

5 December 2024

The Commission makes the following corruption prevention recommendations to Canterbury-Bankstown Council.

RECOMMENDATION 1

That Council adopts better-practice employment-screening measures that include:

- more extensive screening for higher-risk roles, in line with a risk-based approach
- confirmation – where a position has been identified as requiring a criminal record check – that this check is completed and used to inform the hiring decision
- contact with issuing institutions to verify academic qualifications
- financial checks on candidates for managerial roles with financial delegations.

RECOMMENDATION 2

That Council retains documents from recruitment interviews and evidence justifying the selection of the preferred applicant.

RECOMMENDATION 3

That Council adopts better practice guidelines on contingent workforce management that incorporate:

- workforce planning
- a requirement to consider alternative recruitment solutions to fill roles
- controls to limit the tenure of contingent workers, including reviews to determine whether contingent roles should be converted to permanent appointments.

RECOMMENDATION 4

That Council adopts measures to address the risks associated with contingent labour, including:

- placing contingent labour on its risk register(s)
- performing a formal risk assessment to help inform when and how contingent labour should be used.

RECOMMENDATION 5

That Council implements measures to eliminate absolute control of hiring managers in the contingent-labour hiring and management process. In particular, Council should consider giving human resources a role in approving appointments.

RECOMMENDATION 6

That Council collects detailed and accurate financial and workforce data on contingent workers and shares this information with key stakeholders, including the Executive Leadership Team.

RECOMMENDATION 7

That Council:

- ensures it retains copies of price schedules for different job grades and bands
- instructs hiring managers and human resources staff to consider these price schedules in their recruitment processes
- embeds internal financial controls to ensure that contingent rates are justified
- confirms a contingent worker's rate of pay with the contingent worker when they are initially engaged.

RECOMMENDATION 8

That Council adopts measures to ensure that:

- it is notified of any proposed subcontracting arrangements involving contingent-labour suppliers, and approval for these arrangements is sought from senior levels within Council and not the business unit engaging the contingent worker
- panels, managed service providers, contingent-labour suppliers and subcontractors all have a robust assurance framework in place to ensure they can deliver services in line with the contract.

RECOMMENDATION 9

That Council requires managed service providers to:

- attest that they are not aware of any conflicts of interest involved in contingent hiring arrangements
- ensure all parties in the supply chain are provided with a conflict of interest definition
- place a requirement on all parties in the supply chain to attest that they are not aware of any conflicts of interest involved in contingent hiring arrangements.

RECOMMENDATION 10

That Council ensures that high-quality employment screening checks are performed on contingent workers and that Council periodically examines the quality of checks performed by suppliers involved in recruitment.

RECOMMENDATION 11

That Council provides:

- contingent workers with induction and ongoing training that explains what corruption is and how to report it
- contingent workers with the opportunity to raise concerns regarding workplace performance during an off-boarding process
- all staff, including contingent workers, with training on how to make and receive (where relevant) public interest disclosures.

Aspects of this recommendation may be modified for extremely short-term contingent labour.

RECOMMENDATION 12

That Council reviews its processes to ensure that the planning of capital works is based on finalised designs or detailed project briefs, robust cost estimates, scope-management plans and scopes of works that are commensurate with the size, risk and complexity of a project.

RECOMMENDATION 13

That Council reviews its procedures and processes for capital works procurement to ensure:

- compliance with procurement dollar thresholds, particularly in relation to the splitting of orders
- purchase orders are raised for the correct amount
- specifications and assessment criteria are:
 - complete and aligned with evaluation plans
 - explained in sufficient detail
 - adequate to assess key contract risks
 - internally consistent across documents
- closing dates are not extended to unfairly advantage potential contractors
- potential contractors are not unfairly excluded from procurement exercises and that reasons are provided for excluding bidders.

RECOMMENDATION 14

That Council adopts a robust contractor selection framework that includes:

- verifying claims made by potential contractors
- processes to follow up red flags in relation to the capability and capacity of potential contractors
- assessing project-delivery methodologies, including consideration of the capabilities and insurances of nominated subcontractors
- obtaining assurances regarding compliance with design and safety specifications.

RECOMMENDATION 15

That Council ensures that contractor selection reports contain adequate information to enable the approving officer to understand key issues. The information should include:

- a realistic and detailed assessment of key procurement and contract risks and the corresponding mitigation strategies
- any significant probity concerns that arose during the procurement exercise and how they were resolved
- any clarifications that were issued to tenderers.

RECOMMENDATION 16

That Council conducts a detailed risk assessment regarding information security related to procurement exercises and identifies and implements controls to enhance the security of information. The review should consider:

- the use of an electronic submission box for the receipt of all quotations and tender clarifications

- the timing of the release of this information by the Procurement Service unit.

RECOMMENDATION 17

That Council implements a contract-variation process for capital works that requires:

- requests to proceed with project variations to be approved and supported by evidence, such as photographs and/or written requests from asset owners in advance of the proposed work being undertaken
- competitive quotations for changes to scopes of works above a certain amount or threshold (to be determined by Council) where the nature of the work allows
- requests for variations to be communicated in writing to contractors
- controls to identify when project variations exceed 15% of the original contract amount and aggregated periodic reporting to the director city assets of such situations.

An exception to the above requirements should be permitted for emergency situations where appropriate.

RECOMMENDATION 18

That Council enhances its project-management framework for large scale capital works to ensure:

- contractors making payment requests (including those related to the payment of variations) are required to provide documented proof of works such as receipts for materials, evidence of contractor hours and time stamped photographs of works
- quality checks are conducted at critical work stages and documentation collected on compliance with specifications
- a risk-management framework is implemented that complies with the principles in *A/NZ ISO 31000:2018 Risk management – Guidelines*
- there is monitoring and reporting of project budgets and the progress of work
- project debriefs are undertaken to identify key areas for improvement.

RECOMMENDATION 19

That Council amends its conflicts of interest procedures to ensure that:

- staff are prompted to declare conflicts of interest at the start of a procurement exercise, as well as after the tender box opening
- all conflicts of interest declarations are placed on its central register
- relevant management and staff are informed when people are removed from a procurement process due to a conflict of interest
- conflicts of interest management plans are established for staff excluded from a procurement process due to a conflict of interest with the selected contractor.