



# Fact sheet – statutory audit function – January 2026

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

A **preliminary assessment** establishes whether further action, by way of assurance review or audit, is necessary.

A **preliminary assessment** is conducted where there is indication that a parliamentary work resource or a MOPS travel resource may have been incorrectly accessed. Indication may be by way of data analysis, direct contact, third party reporting, or media.

**Preliminary assessments** review information held by, or accessible to, IPEA to determine the threshold question of:

- has a parliamentary work resource or a MOPS travel resource been accessed, in relation to a particular noted activity or event?

If the answer is YES, an **assurance review** will generally follow.

### Potential pathways

- No further action
- **Assurance review**
- Referral to a more appropriate agency

## Assurance review

An **assurance review** determines whether there has been a misuse of a parliamentary work resource or a MOPS travel resource.

IPEA assesses the use of the resource against the relevant legislative framework to determine:

- was there misuse?

If the answer is yes, IPEA considers whether administrative action, an **audit**, or a referral is appropriate.

An **audit** is considered when:

- there is evidence for, or allegations of, serious or systemic misuse, and/or
- IPEA’s statutory information gathering powers may be required to obtain all required information.

Finalised **assurance reviews** are published on IPEA’s website.

Referral to the **NACC** is considered where there is clear evidence of **serious or systemic corrupt conduct**.

IPEA may refer a matter to the **AFP** at any point of an assurance process. Referral is considered where further investigative powers might assist in determining whether there is evidence of serious or systemic corrupt conduct, or where there are indications of infringement of legislation beyond IPEA’s audit responsibilities.

### Potential pathways

- No further action
- Administrative remedial action, including relevant penalty
- IPEA initiated **ruling or audit**
- Referral to **NACC or AFP**

## Audit

IPEA may commence an **audit**:

- as the outcome of an **assurance review**, or
- where information assessed in the course of a **preliminary assessment**, or referred by a relevant body, clearly indicates serious or systemic misuse, or
- as a systemic and comprehensive examination of the use of a specific category of a parliamentary work resource or a MOPS travel resource against the legislative framework.

Referral to the **NACC** is considered where there is clear evidence of **serious or systemic corrupt conduct**.

Referral to the **AFP** is considered where further investigative powers might assist in determining whether there is evidence of serious or systemic corrupt conduct, or where there are indications of infringement of legislation beyond IPEA’s audit responsibilities.

Finalised **audits** may be published on the IPEA website. The decision to publish is made on a case-by-case basis.

### Potential pathways

- No further action
- Administrative remedial action, including relevant penalty
- IPEA initiated **ruling**
- Referral to **NACC or AFP**

## Post payment checks

**Post payment checks** involve ongoing, systematic sampling and checking of a range of travel-related transactions. Expenses subject to these checks are:

- unscheduled commercial ground transport (parliamentarians)
- accommodation receipts “available on request” (parliamentarians and staff)
- Cabcharge (parliamentarians and staff)
- self-drive hire cars (staff)
- travel allowance accommodation adjustments (staff)
- business class travel (non-senior staff)

### Referral to the National Anti-Corruption Commission (NACC)

IPEA may refer a matter to the **NACC** at any point during the assessment, review, or audit phases where it identifies compelling prima facie evidence of serious or systemic corrupt conduct.

### Referring to the Australian Federal Police

IPEA may refer a matter to the **AFP** at any point of an assurance process. Referral may occur where IPEA considers that further investigative powers might assist in determining whether there is evidence of serious or systemic corrupt conduct. IPEA may also refer a matter to the **AFP** where there are indications of infringement of legislation beyond IPEA’s audit responsibilities.

### Making a ruling

**Rulings** are made by the Members. A **ruling** may be requested by a parliamentarian or initiated by IPEA to settle the outcome of an **assurance review** or **audit**.



Australian Government  
Independent Parliamentary  
Expenses Authority

## IPEA STANDARD OPERATING PROCEDURE CONDUCTING AN AUDIT

October 2022

### Conducting an Audit

In accordance with the provisions of section 12 (1)(i) of the *Independent Parliamentary Expenses Authority Act 2017* (the IPEA Act), a function of the Independent Parliamentary Expenses Authority is to conduct, or arrange for the conduct of, such audits as the Authority considers appropriate of matters relating to:

- (i) MP work resources; and
- (ii) MOPS travel resources;

As set out in IPEA's *Fact Sheet – Statutory Audit Function*, an audit may commence for two main reasons:

- as the outcome of an Assurance Review; or
- as a systematic and comprehensive examination of the use of a specific category of a parliamentary business resource against the legislative framework..... (a Thematic Audit)

This Standard Operating Procedure deals with the former of these two categories.

### Reasons for an Audit

An Audit is generally preceded by an Assurance Review which has concluded on current available information that a parliamentary business resource has been, on balance of probability, misused. In these circumstances, the decision whether or not to proceed to an Audit is informed by a range of factors including whether there is evidence that indicates systemic or substantial misuse and whether there may be an educative benefit in publishing the findings of an Audit. A decision to proceed to an Audit would not be based solely on the monetary value of the relevant resources.

An Audit may be initiated where an Assurance Review has not been able to conclusively determine misuse of a resource, particularly in circumstances where the subject of the Assurance Review has failed to engage cooperatively with IPEA, or has provided information that is inconsistent, contradictory or is considered to be intentionally misleading.

### Decision to Audit

A decision to conduct an Audit is made by the Chief Executive Officer, in consultation with the Chair and/or Members of the Authority. Where an audit is to be conducted in relation to a parliamentary business resource that is administered by the Department of Finance or the Department of Parliamentary Services, the Chief Executive Officer determines the nature of consultation with that entity having regard to the relevant Protocol and MOU.



## Conducting an Audit

### Notification of an Audit

The subject of an Audit is advised in writing in a letter signed by the Chief Executive Officer.

The letter:

- informs the Audit subject of the Audit powers provided by section 12(1)(i) of the IPEA Act;
- advises the subject that an Audit has commenced;
- advises the scope of the Audit;
- informs the subject of the information gathering powers available to IPEA;
- indicates that IPEA will contact the subject, as necessary, to seek information and documentation; and
- provides a contact, usually the Director, Audit and Assurance.

The letter is sent under cover of an email from the CEO's Executive Officer.

### Engaging with the Audit subject

The Director, Audit and Assurance writes to the Audit subject setting out information and documentation sought. Details of the work expenses in scope of the Audit are included, generally in tabular form, where this has not already been provided in the course of a preceding Assurance Review.

The Audit subject should generally be given a period of 2 weeks within which to respond to this request. A longer period may be considered where the request is complex and/or the information has not previously been sought.

Where practicable, IPEA seeks to meet with the Audit subject at an early stage. The purpose of the meeting is to:

- explain the audit process;
- confirm the scope of the audit;
- explain the framework issues that are in play;
- run through the threshold questions that IPEA seeks to have answered and
- discuss and clarify any apparent issues of framework interpretation.

Where such a meeting has taken place in the course of a preceding Assurance Review, it is possible a further meeting is considered unnecessary.

The Audit subject is not advised of a specific timetable or completion target for the Audit. If asked, IPEA undertakes to finalise the Audit as quickly as proper consideration of the matter allows and provide a draft report to the subject as soon as is possible. The Audit subject can assist this consideration by engaging with the Audit in a timely and fulsome manner.

### Information-gathering Powers

Consideration must be given to the need to utilise the information gathering powers provided by section 53 of the IPEA Act. These might be used to seek information from the Audit subject, where that information has not been freely provided in response to standard questioning (or from other entities). Where IPEA seeks information from external entities, including Government Agencies



other than the Department of Finance and the Department of Parliamentary Services, the section 53 powers can be utilised.

The decision to use section 53 powers in relation to an Audit is made by the CEO in consultation with the Members of the Authority. The decision will include details of the entities on whom the notices to provide information will be served. If the consultation occurs in a phone conversation with the Chair, the CEO usually completes a note for file.

A person or entity upon whom a section 53 notice is served must be given a period of no less than 14 days to respond. Where an external entity is to be served a section 53 notice, it would generally be advantageous that IPEA first make a telephone call to the person/organisation concerned to explain IPEA's functions and powers.

## Assessment of Information

Each use of a business resource accessed within the scope of the Audit must be assessed against the provisions of the relevant framework. Most typically, the Audit will focus on the Obligations set out at sections 25 to 28 of the PBR Act, in particular:

- s26 Dominant purpose test; and
- s28 Obligation not to make claims or incur expenses in breach of conditions.

In assessing use of travel expenses against the dominant purpose test, it is appropriate that a travel journey or itinerary be assessed on both an overall and leg-by-leg basis. It is possible, for example, that the dominant purpose of an itinerary involving significant travel might be assessed as being not parliamentary business and therefore inconsistent with the framework, while individual legs within the itinerary meet the test and are allowable because a parliamentary business purpose was evident.

## The Audit Report

There is a standardised format for the report of an Audit (examples Laming, McCarthy).

The Audit report is expected to detail IPEA's findings in relation to the use of each work expense within the scope of the Audit. If it is found that the use of a work expense was inconsistent with legislation, the value of the expense together with the applicable penalty loading (assuming that 28 days has passed since the expense was accessed) must be specified. If, during the course of the Audit, the Audit subject has indicated acceptance of IPEA's finding in relation to misuse of an expense, this is noted in the report. If the Audit subject has maintained a position that the use of an expense was consistent with the dominant purpose obligations, the report notes that it may be necessary for a ruling to be given, under the provisions of s37 of the PBR Act.

The draft Audit report is reviewed by the CEO in consultation with the Members of the Authority. The cleared draft Audit report is provided to the Audit subject in a letter signed by the CEO. The letter is sent under cover of an email from the Executive Officer to the CEO. The Audit subject is given 14 days to respond and is particularly invited to:

- correct any errors of fact; and
- provide any further information.



In certain circumstances, having regard to the complexity of the matters covered in the draft report, it may be appropriate to provide the Audit subject with a response period of greater than 14 days. This decision is taken in consultation with the Chief Executive Officer.

Any response from the Audit subject is noted in the report and content adjusted if required. Where amendments of substance are required to the report, the Chief Executive Officer will determine whether further consultation with the Members of the Authority is required.

The Audit subject is advised that the Members of the Authority may determine that the Audit report is published. Where it is found that use of expenses has been inconsistent with the framework, an invoice is attached to the final report. The Audit subject is advised that if an invoice is paid within the 14 day response period, that repayment will be noted in the final report, as published.

The Audit subject is usually advised of the expected date and window for publication. Depending upon the nature of the report and findings, the Audit subject may be given the opportunity to suggest redaction of some information. For example, information regarding family members or security concerns. This will be considered prior to finalisation and prior to publication.

## Publication

Prior to publication the CEO makes a number of courtesy calls to the Audit subject and any other relevant individuals. For example, this may include the Leader of the Party of which the Audit subject is a member and other relevant Office Holders to be determined by the CEO.

The courtesy call includes information that:

- an audit has been conducted on the Audit subject;
- the audit has now been concluded and Members of the Authority have approved publication;
- the audit/ruling is expected to be published in the next 2 hours on the IPEA website;
- if asked, the scope and main findings paragraph from the Executive Summary are read.

## Review of a Ruling

### Legislative Framework

If the audit report notes that it may be necessary for a ruling to be given, under the provisions of section 37 of the PBR Act, the ruling may be subject to a review.

Under section 37(5) of the PBR Act:

- (5) *A ruling given in relation to conduct engaged in by a member or any other person ceases to be conclusive evidence of the matters stated in the ruling to the extent that:*
- (a) the contrary is established by the member; or*
  - (b) the Chief Executive Officer of IPEA establishes, on behalf of the Commonwealth, that the ruling was given on the basis of information that was false or misleading (whether or not the person giving the information knew or intended the information to be false or misleading).*



Under section 37(6) of the PBR Act:

*(6) Without limiting subsection 33(3) of the Acts Interpretation Act 1901, IPEA may make another ruling in relation to conduct engaged in if a matter relating to the conduct is established as referred to in paragraph (5)(a) or (b).*

## Undertaking the Review

The CEO may determine that a review of the ruling is required, and in the first instance commence an internal review.

To commence the review, the CEO will select an appropriate delegate, based on the circumstances of the case

The CEO will speak to the selected reviewer to:

- advise they are seeking an independent assessment of the Ruling;
- confirm their agreement to undertake the assessment;
- confirm they had no part in the assurance work undertaken or in the preparation of the audit findings or Ruling;
- confirm that there is no other reason, of which the CEO is not aware, that would preclude them from undertaking the independent assessment.

Once the reviewer has agreed to undertake the assessment, the forwarding of relevant papers such as a copies of the audit, the ruling and the information provided by the subject will be approved by the CEO in writing.

The reviewer will be advised that in providing their assessment, they should note and address the parameters as expressed in sections 37(5)(a) and (b) of the PBR Act.

The reviewer must also be provided with a timeframe for conducting the assessment, with no more than one week recommended as an appropriate time frame.

The reviewer will assess all information and documents provided and produce an Independent Assessment Report, to be provided to the CEO, which details their decision. Appropriate action will be taken based on the outcome of the assessment.

The CEO will advise the subject of the outcome of the review, if appropriate.



