

2021

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE
AUDITOR-GENERAL'S REPORT NO. 3 / 2021**

COURT TRANSPORT UNIT VEHICLE – ROMEO 5

**Presented by
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INTRODUCTION

The ACT Government welcomes the Auditor-General's (A-G) report no. 3 / 2021 titled *Court Transport Unit Vehicle – Romeo 5* ('the Report'), which concerned a performance audit on the effectiveness of ACT Corrective Services' (ACTCS) procurement process of the Romeo 5 vehicle and was tabled in the ACT Legislative Assembly on 31 March 2021.

The *Auditor General Act 1996* ('the Act') promotes public accountability in the public administration of the Australian Capital Territory (ACT) and establishes the independence of the A-G. The A-G is empowered under sections 10 and 12 of the Act to undertake performance audits of a directorate or territory entity and is required to prepare a report for the Legislative Assembly under section 17. Section 21 of the Act provides that the ACT Government is required to table a response within four months after the day a report by the A-G is presented to the ACT Legislative Assembly.

The Romeo 5 is an ACTCS Court Transport Unit (CTU) vehicle obtained in June 2018 with the intention of transporting up to eight detainees and two Correctional Officers (COs) at a time. In November 2019, concerns were raised about workplace health and safety in relation to the Romeo 5 vehicle. In response, ACTCS limited the vehicle use to a maximum of four detainees and two COs at a time, as detailed in the *Corrections Management (R5 Vehicle – Mandatory Checks) Operating Procedure 2019*. It is noted that the prohibition notice discussed in the A-G's report has not been issued.

The A-G commenced the performance audit in June 2020 after the Inspector of Correctional Services (the Inspector) advised the ACT Audit Office that the procurement process for the purchase of a detainee transport vehicle (Romeo 5) may not have been fit for purpose. This had come to the Inspector's attention while conducting his thematic review into the CTU, resulting in the report titled *ACT Corrective Services Court Transport Unit 2020* which was tabled in the ACT Legislative Assembly on 3 December 2020. The Government Response to the Inspector's report was tabled on 11 February 2011 and addressed various concerns raised about the CTU vehicle fleet.

The A-G's Report makes 23 findings which resulted in the following two conclusions around the procurement and the management of the Romeo 5:

- ACTCS did not implement effective processes for the procurement of the Romeo 5 vehicle. As a result of the procurement failures, the vehicle that was commissioned is not fit for purpose and is now largely redundant.
- Romeo 5 has not been effectively used as a detainee transport vehicle since its commissioning in 2018 as the vehicle was seldom used to transport detainees, with COs preferring not to drive it.

Furthermore, two recommendations were made for the ACT Government to consider which related to:

- the ACTCS procurement framework (1a-1c); and
- future use of the Romeo 5 vehicle (2a-2b).

The ACT Government has carefully considered all of the findings and recommendations made in the Report and agreed to all recommendations.

Many findings and recommendations made in the Report had already been identified by ACTCS and a range of actions were already in progress to address the issues raised. A table summarising the ACT Government Response, including proposed actions and timeframes for completion to each of the recommendations can be found at [Annexure 1](#).

GOVERNMENT RESPONSE

Context

The A-G's report followed the Inspector's thematic review of the CTU including the CTU vehicle fleet, which raised concerns that the Romeo 5 vehicle may never been fit for purpose, noting that "in effect, an eight-passenger vehicle became a very big and expensive four-passenger vehicle" and that "there have also been issues with the height and manoeuvrability of Romeo 5 which have frustrated CTU officers". This resulted in the Inspector's recommendation to conduct a review of the process(es) by which ACTCS makes decisions about the acquisition of CTU vehicles, with particular attention to the principles of sound corporate governance (recommendation 3). In response to this recommendation, ACTCS committed to working with Procurement ACT and other Justice and Community Safety Directorate (JACS) stakeholders to review their internal processes to ensure sound corporate governance is maintained throughout all future vehicle purchases. This review has been completed and identified a need for an Operating Procedure to guide the planning of vehicle procurements and ensure early identification of vehicle requirements in consultation with the relevant business unit. This Operating Procedure is scheduled to be finalised by 31 May 2021.

More broadly, ACTCS has a dedicated Contracts and Procurement Unit which was established in 2016 and has significantly streamlined and improved procurement processes across the agency. Recent work of this unit has included the development of an ACTCS Procurement Framework, which is scheduled for completion by 31 July 2021, and associated staff training is planned as part of an e-learning package to ensure awareness of procurement processes across ACTCS management. Furthermore, JACS has worked with Procurement ACT (PACT) to develop additional procurement and contract management training and to pilot a JACS Procurement Community of Practice (PCOP). The JACS PCOP has transitioned to become the Whole of Government (WhoG) Community of Practice and staff training will be launched at WhoG level.

PACT is in the process of developing e-modules, which will complement the aforementioned internal training being developed to promote the ACTCS Procurement Framework. Finally, the appointment of a Director for the CTU from October 2020 has improved clarity on roles and responsibilities in procurement processes and allows for CTU staff input to procurement processes as the subject matter experts to ensure vehicles are fit for purpose.

Recommendation 1: ACTCS Procurement Framework

ACT Corrective Services should review its procurement framework, including policies, procedures and practices, in order to ensure:

- a) roles and responsibilities for procurement are clearly identified and documented. This includes roles and responsibilities for the management of suppliers in the design and construction of future fleet vehicles;*
- b) procurements appropriately consider and document value for money and risk; and*

- c) training is provided to all staff involved in procurement. This should include training on probity, risk management and value for money considerations.*

Response: Agreed.

ACTCS internal documentation will be audited for consistency with the WhoG Procurement Guidelines. ACTCS is currently using the JACS Procurement Framework while drafting its own Procurement Framework for more tailored guidance, including around roles and responsibilities relating to vehicle procurement. The audit and tailored ACTCS Procurement Framework will ensure that there is clarity in the documents around value for money and risk, noting these are already clearly outlined by Procurement ACT. Finally, ACTCS will develop and implement an e-learning package for staff involved in procurement activities to ensure awareness on probity, risk management and value for money considerations.

Recommendation 2: Future Use of Romeo 5

ACT Corrective Services should:

- a) review its need for, and use of, the Romeo 5 vehicle. The review should take account of risk and safety considerations and whether it is appropriate to end the lease and commission a new vehicle; and*
- b) outline a clear vision of what its expectations are for the use of Romeo 5 for the duration of its lease.*

Response: Agreed.

ACTCS will undertake a review of the use of Romeo 5, which will include the consideration of risk and safety issues associated with the vehicle and continuation of the lease. Should the lease be continued, a clear statement relating to its use will be formulated and the vehicle utilised in line with its capability.

Conclusion

The ACT Government recognises that effective independent audits provided by the Auditor General are crucial to build and maintain public confidence in the ACT's public administration, including ACTCS. The findings and recommendations of this Report will contribute to the continuous improvement of the procurement processes and vehicle acquisition across the agency.

Annexure 1

ACT Government Response to Recommendations

Recommendation	Government Response	Implementation
<p>Recommendation 1a</p> <p>ACTCS should review its procurement framework, including policies, procedures and practices, in order to ensure:</p> <p>a) roles and responsibilities for procurement are clearly identified and documented. this includes roles and responsibilities for the management of suppliers in the design and construction of future fleet vehicles;</p>	<p>Agreed</p> <p>The ACTCS internal documentation will be audited for consistency with the Justice and Community Safety Directorate Procurement Framework. As part of this process, ACTCS will update documents under its draft Procurement Framework as appropriate to reflect the roles and responsibilities relating to vehicle procurement.</p>	<p>Document audit and ACTCS Procurement Framework to be finalised by 31 August 2021</p>
<p>Recommendation 1b</p> <p>ACTCS should review its procurement framework, including policies, procedures and practices, in order to ensure:</p> <p>b) procurements appropriately consider and document value for money and risk;</p>	<p>Agreed</p> <p>The ACTCS internal documentation will be audited for consistency with the Whole of Government Procurement Guidelines. As part of this process, ACTCS will update documents under its draft Procurement Framework to ensure there is clarity around value for money and risk, noting these are already clearly outlined by Procurement ACT.</p>	<p>Document audit and ACTCS Procurement Framework to be finalised by 31 August 2021</p>
<p>Recommendation 1c</p> <p>ACTCS should review its procurement framework, including policies, procedures and practices, in order to ensure:</p> <p>c) training is provided to all staff involved in procurement. This should include training on probity, risk management and value for money considerations.</p>	<p>Agreed</p> <p>ACTCS will develop and implement training for staff involved in procurement activities. Training will align with ACT Government procurement processes.</p>	<p>Training for staff involved in procurement to be finalised by 31 December 2021.</p>
<p>Recommendation 2a</p> <p>ACTCS should:</p> <p>a) review its need for, and use of, the Romeo 5 vehicle. The review should take account of</p>	<p>Agreed</p> <p>ACTCS will undertake a review of the use of Romeo 5 and determine the vehicle's future use, and/or replacement.</p>	<p>Review of Romeo 5 to be completed by 31 August 2021</p>

Recommendation	Government Response	Implementation
<p>risk and safety considerations and whether it is appropriate to end the lease and commission a new vehicle;</p>		
<p>Recommendation 2b ACTCS should: b) outline a clear vision of what its expectations are for the use of Romeo 5 for the duration of its lease.</p>	<p>Agreed Should the lease be continued, a clear statement relating to its use will be formulated and the vehicle utilised in line with its capability.</p>	<p>Statement to be formulated by 31 August 2021 (if the outcome of the review supports continuation of the lease)</p>