

# FACT SHEET – STATUTORY AUDIT FUNCTION

October 2020

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 is generally confidential and establishes if further review is necessary.

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.

Preliminary Assessments review information held or accessible by IPEA to determine the threshold question of:

- Has a parliamentary business resource been used?

If the answer is YES, an Assurance Review follows.

### Potential pathways:

1. No further action
2. Referral to more appropriate agency
3. Assurance Review

## Assurance Review

An Assurance Review determines if there has been a misuse of a parliamentary business resource.

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

- Was there misuse?

If the answer is YES, IPEA considers if an Audit, referral or administrative action is appropriate.

An Audit is considered when:

- There is evidence for, or allegations of, systemic or substantial misuse
- IPEA's statutory information-gathering powers may be required to obtain all the required information
- There may be an educative benefit in publishing IPEA's findings.

Referral to the AFP is considered when there is evidence of serious fraud or other criminal conduct.

### Potential pathways:

1. No further action
2. Administrative remedial action, including penalty
3. An IPEA initiated Ruling or Audit
4. Referral to the AFP

## Audit

An Audit may commence for two main reasons:

1. As the outcome of an Assurance Review
2. 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.

Where an Audit results from an Assurance Review, the Macquarie Dictionary definitions of these terms are considered:

- Substantial: "of ample or considerable amount, quantity, size etc."
- Systemic: "affecting an organisation, network ... etc as a whole"

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.

### Potential pathways:

1. No further action
2. Administrative remedial action, including penalty
3. An IPEA initiated Ruling or Audit
4. Referral to the AFP

## Post-Payment Checks

Post-Payment Checks are ongoing systematic testing of expense use through regular sampling of transactions. This covers a range of expenses such as:

- business class travel
- short term self-drive hire cars
- accommodation receipts
- desirable destinations
- accompanying family
- travel adjacent to public/school holidays.

## Referring to the Australian Federal Police

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.

## Making a Ruling

Rulings are made and finalised by the Members, including where they are, requested by a parliamentarian, recommended by an Assurance Review or Audit.

