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Australian first forensic audit unit working to help build public sector fraud resilience

The Office of the Auditor General has established a new Forensic Audit business unit, the first of its kind for an Australian audit office.

The objectives, functions and work of the unit are outlined in the [Forensic Audit Report – Establishment Phase](#), tabled in Parliament today ahead of International Anti-Corruption Day tomorrow.

Auditor General Ms Caroline Spencer said our Forensic Audit unit will conduct targeted, risk based, forensic audits to identify vulnerabilities or indicators of significant fraud in State government entities and provide recommendations for improvement,' Ms Spencer said.

'Our approach to targeting forensic audits is driven by an assessment of risk at a sector, entity and activity level supported by intelligence gathered through various mechanisms and data analytics.

'Conducting a forensic audit in an entity or on an activity does not mean we believe fraud is going on, but if the audit leads us to a reasonable suspicion that it is, we will refer those matters to the Corruption and Crime Commission (CCC) or WA Police Force,' Ms Spencer said.

The team will work with entities to help them meet their responsibilities to deter and detect fraud. The team will facilitate sharing knowledge and experience through fraud resilience forums and provide resources like a better practice guide on fraud risk assessment planned for early 2022.

The unit has work underway in procurement, contract management and asset transfers, and planned in payroll and financial systems.

Ms Spencer said the team is already building close relationships with investigative and law-enforcement bodies like the CCC and WA Police to further understand risks and make referrals.

'A cultural uplift is needed in fraud resilience across the public sector and as a catalyst for that change this new team will leverage our sector wide knowledge and understanding to help better protect public resources from fraud and misappropriation,' Ms Spencer said.

The team will produce an annual audit results report, summarising their activities and results for the year and, as appropriate, other public or confidential individual audit reports.

Report resources

- [PDF version](#)