

Mr Bruce Notley-Smith MP
Chair
Legislative Assembly
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

MT18/322

Dear Mr Notley-Smith

I write in response to your letter of 27 July 2018, requesting the Department of Education's update to the outstanding recommendations of the Auditor General's performance audit report, Contingent Workforce: Procurement and Management, tabled on 27 April 2017 (your reference: D18/21121).

Please find attached the Department of Education's update on the implementation status of the outstanding recommendations made by the Auditor-General.

I am pleased to advise that the department has now implemented most of the Auditor-General's recommendations, with the final outstanding recommendation anticipated to be completed by October 2018.

Yours sincerely



Mark Scott AO
SECRETARY
DEPARTMENT OF EDUCATION
3 September 2018

RECOMMENDATION	ACCEPT OR REJECT	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY(Section of Agency for Implementation)
<p>2. Ensure that contingent labour informs and is informed by workforce planning, by:</p> <ul style="list-style-type: none"> • analysing agency-wide business needs, staff capability, and skills gaps • understanding how gaps are filled by contingent workers or other recruitment options • assessing whether long-term contingent worker engagements are the most economical and effective labour option • evaluating whether contingent workers meet agency business needs and deliver value for money 	<p>Accept</p>	<p>Building on the department's Contractor Central solution, we will continue to leverage on accurate data reports to strengthen workforce planning. Our current decision process for contingent labour use requires department officers to examine other recruitment options before proceeding to contingent labour. We will review and strengthen this process to document evidence supporting the decision including how we demonstrate the value for money outcome. Information captured during the decision process will be used to help inform our skills and capability gaps. Modification to the Contractor Central decision process will be required to</p>	<p>March 2018</p>	<p>Complete</p> <p>There was a deferral pending decisions with the new software solution. Contract Central relies on a Vendor Management System (VMS) currently provided by SAP Fieldglass. The tender process is complete and it will take time to migrate the department to new systems. The requirement modifications to the current Fieldglass system have been made to ensure hiring managers review workforce planning needs and options prior to raising an order for a contingent worker.</p>	<p>Procurement Solutions Directorate</p>

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		<p>ensure data capture is complete.</p> <p>Long term tenure is currently an item that is reviewed by the department's Executive. In the quarterly Contractor Central status reports we will include six monthly reviews of all long term tenures documenting the value as economical and effective labour usage.</p> <p>At the conclusion of contingent labour engagements, departmental officers have the option to complete a post engagement review of the worker. This is currently optional and we will move to strengthen the end of engagement reporting. The department measures value of its contingent labour in project specific benefit reporting and there is no consolidated benefit</p>			

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		reporting for contingent labour as a standalone component. Contractor Central will be modified to include benefit reporting capability to capture ongoing reporting of all workers meeting business needs and delivering value for money.			
3. Assess and centrally document the performance of their contingent workforce to ensure that services are delivered as contracted	Accept	<p>The modification proposed for the department's Contractor Central solution will provide a central platform for recording all data related to contingent labour usage.</p> <p>The improvements planned for benefit reporting will address issues relating to performance of workers and documenting that services have been delivered as contracted.</p>	Revised: October 2018	<p>Delayed</p> <p>Contractor Central handbooks have been modified to inform all department hiring managers of their responsibilities in ensuring contract benefits are achieved.</p> <p>Mandated off-boarding actions in the software work flow to ensure Hiring Managers document worker performance and record services delivered as contracted will be in</p>	Procurement Solutions Directorate

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				place by October 2018.	
4. Implement processes to ensure that hiring managers consider other recruitment options prior to engaging or re-engaging contingent workers.	Accept	The strengthening of the decision process in the Contractor Central solution will ensure that hiring managers document evidence of their recruitment options prior to proceeding to approve any new engagement or re-engagement of contingent labour resources.	March 2018	Complete An automated process is in place and is a mandated work flow for all contingent labour work orders.	Procurement Solutions Directorate