

2.2.8 Forensic Accounting Services

Introduction and background

The Auditor-General or an Audit Office member of staff may be obligated to perform forensic accounting services as defined by [APES 215 Forensic Accounting Services](#) (APES 215). The main (but not only) circumstance to which the standard applies would be parliamentary investigations and inquiries and is aimed at services provided to or before a 'Court', which is defined in APES 215 to include statutory or parliamentary investigations and inquiries. The Auditor-General and/or staff may periodically appear before such inquiries.

APES 215 defines four types of Forensic Accounting Services, each with professional obligations specific to its purpose:

1. Expert Witness Services – in the Audit Office context, where the Audit Office has been asked to express an opinion or provide other evidence on matters such as whether technical or professional standards have been breached.
2. Lay Witness Services – in the Audit Office context, where the Audit Office has been asked to provide evidence other than expert evidence.
3. Consulting Expert Service – in the Audit Office context, this is likely to apply to the Auditor-General or Deputy Auditor-General as a 'member' of a Redistribution Committee for a State under the *Commonwealth Electoral Act 1918*.
4. Investigation Service – in the Audit Office context, investigations (including Public Interest Disclosures) where there is a reasonable expectation that the matter will be brought before a Court (as defined in the standard, including a tribunal or parliamentary enquiry). Refer to Public Interest Disclosures policies and procedures.

Policies and Guidance

5. **Staff should seek advice from the Professional Services Branch (PSB), in particular the Director, Governance (Legal), if they have been approached to perform a potential – or are obligated to perform – Forensic Accounting Service as defined above.**

Determining whether a particular service is a Forensic Accounting Service under APES 215 is a matter of professional judgement. The critical determination is whether the service is an expert witness service. The decision tree in Appendix 2 of APES 215 will help guide this assessment.
6. **Engagement Controllers and Audit Service Providers (ASP) must obtain written approval from the Auditor-General (or their delegate) before agreeing to any engagement to provide Forensic Accounting Services in accordance with Audit Office:**
 - services provided by the Audit Office - [policy 2.2.10 'Approval to perform additional services'](#)
 - services provided by the ASP - [policy 2.2.12 'Approval for Audit Service Provider to perform additional services'](#).

7. Where approval has been obtained to perform Forensic Accounting Services, the engagement must comply with APES 215. The Terms of Engagement shall be documented and communicated in an engagement letter to the requesting party in accordance with APES 305 Terms of Engagement. **The draft engagement letter must be sent to PSB for review before it is issued to the requesting party.**
8. **Where an activity which, when it commenced was not a Forensic Accounting Service, later becomes a Forensic Accounting Service, compliance with APES 215 is required from that time onwards. For these situations, approval in accordance with the relevant policies under point 6 must be obtained.**

Effective Date

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