

24 Month Final Report

Investigation into the recruitment of contractors and other staff by a University of Sydney IT manager

University of Sydney

Please update this schedule with information about the status of each item as at <date>. Include details of the latest action/update in respect of each initiative, dates where relevant and attach copies of any documents referred to, where possible, in support of implementation of particular initiatives. Please provide the name of a contact person in your agency from whom we can seek more detail if needed. Please return this document to the ICAC in writing and electronically to <your email address> by no later than <date>.

Recommendation 1.

That, where possible, the University of Sydney should establish a single point of access for employment of IT contractors, using multiple C100 recruitment firms in competition.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

- SydneyRecruitment now manages all external contractor/temp engagements for IT via external labour hire agencies. Contractors are sourced via the NSW Government 0007 contract. Where it is not possible to engage contract labour through the 0007 contract, engagement of suppliers is via the University's quotation, tender or exception processes as outlined in the University's Procurement Policy. *Note: as of 5th March 2013, the NSW Government contract "C100 - Contingent workforce" expired and was replaced by "Prequalification Scheme – Contingent Workforce (0007)".*
- The University of Sydney (Delegations of Authority – Administrative Functions) Rule 2010 has also been amended to include a new [finance delegation, 6.4.3](#), whereby the authority to approve engagements of contract labour has been restricted to Head of School/Administration Unit and above.

Supporting these initiatives, the following has been implemented:

- The Chief Information Officer mandated use of C100 / 0007 agencies for engagement of IT contractors. All engagements follow agreed HR and Procurement processes to ensure policy compliance.
- Procedures for engaging IT contractors have transitioned to SydneyRecruitment. Processes are continuing to be refined.

24 Month Progress Report Update

SydneyRecruitment is continuing to control all external contractor/temp engagements for IT via NSW Government 0007 agencies. This has meant that in the last 12 months SydneyRecruitment has tended to use circa 25 agencies from the 0007 panel as the usual suppliers for IT requirements. A competitive process exists for all external engagements.

Supporting material

12 Month Progress Report

- ICT Contract labour hire process, located on ICT's Hiring Procedure web page
- The *University of Sydney (Delegations of Authority – Administrative Functions) Rule 2010* – Finance Delegation 6.4.3

24 Month Progress Report Update

No additional supporting material, in line with the 12 month progress report.

Evaluation of implementation

12 Month Progress Report

- Monthly compliance reporting by Procurement to the relevant executive and governance bodies.
- Performance audit by Audit & Risk Management Unit.

24 Month Progress Report Update

No additional evaluation material, in line and continuation with the 12 month progress report.

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Recommendation 2.

That, where access to IT contract employment is not feasibly managed through C100 firms in competition, the University of Sydney should establish the probity and competence of alternative recruitment firms independently of the views of operational university staff. Such a process should include the conducting of background checks.

Summary of progress

The recommendation has been: *<check one>*

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

Action taken to implement recommendation

12 Month Progress Report

IT contractors have been transitioned away from non-C100 agencies. No instances were found where a temporary labour hire need could not be fulfilled via a C100 / 0007 agencies. Analysis of spend showed 100% compliance to this for new contractors.

Supporting this initiative, the following has been implemented:

Procurement is working with Human Resources regarding the University's quotation and tender exception processes for using non- C100 / 0007 firms. Exceptions are addressed on a case-by-case basis and recommendations are made regarding use of the NSW Government's 0007 Prequalification Scheme or other NSW Government preferred supplier options, including NSW Government C2020 contract for ICT Services and NSW Government Performance and Management Services scheme.

24 Month Progress Report Update

SydneyRecruitment is continuing to work with 0007 agencies to the exclusion of all other suppliers, as detailed in the 12 month progress report.

Supporting material

12 Month Progress Report

Reports on ICT goods and services expenditure are regularly presented to senior management with use of non-preferred suppliers highlighted and addressed.

24 Month Progress Report Update

No additional supporting material, in line with the 12 month progress report.

Evaluation of implementation

12 Month Progress Report

- Appropriate reporting for all preferred supplier options outlined above including supplier performance reporting in conjunction with NSW Procurement who manage the performance of these suppliers.
- Procurement Services' Compliance reports to the relevant executive and governance bodies, being the Finance Leadership Group, the Tender Board, and the Finance and Audit Committee (FAC).
- On-going review by Sydney Recruitment.
- Performance audit by Audit & Risk Management Unit.

24 Month Progress Report Update

No additional evaluation material, in line and continuation with the 12 month progress report.

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Recommendation 3.

That the University of Sydney implements its proposed financial analysis framework.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

Enhanced reporting processes implemented which include:

- early warning reports when payments to a supplier are approaching or will exceed a predetermined spend limit/the University's \$200k tender threshold;
- highlighting the material use of non-preferred suppliers; and
- identifying cases of possible order-splitting.

Identified exceptions, outcome and corrective actions reported to the Tender Board and other groups including ICT management for review and potential follow up with the applicable Faculty/Administrative Unit.

A review of the University's Procurement governance framework is also underway which includes a proposal to put in place a Procurement "Quality, Planning & Performance" function with specific procurement compliance responsibilities including development and reporting. Proposals are subject to approval.

24 Month Progress Report Update

The approved Quality, Governance & Planning function with specific procurement compliance monitoring and reporting responsibilities is currently being put in place. Regular compliance reviews and reporting to highlight spend nearing or over \$200k threshold, and adherence to tender and purchase order requirements.

Supporting material

12 Month Progress Report

The following compliance issues logs have been introduced:

- Purchase Order Compliance Log
 - to highlight expenditure which was invoiced without a purchase order when policy required such a step; and
 - to assist in analysing various aspects including the class code and description.
 - Segregation of Users Log
 - to highlight issues in the approval of purchase orders in relation to segregation of duties; and
 - to provide a tool which enables specific users/areas of the University to be identified and where we believe to have weak controls and to allow the University to put measures in place to correct areas where these have failed.

24 Month Progress Report Update

Implemented Peoplesoft 9.2 (Finance System) technology upgrade delivering features and functionality to drive greater compliance and process controls:

- Delivery of new online forms enabling the business to decommission manual forms
- Ability to utilise workflow capability to streamline approvals and escalations
- Additional layer of procurement compliance checks and approval for purchases over \$200k

Evaluation of implementation

12 Month Progress Report

- Regular dashboard compliance reporting occurs to relevant executive and governance bodies, including the Procurement Governance Committee and Tender Board.
- In conjunction with the relevant areas, action plans are implemented to address various types of non-compliance. These action plans may include:
 - A series of short-term quote or tender waivers whilst appropriate strategies are established,
 - Exiting of non-preferred suppliers and moving to preferred suppliers, or
 - Direct contract negotiations with embedded or sole suppliers.

24 Month Progress Report Update

- Developed new and improved compliance dashboards referred to in the 12 month progress report.
- Continuation of activities contained within the 12 month progress report.

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Recommendation 4.

That the University of Sydney's management of contract labour through recruitment suppliers be the responsibility of Recruitment or a specialist unit.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

- SydneyRecruitment is working with Procurement Services to manage and control all University external contractor/temp engagements via external labour hire agencies. Contractors are sourced via the NSW Government 0007 contract. Where it is not possible to engage contract labour through the 0007 contract, engagement of suppliers is via the University's quotation, tender or exception processes as outlined in the University's Procurement Policy.
Note: as of 5th March 2013, the NSW Government contract "C100 - Contingent workforce" expired and was replaced by "Prequalification Scheme – Contingent Workforce (0007)".
- The requirement for a contractor or temp via an external provider is now identified in the Request to Hire / Engage form which initiates the engagement procedures and requires approval by a delegated officer [University of Sydney \(Delegations of Authority - Administrative Functions\) Rule 2010 \(as amended\)](#).
- The policy framework is being strengthened to supplement existing procurement and recruitment policies and procedures to comprehensively cover all forms of workforce engagements, including of contract labour:
 1. The Recruitment and Selection policy has been amended to require: "All recruitment including the use of external recruitment suppliers or labour hire agencies must be managed through SydneyRecruitment".
 2. The Draft Workforce Engagements and Payments policy is undergoing stakeholder consultation. The policy will progress for approval in 2014.

24 Month Progress Report Update

Stakeholder consultation in relation to the Draft Workforce Engagements and Payments policy has completed, subject to the finalisation of the restructuring of Procurement Services. However the policy cannot be approved yet because the new Procurement structure must be reflected in the policy. It is anticipated that the new policy will be approved by mid-2015.

Supporting material

12 Month Progress Report

- [Recruitment and Selection Policy](#)
- Draft Workforce Engagements and Payments Policy
- Request to Hire /Engage form

24 Month Progress Report Update

- Draft Workforce Engagements and Payments Policy 2015

Evaluation of implementation

12 Month Progress Report

- On-going review by SydneyRecruitment.
- Software upgrades with the electronic approval system will enable reporting by SydneyRecruitment to the Director of Human Resources and governance bodies.
- Performance audit by Audit & Risk Management Unit

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No additional evaluation material, in line and continuation with the 12 month progress report.

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Recommendation 5.

That the relevant University of Sydney policy for non-exempt general staff selection committees requires:

- the presence of an independent member on selection committees
- members of selection committees to be more senior than the position for which they are recruiting.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

- The [Recruitment and Selection policy](#) amended as follows:

“4(A)(2) “The General Staff Selection Committee for all non-Exempt roles is appointed by the Head. As far as possible, members should be more senior than the position for which they are recruiting. The membership must include:

- *Head or nominated staff member (Chair);*
- *Relevant staff member of the School/Area (normally the immediate supervisor of the position); and*
- *Independent;”*

*“**Independent member of a selection committee** is defined as a person who is not from the recruiting work unit and can assess the applicants for the position impartially and objectively. An independent must be a staff member of the University and may be, for example, an expert in the field; a client affected by the work of the position; a member of the Academic Board, or staff member from a different Faculty, School or Professional Services Unit. A SydneyRecruitment representative cannot undertake the role of the independent member of a selection committee.”*

Under cl 4(A)(1) All academic selection committees must include a nominee of the Academic Board:

“Academic Board Nominee means a member or a nominee of the Academic Board who, as a member of the selection committee, ensures that academic standards are maintained.

- To further ensure committee transparency and probity, new procedures for declaring conflicts of interests have been introduced. The [Recruitment and Selection policy](#) has been amended as follows:

“4(B) Academic and General Staff Selection Committees:

Must exclude a person whose selection decision is likely to be biased because of a conflict of interest in the selection process or procedure, or there is a potential or perceived conflict of interest, (i.e. where there is a real or substantial possibility of the potential or perceived conflict of interest actually arising). This includes persons who have a family, close personal or business relationship with any applicant, other Selection Committee members, or other persons involved in the selection process. Prior to interviews committee members must read the [External Interests Policy 2010](#) and complete a conflict of interests declaration. Members of the Selection Committee are required to avoid material conflicts of interests between their personal or private interests or duties and their duties to the University, whether these conflicts are real or perceived. Where a conflict of interest exists, it must be reported, recorded, and a plan prepared to eliminate or manage it. Refer to the [External Interests Policy 2010](#) for definitive principles and procedures.”

In addition to Selection Committee members being required to declare any conflict of interest in relation to the specific recruitment action they are participating in, the University is also implementing the [External Interests Policy 2010](#). An [external interest webpage](#) has been developed with extensive information about identifying and managing conflicts of interests. The External Interests online declaration (DEI) form is being rolled out across the University. The rollout to continuing and fixed-term staff who are required to make a declaration under the policy commenced in August and is anticipated to be completed Semester 1 2014. Timeframes are established by agreement with Executive Supervisors. The roll out is supported by HR staff, and Information Packages including both administrative support material and broader education on conflicts of interests are provided to Faculties and Units. Briefings and regular updates are provided to senior management committees. As at 31 December 2013 3,786 staff had submitted their declarations, with a compliance rate of 96.25%. Non-compliance protocols are initiated where required. Roll out to the remaining staff who are required to submit declarations will commence in Q1 2014.

24 Month Progress Report Update

SydneyRecruitment has enforced the requirement that all selection panel members declare any external interests and all Recruitment Administrators ensure signed external interest forms are collected from panel members as a primary part of the selection panel process.

In 2014, the External Interests online declaration (DEI) form has been rolled out to 6,262 continuing and fixed-term staff in 67 organisational units across the University. The median submission rate is 98%. The roll out has been supported by HR staff and Information Packages including both administrative support material. Broader education on conflicts of interests has been provided to Faculties and Units. Briefings and regular updates have been provided to senior management committees. Non-compliance protocols have been initiated

in consultation with the relevant Dean/Head or delegate for the small number of staff who have not submitted declarations; the HR Relationship Group will continue to assist their client groups to ensure compliance is met.

There are currently 248 declarations with conflict of interest management plans registered with the Office of General Counsel in the Conflicts of Interest Register. Prior to the roll-out of the online declaration process, only 16 declarations had been registered under the previous paper-based process.

Supporting material

12 Month Progress Report

- Recruitment and Selection Policy
- Selection Committee conflict of interest declaration form
- External Interests Policy 2010
- Declaration of External Interests form
- Declaration of external interests - Roll out package
- Conflict of Interests Wheel

24 Month Progress Report Update

No additional supporting material, in line with the 12 month progress report.

Evaluation of implementation

12 Month Progress Report

- On-going review by Recruitment
- Evaluation of Recruitment and Selection Policy in 2014 HR Policy review schedule
- Quarterly reporting by Recruitment to the Director of Human Resources.
- Declaration of External Interests roll out and evaluation reports to the Senior Executive Group; Senate HR Committee; SEG HR and Equity Committee.

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No additional evaluation material, in line and continuation with the 12 month progress report.

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Recommendation 6.

That the University of Sydney ensures the authority and responsibility of Recruitment is such that it is able to influence policy compliance at critical points in the recruitment process, and that it is held accountable for the exercise of that influence.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

- [Recruitment and Selection policy](#) amended.
 1. Policy Statement: "All recruitment including the use of external recruitment suppliers or labour hire agencies must be managed through SydneyRecruitment."
 2. 4(B) Where in the opinion of a Recruitment Professional the Selection Committee is not properly constituted in accordance with this policy, the Recruitment Professional may stop the recruitment process and refer the matter to the Delegated officer, or if necessary to the Director, Human Resources, for resolution.
- Briefing material provided to Academic Board members;
- All selection Committee members required to complete a Conflict of Interest declaration
- Briefing material being finalised for independent professional staff committee members.

24 Month Progress Report Update

SydneyRecruitment has ensured that clauses in the Recruitment and Selection Policy outlined in the 12 month progress report are being followed. Compliance with all relevant parts of the Policy, especially regarding potential conflicts of interest, has been rigorously maintained.

Supporting material

12 Month Progress Report

- Revised and updated Recruitment and Selection Policy
- Briefing material for Academic Board members
- Selection Committee Declaration of Conflict of Interest form

24 Month Progress Report Update

No additional supporting material, in line with the 12 month progress report.

Evaluation of implementation

12 Month Progress Report

- On-going review by Recruitment and update of relevant policies.
- Quarterly reporting by Recruitment to the Director of Human Resources.

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No additional evaluation material, in line and continuation with the 12 month progress report.

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Recommendation 7.

That the University of Sydney adopts an electronic approval system as part of any major enhancement of its human resources systems.

Summary of progress

The recommendation has been: <check one>

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

Action taken to implement recommendation

12 Month Progress Report

In 2014, the University is reviewing the technologies supporting its human resources processes and functions. The requirement that the University adopt an electronic approval system will be within scope of this review. Following the review, any major enhancement of the University's human resources system would potentially take place in 2015 or 2016.

24 Month Progress Report Update

The HR Service Centre launched a pilot of the online Request to Recruit requisition system as part of its eRecruit system in December 2014. The initial pilot of the system was rolled out to the University's Professional Service Units, including ICT, requiring all requests to begin a recruitment process to be processed and approved online. The online Request to Recruit system requires up to three levels of approval, including Finance sign off and approval from the delegated authority, as outlined in the University's Delegations of Authority.

SydneyRecruitment staff monitor all requests through this system and "roll back" any non-compliant or otherwise incomplete requests to the requestor if they do not meet requirements or follow policy.

Structured reports providing specific data elements that provide compliance oversight are being developed in parallel with the pilot.

Supporting material

12 Month Progress Report

Not applicable

24 Month Progress Report Update

- eRecruit Support documentation – the supplier has provided the University with its standard solution documentation to ensure best practice usage of the solution implemented.

Evaluation of implementation

12 Month Progress Report

Not applicable

24 Month Progress Report Update

Ongoing Recruitment review ensuring all roles are requested through electronic request and are supported by the correct approvers.