

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
CRIMTRAC

Question No. 80

Senator Humphries asked the following question at the hearing on 12 February 2013:

1. What date was the Portfolio Board established?
2. Who was responsible for the establishment this board?
3. Is the Portfolio Board still existent? If so, please provide the names of all persons currently on this board, and all the names of the former members?
4. What date was Mr Murray Rankin appointed to this Board?
5. What date was Mr Rankin appointed as Chairman?
6. Who appointed Mr Rankin to the Board and to the position of Chairman?
7. What was the total remuneration paid to Mr Rankin?
8. When was Mr Rankin 'alleviated' of his position as Chairman of the Portfolio Board, and was the specific advice leading to Mr Doug Smith's opinion that it was inappropriate that he sit on the range of boards and committees as he did?
9. Did Mr Rankin disclose any possible conflict of interest arising from his role as Chairman of the Portfolio Board, as CrimTrac's Information Technology Adviser and his role as Chairman of Connexion Business Solutions? If so, please detail the date of disclosure?
10. Please detail the why CrimTrac is currently revising Board practices relating to conflict of interest?
11. Did CrimTrac consider any alternative service providers prior to awarding contracts to Connexion Business Solutions? If so, which businesses were considered? If not, please detail why?

The answer to the honourable senator's question is as follows:

1. Meeting #1 was held on 7 March 2011.
2. Jeff Storer, the Chief Operating Officer, was responsible for establishing project governance arrangements at the time, and as part of this responsibility established the Portfolio Board under the instruction of the Chief Executive Officer.
3. Yes.

Initial members were: Murray Rankin, Doug Smith, Jeff Storer, Darin Brumby, Stewart Cross, Roberta Kennett, Jurij Bondaruk, Yvette Whittaker.

Following an independent review of Internal Governance, the Portfolio Board was reformed and restarted on 26 October 2012 with revised membership and has continued on a monthly basis since then.

Members of the revised PFB were: Doug Smith, Jeff Storer, Vicky Green, Yvette Whittaker, Matt Jones, Jurij Bondaruk.

Current members of the PFB are: Doug Smith, Lee Walton, Nicole Mayo, Yvette Whittaker, Matt Jones, Jurij Bondaruk, Vicky Green.

4. 7 March 2011
5. 7 March 2011
6. Please see response to Part 2, above.
7. To itemise each payment made to Rankin Securities Pty Ltd for delivery of consulting services with regard to Portfolio Board, Audit Committee and the Board of Management roles, would involve an unreasonable diversion of resources.

However, the total amount paid to Rankin Securities Pty Ltd from 7 March 2011 through to 29 March 2012 was \$66,066.70.

The applicable hourly rate was \$187.00 per hour.

8. 29 March 2012.

Between 22- 29 March 2012, a series of communications relating to issues of disclosure of conflict of interest were raised between Portfolio Board members. On the basis of the matters raised in these e-mails, Mr Smith sought legal advice and formed the view that the appropriate course of action was to suspend the Portfolio Board Meetings whilst an external, independent review of CrimTrac's internal governance arrangements was undertaken. As a consequence of this review, the Portfolio Board was restructured.
9. The contract for the provision of Mr Rankin's consultancy services provided for a process for disclosure of conflict of interest. CrimTrac records indicate that no disclosure had been made in accordance with the contract.
10. CrimTrac will be subject to the oversight of ACLEI from 1 July 2013. A key area that has been identified with ACLEI in preparation for CrimTrac's transition to this integrity partnership is identification and management of any perceived, potential or actual conflict of interest.
11. As indicated previously, (QoN 1937) CrimTrac engaged Connexion Business Solutions under existing Commonwealth panel arrangements, which were established through Open tender processes.

The *Commonwealth Procurement Rules* (CPRs) do not specify the number of quotes an agency must obtain in making 'reasonable enquiries' to assist in determining value for money.

Panels set up under Open tender processes include an assessment of value for money; whereby successful inclusion is demonstrative of a successful assessment of value for money. The price of services is not the sole determining factor in assessing value for money.

As such, a FMA Reg 9 delegate can be confident that engaging a supplier under a panel arrangement is doing so where a baseline value for money assessment has occurred. An assessment of whether value for money can be confirmed by approaching one supplier off that panel arrangement or more than one supplier is at the discretion of the FMA Reg 9 delegate. Any good/service engaged under a panel which allows piggybacking does not mandate an agency to seek quotes from more than one supplier on a panel, unless an agency's CEI state the opposite.

In four of the five occasions the relevant FMA Reg 9 delegate approached one supplier (Connexion Business Solutions) off the panel. The following details are provided:

Work Order ICT 2011/0001; FMA Reg 9 delegate's decision to approach one supplier off the panel

Work Order ICT 2011/002; FMA Reg 9 delegate's decision to approach one supplier off the panel

RFQ 83 – FMA Reg 9 delegate's decision to approach one supplier off the panel

RFQ 85 – FMA Reg 9 delegate's decision to approach one supplier off the panel

RFQ 49 – Accenture; CGI; Aurec; Ascent; WDSScott; Digital(Digest) Data Design; Framgroup; Xbiosystems; Kaz-group; Face2Face; Hays; APA (Connexion Pty Ltd from 1 July 2009).