

# FACT SHEET – STATUTORY AUDIT FUNCTION

MAY 2023

IPEA audits parliamentarians' work expenses and the travel expenses of their staff under section 12 of the [Independent Parliamentary Expenses Authority Act 2017](#) (IPEA Act). IPEA may make a ruling in relation to travel expenses and allowances under section 37 of the [Parliamentary Business Resources Act 2017](#) (PBR Act).

| Preliminary assessment   | Assurance review  | Audit  | Post payment checks   |
|--|---|--|---|
| <p>A preliminary assessment is generally confidential and establishes if further review is necessary.</p> <p>A preliminary assessment is conducted where use of work expense(s) (for example, identified through direct contact, third party reporting or media) indicates a matter requires review.</p> <p>Preliminary assessments review information held or accessible by IPEA to determine the threshold question of:</p> <ul style="list-style-type: none"> <li>Has a parliamentary business resource been used?</li> </ul> <p>If the answer is yes, an assurance review follows.</p> | <p>An assurance review determines if there has been a misuse of a parliamentary business resource.</p> <p>IPEA assesses the use of the parliamentary business resource against the legislative framework to determine:</p> <ul style="list-style-type: none"> <li>Was there misuse?</li> </ul> <p>If the answer is yes, IPEA considers if an audit, referral, or administrative action is appropriate.</p> <p>An audit is considered when:</p> <ul style="list-style-type: none"> <li>There is evidence for, or allegations of, systemic or substantial misuse</li> <li>IPEA's statutory information-gathering powers may be required to obtain all the required information</li> <li>There may be an educative benefit in publishing IPEA's findings.</li> </ul> <p>Referral to the AFP is considered when there is evidence of serious fraud or other criminal conduct.</p> | <p>An audit may commence for two main reasons:</p> <ol style="list-style-type: none"> <li>As the outcome of an assurance review</li> <li>As a systematic and comprehensive examination of the use of a specific category of a parliamentary business resource against the legislative framework, potentially by all parliamentarians and/or MOP(S) Act employees.</li> </ol> <p>Where an educational purpose or benefit is identified, part or all of the audit may be published. The decision to publish is made on a case-by-case basis.</p> | <p>Post payment checks are ongoing systematic testing of expense use through regular sampling of transactions. This covers a range of expenses such as:</p> <ul style="list-style-type: none"> <li>business class travel</li> <li>short term self-drive hire cars</li> <li>accommodation receipts.</li> </ul> |
| <p><b>Potential pathways</b></p> <ol style="list-style-type: none"> <li>No further action</li> <li>Referral to more appropriate agency</li> <li>Assurance review</li> </ol>  | <p><b>Potential pathways</b></p> <ol style="list-style-type: none"> <li>No further action</li> <li>Administrative remedial action, including penalty</li> <li>An IPEA initiated ruling or audit</li> <li>Referral to the AFP</li> </ol>   | <p><b>Potential pathways</b></p> <ol style="list-style-type: none"> <li>No further action</li> <li>Administrative remedial action, including penalty</li> <li>An IPEA initiated ruling or audit</li> <li>Referral to the AFP</li> </ol>  | <p><b>Referring to the Australian Federal Police (AFP)</b></p> <p>IPEA may refer a matter to the AFP at any point during the assessment, review or audit process, where compelling prima facie evidence of fraud or other criminal conduct is identified.</p>   |
|  |   |  | <p><b>Making a ruling</b></p> <p>Rulings are made and finalised by the Members, including where they are, requested by a parliamentarian, recommended by an assurance review or audit.</p>  |

