



**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

Mr Ed Cocks MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair), Mr Andrew Braddock MLA

**Inquiry into Auditor-General performance Audit Reports July – December 2023**  
**ANSWER TO QUESTION ON NOTICE**

Asked by Peter Cain MLA:

In relation to: AG Audit Report 10/2023 and Human Resources Information Management System Program

- (1) Which law firms were engaged as part of the HRIMS program.
- (2) Have these consultants been re-engaged for PCHRM.
- (3) For contracts awarded to Clayton Utz and/or Maddocks as part of HRIMS, what procurement methodology was taken to ensure competition.
- (4) Did you identify any conflicts of interest between the Territory, the top-level Steering Committee, the supporting Program Board, and suppliers who were awarded government contracts.
  - (a) If yes, how were these conflicts of interest managed.
  - (b) Have you been made aware of any explicit examples of cronyism or nepotism in awarding these contracts.
- (5) For the contract with Frontier to licence CHRIS21 for CMTEDD, could you explain whether procurement methodology is used and how you ensure competition.
- (6) Could you explain the criteria used to determine whether a contract is best suited for an open tender, select tender, or solesource approach.

Chris Steel MLA: The answer to the Member's question is as follows:—

1. Two law firms were engaged through the Legal Services Panel to provide legal services as part of HRIMS. Clayton Utz was engaged as part of the HRIMS Program in October 2018. Maddocks was engaged after the program pause in October 2021.
2. Maddocks has been engaged to provide legal services as part of the PC-HRM Program.
3. Clayton Utz was engaged in 2018 under a Service Agreement following a competitive process to provide legal services to the HRIMS project. In 2020, Clayton Utz continued to provide legal services in relation to the contract under Legal Services Agreement. Maddocks was engaged through the Territory Legal Services Panel to provide legal services to the project based on their established reputation in the delivery of advice on ICT contracts.

4. Conflict of Interests for the HRIMS Program were managed in line with the Conflict-of-Interest policy. All officers have obligations under s9 of the Public Sector Management Act 1994, to declare actual, potential and perceived conflicts of interest, and take reasonable action to avoid them in the course of their duties.
5. As per the 2023-24 Budget the revised implementation approach involves ending the HRIMS program, upgrading existing HR and payroll solutions and the implementation of a new time and attendance system. Frontier Software Pty Ltd is the only supplier of Chris21 and HR21 and supply the existing HR and payroll foundation systems for the ACT Government. In line with the approved Business Case, Frontier being the only supplier of Chris21 and HR21 and the agreement to invest in current technologies, Frontier Software Pty Ltd has been engaged through a Single Select procurement.
6. The methodology of engagement with the market is driven by the thresholds set out in the *Government Procurement Regulation 2007* (the Regulation). Sections 5, 6 and 9 of the Regulation (referenced prior to 1 July 2024) prescribes the quotation and tender thresholds for approaching the market when procuring goods, services or works.

In addition, Procurement ACT has published factsheets on its website to assist Territory Entities in applying these requirements, which include:

- [Approach to Market and Request Types](#)
- [Procurement Framework Thresholds](#)

Exemption from quotation and tender threshold requirements may only be approved where the responsible Chief Executive Officer for a Territory Entity, or their delegate, is satisfied, on reasonable grounds, that the benefit of the exemption outweighs the benefit of compliance with the requirements (section 10 of the Regulation-referenced prior to 1 July 2024). Six examples of when exemption may be given, are included in section 10. The responsible chief executive officer may, in writing, direct the entity to do either seek a stated kind or number of quotations for the procurement; or invite a tender from a stated supplier for the procurement.

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date:

13/6/24

By the Special Minister of State, Chris Steel MLA