

Statutory Audit Function

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 Validations
<p>A Preliminary Assessment is conducted where use of work expenses (identified through direct contact, third party reporting or media, data indicator or regular program of audit) indicates a matter requires explanation.</p> <p>Preliminary assessments are undertaken quickly by reviewing publically available information and information held or accessible by IPEA:</p> <ul style="list-style-type: none"> • has a work resource been used? • does the resource appear to have been used outside of the relevant framework? <p>Preliminary Assessments are generally confidential and they establish whether a further review or audit is necessary.</p> <p><u>Potential pathways:</u></p> <ol style="list-style-type: none"> 1. No further action 2. Undertake administrative remedial action 3. Assurance Review 4. Audit 5. Possible referral to AFP 	<p>An Assurance Review follows a Preliminary Assessment if there are indications that a work expense may have been used outside legislative requirements.</p> <p>It determines whether there has been a credible misuse of work expenses that can be readily quantified, in which case repayments may be sought.</p> <p>Assess use of work expenses against legislative framework:</p> <ul style="list-style-type: none"> • Does the individual agree with IPEA's preliminary assessment and agree to make a repayment? • Does IPEA have all the required information and is there an educative purpose or benefit from publishing some or all of the findings? • Does there appear to be serious fraud or other criminal conduct? <p><u>Potential pathways:</u></p> <ol style="list-style-type: none"> 1. No further action 2. Undertake administrative remedial action 3. Consider/implement recommendations, including an IPEA-initiated Ruling 4. Audit 5. Referral to AFP 	<p>An Audit will commence where there are allegations of credible and substantial potential misuse of work expenses involving possible deliberate misuse, deception, repeated/long-term occurrences and/or fraud.</p> <p>An Audit may also be a systematic and comprehensive examination of the use by all parliamentarians and/or MOP(S) Act staff of a specific category of work expenses.</p> <p>IPEA will gather and review available information. Additional information may be requested and, if necessary, IPEA's statutory information-gathering powers may be used.</p> <p>Where an educational purpose or benefit is identified part or all of the audit may be published. The decision to publish will be made on a case-by-case basis.</p> <p><u>Potential pathways:</u></p> <ol style="list-style-type: none"> 1. No further action 2. Undertake administrative remedial action 3. Consider/implement recommendations, including an IPEA-initiated Ruling 4. Referral to AFP 	<p>Post-payment Validations 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"> • business class travel • short term self-drive hire cars • accommodation receipts <p>Referring to the Australian Federal Police (AFP)</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>Making a Ruling</p> <p>Rulings will be made and finalised by the Members, including where they are, requested by a parliamentarians, recommended by an Assurance Review or Compliance Audit.</p>