

# MEDIA STATEMENT



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## AUDITOR GENERAL ISSUES WARNING TO AGENCIES ABOUT FRAUD, RECORDKEEPING AND THE FUTURE OF FORENSIC SERVICES

In three separate reports tabled in Parliament today, Auditor General Colin Murphy has warned agencies about their susceptibility to fraud and corruption, the potential issues arising from poor recordkeeping practices and the concern that current forensic services will struggle to meet growing demand.

In his report, '**Follow-up Performance Audit of *Behind the Evidence: Forensic Services***', Mr Murphy found substantial improvement in forensic services since his initial report in 2006.

"PathWest, the ChemCentre and WA Police Forensic Division have taken on board the findings and recommendations from our 2006 report," Mr Murphy said.

"More selective testing has contributed to an elimination of the backlog of testing, there is much improved coordination and prioritisation between agencies, services are generally timely, and there are no reported delays in the justice system.

"Although there is no backlog, not all agencies are consistently meeting agreed timeframes for testing, and agency laboratories are operating at or close to capacity.

"Agencies are not adequately prepared for further increases in the volume of testing due to expected population increase and the introduction of new testing technologies."

"With demand for forensic services showing no sign of slowing, agencies need to develop robust strategies to match capacity with demand to ensure improvements made to date are sustained."

In his second report tabled today, '**Fraud Prevention and Detection in the Public Sector**', Mr Murphy found that seven of the nine agencies examined had experienced fraud or corruption in recent years.

"Disappointingly, no agency had a coordinated approach to managing its fraud and corruption risk and while all the agencies had well-established risk management processes, only two had specifically considered the risk of fraud and corruption through this process," Mr Murphy said.

Mr Murphy found that while all nine agencies were conducting some form of employment screening it was not consistently done and five of the agencies did not have appropriate training in place for staff on fraud and corruption.

"In fact, no agency had assessed the need to carry out comprehensive checks on employees in key positions and although all agencies request information from job applicants such as qualifications, identification and references, only two agencies followed through in the collection of this information.

"The incidence of fraud and corruption in government agencies appears to be on the increase, possibly due to the changing nature of technology, the types of services provided and how they are delivered.

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In 2011 and 2012 WA Police investigated \$23 million in public sector fraud.

"This audit is intended to promote awareness of fraud and corruption risks and to assist agencies in adopting a more proactive stance in this area – I expect all agencies to act on the findings and recommendations of this report."

In his final report, '**Records Management in the Public Sector**', Mr Murphy found that while some improvements had been made by agencies since similar audits in 2004 and 2008 a range of weaknesses still remain.

"Government agencies use public funds to provide services, deliver programs and manage assets - good records support effective business practice and improve agency accountability and efficiency," Mr Murphy said.

"Although the *State Records Act 2000* has been in place for over a decade and all agencies now have recordkeeping plans, inadequate practices amongst the sampled agencies were still common.

"Most concerning is that key records are not being captured in some agency's records management systems with the result that they can become lost or difficult to locate or be at greater risk of unauthorised access or alteration.

"Greater commitment to good recordkeeping systems on the part of some agencies would address the weaknesses we identified."

The Auditor General's reports 'Follow-up Performance Audit of *Behind the Evidence: Forensic Services*' (Report 8 – June 2013), 'Fraud Prevention and Detection in the Public Sector' (Report 7 – June 2013) and 'Records Management in the Public Sector' (Report 6 – June 2013) can be downloaded from the Office of the Auditor General website at [www.audit.wa.gov.au](http://www.audit.wa.gov.au)

**ENDS**

The following agencies were included in these audits:

Follow-up Performance Audit of <i>Behind the Evidence: Forensic Services</i>	Fraud Prevention and Detection in the Public Sector	Records Management in the Public Sector
<ul style="list-style-type: none"><li>• PathWest</li><li>• the ChemCentre</li><li>• WA Police Forensic Division</li></ul>	<ul style="list-style-type: none"><li>• Department of Transport</li><li>• Insurance Commission of Western Australia</li><li>• Murdoch University</li><li>• Polytechnic West</li><li>• Rottnest Island Authority</li><li>• Water Corporation</li><li>• Western Australian Institute of Sport</li><li>• Western Australian Land Information Authority</li><li>• Wheatbelt Development Commission</li></ul>	<ul style="list-style-type: none"><li>• Bunbury Port Authority</li><li>• Department of State Development</li><li>• Fremantle Adult Mental Health Service, Fremantle Hospital</li><li>• Gold Corporation</li><li>• Midland Police Station</li><li>• Racing and Wagering WA.</li></ul>



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