

Plan for Implementation of Recommendations

Operation Jarek

Please complete this schedule with information about how your agency plans to implement each of the ICAC's corruption prevention recommendations arising from the investigation into Operation Jarek. The implementation plan should include details of the actions, timeframes and how your agency proposes to evaluate the effectiveness of the implementation of each recommendation. Please provide the name of a contact person in your agency from whom we can seek more detail if needed. This document should be returned to the ICAC in writing and electronically to ckenny@icac.nsw.gov.au by no later than 29th February 2013.

Recommendation 1

That councils communicate to suppliers a clear set of supplier behaviour expectations and the associated consequences for non-compliance.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has a Statement of Business Ethics for business dealings between Burwood Council, the Private Sector and Other Parties. This Statement is routinely provided to contractors and consultants and is available on Council's website.

Supporting material

A copy of Burwood Council's Statement of Business Ethics for business dealings between Burwood Council, the Private Sector and Other Parties is attached.

Proposed evaluation methods

The efficacy of the document and the frequency of its distribution will be assessed as part of the development of Burwood Council's Procurement Strategy.

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Recommendation 2

That councils develop a proactive and comprehensive supplier engagement framework.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

The report does not detail what a proactive and comprehensive supplier engagement framework actually consists of. It is important that Council maintains a professional distance from suppliers. That said, Council supports suppliers by providing clear project briefs, including the process of assessment and weightings, provides proactive feedback to both successful and unsuccessful suppliers and is currently implementing a process of ongoing contract management.

Supporting material

N/A

Proposed evaluation methods

N/A

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Recommendation 3

That councils review their codes and policies on gifts and benefits to ensure they effectively communicated expected behaviour in a way that the intended audience can easily grasp.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council adopted a revised Receipt of Gifts and Benefits Policy on 25 September 2012. The new Policy is based on ICAC's Managing Gifts and Benefits in the Public Sector and the Division of Local Government's Model Code of Conduct. The revised Policy includes more detailed information on the following:

- Definitions
- Types of Gifts with practical examples
- Detailed principles that clearly state the actions required in multiple situations
- Exemptions
- Receipt and disposal procedures

The new Policy has been emailed to all staff and is available on Council's website. The principles will be reiterated at the next round of Code of Conduct training that is to be undertaken in response to the new Model Code of Conduct.

Supporting material

A copy of Burwood Council's Receipt of Gifts and Benefits Policy is attached.

Proposed evaluation methods

The Deputy General Manager – Corporate, Governance and Community is responsible for the implementation and management of the policy. Evaluation is ongoing as all gifts received must be recorded on the Gifts Register form regardless of whether they are kept or rejected and approved by the Deputy General Manager.

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Recommendation 4

That Councils ensure their policy provides that all staff who hold financial delegations are prohibited from receiving gifts of any kind.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council adopted a revised Receipt of Gifts and Benefits Policy on 25 September 2012. The new Policy is based on ICAC's Managing Gifts and Benefits in the Public Sector and the Division of Local Government's Model Code of Conduct. The Policy does not prohibit staff that hold a financial delegation from receiving gifts.

In reality the majority of staff hold some form of financial delegation and accordingly a policy would need to be introduced that prohibits the receipt of gifts by all staff. The Policy prohibits the receipt of gifts above the nominal value of \$30. It was agreed that the majority of gifts received are from community groups and official guests acknowledging the significant contribution or hospitality of Council and that it would be extremely rude or embarrassing, for all parties, to decline nominal gifts in a public forum.

Supporting material

A copy of Burwood Council's Receipt of Gifts and Benefits Policy is attached.

Proposed evaluation methods

N/A

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Recommendation 5

That councils ensure that staff training on gifts has a focus on the disciplinary consequences of accepting gifts.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

The matter of the disciplinary consequences of accepting gifts and benefits in contravention of the Policy will be dealt with as part of the Code of Conduct Training. Council is currently seeking quotations for the conduct of this training.

Supporting material

A copy of the Code of Conduct training materials will be supplied once the training has been conducted.

Proposed evaluation methods

Code of Conduct Training is the joint responsibility of Corporate, Governance and Community and Organisation Development and the training is expected to be conducted prior to 30 June 2013.

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Recommendation 6

That councils assess which of their staff members operate in an environment where relational selling is commonplace, and equip these staff to recognise and respond to these sales tactics, including the offer of gifts.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council is currently developing a Procurement Strategy that is due to be completed by 30 June 2013. The Strategy will identify the procurement training needs of Council staff, including the identification of those staff that may be affected by relational selling.

Supporting material

A copy of the Burwood Council Procurement Strategy will be provided on completion.

Proposed evaluation methods

Corporate, Governance and Community is responsible for the development, implementation and maintenance of the Procurement Strategy. The Strategy will address appropriate audit and evaluation techniques commensurate with risk.

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Recommendation 7

That councils, if they have not already done so, analyse their procurement processes to identify points of corruption risk and take steps to improve the design of their procurement processes.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council is currently developing a Procurement Strategy that is due to be completed by 30 June 2013. The Strategy will identify points of corruption risk and include any necessary recommendations to improve Council's current policy and procedures.

Supporting material

A copy of the Burwood Council Procurement Strategy will be provided on completion.

Proposed evaluation methods

Corporate, Governance and Community is responsible for the development, implementation and maintenance of the Procurement Strategy.

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Recommendation 8

That councils if they have not already done so, consider introducing e-procurement as an efficient method of controlling possibly vulnerabilities in their system.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council is currently developing a Procurement Strategy that is due to be completed by 30 June 2013. The Strategy will identify the key areas of Council's current procurement practice that requires action, including the need for e-procurement. It should be noted that e-procurement is used for the purchase of some goods such as stationery and office supplies.

Supporting material

A copy of the Burwood Council Procurement Strategy will be provided on completion.

Proposed evaluation methods

Corporate, Governance and Community is responsible for the development, implementation and maintenance of the Procurement Strategy.

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Recommendation 9

That councils, if they have not already done so, review which reports are available to the managers of stores and ensure they (councils) can generate a report showing the orders placed by any individual across all cost centres.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council's financial management system has the capacity to generate this type of report when and if required.

Supporting material

N/A

Proposed evaluation methods

N/A

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Recommendation 10

That councils, if they have not already done so, analyse inventory management systems with a view to improving controls and reducing waste.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has two external sites that carry what is considered significant inventory, namely the Enfield Aquatic Centre and the Depot. Proposed actions are as follows:

- Enfield Aquatic Centre – following an Internal Audit of Cash and Stock Management, a Service Review of the operations of the Aquatic Centre is to be undertaken. It is expected that the review will be completed by 30 June 2013.
- Depot – Council is currently in negotiation with another Council for the management of the depot store. A draft Memorandum of Understanding has been prepared which has formed the basis of the negotiation.

Supporting material

A copy of any signed Memorandum of Understanding will be provided once executed.

Proposed evaluation methods

N/A

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Recommendation 11

That councils examine options for control of their pull-based inventory and implement an option that is suitable for their operations.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has two external sites that carry what is considered significant inventory, namely the Enfield Aquatic Centre and the Depot. Proposed actions are as follows:

- Enfield Aquatic Centre – following an Internal Audit of Cash and Stock Management, a Service Review of the operations of the Aquatic Centre is to be undertaken. It is expected that the review will be completed by 30 June 2013.
- Depot – Council is currently in negotiation with another Council for the management of the depot store. A draft Memorandum of Understanding has been prepared which has formed the basis of the negotiation.

Supporting material

A copy of any signed Memorandum of Understanding will be provided once executed.

Proposed evaluation methods

N/A

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Recommendation 12

That councils, if they have not already done so, organise their stores so that all items are labelled clearly, stock is securely stored and movement of all goods in or out of the store is recorded on an integrated inventory management system.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has two external sites that carry what is considered significant inventory, namely the Enfield Aquatic Centre and the Depot. Proposed actions are as follows:

- Enfield Aquatic Centre – following an Internal Audit of Cash and Stock Management, a Service Review of the operations of the Aquatic Centre is to be undertaken. It is expected that the review will be completed by 30 June 2013.
- Depot – Council is currently in negotiation with another Council for the management of the depot store. A draft Memorandum of Understanding has been prepared which has formed the basis of the negotiation.

Supporting material

A copy of any signed Memorandum of Understanding will be provided once executed.

Proposed evaluation methods

N/A

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Recommendation 13

That councils ensure stocktakes are conducted independently of store officers and by staff knowledgeable about the principles of stocktaking.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has two external sites that carry what is considered significant inventory, namely the Enfield Aquatic Centre and the Depot. Proposed actions are as follows:

- Enfield Aquatic Centre – following an Internal Audit of Cash and Stock Management, a Service Review of the operations of the Aquatic Centre is to be undertaken. It is expected that the review will be completed by 30 June 2013.
- Depot – Council is currently in negotiation with another Council for the management of the depot store. A draft Memorandum of Understanding has been prepared which has formed the basis of the negotiation.

Supporting material

A copy of any signed Memorandum of Understanding will be provided once executed.

Proposed evaluation methods

N/A

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Recommendation 14

That council management assesses the residual risk in its store and, if appropriate for the organisation, conducts random spot checks or cycle counts on select aspects of inventory management.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has two external sites that carry what is considered significant inventory, namely the Enfield Aquatic Centre and the Depot. Proposed actions are as follows:

- Enfield Aquatic Centre – following an Internal Audit of Cash and Stock Management, a Service Review of the operations of the Aquatic Centre is to be undertaken. It is expected that the review will be completed by 30 June 2013.
- Depot – Council is currently in negotiation with another Council for the management of the depot store. A draft Memorandum of Understanding has been prepared which has formed the basis of the negotiation.

Supporting material

A copy of any signed Memorandum of Understanding will be provided once executed.

Proposed evaluation methods

N/A

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Recommendation 15

That councils, if they have not already done so, consider the risks highlighted by this report, namely,

- relational selling and gift giving
- procurement processes
- inventory management

and, where they consider the council is at risk, add these topics to their internal audit programs.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has conducted a significant internal audit program that has had a focus on various procurement practices, including fleet management, procurement of legal services, the cash and inventory management at the Aquatic Centre. The requirement for further reviews will be assessed commensurate with identified risks within Burwood Council.

Supporting material

N/A

Proposed evaluation methods

N/A