

# Agencies lax on IT security: A-G

**Mathew Dunckley**

Major public sector agencies were surprisingly careless with information security and tended to underbid on IT project costs so that they could win funding from Treasury, Victorian Auditor-General Des Pearson said yesterday.

In a rare public outing, Mr Pearson addressed a Chartered Secretaries Australia function in Melbourne to present key trends from the previous year's round of audits.

A key concern, Mr Pearson said, was how public sector agencies treated information security, which he described as basic housekeeping.

"When we go and check system changeover controls it is amazing how often, on very sensitive systems, we go in and the password on the system is 'Password' or 'Change on install'. That is to me is a real issue," Mr Pearson said.

"Personal information is, in the main, core to the public sector — almost everything we have got is personal, sensitive," he said.

"Nobody wants our health records out there or our interactions with the justice system or education records out there ... we've got to pay a lot more attention to that."

Victoria has experienced a number of infamous IT project bumbles, including the upgrading of the police

database and the myki smartcard ticketing project. Mr Pearson said part of the problem was that agencies had to ration limited funding.

"For the right reasons but the wrong outcome they probably tend to underbid," he said. "If an agency came in with the real price for a project, it would never get off the mark."

The other major issue was correctly scoping projects — a problem that was not limited to the public sector. "None is any good at managing functionality creep."

The public sector also had a tendency to "gold-plate" IT projects and needed to be more pragmatic in its procurement, Mr Pearson said.

Recent issues in the private sector, such as problems with bank IT systems, showed there was a need for the public sector to constantly improve its infrastructure, he said. "Our legacy systems are going to eventually start catching up with us."

There were also persisting issues with performance reporting, the monitoring of outsourcing deals, the quality of evidence behind decisions, risk-management and probity and procurement. "In terms of the taxpayer value for money ... there is significant room for improvement."

Pressure to make decisions swiftly should not result in lax tendering practices, Mr Pearson said.