



Australian Government
Attorney-General's Department

Australian Public Sector Fraud

The Cost of Fraud to the Australian
Government

Luci Atkinson

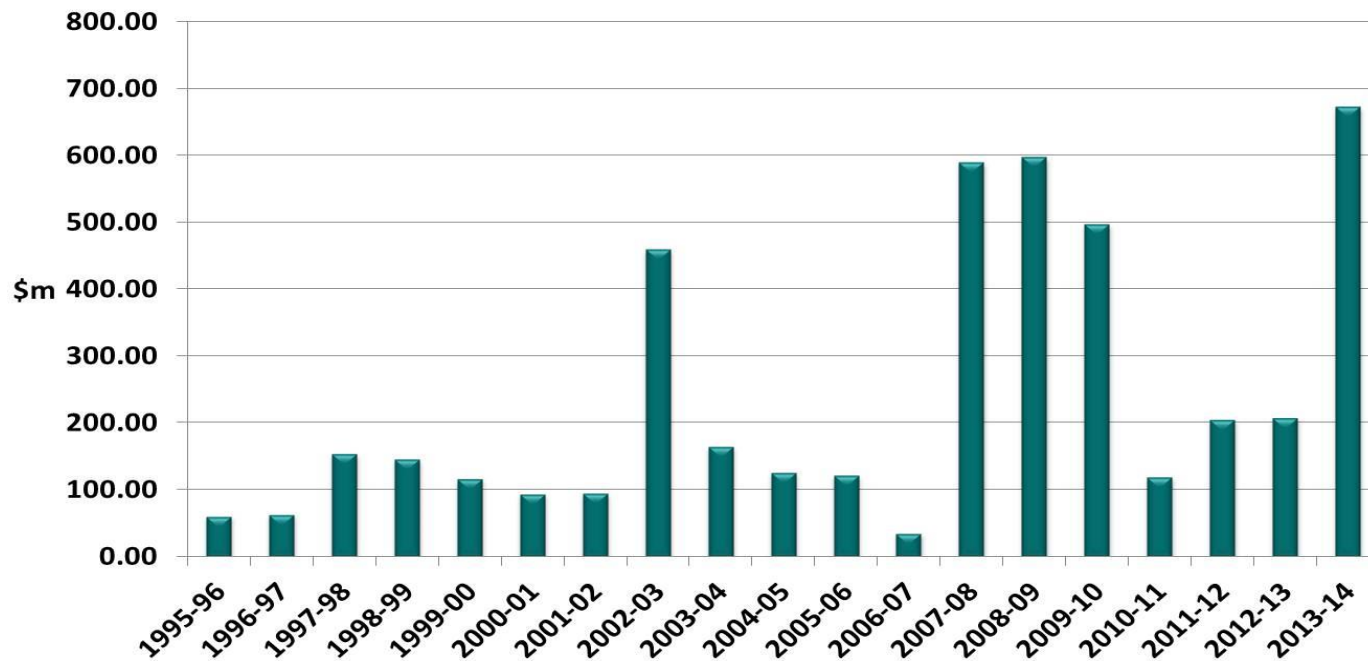
Assistant Secretary, Institutional Integrity Branch
Australian Government Attorney-General's Department

Present State: Australian Losses



Current Fraud Reporting:

On average the Australian Government reports \$AUD500m per year is lost to fraud



Reporting Not Hitting The Target



Issues With Reporting

- Agencies not identifying fraud
- Confusion over what to report as fraud:
 - Different definitions
 - What part of the non-compliance-fraud spectrum is covered?
- Matters being written off and not reported
- Agencies lacking resourcing and expertise

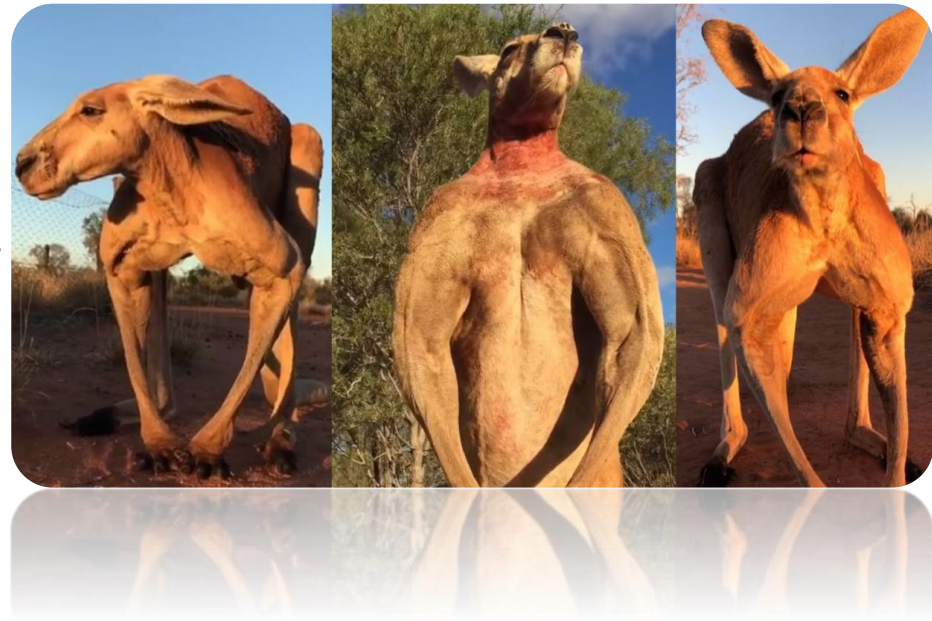


Why Does This Matter



Key Challenges: Australian Context

- Serious, organised criminal syndicates
 - Crossing programs
 - Collaborative networks
 - Professional/inside elements
- Vulnerable programs
 - Designed with trust
 - Assist vulnerable people
 - Client use/ease



Agencies Required To Have Appropriate Fraud Controls

The Commonwealth Fraud Control Framework requires:

- Agencies to have appropriate fraud prevention, detection, investigation and response measures
- Agency heads to be responsible for ensuring appropriate counter fraud measures are in place

If You Can't Find Fraud You Can't Fight It

- Agencies cannot address their fraud risks if they don't know the problem
- It is difficult to get traction without evidence
- Agencies that recognise fraud are innovative:
 - Active Pressure Testing (Department of Human Services)
 - Organisational Behavioural Assessments (Australian Taxation Office)

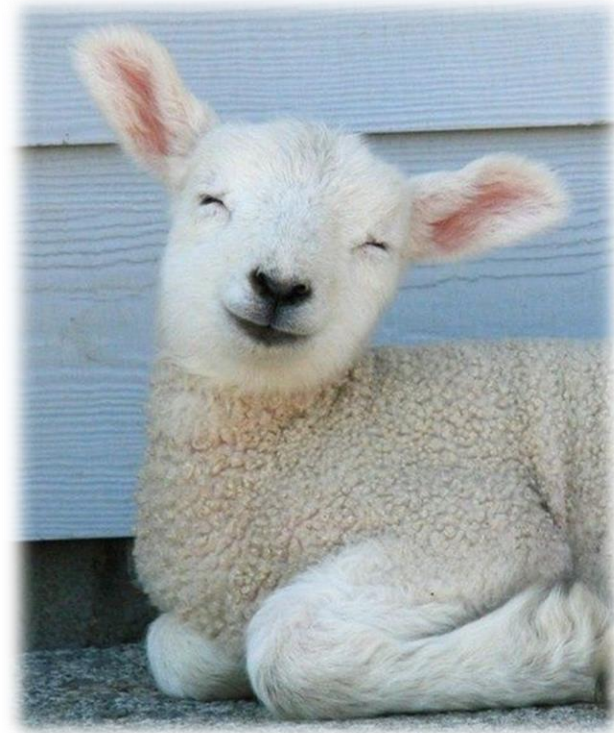
Key Challenges: Hitting the Right Target With Reporting



Getting the evidence base right is essential to progress reform

Reporting Just Part Of Success

- Prevention
 - Build fraud resilient policies
 - Learn lessons
 - Share information
- Response
 - Coordination
 - Disruption, intelligence and skilled investigators





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Discussion

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