

Auditor-General of Queensland

31 May 2007

Mr R Needham
Chairperson
Crime and Misconduct Commission
PO Box 3123
BRISBANE QLD 4001

Dear Mr Needham

I am writing in response to your letter of 19 April 2007 where you sought submissions on the *Inquiry into Policing in Indigenous Communities*.

I note from the content of the Issues Paper that the focus of the Inquiry is more on the relationships that might exist between indigenous community residents and the Police Service.

While I cannot offer any specific comments on these relationship issues I would like to raise another aspect of community policing that appears to fall outside the questions asked in the Issues Paper.

In my Report to Parliament Number 3 for 2006 I raised the fact that there were several commonly recurring issues in Aboriginal Shire Councils and Torres Strait Island Councils concerning poor financial management and governance. I have included relevant extracts from that Report for your information.

That Report at s.2.4 stated –

“While I recognise that cultural and historic issues can shape, to an extent, the way in which governance is put into practice, ineffective governance and leadership, in a financial management sense, at some Aboriginal Shire and Torres Strait Island Councils has consistently been identified by annual audits and has directly or indirectly resulted in poor financial management practices including the keeping of inadequate documentation of financial transactions.”

My concern essentially is that there may be instances where an environment is created that allows misappropriation of funds, theft and fraud to occur. The Report also mentioned the relatively large number of CMC referrals that are made.

While problematic situations are encountered where there is an absence of control I have noted that there is proportionally speaking little activity from a Police investigative viewpoint into the occurrences of fraud and misappropriation at those Councils.




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I understand that these instances may be viewed as being at the lower end of the scale of materiality, however, my concern is that more regular Police intervention may be one method by which a deterrent may be introduced to assist in fraud prevention at Aboriginal Shire Councils and Torres Strait Island Councils.

These matters are raised for your Inquiry's general deliberation. If you would like to discuss this matter further, please contact me or have one of your officers contact Mr Paul Shipperley, Assistant Auditor-General on 3405 1152.

Yours sincerely



Glenn Poole
Auditor-General