

Video transcript:

Assuring the Integrity of the Victorian Government's Procurement Activities

About this audit

The government uses public money to procure, or buy, goods and services.

Parliament and the public need to know this spending is fair, transparent and good value.

Fraud or corruption during a procurement can undermine public trust and can cost the state money.

We looked at all 10 government departments to see how their procurement processes are working.

We also did a deep-dive analysis of 3 departments' processes.

What we concluded

We concluded that the departments have further work to do to effectively manage the risk of procurement fraud and corruption.

We found 2 key reasons for this.

Key reason 1

All 10 departments have designed and set up controls to prevent, detect and investigate fraud and corruption.

But they're at different stages in making sure these controls are effective.

Key reason 2

All departments have processes for investigating and reporting fraud and corruption incidents, and the 3 departments we tested follow these processes when they become aware of an incident.

But in most cases, they rely on being alerted to a problem. For example, through a report made by a staff member.

Only 2 departments proactively detect fraud and corruption risks using data analytics to flag unusual or suspicious procurement activity.

What we recommended

We made 5 recommendations.

- 3 to all departments about reviewing their policies and procedures and learning from incidents and other integrity investigations to improve their controls
- one to the Department of Justice and Community Safety about introducing regular refresher training
- and one to 8 departments about using data analytics to proactively identify risks.

More information

For more information please see the full report on our website.