



Responses to Recommendations

Operation Jarek

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Revised Code of Conduct - refer to <http://www.byron.nsw.gov.au/publications/code-of-conduct>

Proposed evaluation methods (Progress Update)

Actions completed

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

In addition, in August 2013, within 6 months of adoption of the revised prescribed Model Code of Conduct, Council conducted corporate-wide facilitated training on the new Code that which expressly included information on disciplinary consequences that could flow from breaches of the Code.

Supporting material

N/a

Proposed evaluation methods (Progress Update)

Actions completed within specified timeframes.

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Council's accounts payment system was subject to an internal audit review by external auditors in May 2013 and the outcomes of that review with recommendations for improvement were reported to Council's Internal Audit Advisory Committee on 17 October 2013. All recommendations were adopted and have since been implemented.

Supporting material

N/a

Proposed evaluation methods (Progress Update)

Complete.

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

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

Nil

Action Already Taken

See 2013 report

Supporting material

N/a

Proposed evaluation methods (Progress Update)

N/a

The 2013 response was reported to Council's Internal Audit Committee on 21 March 2013 and the minutes of that Committee were reported to Council on 18 April 2014 – see <http://www.byron.nsw.gov.au/meetings/2013>.