

Western Australian Auditor General's Report



Forensic Audit – Construction Training Fund



Report 19: 2021-22

22 June 2022

**Office of the Auditor General
Western Australia**

Audit team:

Carl Huxtable
Forensic Audit team

National Relay Service TTY: 133 677
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with visual impairment.

© 2022 Office of the Auditor General Western Australia.
All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged.

ISSN: 2200-1913 (print)
ISSN: 2200-1921 (online)

The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Forensic Audit – Construction Training Fund

Report 19: 2021-22
June 2022

This page is intentionally left blank



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

FORENSIC AUDIT – CONSTRUCTION TRAINING FUND

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Forensic audits seek to identify vulnerabilities to, and indicators of, significant fraud in State government entities. Their purpose is to improve resilience to fraud across the WA public sector.

This audit focused on identifying key risks to payment fraud in targeted areas of the finance and payroll systems of the Construction Training Fund.

I wish to acknowledge the entity's staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
22 June 2022

Contents

- Auditor General’s overview..... 2
- Introduction..... 3
- Background 3
- Conclusion..... 5
- Findings 6
 - Finance system control weakness: inability to verify changes to information stored in the CTF finance system or supplier master file..... 6
 - Finance system control weakness: insufficient controls to prevent duplication and detect fraudulent supplier payments..... 6
 - Poor assessment of fraud risk 7
 - Poor management of conflicts of interest..... 8
 - Evidence of non-compliance with Western Australian Procurement Rules 9
 - Evidence of non-compliance with *State Records Act 2000* requirements 9
- Recommendations..... 10
 - Response from the Construction Training Fund12
- Audit focus and scope 14

Auditor General's overview

The Construction Training Fund (CTF) collected \$45 million last year in levies from residential, commercial and civil engineering projects valued at more than \$20,000. Levies are intended to be returned to the building and construction industry to subsidise training for apprentices, trainees and mid-career retraining and upskilling.



The building and construction industry in Western Australia is experiencing boom conditions, but is under some stress, as evidenced by the collapse of a number of high profile builders. The utility of the CTF could not be more important at this time, noting further support from the fund was announced in the 2022-23 State Budget for the development of Western Australia's construction industry workforce.

This forensic audit was initiated in response to a number of risks identified during our financial audits, which resulted in audit findings and a qualified controls opinion in 2020-21, and through referrals and other risk indicators over a number of years. This audit set out to identify key risks in targeted areas of payment fraud within the CTF's finance and payroll systems.

Until recent times, and similar to some other (self-funded) public entities, the CTF has not sufficiently demonstrated a sound understanding of its obligations to operate within the public sector governance framework.

Through our forensic audit work, which goes deeper in particular areas than an annual financial audit can do, we found serious deficiencies in systems, processes and controls, which exposes the CTF to significant fraud risk. More concerningly, the CTF is unable to examine whether fraud vulnerabilities have been exploited in some areas in the past due to a lack of records.

Conditions for fraud in CTF have certainly existed in recent years, driven by environmental and administrative red flags, including:

- new systems integration
- senior management and board member turnover
- inactive fraud controls
- poor record keeping
- poor configuration and use of financial management systems
- poor conflict management
- a growing cash balance over the last 3 years (in excess of \$40 million at 30 June 2021, representing a \$10 million increase from 2020)
- the impact of COVID (new grants, subsidies and revised WA procurement thresholds).

The CTF has taken some intensive steps over recent years to uplift its resilience through implementing new systems and key controls, using third party data for validation purposes and creating a conflict of interest register. I am encouraged by these and other recent determined tangible efforts by both past and present chief executive officers, however there is much more to be done. The Board, Chief Executive and Minister must maintain keen oversight so that momentum in the pace of necessary control improvements continues, and adequately addresses identified shortcomings to raise CTF's financial governance to a level acceptable for a public entity.

Introduction

Targeted, risk based forensic audits identify vulnerabilities to, and potential indicators of, significant fraud to improve resilience to fraud and corruption across the Western Australian (WA) public sector.

Public sector entities (entities), together with their audit and risk committees and boards, are responsible for establishing governance arrangements and financial management controls with multiple lines of defence against fraud. This includes building strong integrity frameworks and effective fraud prevention, identification and response capabilities. Ineffective identification and management of fraud risk by entities exposes them to financial loss, compliance costs and staff turnover as well as eroding public confidence that funds are appropriately directed to essential services.

Selecting an entity for a forensic audit does not mean we suspect fraud or corruption is occurring. Our audits are targeted where there are a number of flags to indicate that significant fraud risks exist and we do not have confidence they are being well managed. Our intent is, preferably, to identify vulnerabilities that can be eliminated before fraud has occurred.

This forensic audit into the Building and Construction Industry Training Board was initiated in response to a number of risks identified during our financial audits, which resulted in a qualified controls opinion in 2020-21, and through referrals and other risk indicators over a number of years. The objective of the audit was to identify key risks to payment fraud in targeted areas of the finance and payroll systems. This was not a review of the entire fraud control system, nor did it examine all of the entity's activities.

This is our first forensic audit report following our introductory *Forensic Audit Report - Establishment Phase*.¹

Background

The Building and Construction Industry Training Board (the Board) is a statutory authority whose purpose is to create a skilled and sustainable workforce for the WA building and construction industry. It is managed by industry representatives and an independent chairperson with members appointed by the Minister for Education and Training.

The Board oversees an account called the Building and Construction Industry Training Fund (BCITF). The Board, its staff and its oversight of the BCITF are branded as the Construction Training Fund (CTF).

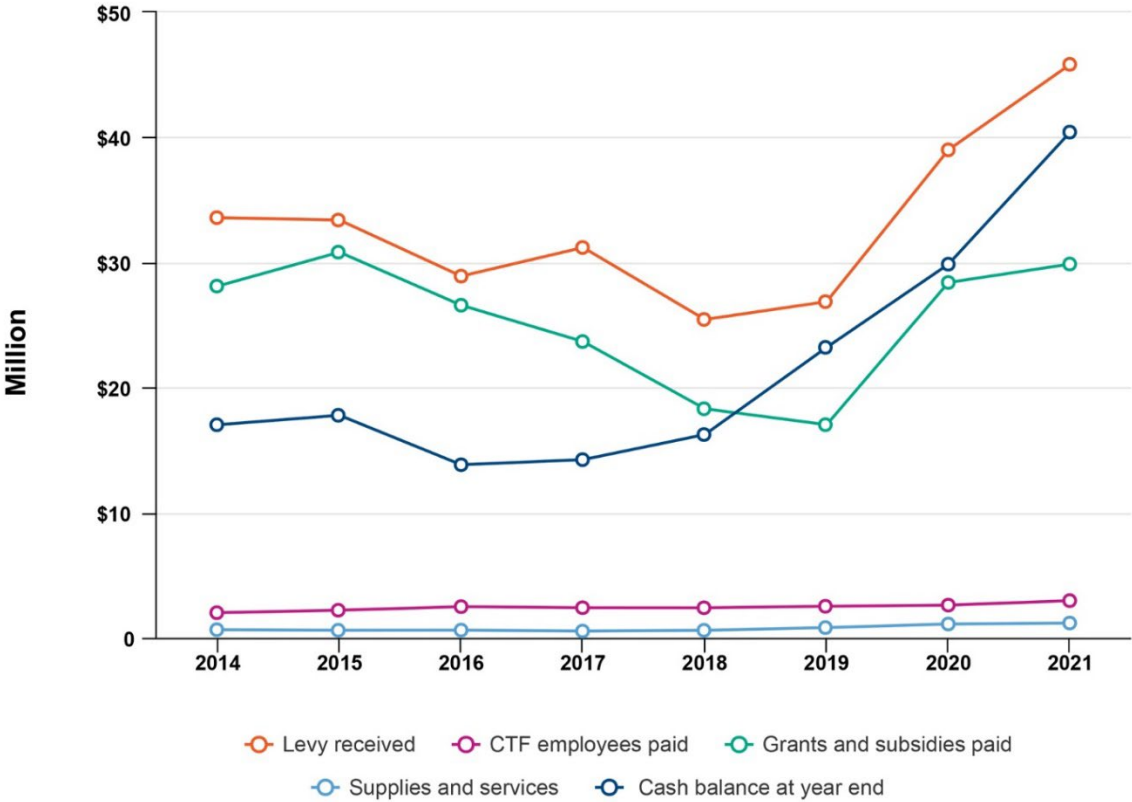
Under the *Building and Construction Training Fund and Levy Collection Act 1990* (CTF Act), the CTF collects a training levy on all building and construction projects in WA valued at more than \$20,000. Collected levies are intended to be used to subsidise the training of a diverse, job-ready workforce and educate the next generation about the variety of roles and opportunities on offer in the building and construction industry. Most of the levies collected are paid to:

- several thousand different construction related businesses across the State employing apprentices working towards relevant qualifications
- registered training organisations through grants and subsidy payments.

This has included special COVID payments to support the industry locally.

¹ Western Australian Auditor General's Report, [Forensic Audit Report - Establishment Phase](#), Report 11: 2021-22, 8 December 2021.

The extension of the levy to the resource sector in October 2018 and an increase in construction activity have significantly raised the amount collected. Figure 1 illustrates the increase in the levies received and payments made for the financial years ended 30 June 2014 to 2021.



Source: OAG using information from CTF annual reports

Figure 1: The CTF’s cash balance at year end, levy received and expenditures paid

Since March 2020, there have been substantial personnel movements, including a new Board Chair, a new Chief Executive and Corporate Services team, and turnover in half of the Board’s membership.

The CTF has also experienced major changes to its corporate operations in recent years, including:

- a new financial management system in 2019
- a new client management system in 2018
- a new payroll system in 2019
- integration of information obtained from the WA Apprentice Management System maintained by Department of Training and Workforce Development in 2020.

These system changes and increased volume of transactions have affected the CTF’s risks and its capacity to manage them.

The government announced ‘a \$14.3 million investment in the 2022-23 State Budget to support the development of Western Australia’s construction industry workforce and provide financial support to apprentices and trainees’.² This will likely increase the volume of transactions and associated risks.

² Government of Western Australia, [State Budget’s \\$14.3 million boost to build construction careers](#), media statement, 13 May 2022.

Conclusion

Until recent times, the Construction Training Fund (CTF) has not sufficiently demonstrated a sound understanding of its obligations to operate within the public sector governance framework.

Our in-depth forensic audit found that the CTF's disorganised financial management exposes it to an alarming level of fraud vulnerability.

From the forensic audit procedures we conducted, using data analytics to examine the last several years of many (but not all) types of financial transactions, we identified numerous shortcomings in process and controls, and significant instances of non-compliance with procurement and record keeping obligations.

While we can never provide absolute assurance that there has not been financial wrongdoing, we are confident that the multiple concerning findings in this case represent a level of incompetence or lack of care, rather than corruption. However, all the pre-conditions were in place for fraudulent activity to occur undetected.

Identified issues represent non-compliance with public sector procurement requirements and record keeping obligations under the *State Records Act 2000*, with inappropriate loss or destruction of payroll records upon system changeover in 2019.

While not within the scope of this audit, we noted that the CTF's process for assessing the eligibility of the thousands of claims for apprenticeship-related grants and subsidies was labour-intensive and relied heavily on the manual review and diligence of the claims team. The CTF should undertake data analytics and spot checks to verify the accuracy and legitimacy of such payments.

We acknowledge the extensive corporate reform since 2020, which continued apace during the audit. Under its new leadership, the CTF has already made changes to improve compliance and its control environment, but we have identified further urgent work needed to be undertaken to lift its systems of governance to an acceptable level and have made recommendations in this regard. This will take ongoing sustained effort and time. We have provided further in-depth findings and analysis to the CTF to assist in this endeavour.

Findings

Finance system control weakness: inability to verify changes to information stored in the CTF finance system or supplier master file

We found that the CTF had not activated the audit logging function on its new finance system since implementation in March 2019.

An audit log provides an essential date and time stamped sequential history of changes to accounting records in the finance system. This log allows reviewers to detect if staff have changed information in their finance system and investigate the appropriateness of those changes.

Our data matching identified 8 payments (totalling \$196,814) that were paid to incorrect bank accounts between January 2020 and June 2021. Due to an absence of audit logs, we were unable to verify who entered the account numbers and when.

Three of the payments (totalling \$178,451) had already been identified by the recipients and rectified with the CTF prior to our audit commencing, suggesting incompetence and sloppiness in financial administration and not collusion for nefarious purposes.

We provided the details of the remaining 5 payments (totalling \$18,362) to the CTF for investigation. Four were made to bank accounts that were not known to the CTF. We were unable to conclude if these payments were the result of fraud or error due to a chaotic control environment in the finance system.

In addition to inactive audit logs, the CTF has not maintained adequate supporting documents for changes made to the supplier master file.³

We identified 148 suppliers with different bank details (BSB and account numbers) between the payments list and supplier master file. Of these, 83 were due to clerical errors, 34 appeared to be legitimate bank account changes and we were unable to verify the remaining 31 due to an absence of supporting documentation.

The lack of audit logs and the inability to monitor changes increases the risk that fraudulent or erroneous payments will go undetected. Of more concern is that post-transaction audits or investigations are obstructed by lack of evidence of who, when and why changes were made.

Finance system control weakness: insufficient controls to prevent duplication and detect fraudulent supplier payments

Between March 2019 and June 2021, 3% of transactions (1,441) recorded in the CTF's financial management system did not include an invoice number. Invoice numbers are essential to identify the correct record for payment as without them there is a risk of incorrect (including duplicate) or fraudulent payments going undetected.

We identified apparent duplications in the supplier master file, such as:

- 1 supplier created 19 times

³ The central, comprehensive file that holds information about suppliers.

- 157 suppliers with 58 common addresses
- 522 suppliers with 168 common email addresses
- 271 suppliers with 127 common contact numbers.

These findings are concerning as duplication of suppliers increases the risk of incorrect or fraudulent payments going undetected.

We found the current supplier master file does not have mandatory fields such as Australian Business Number (ABN), addresses and emails to uniquely identify the supplier (see Table 1). We also found the CTF's current process of creating a new supplier does not require an independent verification of the supplier banking information such as bank correspondence evidencing the business name and account number. Inadequate supplier due diligence increases the risk of fraudulent payments being made to false entities.

| Total vendors | Without ABN | Without address | Without email | Without contact number |
|---------------|-----------------------------|-----------------|---------------|------------------------|
| 5,539 | 35% ⁴ (1,967) | 42% (2,308) | 3% (191) | 26% (1,443) |

Source: OAG using information from the CTF current supplier master file

Table 1: Summary of supplier master file for key identifiers

While not within the scope of this audit, we noted that the CTF's process for assessing the eligibility of the thousands of claims for apprenticeship-related grants and subsidies was labour-intensive and relied heavily on the manual review and diligence of the claims team. The CTF should undertake data analytics to verify the accuracy and legitimacy of such payments.

We analysed the CTF's apprenticeship-related grants and subsidies against the apprenticeship data provided by Department of Training and Workforce Development and found:

- 4 instances where group training organisations were incorrectly paid as the apprentices were no longer active during the period⁵
- 8 instances (\$21,000 in total) where the CTF had paid the employers more than the COVID support bonus.

Poor assessment of fraud risk

The CTF does not perform a fraud risk assessment, which is an essential process in managing fraud risk.

A fraud risk assessment involves:

- identifying fraud risks specific to an entity
- analysing those fraud risks, considering resources, consequences, likelihood and control effectiveness
- evaluating the outcomes of the analysis against the entity's overall risk appetite
- treating those risks by implementing controls to reduce opportunities for exploitation.

⁴ Only 1% of the supplier master file in previous finance system contained ABNs.

⁵ Our data request did not include information to quantify these overpayments.

A fraud risk assessment would highlight the CTF's exposure to fraud vulnerabilities in its core business. Regular fraud risk assessments, a fundamental element of risk management, would highlight new and emerging risks. Exposure to fraud vulnerabilities from an increase in the number of transactions, total funds collected and changes in processes, systems and key personnel could be analysed, evaluated and treated.

Effectively understanding fraud risks would allow the CTF to implement essential controls such as audit logs and data retention when implementing new finance and payroll systems.

Poor management of conflicts of interest

The CTF's current *Conflicts of Interest (COI) Policy* was published in December 2020. We were not provided with any evidence of a policy or register prior to this date. The policy states that it applies to all employees engaged to work for the CTF, including direct employees, secondees and contractors.

Board members, who are omitted from this policy, are industry representatives appointed by the Minister for Education and Training. Consequently, their appointment creates a perceived, and potential for an actual, conflict of interest on different matters that come before the Board.

The CTF Act requires Board members to disclose, and record in minutes of the Board, direct or indirect interests in proposals before the Board and exclude themselves from any deliberation or decision on them. Interests are also disclosed via annual reports.

Better practice may be achieved through the addition of a standing board member declaration in the central conflict of interest register with a management plan consistent for each board member.

We also found that historical conflicts are removed when the conflict no longer exists. This prevents validation of declarations and the ability to confirm whether appropriate mitigation programs were implemented. A permanent record of all declarations made should be maintained.

We analysed the CTF's employees and suppliers using relationship mapping to identify potentially undisclosed relationships amongst them and identified 32 relationships for further examination. These included:

- declared relationships (declared verbally, in meeting minutes and by disclosure in annual reports however some of these were not recorded in the conflict of interest register)
- relationships inadvertently created by poor financial administration in the CTF
- distant professional relationships between employees and suppliers which did not raise concerns in this instance.

We reviewed transactions related to the 32 relationships identified, the majority of which appear reasonable. Due to the poor financial administration at the CTF, we were unable to form an opinion as to reasonableness of transactions relating to a handful of these relationships. All relationships have been provided to the CTF management for review.

While not within the scope of this audit, we found some payments were payroll to casual staff, board fees and settlement of an employee's final entitlements. The CTF should investigate if these payments had complied with the Australian Tax Office's pay as you go withholding requirements and rectify accordingly if required.

Evidence of non-compliance with Western Australian Procurement Rules

We found that the CTF did not maintain a contracts register. Maintaining a comprehensive contracts register is essential for contract management and accountability. It also enables entities to meet their financial reporting obligations while providing better transparency for procurement oversight.

Treasurer's Instruction (TI) 820 Register of Contracts, which came into effect in September 2016, required entities to maintain a contracts register that records key contract information. The TI was replaced by the Department of Finance's Western Australian Procurement Rules Procurement Direction 2021/02 Rule F5 Establish and Maintain a Contracts Register.

The CTF did not use purchase orders in its procurement process. Purchase orders detail the intended purchase of goods or services from external suppliers and should be approved by a delegated staff member. The use of purchase orders is not mandated but is an important fraud risk control and budget management tool.

The CTF's procurement procedures are consistent with the minimum competitive requirements set out in the Procurement Direction 2021/02 Rule C4 Procurement Method. However, the CTF was unable to provide records demonstrating compliance with their procedures for all but 1 of the 23 suppliers' engagements we examined. Inadequate record keeping impacted our ability to make informed decisions on the legitimacy of the CTF's procurement activities.

We also found that the CTF has not purchased from the mandatory common use arrangements (CUA) for booking domestic air travel and purchasing card services. These CUAs are in place for entities to deliver savings through pre-negotiated pricing and efficiencies like easy ordering and risk mitigation strategies.⁶ State government entities must purchase from mandatory CUAs unless specifically exempt.⁷

A culture of non-compliance and the absence of a contracts register, purchase orders and procurement records reduces transparency and increases fraud risk.

Evidence of non-compliance with State Records Act 2000 requirements

In August 2019, the CTF changed to a new payroll system but the existing payroll data was not transferred to the new system. The CTF advised it could not provide this legacy data as it no longer exists.

Also, during our verification procedures of non-payroll transactions, we found that the CTF was unable to provide standard payments verification records, such as supplier invoices and receipts in 90 of 235 transactions selected for review.

These examples show non-compliance with the State Records Office's minimum retention requirements under the *General Disposal Authority for State Government Information*.⁸ Inadequate record keeping impacted our ability to make informed decisions on the accuracy and legitimacy of payments and increases the CTF's vulnerability to the risk of fraud.

⁶ Western Australian Government, 4 May 2022, Department of Finance, viewed 9 June 2022, <<https://www.wa.gov.au/government/cuas/common-use-arrangements-cuas>>.

⁷ Western Australian Government, 23 August 2021, Department of Finance, viewed 9 June 2022, <<https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules/section-c-procurement-planning>>.

⁸ Western Australian Government, 7 June 2022, State Records Office of Western Australia, viewed 9 June 2022, <<https://www.wa.gov.au/government/document-collections/retention-and-disposal-of-state-records#general-disposal-authority-for-state-government-information>>.

Recommendations

1. The CTF should:
 - a. in the context of its risk management framework:
 - i) implement regular and detailed assessment of fraud risks to identify current and emerging risks, particularly when significant changes to its operations are foreseeable such as with new government policy announcements or market conditions
 - ii) urgently implement fit for purpose fraud risk treatment controls to the standard expected of the WA public sector including, for example⁹:
 - (1) ensure vendor information in its system is an exact match to public records such as the Australian Business Register
 - (2) ensure all information required to be included in a tax invoice is recorded in the system
 - (3) ensure correct cost codes are used in respect of payments
 - (4) create a system check to flag instances where third party data does not match the entity's data
 - (5) enable all available system-based audit logging¹⁰ functions and monitor relevant logs for inappropriate entries
 - (6) commence regular data analysis to provide additional oversight of payments
 - iii) ensure records are properly maintained for key payment and supplier management processes
 - b. in respect of procurement:
 - i) use mandatory common use agreement suppliers and maintain a contracts register
 - c. in respect of record keeping:
 - i) ensure records are maintained
 - ii) ensure a conflict of interest register is maintained that includes:
 - (1) board members
 - (2) a permanent record of all declarations made
 - iii) consider the implications of possible breaches of the *State Records Act 2000* and *Western Australian Procurement Rules*. The CTF should also report actual breaches to the relevant entities.

⁹ This is not indicative of all controls that should be implemented, only examples based on vulnerabilities we have identified in this limited scope examination of the CTF.

¹⁰ An audit logging function provides an essential date- and time-stamped sequential history of changes to accounting records in the finance system.

Construction Training Fund response to recommendations:

Management accepts all recommendations.

Within the context of the CTF's risk management framework, the CTF has established a strategic risk management framework within the CTF's strategic plan that was implemented in 2021. In April 2022 an operational risk review was performed, with treatment plans currently being finalised.

Several system and manual fraud treatment controls have been implemented to mitigate the risk of fraud; however, management acknowledge further improvement is required with continued reform of the CTF. The enhancement of the CTF's grant management and financial management information systems are a key fraud risk treatment strategy for the CTF.

In respect to procurement, the CTF has begun the process of transitioning all relevant contracts to mandatory Common Use Arrangements, with a contract register now implemented.

In respect of recording keeping a review of all record keeping systems, policies, practices, and staff training is underway with an expected completion date of 31 December 2022.

Implementation timeframe: 31 December 2022

Response from the Construction Training Fund

The Construction Training Fund (CTF) acknowledges the Summary of Findings reflects the historic governance and the financial management practices of the agency. Management wish to thank the Office of the Auditor General for their expertise, professionalism, and rigour in conducting their review. Whilst no fraudulent activity was detected during the review, management recognise that within the CTF, an environment existed that if a fraudulent act was perpetrated it would have been problematic to prevent or detect.

During the review period the Minister appointed a new Board Chair, a new Chief Executive Officer was recruited and at the end of the review period a new Chief Finance Officer was recruited. Prior to the Office of the Auditor General's Forensic review, the Board, under its new Chair and newly established Audit, Risk and Performance Committee, and the Chief Executive Officer instigated several internal audits through an external provider, to assess the effectiveness of the CTF's governance and processes, which has allowed organisational reform to begin before the commencement of this review.

In relation to the finance system controls, the CTF established and recruited a dedicated IT Systems Manager and engaged an external ICT firm to perform an examination of the grant management system and financial management system which were poorly implemented in 2018 and 2019 respectively. The examination has concluded, with findings and recommendations delivered to the Board and management in March 2022. Management have begun the process of securing the funding approvals for commencement of the procurement process to undertake the recommended significant re-implementation of these critical systems.

Due to the size of the agency and the increasing workload, critical financial functions and their oversight were inadequately segregated and managed. Historically, the control environment was designed to effectively manage the workload within a small team with a high volume of work rather than having fraud prevention and detection as its central feature.

The CTF implemented a new structure on 1 July 2021 and management continue to review and update the structure to ensure appropriate resources, processes, and control effectiveness is in line with the CTF's risks. The CTF currently has 30 employees, managing a budgeted total cost of services of \$52 million in 2022-23. To further support the governance practices, the CTF has implemented a project management framework to improve governance and accountability and procurement in new initiatives and is increasing engagement with relevant government agencies such as the Department of Finance to improve compliance in government procurement processes.

A conflict-of-interest policy was approved in December 2020 and the CTF continues to improve employee awareness of perceived and actual conflicts of interest and the actions required to declare the interest and excuse themselves from any related decision-making process. A conflict-of-interest register is now in place. The conflict-of-interest policy and forms are provided to all employees, Board members and Committee members and are provided in the induction pack for new employees and Board members. Accountable and ethical decision-making training is delivered to all employees and Board and Committee members annually. A standing agenda item has been included on all Board and Committee meetings for declaration of interests and contact with lobbyists.

Management acknowledges its inability to locate and produce sufficient historical records of its procurement processes to substantiate compliance with mandated WA Government procurement practices. A contract register has been established, procurement processes and policies published with ongoing training of employees who have been delegated

procurement responsibilities by the Board. Significant work has been undertaken to improve record keeping practices across the organisation.

Audit focus and scope

Our audit focused on identifying key risks to payment fraud in the finance and payroll systems of the CTF. We pieced together extracts of historical data across 8 current and legacy business systems for testing.

We designed insider fraud detection tests using extensive data analytics and interrogated the anomalies. This was not a review of the CTF's entire fraud control system nor did it examine all of the CTF's activities, such as the allocation of grants or receipt of levies. This examination was limited in scope to focus on potential:

- ghost employee payments
- fraudulent supplier payments
- awarding of work to employee related suppliers
- fraudulent payment of grants and subsidies¹¹
- manipulation of bank transfers.

Forensic testing methods included but were not limited to:

- Benford's Law¹²
- procurement and payment profiling
- supplier analysis
- searching for undisclosed relationships between employees and suppliers
- matching of apprentice information.

Our capacity to undertake all desired test procedures was affected by availability, completeness and reliability of data obtained from the CTF and external sources. Further, our audit period for payroll was limited to the period from August 2019 to 30 June 2021 as we were unable to obtain any prior payroll data from the legacy payroll system. In order to avoid compromising the systems and information at the CTF, we have not identified specific systems or individuals¹³ in this report. We provided the CTF the details of our test procedures to address vulnerabilities identified.

This was an independent forensic audit, conducted under section 18 of the *Auditor General Act 2006*. The approximate cost of undertaking the audit and reporting was \$403,000.

¹¹ We examined payment data only and not the grant or subsidy approval process.

¹² Benford's Law is a statistical measure extensively used in detecting potential fraudulent transactions.

¹³ Any individual where a reasonable suspicion of misconduct arises is reported pursuant to the *Corruption, Crime and Misconduct Act 2003*.

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

Auditor General's 2021-22 reports

| Number | Title | Date tabled |
|--------|---|------------------|
| 18 | Opinion on Ministerial Notification – FPC Sawmill Volumes | 20 June 2022 |
| 17 | 2022 Transparency Report: Major Projects | 17 June 2022 |
| 16 | Staff Rostering in Corrective Services | 18 May 2022 |
| 15 | COVID-19 Contact Tracing System – Application Audit | 18 May 2022 |
| 14 | Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impact | 9 May 2022 |
| 13 | Information Systems Audit Report 2022 – State Government Entities | 31 March 2022 |
| 12 | Viable Cycling in the Perth Area | 9 December 2021 |
| 11 | Forensic Audit Report – Establishment Phase | 8 December 2021 |
| 10 | Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities | 24 November 2021 |
| 9 | Cyber Security in Local Government | 24 November 2021 |
| 8 | WA's COVID-19 Vaccine Roll-out | 18 November 2021 |
| 7 | Water Corporation: Management of Water Pipes – Follow-Up | 17 November 2021 |
| 6 | Roll-out of State COVID-19 Stimulus Initiatives: July 2020 – March 2021 | 20 October 2021 |
| 5 | Local Government COVID-19 Financial Hardship Support | 15 October 2021 |
| 4 | Public Building Maintenance | 24 August 2021 |
| 3 | Staff Exit Controls | 5 August 2021 |
| 2 | SafeWA – Application Audit | 2 August 2021 |
| 1 | Opinion on Ministerial Notification – FPC Arbitration Outcome | 29 July 2021 |

**Office of the Auditor General
Western Australia**

7th Floor Albert Facey House
469 Wellington Street, Perth

Perth BC, PO Box 8489
PERTH WA 6849

T: 08 6557 7500
E: info@audit.wa.gov.au
W: www.audit.wa.gov.au



[@OAG_WA](https://twitter.com/OAG_WA)



Office of the Auditor General for
Western Australia