

# *Asset Confiscation Scheme*

Victorian Auditor-General's Report  
Tabled 4 September

## The Victorian Auditor-General's Office

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- **Purpose** – assurance to Parliament on the accountability and performance of the Victorian public sector.
- **Legislation** – *Audit Act 1994* defines powers and responsibilities of the Auditor-General and the Victorian Auditor-General's Office.
- **Mandate** – financial and performance audits of around 550 entities.

## Background to the audit

- **Asset confiscation**—tool used by the state in response to crime
- **Legislation**—*Confiscation Act 1997* enables the state to confiscate property
- **Offences**—indictable and more serious, profit-related offences
- **Assets**—only ‘tainted’, i.e. derived from a crime or used in a crime
- **Asset confiscation activities**—\$131 million confiscated between July 2007 and June 2013.

# Audit objectives and scope

## Audit objective

To assess how effective, efficient and economical the Asset Confiscation Scheme is in achieving the objectives of the *Confiscation Act 1997*.

## Audit scope

### Agencies

- Victoria Police
- Office of Public Prosecutions
- Department of Justice

### Oversight committees

- Asset Confiscation Scheme Executive Management Group
- Confiscation Operations Committee.

## Conclusion

- The Scheme is not operating as effectively or efficiently as it should.
- Its ability to deprive people of the proceeds of crime, and to deter and disrupt further criminal activity, is hampered by:
  - Victoria Police not adequately identifying assets related to profit motivated serious and organised crime
  - A lack of planning at the Scheme level to identify opportunities, direction and priorities.

## Findings—Scheme operation

- Victoria Police's Criminal Proceeds Squad is not maximising opportunities for asset confiscation. page 44
- Squad's focus is not profit-motivated, serious and organised crime. page 45
- Squad is not making full use of investigative tools and may be missing assets.
- Office of Public Prosecutions' and Department of Justice's operations are effective and efficient. page 48

## Findings—Scheme governance

- The Scheme should be more joined up.
- Oversight body established in response to 2003 VAGO report has failed to fulfil role.
- No planning for the Scheme, variable planning across the three agencies.
- Inadequate risk management for the Scheme and Victoria Police, but more advanced in the other agencies.

## Findings—Scheme performance

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- Effectiveness and efficiency of the the Scheme is unknown.
- *Report on Public Sector Agencies (2003)*—DOJ agreed to develop a performance framework but has not done it.
- Public reporting on Scheme performance as a whole does not represent actual performance.
- Commissioned reviews have consistently identified performance issues.
- No Scheme agencies have effective performance frameworks themselves on asset confiscation.

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## Recommendations—summary

- 25 recommendations across the three agencies and the Scheme's oversight body
  - 8 related to the Asset Confiscation Scheme Executive Management Group
  - 12 related to Victoria Police
  - 3 related to the Office of Public Prosecutions
  - 2 related to the Department of Justice.

# Recommendations summary

	Accept
The Asset Confiscation Scheme Executive Management Group should:	
• develop a performance framework linked to the objectives of the Scheme	✓
• identify and document actions required to improve the effectiveness and efficiency of the Scheme	✓
• develop an implementation plan for these actions	✓
• clarify and confirm the objectives of the Scheme	✓
• update the terms of reference for the Scheme's oversight bodies	✓
• clarify and confirm the Scheme governance arrangements	✓
• undertake a risk assessment for the Scheme	✓
• develop strategic and operational plans for the Scheme	✓

# Recommendations summary

	Accept
Victoria Police should:	
<ul style="list-style-type: none"><li>develop a performance framework to assess the performance of the Criminal Proceeds Squad</li></ul>	✓
<ul style="list-style-type: none"><li>implement quality assurance processes around data and databases</li></ul>	✓
<ul style="list-style-type: none"><li>develop strategic and operational plans for asset confiscation</li></ul>	✓
<ul style="list-style-type: none"><li>undertake a risk assessment of the Criminal Proceeds Squad and its operating environment</li></ul>	✓
<ul style="list-style-type: none"><li>review the resourcing model for the Criminal Proceeds Squad</li></ul>	✓
<ul style="list-style-type: none"><li>refocus the Criminal Proceeds Squad's investigations to profit-motivated serious and organised crime</li></ul>	✓
<ul style="list-style-type: none"><li>reallocate responsibility across the organisation for assisting victims of crime in identifying and restraining assets</li></ul>	✓

# Recommendations summary

	Accept
Victoria Police should ( <i>continued</i> ):	
• redevelop practices to ensure that investigative tools are used to their full potential	✓
• develop and implement a Criminal Proceeds Squad training strategy	✓
• establish processes for routine and regular review of criminal proceeds guidance	✓
• develop, document and enforce the consistent use of case prioritisation and allocation procedures	✓
• improve the way that the Criminal Proceeds Squad records prioritisation and allocation information	✓

# Recommendations summary

	Accept
The Office of Public Prosecutions should:	
• develop a performance framework to assess the performance of the Proceeds of Crime directorate	✓
• implement quality assurance processes around data and databases	✓
• develop strategic and operational plans	✓
The Department of Justice should:	
• improve the current performance framework of the Asset Confiscation Operations	✓
• review and update the procedures for the Asset Confiscation Operations.	✓

## Contact

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