

## **1.8 PROBITY AND CSI**

Corrective Services Industries - CSI, as an organisational unit of the Department of Corrective Services, is a Government business enterprise fulfilling inmate program and commercial obligations.

The probity of CSI operations is critical to enable CSI to develop as a professional and credible entity and to fulfil accepted standards of public and commercial accountability.

At all times CSI staff have an unequivocal responsibility to ensure that their activities are carried out in accord with the law and with the highest ethical standards of professional and business conduct.

All CSI staff are expected to be familiar with and adopt the Code of Conduct and ethics for staff published by the Department of Corrective Services.

In addition a specific probity statement has been developed for CSI staff through a document issued by the Commissioner entitled 'Probity and Corrective Services Industries' which is included within this policy manual section.

Again all CSI staff are expected to be familiar with and embrace the contents of the probity statement.

Staff requiring clarification or further information are encouraged to make contact with their Manager / Director and if necessary the Probity and Performance Management Division of the Department.

### **Probity and Corrective Services Industries**

#### ***Why is this document necessary?***

There are a number of documents that provide probity advice to staff within the Department of Corrective Services (DCS), particularly the Code of Conduct and Ethics and the policies and Commissioner's Instructions that flow from it. But because Corrective Services Industries (CSI) is a unique entity, special and more specific guidance is necessary for its operations.

This document along with [Business Ethics for Contractors and Suppliers to the Department of Corrective Services](#) is intended to supplement the Code of Conduct and Ethics and is intended to demonstrate-

- To the public of New South Wales that CSI operates with integrity and in the public interest
- To customers and business partners that they may have confidence in dealing with an organisation which will adopt the highest standard of business ethics
- To our staff that only the highest standard of personal integrity will suffice in this unique commercial enterprise

The engagement of CSI in widespread commercial activity brings with it increased potential for corruption and compromise. The nature of the relationship between staff and inmates is also given extra dimensions and employees will be required to demonstrate the highest standards of professional conduct at all times. It follows that there is a need for a document to address all such issues and to provide guidance within which CSI may operate with confidence and integrity.

This document addresses the probity issues that may be faced by CSI managers and provides a framework within which they may make ethical decisions. However, it cannot possibly cover all eventualities and in cases of doubt, employees are encouraged to seek advice from their manager, Director and, if necessary, from within the Probity and Performance Management Division.

Employees who are honest and open about their motives, who seek reasonable advice and who document the reasons for making objective decisions, can never be held to have behaved unethically.

### ***Why does CSI exist?***

The answer to this question is linked to the very objectives of the Department itself. Society now recognises that the functions of a Correctional Centre go beyond the basic need for the containment of persons who have broken the law. The rehabilitation of offenders has become a primary objective for NSW Department of Corrective Services in an attempt to stem the pernicious cycle of re-offending. CSI is a major stakeholder in such endeavours.

Although it has other objectives, one of the principal reasons for CSI existence is to support the concept of inmates addressing their offending behaviour. CSI aims to provide work opportunities so that inmates may develop a work ethic, learn life skills such as teamwork and communication and, where possible, develop work skills that equip them for employment outside the correctional system. In order to achieve these goals it is essential for DCS to defray the operating costs of CSI and be competitive within a commercial environment. Such objectives present a significant challenge.

The Corporate Plan of the New South Wales Department of Corrective Services provides a framework within which CSI can meet its' objectives-

### ***Departmental Corporate Plan***

The Mission Statement for the New South Wales Department of Corrective Services, ( Corporate Plan 2001-2004 ) is as follows-

*' To reduce offending through secure, safe and humane management of offenders'*

### ***Guarantee of service***

To provide opportunity, encouragement and program pathways for offenders under supervision in the community and inmates of correctional centres to enable them to acquire skills, address deficits and assume responsibility for living constructive law abiding lives.

To manage the assets and resources of the Department to maximise benefit to the community.

To develop and maintain opportunities for offenders to meet community needs with the provision of labour and skills in partnership with communities.

### ***Statement of Principles & Values***

The Department is committed to managing offenders safely, effectively and humanely while preparing them to lead worthwhile and productive lives.

### ***The Role of Corrective Services Industries***

CSI plays a central role in helping the Department to achieve its' Mission Statement. Its' very existence emanates from the long-standing community value which recognises that work is the cornerstone of an effective society. Accordingly, the commitment to work is a primary component of inmate rehabilitation within New South Wales.

CSI also has an integral part to play in the efficient management of Correctional Centres and by creating meaningful activity for inmates, a mechanism is provided whereby they may contribute towards reducing the cost of their incarceration and towards the good order of the correctional system.

This philosophy enables CSI to offer a comprehensive program of operations that is designed to meet a number of objectives-

#### ***Inmate rehabilitation***

- To develop a work ethic
- To develop employment, vocational and life skills

#### ***Correctional Centre Management***

- To enhance the personal development of inmates
- To alleviate boredom and/or the pursuit of undesirable activities
- To provide labour to help run Correctional Centres

#### ***Economic Considerations***

- To enable inmates to contribute to reducing the cost of their incarceration
- To maximise the self sufficiency of Institutions
- To reduce the public funding of Correctional Services

### ***Community Expectations***

- To fulfil community expectations of reparation and rehabilitation
- To undertake community projects

### ***Primacy***

The objectives are complementary to each other and CSI is committed to achieving each of them, although it must be recognised that CSI is also functioning within a competitive commercial framework. Having made a commitment to run an industry, CSI is obliged to meet contractual obligations, placing short term emphasis on work output, delivery and deadlines. In addition it must be recognised that CSI does not operate in an optimum working environment and there are many additional constraints that impact upon operational effectiveness -

- Security considerations
- Motivational factors
- Skills deficit
- Low technology environment
- Inmate transfers and commitments

Such factors are unique to the CSI environment and the operational realities will always present a challenge to managers. Competing priorities must be skilfully managed, but it must be emphasised that primacy must always be given to the needs of '*Inmate Rehabilitation*'. This is the overriding consideration and supports the Mission Statement of the Department.

### ***Case Management***

In order to achieve this objective, CSI managers will ensure that inmate participation within work programs is embraced within the case management system. This includes the completion of inmate work performance records which identify-

- Personal development needs
- Industry performance
- Workplace demeanour
- Correctional demeanour

The maintenance of these records forms an integral component in ensuring that CSI fulfils inmate development objectives and contributes effectively towards the mission of the Department.

### ***Business Plans***

CSI must be strategically driven and all locations must prepare a *Business Plan* completed in accordance with the business planning cycle. The plan must be consistent with the Department's

Corporate Plan and the CSI Corporate Business Plan and indicate local priorities and key performance indicators against which performance will be measured.

The Director CSI will be responsible for providing overall co-ordination of all Business Plans' to ensure that they adopt a consistent strategic direction.

The Director will also be responsible for ensuring that 'best practice' business methods are communicated and shared between all industries.

### ***Pricing***

It is vital that CSI operates in manner which demonstrates transparency in its business dealings and in which it is seen to be competing fairly alongside the private sector.

*Integrity in pricing and competition policy is paramount to earning public acceptance of CSI.*

For this reason, *Costing and Pricing Policies* exist to prescribe the methods by which all CSI commercial transactions will be conducted. The policies must be followed at all times.

Although acknowledging that 'profit' is not the overriding motive for the existence of CSI, it is in the public interest and in the interests of fairness to private competitors, that all transactions are priced to maximise commercial returns to the Department.

Only in *rare and exceptional circumstances* will the decision be taken to proceed with work opportunities for inmates that do not maximise the commercial return. Such decisions must be referred to the Director CSI who will have regard to –

- Inmate vocational needs
- Alternative employment options
- Views expressed by the Correctional Industries Consultative Council
- The perceived impact on private business

The decision must be documented in each case including the factors taken into consideration.

CSI managers will be held accountable for ensuring strict adherence to the pricing policy at all times.

### ***CSI Statement of Principles***

Integrity is the key ingredient in the operation of CSI and all staff must conduct business in a strictly ethical manner. The Department of Corrective Services issues the following Statement of Principles for the guidance of all employees-

- All CSI transactions will be transparent, fair and open

- Managers must expect to be held accountable for their decisions
- All pricing must be in accordance with the *Pricing Policy*
- No unfair commercial advantage will operate against private industry
- No preferential treatment will be afforded to any sector of private industry
- Full and proper records shall be maintained by all industries
- All materials used shall be accounted for
- Audit Branch will be invited to conduct regular market testing of CSI transactions to establish fairness and compliance with the *Pricing Policy*
- Business partnerships or joint venture opportunities with CSI will only be offered to the private sector in fair and open competition
- Employees shall be required to disclose any private business interest in any company trading/seeking to trade with CSI
- A standard format for tendering will be used
- Contracts will not automatically be rolled-over on completion of the term without consideration of the need to invite renewed competition
- No employee of DCS shall obtain a commercial benefit, either directly or indirectly, from the operations of CSI
- There shall be clear procedures to determine if/when purchases by staff from CSI are permitted
- Any member of staff who is permitted to purchase CSI products or services shall pay a price determined in accordance with the *Pricing Policy*
- Competitive Corporate Information will be treated with confidentiality and privacy
- Inside information will not be used for personal gain and no information held in official records will be misused in any way

- All staff will have regard to *Gifts & Benefits Policy* and no person shall give or receive a gift or benefit in contravention of the policy

### ***Professionalism and CSI staff members***

Of all dealings with inmates, relationships within the working environment are likely to be amongst the most motivational and influential. CSI offers the opportunity for staff to demonstrate strong community values and a commitment to work. It also affords them a unique opportunity to impact positively against the potential for the inmate to re-offend.

If we are to maximise these opportunities, it is important for staff to create a realistic and business-like working environment. Inmates should always be motivated to work conscientiously and be subject to effective supervision throughout.

The Departments' *Code of Conduct and Ethics* contains guidelines about improper association with inmates and the requirements need not be re-stated in this document. However, staff should be mindful that they are acutely vulnerable to allegations of improper or unprofessional relationships within a work environment and should conduct relations accordingly.

All CSI staff members are obliged to read and understand the principles contained within this document and to adhere to them scrupulously.

### ***Conclusion***

CSI is committed to the values identified in this document in order to help the Department to achieve its primary mission of reducing re-offending through the management of offenders. It is a difficult and challenging concept and one that can only be achieved if staff demonstrate the highest standards of integrity and professionalism.

This document is intended to reinforce the principles that underpin the commitment of CSI to achieve its' objectives. It also serves as a statement of the values that will help it to do so. I expect all members of staff to adopt these principles and to work hard to achieve success in this vital area. Remember, CSI can make a difference to inmate rehabilitation; each of us has a role to play.

Leo Keliher  
**Commissioner**

Issue date: 3/02