

**Submission
No 5**

**FOLLOW UP OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDITS SEPTEMBER 2012 -
MARCH 2013**

Organisation: Department of Planning and Infrastructure
Name: Mr Sam Haddad
Position: Director General
Date Received: 15/04/2014



Office of the Director General

Mr Jonathan O'Dea MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

14/04847

Your reference: LAC14/054

Dear Mr O'Dea

I refer to your letter concerning Auditor-General's Performance Audit No. 228 on Managing Gifts and Benefits.

Please find attached two tables setting out the actions taken by Planning and Infrastructure and Sydney Harbour Foreshore Authority in response to the audit.

The audit was of benefit to Planning and Infrastructure and Sydney Harbour Foreshore Authority by providing an independent assessment of the policies and procedures of the agencies and in proposing practical improvements to increase assurance and reduce risk.

Should you have any further enquiries about this matter, I have arranged for Ms Susan Budd, Director Governance, to assist you. Ms Budd can be contacted on telephone number [REDACTED].

Yours sincerely

[REDACTED]
Sam Haddad
Director General

11/4/2014

Attachment 1: Planning and Infrastructure
Attachment 2: Sydney Harbour Foreshore Authority

Implementation of Recommendations

Planning and Infrastructure Performance Audit: Managing Gifts and Benefits

No.	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
	<p>The Department of Planning and Infrastructure's policy and procedures</p> <p>Recommendation: DPI improve its code of conduct in relation to gifts and benefits by:</p>					
1	Requiring hospitality that extends beyond courtesy to be declined	Accepted (ref 13/03592)	Implement improvements recommended in the report by August 2013 (ref 13/03592)	August 2013 (ref 13/03592)	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	Governance.
2	Requiring offers of gifts and benefits that are declined to be declared/ recorded	" "	" "	" "	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	" "
3	Prohibiting the acceptance of gift vouchers, shares and other monetary equivalents	" "	" "	" "	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	" "
4	Establishing a nominal/token value for gifts and benefits	" "	" "	" "	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13. Value is \$25.00.	" "
5	Requiring a nominal/token value to apply to cumulative gifts and benefits	" "	" "	" "	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13. Cumulative value is \$100.00.	" "

No.	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
6	Requiring gifts to family members to be declined (ref: The Audit Office's Performance Audit Report no. 228, 27 March 2013)	"	"	"	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	"
7	Requiring prizes obtained during work related functions to be treated as gifts	"	"	"	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	"
8	Prohibiting the acceptance of bonus gifts for agency purchases	"	"	"	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	"
9	Providing guidance on the disposal of gifts deemed to be unacceptable.	"	"	"	Completed. Incorporated into the Gifts and Benefits Policy approved 29/7/13.	"
	Communicating the Department of Planning and Infrastructure's policy Recommendation: DPl improve the way it communicates its gifts and benefits policy by:					
10	Ensuring all staff receive formal training and are involved in regular team sessions covering the code of conduct and gifts and benefits policy	"	"	"	Partially implemented. All New staff attend induction training. The Governance Director presents a segment during this training which includes the Code of Conduct and Ethics and Gifts and Benefits. All Staff training on the agency's Gifts and Benefits Policy and the Code of Conduct is to be included in a suite of Governance training modules, which are being developed for implementation in 2014.	HR, Governance.

No.	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
11	<p>(ref: The Audit Office's Performance Audit Report no. 228, 27 March 2013)</p> <p>Providing regular mentions of the gifts and benefits policy in a monthly newsletter including special reminders around Easter, Christmas and other holidays</p>	"	"	"	<p>Completed and ongoing.</p> <p>An email to all staff titled 'Updated Gifts and Benefits Policy' was sent from the Acting Director General on 19/11/13.</p> <p>A 'Reminder about Gifts and Benefits Policy' was included in the all staff newsletter 2/12/13.</p> <p>An all staff email will be sent prior to the 2014 Easter Break.</p>	Governance, Communications.
12	<p>Advising all external stakeholders including developers, current suppliers and service providers of the requirements of its code of conduct</p>	"	"	"	<p>Partially implemented.</p> <p>The Code of Conduct and Ethics is available on the Planning and Infrastructure website.</p> <p>Modification of procurement documentation and appropriate form of communication with external stakeholders is being considered.</p>	Procurement, Governance.

No.	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
13	Further clarifying the consequences of breaching the code, which may include suspension, loss of employment, loss of entitlements and even prosecution. Examples from recent ICAC inquiries may be useful.	"	"	"	Partially implemented (through induction training, item 10. above). Training on the agency's Gifts and Benefits Policy and the Code of Conduct is to be included in a suite of Governance training modules, which are being developed for implementation in 2014.	Governance.
	The information in the Department of Planning and Infrastructure's register					
14	Recording the relationship of the gift-giver to the recipient, the disclosure of any conflict of interest and the reason for the offer Recommendation: DPI improve its gifts and benefits register by:	"	"	"	Completed. The register has been updated with the additional data fields.	HR is responsible for maintaining the Gifts and Benefits Register.
15	Conducting reviews to gauge compliance with the policy and procedures, including: assessing whether all staff and stakeholders are aware of the policy and all relevant gifts and benefits are being reported.	"	"	"	Delayed. A review is to be undertaken in 2014, following implementation of training modules across the agency.	Governance.

Implementation of Recommendations

(due 10 April 2014)

Sydney Harbour Foreshore Authority Performance Audit: Managing Gifts and Benefits

No.	Recommendation	Accepted Or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
	<p>Sydney Harbour Foreshore Authority's policy and procedures</p> <p>Recommendation: SHFA improve its code of conduct in relation to gifts and benefits by:</p> <ul style="list-style-type: none"> specifying that gifts offered to public officers who exercise discretionary authority in relation to the gift-offerer/ gift-giver are to be declined 	Accepted (P&I ref 13/03592)	Implement improvements recommended in the report by August 2013 (P&I ref 13/03592)	August 2013 (P&I ref 13/03592)	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	Executive Director, Place Services and Legal Services Manager. Senior executive and managers are responsible for effective management of the Gifts and Benefits Policy within their respective areas.
	<ul style="list-style-type: none"> prohibiting the acceptance of gift vouchers and other monetary equivalents 	“ “	“ “	“ “	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	“
	<ul style="list-style-type: none"> revisiting the token/nominal value to ensure it is not excessive 	“ “	“ “	“ “	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013 (Nominal value is \$25)	“
	<ul style="list-style-type: none"> requiring a nominal/token value to apply to cumulative gifts and benefits 	“ “	“ “	“ “	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	“

No.	Recommendation	Accepted Or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
	(ref: The Audit Office's Performance Audit Report no. 228, 27 March 2013)					
	<ul style="list-style-type: none"> requiring offers of gifts and benefits that are declined to be declared/recorded 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> prohibiting the acceptance of bonus gifts for agency purchases 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> requiring gifts to family members be declined 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> requiring prizes obtained during work related functions to be treated as gifts 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> providing additional guidance on the treatment of gifts that are deemed to be unacceptable. 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<p>Communicating Sydney Harbour Foreshore Authority's gifts and benefits policy</p> <p>Recommendation: SHFA improve the way it communicates its gifts and benefits policy by:</p>					
	<ul style="list-style-type: none"> ensuring all staff receive regular formal training in the code of conduct and gifts and benefits 	"	"	"	Complete. Online training module developed. Deployed to all new and existing staff.	"
	<ul style="list-style-type: none"> reminding all lessees, current suppliers and service providers of the requirements of the statement of business ethics 	"	"	"	Complete. Included in standard documentation packages for leasing, procurement.	"

No.	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
	(ref: The Audit Office's Performance Audit Report no. 228, 27 March 2013)					
	<ul style="list-style-type: none"> • further clarifying the consequences of breaching the code, which may include suspension, loss of employment, loss of entitlements and even prosecution. Examples from recent ICAC inquiries may be useful. 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<p>SHFA's gifts and benefits register Recommendation: SHFA improve its gifts and benefits register by:</p> <ul style="list-style-type: none"> • recording the reason for the gift, the relationship of the gift-giver to the recipient and the disclosure of any conflict of interest 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> • recording a decision for each gift and identifying a decision-maker 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013	"
	<ul style="list-style-type: none"> • providing additional guidance on the information required to record a gift or benefit 	"	"	"	Complete. Incorporated into Code of Conduct for employees approved 24 July 2013 Gifts and Benefits FAQ prepared and published.	"
	<ul style="list-style-type: none"> • conducting reviews to gauge compliance with the policy and procedures, including assessing whether all staff and stakeholders are aware of the policy and all relevant gifts and benefits are being reported 	"	"	"	Complete. Compliance reviewed regularly.	"