



Department of Education and Training

Office of the Secretary

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The Honourable Robert Redlich QC
Commissioner
Independent Broad-based Anti-corruption Commission
Level 1, North Tower
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Dear Commissioner

I refer to your correspondence dated 25 May 2020 providing a copy of an investigation report in relation to Operation Betka. I write to provide a response on the actions that the Department of Education and Training has undertaken to implement the Independent Broad-based Anti-corruption Commission's (IBAC) recommendations in its report.

The report acknowledges the significant work the Department has undertaken under the Integrity Reform Program, in response to Operation Ord and Dunham. In addition to this major reform, the Department has implemented a range of actions to address the specific issues identified in Operation Betka, prior to and since publication of IBAC's report.

The Department's response to each of the recommendations is set out in the enclosed table.

The Department is continuing its integrity reform work to improve awareness of conflict of interest obligations. The Department will also continue to work closely with the Department of Treasury and Finance and the Department of Premier and Cabinet, on the administration of the Staffing Services State Purchase Contract and the eServices Register.

If your office would like further information or to discuss any aspect of these matters, please contact



Yours sincerely

Jenny Atta
Secretary
30/11/2020

Encl: Table of actions to implement Operation Betka recommendations

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Recommendation 1 – The Department of Education and Training (DET) to address the corruption vulnerabilities identified in Operation Betka in relation to procurement including:		
Sub-recommendations	Controls implemented since the conduct in 2016 and further proposed work	Date
1.a) strengthening controls regarding the engagement and oversight of contractors	Labour Hire Published dedicated guidance to managers on the use of labour hire on the 'Staffing Services' intranet page, including: <ul style="list-style-type: none"> the use, engagement and management of labour hire under the Staffing Services State Purchase Contract links to resources on induction and onboarding of labour hire, which is the responsibility of the hiring manager. <p>The page was updated in June 2018 to require hiring managers provide new on-hire staff with a copy of a Contractor Welcome Kit and to ensure that they are made aware of the behaviours expected of them, as specified in the Supplier Code of Conduct, the Code of Conduct for Victorian Public Sector Employees (Code of Conduct) and DET's Conflict of Interest Policy (COI Policy).</p>	Updated June 2018
	Professional Services Published the 'Engaging Professional Services' DET intranet page which applies to engagements through professional services, including the eServices Register. The page contains guidance on the principles contained in the Guidelines on when to use professional services and pre-approval processes, regardless of value. DET is required to report annually to the Department of Premier and Cabinet on the use of eServices.	
	Implemented the <i>Administrative Guidelines on Engaging Professional Services in the Victorian Public Sector</i> which provide decision-making principles and practical guidance to determine when the use of professional services is appropriate.	October 2019
	Implemented the Whole-of-Victorian Government (WoVG) <i>Administrative Guidelines in Engaging Labour Hire in the Victorian Public Service</i> (the Guidelines). The Guidelines, amongst other things, mandates Deputy Secretary approval for labour hire across WoVG. The requirement for Deputy Secretary approval was introduced by DET prior to the Guidelines being implemented and the requirement is reinforced across the Staffing Services intranet page.	October 2019
	Implemented an induction process for contractors, including a Contractor Welcome Kit, which includes information about declaring conflicts of interest and other expected behaviours. The DET	Launched early 2018

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	HRWeb 'Induction and Orientation Page' contains guidance for managers on the onboarding process, including a manager's checklist to assist managers with this process. Managers receive an automated email when a contractor is engaged about induction and orientation.	www.education.vic.gov.au (Search: induction and orientation)
	In November 2020, introduced a checklist for managers onboarding contractors, designed to prompt managers to discuss with a contractor their obligations under the Supplier Code of Conduct in particular, to declare conflicts of interest and how to do so.	November 2020
	Commenced transitioning to a Victorian Public Service (VPS) workforce in Information Management Technology Division (IMTD), replacing contractors with fixed term or ongoing VPS positions. The equivalent of 191.5 positions were created to replace contractors in IMTD in late 2019.	Commenced 2019
	Established a community of practice to assist managers to develop best practice and ensure compliance.	Ongoing
	Meetings are bi-monthly and focus on providing a forum for improved awareness of the DET's procurement policies and procedures and sharing knowledge and experiences that is brought back to business units.	
	Provided input to the design and implementation of a Conflict of Interest Declaration form by the Department of Treasury and Finance (DTF). This declaration form will be provided by Master Vendors to labour hire to complete at the point that they are being considered for a position with a department. Master Vendors will provide the declaration to hiring managers for their consideration as part of the selection process. The DTF Conflict of Interest Declaration form was introduced under the new terms of the State Purchase Contract Head Agreement.	September 2020
1.b) strengthening controls to ensure compliance with the eServices Register and the Staffing Services SPC	DET will update the Staffing Services intranet page to include information about this declaration to guide hiring managers on its use.	
	Published dedicated guidance to managers on the use of labour hire and professional services, including the eServices Register, on the intranet, and implemented the Guidelines (as outlined in detail above). Published the Staffing Services SPC User Guide on the Staffing Services page.	Updated June 2018 and October 2019
	DET provides guidance on the use of eServices in a DET eServices Contract Variables User Guide which is useful for when terms are being set.	
	Worked with DTF to highlight master vendors, under the Staffing Services State Purchase Contract, their obligations to ensure contractors do not have any conflicts of interest and that the terms and	Introduced June 2018

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conditions of the contract are complied with. DET will continue to maintain regular contact with DTF about any issues or opportunities for strengthening controls around the Staffing Services State Purchase Contract.

The State Purchase Contract Head Agreement has been modified to include the following clause, signed by all parties:

18 Conflict of Interest

(a) The Master Vendor warrants that it does not, and will ensure that its employees, agents and contractors (including Tier Two Suppliers) do not, hold any office or possess any property, are not engaged in any business, trade or calling and does not have any obligations by virtue of any contract whereby, directly or indirectly, duties or interests are or might be created in conflict with or might appear to be created in conflict with their duties and interest under this Agreement.

(b) The Master Vendor will inform the Lead Department of any matter which may give rise to an actual, potential or perceived conflict of interest at any time during the Term.

(c) The Master Vendor acknowledges and agrees that failure to comply with this clause 18 will constitute a breach of a fundamental term of this Agreement.

Additionally, the following mandatory requirements have been included in the contract extension for the Staffing Services State Purchase Contracts that is being executed:

- a) holding and maintaining a licence to provide labour hire services under the Labour Hire Licensing Act 2018 (Vic). This also includes all Tier Two providers (to operate legally in Victoria from 29 October 2019, labour hire providers must have applied for, or have a labour hire licence)
- b) conduct a police check for all contractors who are engaged in the VPS. This is mandatory for all engagements
- c) to avoid duplication of police checks, master vendors will be obliged to provide the date and outcome of the last police check for the contractor when responding to a request for quote
- d) master vendors to include in their quarterly reporting the date of a police check and whether the candidate is assessed as suitable or not for the role (to be disclosed for each engagement in quarterly reporting)
- e) master vendors to comply with the enhanced VPS Pre-employment Screening Policy and specific requests for screening

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	<p>f) details of suitable candidates including confirmation that the Master Vendor has requested the prospective candidate the complete and submit a Conflict of Interest Declaration and the Master Vendor has submitted the completed form to the Purchaser (i.e. DET).</p> <p>All eServices standard contracts include conflict of interest clauses.</p>	
	<p>IMTD propose to implement the following additional control activities in relation to management of eServices:</p> <ul style="list-style-type: none"> • a complete review of all IMTD contractors (labour hire and e-Services resources that are entered as a person of interest in eduPay) to confirm they are aware of their conflict of interest obligations and the need to update them • formal six-monthly review (March and September each year) to check conflict of interests are up to date. 	Ongoing
1.c) reviewing contracting arrangements to verify that relevant suppliers are approved under the Staffing Services SPC	<p>Commenced work to implement improvements to internal processes to ensure that Tier Two suppliers are valid and that vendors include data about Tier Two contractors in their reporting to DET. DET has the following work underway:</p> <p>Internal processes:</p> <ul style="list-style-type: none"> ○ update the Staffing Services page to include text regarding Tier Two vendors at the appropriate process points ○ include standard text in candidate request emails to vendors that Tier Two suppliers must be identified if used ○ include a field on the staffing services form for hiring managers to indicate if a candidate has been offered by Tier Two supplier ○ If a Tier Two supplier is named, Staffing Services verifies that it is a valid Tier Two supplier as part of the compliance check before raising a Purchase Requisition. <p>Vendor process (email will be sent to vendors requesting the two items below)</p> <ul style="list-style-type: none"> ○ Request vendors to identify when candidates are provided from Tier Two vendors when supplying candidate information ○ Request that vendors include data on Tier Two contractors in their monthly reports (this column already exists in the report) when relevant. 	Ongoing

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	<p>Reporting</p> <ul style="list-style-type: none"> Procurement Analyst will check if any Tier Two suppliers are named in monthly reports and provide these to Staffing Services for validation that they are approved suppliers. 	
1.d) undertaking reasonable checks and analysis to identify any actual, potential or perceived conflicts of interest between contractors engaged by the Department and other departmental staff or contractors	In 2019, DET commenced monitoring employee and vendor bank accounts by introducing an Employee Vendor Matching report to assist in the identification of possible conflicts of interest in payments made to an employee across multiple payment systems, such as, school local finance system, Oracle Financials for corporate and DET payroll. An initial analysis was also undertaken on employees and vendors across the three systems to identify parameters with a high degree of correlation. An initial report was run for the 2019-20 financial year with quarterly reports to be run thereafter. The data is provided to People Division for further analysis with any potential issues reported to relevant areas for appropriate action.	2019
	In 2019, DET commenced a project to monitor the centralised electronic conflict of interest register in eduPay, to assess the demographic of declarations, quality and adequacy of management plans, to potentially inform the creation of further guidance materials on best practice.	2019
	The obligations on managers to identify and manage the conflicts of interest of their staff, an on employees/contractors to declare and manage their own conflicts is set out below.	N/A
Recommendation 2 – The Department of Education and Training to advise IBAC how it will ensure that employees and contractors comply with the Department's conflict of interest framework, including ensuring:		
2.a) supervisors understand their obligation to actively and effectively manage the conflicts of interest of the employees and contractors they manage	Introduced DET's COI Policy to complement the conflict of interest obligations in the <i>Code of Conduct for Victorian Public Sector Employees</i> . Various updates from its introduction to present are set out below.	Introduced 2010
	Updated versions of the COI Policy since 1 October 2013 to include managers obligations to address risks of conflicts of interest in relation to their staff and introduced a range of resources to complement the COI Policy, designed to assist staff to identify conflicts and develop adequate management plans.	Updated 1 October 2013
		Updated 9 February 2016
		Updated 7 July 2017
		Updated 12 February 2020
	Comprehensive conflict of interest policy, guidance and support materials are available on the Conflict of Interest page on the DET HR Web and the Policy Advisory Library (introduced in June 2020, prior to that was on HR Web). The Policy and Advisory Library provides a single point of reference for school leaders on all policies, procedures and guidance materials relevant to schools.	
	Published guidance for managers on the 'Staffing Services' DET intranet page as described under 1.a). This will be updated to include an additional step requiring managers to undertake ongoing monitoring of any conflicts of interest of contractors they engage.	Updated June 2018 and October 2019

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	Delivered conflict of interest training to managers, including supervisors of contractors. Since 2018, a dedicated program of conflict of interest training has focused on managing conflicts of interest and using the electronic Conflict of Interest Declaration form. This training initially focused on school leadership but was recently delivered to areas, including those with a high number of contractors i.e. Victorian School Building Authority (VSBA) and IMTD. DET will continue to focus on these high-risk areas.	Ongoing since 2018
	Introduced on-line conflict of interest training via an eLearn module. This module is currently being refreshed. The conflict of interest module is one of the modules required to be completed by staff and contractors during induction.	Under revision 2020
	Ongoing promotion of managers obligations through the publication of articles in Corporate News and School Updates (see below).	Ongoing
2.b) employees and contractors understand their obligations to identify, declare and manage conflicts of interest, including avoiding conflicts of interest where possible	Continued to update the COI Policy and introduced targeted resources to support employees to comply with the conflict of interest framework.	Introduced 2010
	<p>Introduction of the following resources:</p> <p>2013 – Conflict of Interest Framework</p> <p>2015 – Conflict of Interest Toolkit</p> <p>2017 – Conflict of Interest Quick Guide and Procurement Policy for Victorian government schools (to replace procurement under the Schools Finance Manual)</p> <p>2018 – eduPay Conflict of Interest Declaration form, Conflict of Interest Declaration form resources x 3 and School Procurement Procedure.</p> <p>Comprehensive conflict of interest policy, guidance and support materials on the Conflict of Interest page on the DET HR Web and the Policy and Advisory Library (introduced in June 2020, prior to that was available on HR Web). The Policy Advisory Library provides a single point of reference for all policies, procedures and guidance materials relevant to schools.</p>	Updated 1 October 2013
		Updated 9 February 2016
		Updated 7 July 2017
		Updated 2018
		Updated 12 February 2020
	Implemented an induction process for employees and contractors in DET. This involves providing them with a Welcome Kit which sets out their obligations working at DET. Induction and Orientation processes are found on HRWeb or PAL for schools. Employees and contractors are also invited to attend a face-to-face induction presentation.	Launched 2018
		Updated November 2020

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	In November 2020, revised the Contractor Welcome Kit to ensure it delivers the key messages to contractors on their obligations to comply with the Supplier Code of Conduct and to demonstrate the behaviours drawn from the Code of Conduct and DET's values.	
	An automated email is generated when contractors are entered in the eduPay system, advising them of access to eduPay and the eLearn modules. Automated emails follow at pre-determined intervals reminding contractors to complete induction modules, which includes a Conflict of Interest module and an 'Understanding DET Values' module. The automated welcome email has recently been revised to apply more broadly to contractors and employees.	
	Introduced on-line conflict of interest training via an eLearn module. This module is currently being refreshed. The conflict of interest module is one of the modules required to be completed by staff and contractors during induction.	Under revision 2020
	Delivered conflict of interest training to employees and contractors. Since 2018, a dedicated program of conflict of interest training has focused on managing conflicts of interest and using the electronic Conflict of Interest Declaration form. This training was recently delivered to areas, including those with a high number of contractors i.e. VSBA and IMTD. DET will continue to focus on these high-risk areas.	Ongoing since 2018

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	<p>Ongoing promotion of employees and contractors' obligations through the publication of articles in Corporate News and School Updates.</p> <p>A number of articles have been published promoting the Conflict of Interest Declaration form in eduPay, including:</p> <ol style="list-style-type: none"> 1. New guide to help keep integrity front of mind, on 21 July 2017 2. New online declaration form in eduPay to record conflicts of interest, on 27 June 2018 3. New form to declare conflicts of interest in eduPay and New Conflict of Interest Quick Guide, on 17 July 2018 4. Management of conflicts of interest is good professional practice, on 18 June 2019 5. Are you managing risks arising from doing external work and Integrity moment for June – scenarios around conflicts of interest arising from other employment, on 27 June 2019 6. Continuing to strengthen integrity reforms – Conflict of Interest reports and integrity reform (including Operation Betka special report) and How to declare conflicts of interest, on 4 June 2020 7. Conflict of interest in schools, on 16 June 2020 8. Maintaining integrity while working remotely, on 13 September 2020 9. How to identify, manage and declare a conflict of interest in recruitment, on 8 October 2020. 	Ongoing
2.c) declarations of conflicts of interest and any associated management plans are recorded, communicated to relevant supervisors, and reviewed as appropriate	<p>Introduced an electronic Conflict of Interest Declaration form in eduPay in mid-2018 (initially to school leadership, business managers and corporate then rolled out to all others in 2019). This form includes a workflow which allocates declarations to the manager for review and approval of the declarant's proposed management plan. The launch of the Conflict of Interest Declaration form was published widely in articles in Corporate News and School Updates.</p> <p>Contractors have access to the Conflict of Interest Declaration form when they are entered as a person of interest in eduPay and are assigned to a line manager. The Contractor Welcome Kit informs contractors of their obligation to declare and manage any conflicts of interest in eduPay.</p>	Mid-2018
	Updated the COI Policy on 12 February 2020 to include the requirement to record Conflict of Interest Declarations on the electronic form in eduPay.	12 February 2020

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	<p>Provided input to the design and implementation of DTF's Conflict of Interest Declaration form, as described in 1.a).</p> <p>DET currently has a Conflict of Interest Implementation Project (COI Project) underway as part of a program of work under DET's Integrity Strategy. The COI Project builds on earlier work in DET's Integrity Reform Program to improve conflict of interest awareness and management capability, including introducing the electronic Conflict of Interest Declaration form in eduPay, evaluating the implementation of the conflict of interest register (including uptake and quality of declarations), supporting guidance, and assessing any further enhancements or change in application or scope.</p>	<p>September 2020</p> <p>Ongoing</p>
<p>2.d) if the Department engages companies or other suppliers in which departmental employees or contractors have an interest, a robust risk management approach is adopted to address conflicts of interest and other inherent risks</p>	<p>Robust processes to address conflict of interest risks in procurement as specified in the procurement policies and procedures for Corporate and Schools.</p> <p>For example, DET's Procurement Policy and Procurement Procedure (to be read in conjunction with the COI Policy) sets out obligations for employees and contractors to declare and manage conflicts of interest in procurement (also reflected in the Schools Procurement Policy and Procedure).</p> <p>The Corporate Procurement Procedure stipulates that a Conflict of Interest Declaration must be completed by all staff involved in a procurement process. Where a conflict of interest is identified with a DET VPS staff member, the staff member must also record the details in eduPay, along with actions that will be undertaken to mitigate the conflict for their managers approval, immediately after they have provided their Declaration.</p> <p>The Procedure requires that on the establishment of an evaluation team, that all team members complete a Conflict of Interest Declaration or Confidentiality Agreement. The next step is to conduct a risk assessment which includes assessing actual, perceived or potential conflict of interest. The Procedure requires potential procurement risks to be identified, monitored and managed for all procurement events, in accordance with DET's Risk Management Framework. This includes the following actions:</p> <ul style="list-style-type: none"> • identified risks have been documented and communicated to relevant people • potential impact on the procurement process and event has been considered and acted upon • risks are regularly reviewed through the sourcing process and during the life of the contract. 	<p>Procurement Policy (Corporate) – last updated April 2017</p> <p>Corporate Procurement Procedure- last updated June 2020</p>

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	A risk-based approach and rigorous checks are in place for panel suppliers included in the State Services State Purchase Contract (as described above in 1.b).	
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