

Request for audit information regarding JobPlus scheme

Legislation	Official Information Act 1982, s 9(2)(g)(i)
Agency	Ministry of Social Development
Ombudsman	Beverley Wakem
Case number(s)	176579
Date	May 2010

Draft audit report was identical to final audit report—no good reason to withhold the final audit report so no good reason to withhold the draft—good reason to withhold auditor’s informal and early working papers under s 9(2)(g)(i)—disclosure of the working papers would make auditors more circumspect in what they record, and when and how they record it

A requester complained to the Ombudsman about the Ministry of Social Development’s (MSD’s) decision to withhold information about the audit of a wage subsidy scheme under sections 9(2)(ba)(i) and 9(2)(g)(i) of the OIA. The information included:

- the draft and final versions of the audit report; and
- notes of audit staff.

Draft and final versions of the audit report

The Chief Ombudsman was not persuaded that there was good reason to withhold the final audit report. She commented that, in the current environment, including the approach taken by other government departments to the release of audit reports, staff at MSD should have little expectation that audit reports will automatically be withheld under the OIA. In this case, the information in the final report was generated from a variety of sources, including paper records, and interviews with various businesses and MSD staff. It was not possible to attribute any of the information in the report to particular staff members and so the Chief Ombudsman

did not see how release of the report would prejudice the future supply of confidential information, or the expression of free and frank opinions.

The Chief Ombudsman noted that the draft audit report was identical to the final, and *'no distinction [could] be made in this case between the reasons for withholding the final report and the reasons for withholding the draft report'*. Accordingly, there was no good reason to withhold the draft audit report either.

Audit staff notes

The information at issue was a collation of the auditor's comments regarding certain tests applied to 20 randomly selected sample files. The comments formed part of the auditor's informal and early working papers, and reflected their initial observations and tentative conclusions. They reflected the auditor's views on the adequacy or appropriateness of certain actions, and on whether to accept or reject explanations advanced by other employees. As such, they were in the nature of *'free and frank opinion'*.

Given that the comments reflected the early observations and preliminary conclusions of the auditor, it was possible that they could be wrong or misleading if taken out of context. This could be unfair to individuals who participated in or were the subject of the audit process.

The disclosure of early and informal working papers would make auditors more circumspect in what they record, and when and how they record it. Inhibition of this nature would prejudice the effective conduct of public affairs. Quality audits contribute to sound management and financial practices, and act to prevent or remedy irregularities and undesirable practices, and as such they are an essential part of *'maintaining the effective conduct of public affairs'*.

The Chief Ombudsman acknowledged clear and compelling countervailing public interest considerations favouring disclosure of information about audits. However, the public interest was in disclosure of information about the outcome of the audit, rather than the early investigative phases.

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