

STATEMENT FROM THE CIT BOARD – July 2023

The Canberra Institute of Technology (CIT) welcomes the ACT Auditor-General's Performance Audit Report into the ACT Government Procurement Board (July 2023).

The CIT Board notes the Report and its findings that relate to the CIT and expresses its full commitment to continuing the rigorous ongoing upgrade and improvements to CIT's procurement, financial, and governance systems.

The Institute responded immediately to the Minister's Direction of 20 August 2022, and has been actively improving processes, including the development and implementation of a number of improvements and positive changes to a number of its internal governance, procurement, and financial procedures.

The CIT Executive has been 'right sized' for the complexity of the business and new Executive roles have been established to insource capabilities and improve capacity. This action will strengthen and streamline our business and teaching operations in a new organisational structure that will focus CIT, in its 95th year, on 'future-focussed' education design and delivery, supporting our teachers, improving student experience, data and digitalisation, corporate governance, people and culture, and marketing and communications.

Since June 2022, a new Board Chair and Deputy Chair have been appointed, and a Governance and Nominations Committee of the CIT Board has been established to strengthen oversight of CIT's processes and compliance with our legislative obligations.

In August 2022, the CIT Board has strengthened the organisation's financial delegations by imposing tighter expenditure limits on the CEO. This includes a requirement for procurements for goods and services over \$1 million and consultancies over \$500,000 to be approved by the CIT Board. In addition, the CIT Board is kept abreast of all consultancy expenditure over \$25k on a year-to-date basis. The CIT is also currently baselining its strategic and operational risks, and is implementing operational and cultural changes to embed effective risk management across CIT.

The Institute has established a Procurement and Contracts Community of Practice to increase procurement understanding and capability across the CIT. We are also improving the level of oversight, capacity, and capability of the

procurement function by appointing an experienced procurement officer reporting directly to the newly created Executive Director, Finance and Transformation.

CIT has also mandated the use of VendorPanel procurement ICT system for all purchases under \$200k to ensure the procurement process is open and transparent, as well as auditable. We have established a centralised contract notification process to improve compliance with notifiable contracts, legislation, and established internal processes and templates when conducting procurement exemptions (select and single select procurement) approvals.

In 2022, the ACT Government delivered a comprehensive Procurement Reform Program to ensure the ACT Government Procurement Framework continues to support government business, our economy, and our community. As part of the program, the ACT Government has developed an Accreditation Program (the Program) to ensure that Territory entities (including CIT) undertaking goods and services procurement are properly supported to make good procurement decisions.

The Program provides a robust evaluation process that is supported by an independent governance body to review each territory entity's capacity and capability to manage its procurements. The Program is aligned with the scale, scope, and risk of the procurement to ensure that high-risk and high-value procurements are provided with additional centralised support.

Procurement ACT are partnering with CIT to pilot the assessment and accreditation part of the Program, to shape the Program to ensure that all procurements are supported—from planning right through to contract closure. CIT continues to be actively engaged and contributing to the development of the Procurement Reform Program as a stakeholder and member of a number of governance committees supporting the implementation of the Reform Program.

CIT also consults with Procurement ACT to add another layer of probity and expertise over the complete procurement process for purchases over \$200k. We have also updated CIT procurement and contract documentation and templates to align with latest ACT government procurement and contract documentation and templates.

CIT has also recently updated our approach to preventing fraud and corruption with a new Fraud and Corruption Prevention Framework and Fraud and Corruption Plan. The Framework, along with the Plan, introduces a continuous evidence-based assessment of CIT's fraud and corruption risks.

The CIT Board looks forward to the findings of the Integrity Commission's ongoing enquiry. As the enquiry is still current, we are not able to comment on issues within scope of that enquiry.

The CIT Board is supportive of, and confident in, the efforts of the new CIT Executive to strengthen and improve CIT's internal and operational systems, service offer, and student experience.

CIT's Board, new Executive, teachers, and staff remain focussed on our most important role – which is supporting our students, and continuing to provide high-quality, state-of-the-art training to the people of the ACT. We will continue to devote our energies to ensuring that the Institute operates using best practice - now in its 95th year and into the future.

Kate Lundy

Chair, CIT Board