

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mrs Lambley to the Minister for Housing and Community Development:

Department of Housing and Community Development Independent Probity Audit of Procurement Process for A15-0031

1. What position(s) in the Department of Housing was / were directly responsible or accountable for making sure that this procurement process adhered to the NT Government policy, guidelines and codes?
2. Is the person or people employed in these positions at the time this Procurement Process was undertaken (in late 2015) still employed within the Department of Housing and Community Services? If so, which positions are still held by the same people?
3. What were the consequences or repercussions for these members of staff that were directly responsible for the “non-compliance” or multiple breaches of the NT Government Procurement Process?
4. What were the salaries or pay rates at the time this Procurement Process was undertaken for the following Department of Housing positions, identified in the Independent Probity Audit of Procurement Process for A15-0031 (note that this list has been taken from Page 31 of the Independent Probity Audit):
 - Chief Executive Officer (Accountable Officer)
 - Deputy Chief Executive Officer (Delegate)
 - Executive Director, Service Delivery Central (Chair of the initial and Final Assessment Panels)
 - Director, Central Australia (Initial Assessment Panel Member)
 - Chief Procurement Officer
 - Executive Administration Officer, Department of the Chief Minister, (Initial Assessment Panel Member)
 - Manager Procurement, Procurement and Contracts (Final Assessment Panel Member)
 - Director, Contract Delivery (Final Assessment Panel Member)
 - Probity Advisor, Deloitte Touche Tohmatsu
5. What was the precise role of the Chief Procurement Officer in 2015 in ensuring that this Procurement Process adhered to the NT Government policy and guidelines?
6. The current CEO of the Department of Housing & Community Services said in a press conference on Tuesday 23rd May 2017 that he was

advised by the probity audit investigators from Merit Chartered Accountants that they advised not to take disciplinary action and that no “improper conduct” had occurred.

- a) Please provide all details how this “advice” was conveyed to the CEO of the Department of Housing & Community Services by the Merit investigators
- b) Was this advice provided as a part of the Terms of Reference for this report? If so, which particular “term” of Reference elicited this advice?
- c) Please provide all details and information in regard to the particular meeting in which this information was conveyed by Merit Chartered Accountants to the CEO of the Department of Housing & Community Services, including when the meeting was held; who were the other people present at this meeting; what was the agenda of the meeting; and where was the meeting held?
- d) What other “advice” did the investigators from Merit Chartered Accountants provide to the CEO (and others) at this meeting that was not included in the final report?
- e) Why wasn’t this information included in the “key findings” of the report provided by Merit Chartered Accountants?
- f) Was this meeting minuted and documented? If so, could the notes or minutes of this meeting be made public?
- g) Was the auditor Merit Chartered Accountants specifically tasked to provide the Department of Housing & Community Services advice on how to manage the staffs that were responsible for these breeches and examples of “non-compliance”?
- h) Does the CEO usually use external advisers, like Merit chartered accountants, to make decisions regarding the management of his staff?
- i) Did the investigators from Merit Chartered Accountants state that there was no “improper conduct” involved in this Procurement Process? If so, when did they state it and why was this not included on the report?
- j) Was the Independent Probity Audit specifically asked to make a determination on whether there was “improper conduct “or illegal conduct in the execution of this Procurement Process?
- k) What is the definition of “improper conduct” in the context of this investigation? Is “improper conduct” non-compliance with the codes, policy and guidelines of the NT Government Procurement Process?

7. Have all the tenderers in the Procurement Process for A15-0031 been individually advised of the findings of the Independent Probity Audit of Procurement Process for A15-0031?
8. Is there any responsibility on behalf of the Department of Housing & Community Services to make amends to the unsuccessful tenderers in the Procurement Process for A15-0031, due to the failure of the NT Government to execute this Procurement Process with the required due diligence and adherence to policy and guidelines?
9. Will this matter be referred by the Department of Housing & Community Services to the NT Independent Commission against Corruption when it is established in the near future?
10. You told the press conference on Tuesday 23rd May 2017 that you have referred the Procurement Process for the tenancy management of the Alice Springs Town Camps to the Auditor General; this was one full day before the winning tender for this contract was announced by the Department of Housing & Community Services?
 - a) Why did you make this referral to the NT Auditor General?
 - b) Why did you announce this referral to the NT Auditor General before you announced the winner of the contract?
 - c) Why does the Department of Housing & Community Services not have confidence that they have conducted this Procurement Process with the level of compliance and diligence required?
 - d) Is it the role of the CEO of the Department of Housing & Community Services (the “accountable officer”) to make sure that mistakes that occurred in the Procurement Process for A15-0031 do not occur again?
 - e) What role does the CEO have in ensuring all Procurement Processes undertaken by his Department comply before a contract has been awarded?
 - f) Will the Department of Housing & Community Services be using the NT Auditor General to ensure compliance with all Procurement Processes undertaken by the Department of Housing & Community Services in the future?
 - g) Would you make this letter of referral to the NT Auditor General you announced on 23rd May 2017 available to the public?
11. Given that Zodiac Business Services were awarded a contract with “aberrant pricing”, more than 20% less than the tender estimate, were they able to manage the requirements of the contract within their budget?

12. Did Zodiac Business Services require a variation on their contract to provide tenancy management services to the Alice Springs Town Camps?
 13. Please list all the ways in which the Department of Housing & Community Services will respond to the 10 “key findings” of the Probity Audit report.
 14. The Independent Probity Report uncovered a reported allegation of bias of one of the assessment panel members. The investigators “could not obtain evidence that the Department investigated allegations”.
 - a) Was this allegation of bias ever investigated by the Department?
 - b) If it was investigated, could you provide details of the process used to investigate the matter and what the outcome of that investigation was?
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