

CARRUTHERS, Ailsa

From: WILLIAMS, Doug
Sent: Tuesday, 30 June 2009 12:41 PM
To: NASSIOS, Terry
Cc: CARRUTHERS, Ailsa; SCHULTZ, Andrew; HAGEN, Margot
Subject: HSU Inquiry and Investigation Strategy
Importance: High
Sensitivity: Confidential

Terry,

As discussed by teleconference this morning, this is my view about the state of play and next actions required in relation to the two HSU inquiries (i.e. the national organisation and the Victorian No.1 Branch). This note is not intended to be prescriptive about the scope, detail and timing of matters that deserve consideration and action, but it is intended to be clear about certain actions in my capacity as Industrial Registrar.

1.

- a. I concur that the two investigations should proceed.
 - b. Accordingly, the AIR team should proceed to arrange the following:
 - i. A broad strategic plan for conducting the two investigations (which as for the inquiries, should proceed as two separate, but related investigations) should be prepared
 - ii. The principle targets for investigation should be clearly identified (and *inter alia* I would expect to include the national and Victorian No. 1 Branch auditor, the members (past and present) of the two Committees of Management, and any other office bearers and staff that have involvement, particularly in ignoring, facilitating, or obscuring (for example) mis-use of funds, conflicts of interest, or the integrity of organisation rules, delegated authorities and governance arrangements. Such other office bearers and staff are likely *inter alia* to include the Victorian No. 1 Branch Committee Member whose company provided office supplies to the Branch, the Branch Secretary of the Victorian No.1 Branch, the previous National Secretary and the (past and present) bookkeepers for the national office and the Victorian No.1 Branch)
 - iii. The forms of notification to parties of the instigation of the two investigations should be drawn up and issued
 - iv. Instructions to other (non-AIR) members of the investigation team, including the forensic accountant, the AGS and any other investigator should be drawn up and issued
 - v. Sources of facts and documentation to support the investigations should be identified and actions to co-opt documentation from original and other sources taken (*inter alia* such sources should include Pitcher Partners and BDO Nelson)
2. There should be a clear plan to undertake and complete a thorough assessment of the materials provided arising from the inquiries to date, including in relation to the impact on the scope of the investigations
 3. There should be a clear plan and actions arising from the outcome of the inquiries to date
 - a. Including *inter alia* any actions and referrals to other authorities (e.g. to the police because of identified malfeasance, or to professional licencing bodies because of inadequate auditing professional standards) which can occur on the strength of discoveries from inquiries which do not require further investigation
 - b. None of this should preclude concluding matters of detail of the inquiries, noting that the HSU National Secretary last week requested an interview as part of the inquiries phase and *prima facie*, there are no obvious grounds to deny that request
 - i. Accordingly, a request for interview, as was made to the auditor, should be drawn up and issued.

30/06/2009

I am happy to discuss these directions, but otherwise anticipate that the actions identified will be implemented expeditiously.

Doug.

D.S. Williams
Industrial Registrar & Chief Executive
Australian Industrial Relations Commission