

2025

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

ELEVENTH ASSEMBLY

Auditor-General Report No. 13/2024

Invoicing and Payments for Digital Health Record Hosting Services

Government Response

**Presented by
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Minister for Health
10 April 2025**

ACT Government Response to Recommendations | ACT Auditor-General's Performance Audit Report – Invoicing and Payments for Digital Health Record Hosting Services.

The ACT Government supports the audit and its recommendations, and notes that it is consistent with previous management-initiated audits and reviews on matters relating to the Digital Solutions Division (DSD) and the Digital Health Record (DHR). The ACT Health Directorate (ACTHD) has been working to improve the management of the DHR, including the NTT contract, since early 2023.

Checks to date of 102 NTT invoices from 2020-21 onwards with a value of almost \$14 million have not identified any overpayments. An internal acquittal activity has confirmed that the goods and services had been received and obtained the evidence to support this. To date, there have been no invoice checks that suggest there were inappropriate payments made to NTT and all payments are aligned with previous trends of payments.

ACTHD is already progressing steps to address the Auditor-General's findings and continues to improve controls and processes. This effort is acknowledged by the Auditor-General in the Performance Audit Report, which refers to the additional administrative processes and controls put in place by ACT Health in January 2024 to mitigate the control deficiencies identified in the report.

ACTHD will continue to work closely with the ACT Audit Office on any future review to monitor the strengthened controls put in place since 2023, including the performance audit of the DHR which is currently being scoped and is expected to commence in 2025.

Recommendation	Government Response	Implemented by
RECOMMENDATION 1: Evidence to Support Payment ACT Health should ensure appropriate records are captured and retained to demonstrate the analysis of services received prior to payments are made to NTT Australia.	AGREED The ACT Health Directorate (ACTHD) record keeping practices regarding invoice reconciliation and payment concerned with the NTT contract have been improved since August 2024. Comprehensive information that evidences invoice reconciliation and payment are stored in ACTHD's Electronic Document Records Management System (EDRMS) and retained in accordance with ACTHD's record keeping plan which is aligned with the <i>Territory Records Act 2002</i> .	August 2024 Completed

RECOMMENDATION 2: Purchase Orders ACT Health should establish a formal policy specifying the timeframe for entering approved Work Orders into the PurchaseOrder-2-Payment system and monitor compliance with the policy.	AGREED ACTHD has developed and implemented procurement workflows that include requirements for Purchase Orders to be created with 21 days of contract execution. This is in line with the requirements for contract notification on Tenders ACT. A Purchase Order-2-Payment (P2P) System Policy and procedural document is being developed to provide further policy advice in relation to timeframes for entering approved contracts, including work orders, into the P2P system. Compliance with these requirements will be monitored by the Health Procurement Team.	30 March 2025 Completed
RECOMMENDATION 3: Support for reconciliation and verification of invoices ACT Health should: a) require NTT Australia to ensure that the number of Purchase Orders associated with each invoice complies with the terms of the Deed; and b) include sufficiently detailed line items in Purchase Order and Work Orders with NTT Australia to ensure they correspond directly to the goods and services being procured.	AGREED ACTHD has reaffirmed with NTT the requirement to ensure that the number of Purchase Orders associated with each invoice complies with the terms of the Deed through formal contract management meetings held between July and November 2024 and through other contractual interactions with NTT. All Purchase Orders and Work Orders executed by ACTHD after August 2024 provide sufficiently detailed line items that correspond directly to goods and services procured and comprehensive information is stored in the EDRMS to evidence the receipt of these goods and services.	August 2024 Completed

RECOMMENDATION 4: Compliance with delegation limits ACT Health should: a) implement assurance processes to ensure invoices are validly paid in line with delegations; and work with Digital, Data and Technology Services to implement controls to ensure that invoices associated with a Purchase Order are approved for payment by an appropriate delegate.	AGREED ACTHD will establish a policy/procedure for the processing of invoices and will review existing processes including the Director-General Financial Authorisations – Expenditure and Payment Authorisations. This will provide guidance to staff and delegates on appropriate goods receipting and approval processes to ensure valid payment of invoices in accordance with delegations. ACTHD will work with the appropriate Directorates that own the payment and purchase order systems to determine if system controls can be implemented to strengthen the approval processes between payment and purchase order systems.	30 June 2025
RECOMMENDATION 5: Acceptance criteria for Work Orders ACT Health should ensure Work Orders agreed with NTT Australia include acceptance criteria, and that ACT Health certify these criteria have been satisfied before making payment.	AGREED ACTHD has included acceptance criteria in the Work Order Templates for all new work orders pertaining to new systems and technologies to be provided by NTT Australia. ACTHD will certify these criteria have been satisfied before making payment.	1 March 2025 Completed
RECOMMENDATION 6: Cost benchmarking ACT Health should: a) benchmark the cost of NTT Australia services in line with its contractual rights; or b) document its decision to not benchmark the cost of NTT Australia services and evidence to support this decision as part of its contract management activities.	AGREED The decision not to use the benchmarking clause in the current contract with NTT has been documented via a meeting paper for the ACT Health Digital Policy, Risk and Assurance Committee. ACTHD will instead conduct a cost benchmarking process of the NTT Australia services via an open tender process when the contract expires on 22 December 2026. This open tender process has commenced and been registered with Procurement ACT. NTT infrastructure and service costs will continue to be closely monitored for the life of the current contract.	1 March 2025 Completed