



Our Ref: 4678

Hon Nick Goiran MLC
 Chairman
 Joint Standing Committee on the
 Corruption and Crime Commission
 Parliament House
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Dear Mr Goiran

ADVICE TO THE CORRUPTION AND CRIME COMMISSION ON AN AUDIT INTO FRAUD PREVENTION AND DETECTION

I am writing to provide clarification about the level of consultation that took place between my Office and the Corruption and Crime Commission (CCC) in relation to my audit report entitled "Fraud Prevention and Detection in the Public Sector". I note this matter has been considered by the Joint Standing Committee on the Corruption and Crime Commission and in the Parliament.

Comments have been made in recent months (as reported in Hansard) that I did not inform the Commissioner of the CCC of an audit into Fraud Prevention and Detection in the Public Sector. This is technically true as I did not personally advise the Commissioner about the audit.

However, I note that statements reported in Hansard for 27 February suggest that the CCC was not made aware of the audit.

Hon Nick Goiran:

In contrast, there are very good reasons that the CCC ought to meet with the Auditor General, but it is unbelievable that they have quarterly meetings yet the Auditor General did a report in June 2013, as I highlighted earlier, entitled "Fraud Prevention and Detection in the Public Sector", clearly within the jurisdiction of the CCC, yet the CCC did not even know it was happening. What are they discussing at these meetings?

Hon Adele Farina:

As is detailed in the report, the committee's decision to undertake this inquiry is based on two things. Firstly, in August 2013 the committee learnt from the CCC commissioner, Mr Roger Macknay, that the Auditor General had not informed the commissioner of the nature of the inquiry that led to his seventh report in June 2013 entitled "Fraud Prevention and Detection in the Public Sector" before undertaking the inquiry.

The committee was of the view that that was pretty unusual to say the least, because one would expect that if the Auditor General was undertaking an inquiry of that nature, it would have notified the Corruption and Crime Commission and sought some comment. But it is even more unusual, given that the CCC and the Auditor General are members of the Integrity Coordinating Group, one of the roles and functions of which is better coordination across those integrity agencies, yet that information sharing we are told happens at its meetings clearly did not happen in that case. That raised a few concerns.


In fact, all members of the Integrity Coordinating Group (ICG) were made aware of the audit through an information update I provided ahead of our November 2012 meeting. More particularly, both the Deputy Auditor General and the Assistant Auditor General in charge of that audit separately discussed the audit with the CCC's Director Corruption Prevention. Those discussions took place with my knowledge and endorsement.

The Director was provided with a copy of the draft objective and the lines of inquiry and a list of the public authorities shortlisted for audit. The Director provided comments back to us. As the audit neared completion the Director was provided with a copy of the draft report for comment. I would also point out that the same process was followed with the Deputy Commissioner of the Public Sector Commission responsible for integrity and ethical behaviour.

At the ICG's August 2013 meeting I briefed all members on the key findings arising from the audit.

I hope you will find this information useful and would be pleased to discuss it further if required.

Yours sincerely



COLIN MURPHY
AUDITOR GENERAL
18 March 2014

cc: Mr Ken Travers
Chairman Joint Standing Committee on Audit