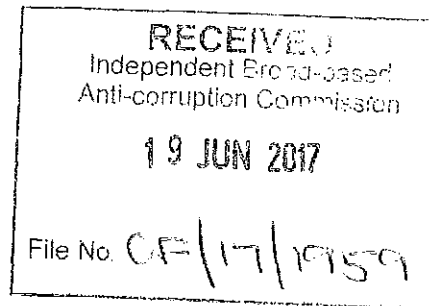




Department of Justice and Regulation

Corrections Victoria

15 JUN 2017



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Mr Stephen O'Bryan QC
Commissioner
Independent Broad-based Anti-corruption Commission
Level 1, North Tower
459 Collins Street
MELBOURNE VIC 3000

Dear Mr O'Bryan

Operation Nepean – Conduct of DJR employee Mr Jeff Finlow

I refer to your report, tabled in the Victorian Parliament on 10 April 2017, in relation to the corrupt behaviour of former Dame Phyllis Frost Centre (DPFC) employee Mr Jeff Finlow.

This was both a troubling and embarrassing matter for the department, and I am also all too aware that the wider DPFC staffing group's confidence in (the then) senior management may have suffered as a result.

While there were ultimately four recommendations made, two were that Corrections Victoria (CV) and DPFC report back to IBAC on the implementation of the two initial recommendations. I advise that the recommendations have been implemented, and had actually been finalised before the publication of your report.

Recommendation 1

The following procurement practices were implemented at the DPFC following the commencement of your investigation in 2014 and the appointment of DPFC's current General Manager, Ms Tracy Jones:

- For any works over \$10,000 in a single purchase, Request for Quote (RFQ) paperwork and conflict of interest forms must be completed by the review team;
- The RFQ paperwork is then sent to the General Manager for approval. Once the recommendation has been made, the Deputy Director, North-West Metropolitan Area (NWMA) will formally approve it, prior to the purchase order being raised;
- This paperwork forms the supporting documentation for the quotes to be raised in the department's electronic financial approval system. Purchase orders are raised for expenditure over \$2,000;
- The DPFC's Executive and many middle managers whose role would involve them in the procurement process (for example, kitchen and Industry Supervisors) have been trained in procurement;

- A new role for a VPS Grade 5 Facility Manager has been created, and the successful applicant has private sector knowledge and has recently completed his own procurement training with the NWMA's subject matter expert;
- The NWMA Executive Director sends out communication to all NWMA staff regarding staff responsibility to address conflict of interest matters, gifts and hospitality policy. The General Manager, DPFC provides an overview of the code of conduct during recruit training for all new staff, and periodically with ongoing staff;
- With regard to rotation and supervision of staff in high risk positions such as the Corporate Services Manager, the prison General Manager has provided opportunities for the current Manager to rotate to different locations on two occasions to assist her learning and development and exposure to other systems of work. This allows opportunities for other staff to develop, but more importantly promotes transparency in such roles and 'fresh eyes' on practices. The General Manager, DPFC provides monthly supervision of the Corporate Services Manager, as she does with all executive staff;
- In relation to staff being encouraged to speak out about corruption, the General Manager, DPFC regularly reminds staff that it is their responsibility to challenge inappropriate or unacceptable behaviour and (noting the culture of prisons and some staff members' reticence to confront or report colleagues), staff are encouraged to speak with management if they have any concerns. The General Manager, DPFC has worked hard at fostering a safe environment for staff to raise allegations of a sensitive nature without fear of retribution or dismissal, no matter how minor the circumstances may be;
- Recruitment processes have been strengthened by recruiting a VPS Grade 4 Human Resources Supervisor who has specific human resource skills, experience and qualifications. For any positions above a custodial COG 3 / VPS 4, the General Manager, DPFC extends an invitation for a panel member from the Department's People and Culture unit; therefore reducing the likelihood that existing staff could influence the appointment of family or friends;
- The General Manager, DPFC approves all ongoing staff appointments, prior to offers being made; and
- With regard to staff reporting any family associations, while this is encouraged, it is also a difficult one to control. It is not uncommon for several family members to work in the prison system, with many parents encouraging their children to join the Prison Service, and partners of serving staff often being attracted to the job. The above measures, however, will greatly reduce the likelihood of staff influencing the appointment of their family or friends.

I trust that the measures outlined above address the intent of recommendation 1.

Recommendation 2

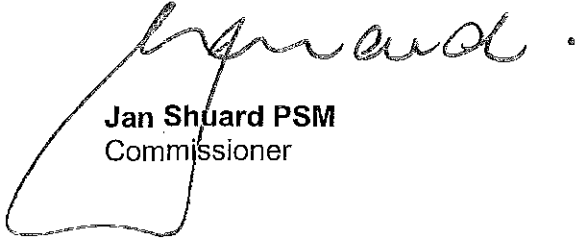
The second recommendation is that CV review its policies and procedures to address the corruption vulnerabilities identified in Operation Nepean and to take steps to ensure those vulnerabilities are addressed by other prisons. As CV does not have separate policies and procedures to those of the Department of Justice and Regulation, the Department's Chief Procurement Officer was consulted and considers that this recommendation is addressed, given that departmental policy is assessed as adequate.

I trust that the above addresses the intent of recommendation 2.

In summary, while this was an extremely regrettable matter, I am confident that both the department and DPFC's response has strengthened our ability to prevent recurrence.

Should you have any further queries, please contact Mr Rod Wise, Deputy Commissioner, Operations on 868 46607.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jan Shuard", with a large, sweeping flourish underneath the name.

Jan Shuard PSM
Commissioner