

**Division/Agency:** Finance Legal & IT

**Inquiry:** Governance in the stewardship of public resources: Inquiry into Auditor-General's Reports 11, 31, 39 (2019-20) and 2 and 9 (2020-21)

**Topic:** Awareness of discrepancy in valuation

**Proof Hansard Page:** 7 (03 March 2021)

**Mr Julian Hill asked:**

Mr HILL: Presumably the senior officers in the department became aware of the revaluation, then, before the ANAO identified it—is that a reasonable supposition?

Mr Hehir: They did a valuation exercise as part of the preparation of the annual financial statements and then provided the valuations to us as part of our audit process.

Mr HILL: Mr Boyd, given you're across the detail of it, did you identify when the department did that revaluation?

Mr Boyd: I wasn't responsible for the financial statement audit. But, yes, they obtained an initial valuation which obviously showed there was a significant difference. They then got a second valuation to look at whether the first one was correct or not, and that still showed there was a significant difference between what had been paid and what the land was being valued at.

Mr HILL: Do you know which senior officers in the department became aware of this discrepancy? Did the Audit Office identify this?

Mr Boyd: It's both—the Western Sydney unit area obviously became aware of this as did the area of the chief financial officer of the department that's responsible for preparing the financial statements.

Mr HILL: You know for a fact that those senior officers became aware?

Mr Boyd: Yes.

Mr HILL: Can both you and the secretary take on notice to give us a list of which senior officers were aware of the discrepancy in valuation before the Auditor-General decided to commence a performance audit?

Mr Atkinson: I can take that on notice.

**Answer:**

Senior officers who were aware of the difference in the valuation of the land were those involved in:

- the preparation and sign-off of the Department's 2018-19 Financial Statements, where the Department identified the valuation difference and provided an accounting position paper on asset valuations to the ANAO in July 2019, and
- the Department's Audit and Risk Committee, which in August 2019 noted the ANAO's financial statements audit Closing Letter that included the audit observation that the ANAO had '*not yet finalised our procedures on this procurement, we intend to write to Infrastructure again through a final management letter or correspondence from the Auditor-General.*'