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Mr Lewis Rangott
Executive Director, Corruption Prevention
Independent Commission Against Corruption
GPO Box 500
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Your ref: E16/0338
Contact: Lyncoln Chee
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17 April 2019.

Dear Mr Rangott

**NSW Department of Justice report on the implementation of the plan of action in
response to: *Investigation into the conduct of a former NSW Department of Justice
Officer and others***

I refer to the above investigation and the Department's interim report which was provided to you on 19 December 2018. I note that the interim report advised that 12 corruption prevention recommendations had been fully implemented, with one outstanding.

The outstanding recommendation, Recommendation 8, has now been fully implemented. Accordingly, under section 111E(3)(b) of the *Independent Commission Against Corruption Act 1988* (the Act), please find enclosed the Department's final report on the implementation of its plan of action together with a copy of the 'Terms of Reference: Executive Steering Committee – Department of Justice Infrastructure Support Services Program'.

The attachment is sensitive and confidential as it contains strategy information, the disclosure of which may jeopardise the systems and controls in place for the management of risk. The Department provides this document to the Commission strictly on the basis that it remains confidential and is not to be published or otherwise disseminated.

If you have any questions please contact Lyncoln Chee, Director, Inquests Inquiries & Representation on (02) 8346 1846.

Yours sincerely

Lida Kaban
General Counsel

NSW Department of Justice report on implementation of plan of action in response to *Investigation into the conduct of a former NSW Department of Justice Officer and others*

- ✓ This is a final report; the plan of action is fully implemented

Final Report

Recommendation 1
That the NSW Department of Justice undertakes a review of its systems to identify ways to ensure that Corrective Services NSW (CSNSW)'s minor works program commences at the start of each financial year and that delays are minimised
As advised in the Department's Interim Report, this recommendation was implemented on 24 April 2018.

Recommendation 2
That the Department reviews its existing minor works scoping practices. This review should identify inefficient project scoping practices that delay the commencement of minor capital works programs. In particular, the practice of scoping minor works projects twice, once by CSNSW and once by Asset Management Services (AMS), should be examined.
As advised in the Department's Interim Report, this recommendation was implemented on 26 September 2018.

Recommendation 3
That the Department continues to prioritise its development of accurate and comprehensive asset registers to facilitate detailed project scoping and timely completion of works.
As advised in the Department's Interim Report, this recommendation was implemented on 15 November 2018.

Recommendation 4

That the Department revises its method for awarding minor works projects to include criteria other than cost.

As advised in the Department's Interim Report, this recommendation was implemented on 23 March 2018.

Recommendation 5

That the Department analyses minor works expenditure at different levels of aggregation to highlight expenditure patterns, including the volume of work awarded to particular contractors.

As advised in the Department's Interim Report, this recommendation was implemented on 23 March 2018, and is subject to regular reporting and review.

Recommendation 6

That the Department takes steps to ensure competition between members of capital works panels. This could include increasing the number of approved and vetted suppliers that are prepared to compete for work.

As advised in the Department's Interim Report, this recommendation was implemented on 23 March 2018.

Recommendation 7

That the Department clarifies its criteria for classifying maintenance, minor works and major capital works, and communicates these criteria to all stakeholders.

As advised in the Department's Interim Report, this recommendation was implemented on 3 October 2018.

Recommendation 8

That the Department develops a service level agreement between AMS and CSNSW in relation to the provision of minor works and maintenance services that details the roles and responsibilities of each. This could include ensuring that both AMS and CSNSW have visibility over expenditure on CSNSW assets.

The Department has set up an Executive Steering Committee that will be providing oversight and monthly reporting relevant to this recommendation. Please find enclosed the 'Terms of Reference' for that Committee.

The Executive Steering Committee will progress actions such as:

- Rebasing the property and asset budgets;
- Developing and implementing system changes to ensure correct budgeting and cost allocation;
- Further system changes to workflow management systems; and
- Transitioning a number of contractors out of the Department and implementing a new contractor framework to achieve transparency and control.

To ensure the right services are being delivered and to enable service agreements to be identified and developed, the Department is also re-scoping all services. There is currently over 100 service lines delivered across the Department (including CSNSW) that require scoping.

This recommendation was implemented with the first meeting of the Executive Steering Committee which occurred on 20 February 2019.

Recommendation 9

That the Department ensures that minor capital works are allocated separate, discrete project codes.

As advised in the Department's Interim Report, this recommendation was implemented in November 2018.

Recommendation 10

That the Department develops a performance management system that is used to inform the awarding of minor capital works projects. This should be based on a range of objective measures such as the time, cost and quality of the work performed.

As advised in the Department's Interim Report, this recommendation was implemented on 23 March 2018.

Recommendation 11

That the Department ensures that the performance of minor works and maintenance contractors in NSW correctional centres is appropriately verified. Where relevant, this should include input from the asset owner within CSNSW.

As advised in the Department's Interim Report, this recommendation was implemented on 3 October 2018.

Recommendation 12

That the Department reviews its subcontracting arrangements with facilities maintenance providers with a view to prohibiting "wash through" jobs. Relevant training for contractors and staff should reflect this requirement.

As advised in the Department's Interim Report, this recommendation was implemented on 6 July 2018.

Recommendation 13

That the Department amends relevant documents, including its *Code of Ethics and Conduct Policy*, to provide that staff must declare departmental works contractors who are providing goods or services to them in a private capacity, as a potential conflict of interest. Consideration should also be given to prohibiting staff from engaging contractors in a private capacity where they are involved in the selection and management of those contractors.

As advised in the Department's initial action plan, the *Code of Ethics and Conduct* has been updated to incorporate this recommendation.