

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

**Organisation:** Environment Protection Authority  
**Name:** Mr Barry Buffier  
**Position:** Chair and CEO  
**Date Received:** 2/04/2014

Our reference: DOC14/29292  
Contact: Sarah Low [REDACTED]

28 MAR 2014

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



Dear Mr O'Dea

I am writing in response to your letter regarding the Public Accounts Committee's request for the Environment Protection Authority (EPA) to provide a submission detailing how the EPA has actioned recommendations made by the Auditor General in the Performance Audit Report no. 228 on Managing Gifts and Benefits.

Attached to this letter is the EPA's submission, in the required format, detailing how the EPA has actioned those recommendations.

Since the audit report, the EPA has undertaken initiatives to improve the way in which staff report gifts and benefits on its register and to update current policies. A major staff awareness program has been undertaken, including Fraud and Corruption Prevention Training for over 220 EPA staff presented by Independent Commission Against Corruption and information sessions for all other staff.

The EPA will continue to ensure that it meets its obligations regarding the ethical conduct of its staff including the acceptance of gifts and benefits.

Please do not hesitate to contact me if you require further information regarding the EPA's response to the Audit Report on Managing Gifts and Benefits. I can be contacted on [REDACTED] or [REDACTED].

Yours sincerely

[REDACTED]  
**BARRY BUFFIER**  
Chair and CEO  
Environment Protection Authority

Enclosure

cc. Minister for Environment and Heritage



LEGISLATIVE ASSEMBLY  
PUBLIC ACCOUNTS COMMITTEE

IMPLEMENTATION OF RECOMMENDATIONS

NSW Environment Protection Authority

Managing Gifts and Benefits Performance Audit report

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1 Improvements to the Gifts and Benefits Policy a) Prohibiting the acceptance of gift vouchers, shares and monetary equivalents b) Requiring all offers of gifts and benefits that are greater than the maximum value be declared/recorded whether they are accepted or declined c) Prohibiting the acceptance of bonus gifts for agency purchases of any value for personal use.	Accepted	The EPA operates under a Service Agreement with the Office of Environment and Heritage (OEHS) for the delivery of all corporate and essential services. The EPA has adopted all OEHS policies and procedures including the Gifts and Benefits policy. OEHS did not review its gifts and benefits policy at the time of the release of the audit report. Subsequently OEHS has revised the Gifts and Benefits policy to incorporate recommendations contained within the Audit Office Performance Review directed to the EPA policy and the recommendation relating to the Gift and Benefits Register, which has been in place since the audit.	2014	Delayed until the Public Service Commission (PSC) releases its ethics package, which will cover areas related to ethical conduct, including gifts and benefits, for State Government. OEHS will then ensure that the revised draft Gifts and Benefits policy is consistent with the PSC package.	Director Group Coordination and Governance OEHS.



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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>An addendum for the EPA was written to incorporate the recommendations, which was annexed to the policy. The addendum was placed on the intranet site for staff use, and a staff notice was sent to all staff regarding the new addendum.</p> <p>a) The EPA addendum states:  <i>"the definition of a gift also includes:</i> <ul style="list-style-type: none"> <li>• Gift vouchers</li> <li>• Shares, and</li> <li>• Other monetary equivalents.</li> </ul> <i>The EPA prohibits the acceptance of such gifts.</i>  <i>The EPA also prohibits the acceptance of bonus gifts for agency purchases of any value for personal use."</i> </p> <p>b) The EPA addendum states:  <i>EPA staff are required to record all gifts or benefits on the EPA's Gift and Benefits Register that are \$30 or more irrespective of whether they are accepted or declined.</i>  A flow chart appears in the addendum to step the user through this process. </p> <p>c) The EPA addendum states:  <i>The EPA also prohibits the acceptance of bonus gifts for agency purchases of any value for personal use."</i> </p>	February 2013	Complete.	Stakeholder Engagement and Governance Branch.
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<p>2 EPA improve the way it communicates its gifts and benefits policy by:</p> <ul style="list-style-type: none"> <li>a) Ensuring staff receive regular training</li> <li>b) Special reminders round Easter, Christmas and other holidays</li> <li>c) Advising all licence holders, current suppliers and service providers of the requirements of the statement of business ethics</li> <li>d) Highlighting consequences of breaching the code e.g. examples from the recent ICAC investigations.</li> </ul>	Accepted	<p>The EPA has actioned the following:</p> <ul style="list-style-type: none"> <li>a) Introduction to EPA course includes a section on ethics, relevant policies and procedures including the Code of Conduct and a section on gifts and benefits and how the policy applies to EPA staff.</li> <li>b) Staff reminder emails from the EPA Chair and CEO have been sent prior to Easter and Christmas periods regarding EPA policy on the acceptance of gifts and benefits, including nil attendance at stakeholder Christmas parties. The EPA Executive remind their managers to ensure staff know where the access the policy.</li> <li>c) EPA has developed its own Statement of Business Ethics. This was approved by the EPA Board. The Statement of Business Ethics is on the EPA internet site at <a href="http://www.epa.nsw.gov.au/commercial/index.htm">http://www.epa.nsw.gov.au/commercial/index.htm</a>.</li> <li>d) The Introduction to the EPA course includes a section on Ethics, relevant policies and procedures including the Code of Conduct and a section on gifts and benefits. Over 220 EPA staff will undertake the ICAC fraud and corruption prevention course. The remaining staff will attend an information session addressing ethical conduct and relevant policies and procedures, including gifts and benefits. Handouts summarising all the relevant policies and procedures and where these can be located on the EPA internet and intranet sites will be provided to all staff.</li> </ul>	<p>February 2013</p> <p>March 2013 (initiated email reminders)</p> <p>March 2013</p> <p>August 2014</p>	<p>Complete.</p> <p>Complete. Reminder emails will now be ongoing.</p> <p>Complete</p> <p>On track.</p>	<p>Stakeholder Engagement and Governance Branch.</p> <p>Stakeholder Engagement and Governance Branch.</p> <p>Stakeholder Engagement and Governance Branch.</p> <p>Stakeholder Engagement and Governance Branch.</p>



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3 The EPA improves its gifts and benefits register by: a) Requiring the recording the relationship of the gift-giver to the recipient, reason for the gift and the potential conflict of interest	Accepted	a) The EPA has worked with OEH to update the EPA Gifts and Benefits Register to record information regarding the relationship of the gift-giver to the recipient, and record "conflict of interest". The "reason" was already in the existing register	February 2013	Complete.	Stakeholder Engagement and Governance Branch.
b) Providing additional guidance on the information required to record the gift/benefit	Accepted	b) The EPA addendum to the OEH Gifts and Benefits policy includes guidance on the recording of the additional information, namely relationship of the gift-giver to the recipient, reason for the gift and the potential conflict of interest.	February 2013	Complete.	Stakeholder Engagement and Governance Branch.
c) Conducting reviews to engage compliance with the policy and procedures.	Accepted	c) The EPA has used the ICAC training sessions and also staff information sessions to gauge compliance with the Gifts and Benefits policy and to increase awareness of staff obligations under the policy, thus increasing compliance with the policy.	August 2014	On track.	Stakeholder Engagement and Governance Branch.