

# TASMANIAN AUDIT OFFICE

## MEDIA RELEASE

17 October 2017

### Investigation into procurement of goods and services from CT Management Group Pty Ltd by Glenorchy City Council

#### Report of the Auditor-General No. 1 of 2017-18

The Auditor-General, Mr Rod Whitehead, today tabled his report on the outcomes of an investigation into procurement of goods and services from CT Management Group Pty Ltd by Glenorchy City Council (Council).

Mr Whitehead said, “This report highlights the needs for all entities to follow compliance requirements to ensure open and effective competition, value for money for spending of public monies and enhancement of the capabilities of local business and industry”.

Overall, the report concluded the process Council adopted in expending \$1.05m, for a number of projects, lacked transparency, independent review, reporting and appropriate governance.

Specifically:

- Council failed to comply with the *Local Government Act 1993* and its own procurement Codes.
- Council did not adequately test the market and failed to meet its procurement principles of open and effective competition, value for money and enhancement of the capabilities of local business and industry.
- There was evidence to indicate intentional splitting of procurement for certain projects from a single procurement activity into two or more separate contracts for the purpose of avoiding the requirement to publicly invite tenders.
- Council failed to adequately document its assessment and decision not to follow its quotation process or seek tenders.

The complete Report can be downloaded from [www.audit.tas.gov.au](http://www.audit.tas.gov.au).

**Ends**

#### Further information contact:

**Rod Whitehead**  
**AUDITOR-GENERAL**

**Phone (03) 6173 0900**