns to business-as-usual settings.
14	Continue to review processes for collecting data on whole-of-government COVID-19 costs, noting processes may be refined as public health conditions and associated expenditure change. Continue working closely with departments on delivery of high-priority expenditure and reporting arrangements for future significant events.
15	DTF is a member of the WoVG Common Corporate Platforms Governance Board. A strategy and roadmap has been agreed proposing development of common processes and design of a common platform by Quarter 1 2022–23, with DTF proposed for Wave 2 implementation commencing Quarter 1 2023–24 subject to successful Horizon 1 delivery.
16	Review existing finance reports presented to the DTF Board and include a regular update on spend and associated budget in relation to COVID-19 initiatives.

Department of Transport and Planning

1	DoT Procurement will lead a review to establish processes and develop supporting material, including updating the DoT Procurement Policy, to address the recommendation.
2	DoT Procurement will lead a review of processes and update supporting material including the Critical Incident Procurement Form.
3	DoT will lead a review to develop appropriate systems to accurately identify critical incident engagements and address the audit finding on up-to-date and accurate data.
10	DoT has established a working group to develop a Grants Management Framework. The audit findings will be addressed as part of this project.
11	DoT has established a working group to develop a Grants Management Framework. The audit findings will be addressed as part of this project.
15	The department is participating in and contributing to DPC's Common Corporate Platforms project and will review systems to ensure accuracy of data submitted for whole-of-government reporting.
16	Specific codes and processes are being established to support reporting and monitoring of budgets and expenditure for COVID-19 initiatives.

Note: Department of Government Services (DGS) was not established at the time of the 2021 audit and did not have any recommendations directed to it.
Source: VAGO, *Management of Spending in Response to COVID-19*.