Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Please complete this schedule with information about how your Council plans to implement each of the ICAC’s corruption prevention recommendations arising from the above investigation. The implementation plan should include details of the actions, timeframes and how your Council proposes to evaluate the effectiveness of the implementation of each recommendation. Please provide the name of a contact person in your Council from whom we can seek more detail if needed. This document should be returned to the ICAC in writing and electronically to meady@icac.nsw.gov.au by no later than 12 September 2011.

Recommendation 1.

That Burwood Council develops a policy for the payment of appropriate out-of-pocket expenses incurred by the General Manager and Council employees. Such a policy should incorporate the provisions of the NSW Government Expenses Policy.

Summary of response

The recommendation will be:
<check one>
☑ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

Council adopted at its meeting of 23 August 2011 an Out-of-Pocket Expenses Policy based on the NSW Department of Premier and Cabinet policy on Out-of-Pocket Expenses and Christmas Season Parties. The policy addresses the matters raised by the ICAC. It should be noted that the Mayor has been approving the expense claims of the General Manager since October 2010, prior to the introduction of this policy.

Supporting material

A copy of the Burwood Council’s Out of Pocket Expenses Policy is attached.

Proposed evaluation methods

A review of the effectiveness and use of the policy is to be included in the Council’s Internal Audit Plan.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 2.

That Burwood Council’s out-of-pocket expenses policy for staff and the General Manager includes protocols for the approval of out-of-pocket expenditure. The protocols should explicitly prohibit the General Manager or any other Council employee from approving expenses where there is an actual or perceived personal benefit derived from the expenditure. The protocol should also provide that the Mayor must approve the expense claims of the General Manager.

Summary of response

The recommendation will be:
<check one>
☑ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

Council adopted at its meeting of 23 August 2011 an Out-of-Pocket Expenses Policy based on the NSW Department of Premier and Cabinet policy on Out-of Pocket Expenses and Christmas Season Parties. The policy addresses the matters raised by the ICAC. It should be noted that the Mayor has been approving the expense claims of the General Manager since October 2010, prior to the introduction of this policy.

Supporting material

A copy of the Burwood Council’s Out of Pocket Expenses Policy is attached.

Proposed evaluation methods

A review of the effectiveness and use of the policy is to be included in the Council’s Internal Audit Plan.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 3.

That Burwood Council modifies its Councillor Expenses and Facilities Policy to require the payment of expenses and the provision of facilities to Councillors only where specifically provided for in the Policy.

Summary of response

The recommendation will be:

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

Action proposed

The Councillor’s Expenses and Facilities Policy current at the time of the release of the Report did not allow for the reimbursement of expenditure that is not identified in the policy. A further review of the Policy has been undertaken in accordance with statutory requirements and is currently on public exhibition.

Supporting material

A copy of the draft Councillor’s Expenses and Facilities Policy that is currently on public exhibition is attached.

Proposed evaluation methods

As per statutory requirements the policy is reviewed on an annual basis and submitted to the Division of Local Government. An Internal Audit review of the policy has been conducted in July-August 2011 and the recommendations have been incorporated into the draft that is on public exhibition. No significant issues were raised as part of the internal audit.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 4.

That Burwood Council modifies the Councillor Expenses and Facilities Policy to require the approval of significant Councillor expenses and facilities, where possible, at a full Council meeting. Where approval at a full Council meeting is not possible or appropriate then approval should be given jointly by the Mayor and the General Manager. If the Mayor requires approval it should be given jointly by the Deputy Mayor or another Councillor and the General Manager.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

The Councillor’s Expenses and Facilities Policy current at the time of the release of the Report had monetary limits for all categories of expenditure that are eligible for reimbursement. These limits are determined by the Council following a period of public exhibition. A further review of the Policy has been undertaken in accordance with statutory requirements and is currently on public exhibition. The requirement for monetary limits has remained.

Supporting material

A copy of the draft Councillor’s Expenses and Facilities Policy that is currently on public exhibition is attached.

Proposed evaluation methods

As per statutory requirements the policy is reviewed on an annual basis and submitted to the Division of Local Government. An Internal Audit review of the policy has been conducted in July-August 2011 and the draft recommendations have been incorporated into the draft that is on public exhibition.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

**Recommendation 5.**

That Burwood Council aligns its Motor Vehicle Management Policy to reflect key areas of NSW state government policy and practice, including preference for leasing, cars not exceeding the luxury car tax threshold, procedures for disposal and appropriate treatment of optional accessories.

**Summary of response**

The recommendation will be:

<check one>
- [x] Implemented as described in the report
- [ ] Implemented in an alternative way
- [ ] Partially implemented
- [ ] Not implemented

**Action proposed**

The Motor Vehicle Corporate Practice has undergone a detailed review process. It was considered by Burwood Council’s Policy, Corporate Practice and Procedures Panel on 11 August and following amendments will be resubmitted for the Panel’s consideration at its meeting on 14 September 2011, prior to submission to the General Manager for approval. The draft Corporate Practice addresses the matters raised by the ICAC.

**Supporting material**

A copy of the Corporate Practice will be forwarded to the ICAC once approved by the General Manager.

**Proposed evaluation methods**

Burwood Council’s Fleet Management Committee, chaired by the Deputy General Manager – Land, Infrastructure and Environment is responsible for ensuring the efficiency and effectiveness of the Motor Vehicle Management Corporate Practice.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 6.

That contracts and remuneration packages for the General Manager and senior staff at Burwood Council comply with the Council's Motor Vehicle Management Policy.

Summary of response

The recommendation will be:
<check one>
☐ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

All contracts are aligned with Council's Motor Vehicle Corporate Practice.

Supporting material

A copy of the Corporate Practice will be forwarded to the ICAC once approved by the General Manager.

Proposed evaluation methods

Contracts will be reviewed following any amendments or updates to the Motor Vehicle Management Corporate Practice.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 11.

That Burwood Council establishes an internal audit function with an independent internal audit committee as a matter of priority. This committee should be chaired by a person independent of the Council.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

Council has established an Internal Audit Committee with an Independent Chair and Committee member in accordance with the Division of Local Government’s Internal Audit Guidelines – September 2011.

Supporting material

Not applicable

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 12.

That the elected body of Burwood Council receives regular updates on the outcome of internal audits.

Summary of response

The recommendation will be:
<check one>
☑ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

The Audit and Risk Committee provides an update report to Council following each of its meetings, including the outcomes of any internal audits.

Supporting material

A copy of the latest report to Council is attached.

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 17.

That Burwood Council’s internal audit function monitors compliance with the Councillor Expenses and Facilities Policy as part of its oversight role.

Summary of response

The recommendation will be:
<check one>
☑ Implemented as described in the report
☑ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

Internal Audit has completed an audit of the Councillor’s Expenses and Facilities Policy. The Report is to be considered by the Internal Audit and Risk Committee and its next available meeting.

It is not the role of the Internal Auditor to monitor ongoing compliance with the Policy. This is the function of management and specifically the Deputy General Manager, Corporate, Governance and Community.

Supporting material

Not applicable

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 18.

That Burwood Council’s internal audit function monitors compliance with Council’s (foreshadowed) policy for the payment of out-of-pocket expenses to the General Manager and staff.

Summary of response

The recommendation will be:
<check one>
☑ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

A review of the Out of Pocket Expenses Policy is to be included in the Internal Audit Program. It will be scheduled for a time following an auditable use of the policy. It should be noted that the Policy does not provide for general staff to incur out of pocket expenses.

It is not the role of the Internal Auditor to monitor ongoing compliance with the Policy. This is the function of management and specifically the Deputy General Manager, Corporate, Governance and Community.

Supporting material

A copy of the Burwood Council’s Out of Pocket Expenses Policy is attached.

Proposed evaluation methods

Not applicable – the recommendation is the evaluation method
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 19.

That Burwood Council's internal audit function monitors compliance with Council's system for allocating work to legal practitioners.

Summary of response

The recommendation will be:
<check one>
☐ Implemented as described in the report
☒ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed

A tender for the establishment of a new Legal Panel is underway.

It is not the role of the Internal Auditor to monitor ongoing compliance.

Supporting material

Not applicable

Proposed evaluation methods

An internal audit of the use of Legal Services is to be included in the Council's Internal Audit Plan.
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 20.

That Burwood Council's internal audit function conducts audits of the authorisation, certification and approval processes for expenditure that is unusual by its nature or its infrequency.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

An internal audit of unusual expenditure is to be included in the Council's Internal Audit Plan.

Supporting material

Not applicable

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 21.

That Burwood Council amends its Code of Conduct and the Employee's Handbook to clearly prescribe that all complaints concerning the General Manager be referred to the Mayor in the first instance. If the Mayor is also implicated, the complaint should be referred to the NSW Division of Local Government.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

A revised Code of Conduct was adopted by Council at its meeting on 28 June 2011. The Code expressly provides for complaints concerning the General Manager to be referred to the Mayor in the first instance and if the Mayor is also implicated the complaint will be referred to the Division of Local Government.

Supporting material

A copy of the Code of Conduct is attached.

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 22.

That Burwood Council policies be amended to prohibit the General Manager from having any involvement or giving directions to staff in relation to any formal or informal complaints where he/she is the subject of the complaint. This recommendation does not prohibit the General Manager from providing information or a statement as part of the investigation process.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

Council is to consider a revised Public Interests Disclosures Act 1994 – Internal Reporting Policy at its meeting on 27 September 2011. The draft Policy provides for the prohibition detailed in this Recommendation.

Supporting material

Once adopted by Council a copy of the Public Interests Disclosures Act 1994 – Internal Reporting Policy will be forwarded to the ICAC.

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 23.

That Burwood Council amends its Internal Reporting System to include an officer’s line manager/supervisor as a designated officer to whom a protected disclosure can be made. All officers to whom a protected disclosure can be made under the policy should receive training on how they should deal with a protected disclosure.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

Council is to consider a revised Public Interests Disclosures Act 1994 – Internal Reporting Policy at its meeting on 27 September 2011. The draft Policy provides for seven staff as nominated disclosure officers. The rationale behind not including all supervisors/managers is that it would be extremely difficult to ensure that all managers/supervisors have a detailed understanding of the Public Interest Disclosures Act and are proficient in the correct management of disclosures. Nominated disclosure officers will be required to undertake training.

Supporting material

Once adopted by Council a copy of the Public Interests Disclosures Act 1994 – Internal Reporting Policy will be forwarded to the ICAC.

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 24.

That Burwood Council ensures that the handling and investigation of complaints about the General Manager are overseen by the Mayor and conducted by investigators who are independent of the Council.

Summary of response
The recommendation will be:
<check one>
☑ Implemented as described in the report
☐ Implemented in an alternative way
☐ Partially implemented
☐ Not implemented

Action proposed
Council is to consider a revised Public Interests Disclosures Act 1994 – Internal Reporting Policy at its meeting on 27 September 2011. The draft Policy provides for any complaint about the General Manager to be overseen by the Mayor and conducted by Council’s Conduct Reviewer/Review Committee Policy. This is the same process that is detailed in Council’s Code of Conduct.

Supporting material
Attached is a copy of Council’s Conduct Reviewer/Review Committee Policy. Once adopted by Council a copy of the Public Interests Disclosures Act 1994 – Internal Reporting Policy will be forwarded to the ICAC.

Proposed evaluation methods
Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council's General Manager and others

Recommendation 25.

That Burwood Council develops a suspension policy for all Council staff aligned to the intention and effect of Premier and Cabinet guidelines for the NSW public sector, as espoused in Premier's Memorandum 94/35.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

Draft policy has been developed and is to be included in the Discipline and Formal Warnings Corporate Practice.

Supporting material

Once approved by the General Manager a copy of the Discipline and Formal Warnings Corporate Practice will be forwarded to the ICAC.

Proposed evaluation methods

Not applicable
Plan for Implementation of Recommendations

Investigation into alleged corrupt conduct involving Burwood Council’s General Manager and others

Recommendation 30.

That all current Burwood Council Councillors undertake a foundation education and training program endorsed by the NSW Division of Local Government as a matter of priority.

Summary of response

The recommendation will be:

<check one>

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

Action proposed

The NSW Division of Local Government has advised that it is not in a position to endorse any training programs for Councillors as the Division is not a training organisation and does not deliver training programs for Councillors as a matter of course. The Division referred Council to a number of resources that may assist in undertaking a training program. Council will review these resources in light of training that has already been conducted for Councillors.

Supporting material

Not applicable

Proposed evaluation methods

Not applicable