

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 29, 30 & 31 May 2007

**Question: bet 53 (ASIC)**

**Topic: Australian Commission for Law Enforcement Integrity**

**Hansard Page: E82**

**Senator PARRY asked:**

Finally, are you familiar with the new Australian Commission for Law Enforcement Integrity? It is a new commission commenced last year that this government implemented. It only has an oversight role with a parliamentary committee for the Australian Crime Commission and the Australian Federal Police at this point. If you are familiar with it, do you feel as though it could have an oversight role for ASIC? If you are not familiar with it, I would be happy to take that on notice.

**Mr D'Aloisio**—I will do the latter. I am not familiar with the details of that. That would also be a big issue for us to talk through internally in terms of what would be involved in that and why it would be needed. I will take that on notice.

**Answer:**

ASIC does not currently consider there to be an oversight role for the Australian Commission for Law Enforcement Integrity (*ACLEI*) in respect of ASIC.

The ACLEI deals with serious or systemic corruption in Australian law enforcement agencies that engage in covert and controlled operations with undercover officers and interception and surveillance activities such as telephone interception. These are activities where there is an increased risk of corruption occurring, where officers are handling large amounts of cash and coming into contact with dealers in drugs and other illegal items. They are not activities that ASIC engages in.

ASIC's compulsory information gathering powers require the production of documents and responding to questions in private examinations. Search warrants that ASIC may obtain from a court are executed by AFP officers with assistance from ASIC officers. ASIC's powers are, therefore, not as extensive.

ASIC has internal checks and balances in place to manage and oversee integrity risk in its own investigations. These include:

- q a governance structure for initial decision making in relation to matters that are investigated;
- q project management of investigations;

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- q an internal system for recording the progress of investigations and other internal transparency measures for investigations; and
- q monitoring the progress of investigations by a project manager and a more senior officer.

In addition, as part of ASIC's annual internal audit program, control measures for key processes are regularly scheduled for audit. These control audits test that the controls are operating as intended and are sufficiently rigorous to mitigate risks to the integrity of ASIC's key processes, including our investigations processes and decision making.

Where ASIC officers are seconded to the Australian Crime Commission or the Australian Federal Police, they are subject to the oversight of ACLEI in exercising the powers of those agencies. ASIC will keep that under review.