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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION RICCO

Reference: Operation E14/2586

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 15 MARCH 2016

AT 1.50PM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: Yes, Mr Thangaraj.

MR THANGARAJ: Natasha Rai.

MR LEWIS: I seek your authorisation to represent the witness, Commissioner.

THE COMMISSIONER: Yes, Mr Lewis, thank you, that leave is granted.

10 MR LEWIS: Thank you.

THE COMMISSIONER: I take it she's been advised of the effect of a section 38 order?

MR LEWIS: She has, Commissioner.

THE COMMISSIONER: Right. Could I just make sure that you appreciate that the order protects you from the use of your answers against you in any future civil or criminal proceedings. It doesn't protect you however if it  
20 should be found you've given deliberately false or misleading evidence before the Commission because if that were the case, your answers could be used against you to prosecute you for an offence under the ICAC Act. Do you understand that?

MS RAI: Yes.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the  
30 course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

**PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS  
40 DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED**

THE COMMISSIONER: Do you wish to be sworn or affirmed?

MS RAI: Sworn.

THE COMMISSIONER: Can we have the witness sworn, please.

THE COMMISSIONER: Yes.

MR THANGARAJ: Ms Rai, could you give the Commission your full name, please?---Natasha Rai.

You don't need to speak into it too much?---Okay.

10

And what is your occupation now?---I am internal auditor for Botany Bay City Council.

And when did you start that?---8 September, 2014.

Okay. And did you start in that role?---My official title was Coordinator Risk and Audit.

Right. And has your role actually changed over that period, apart from the title maybe?---No, I don't think so.

20

All right. Can you just tell us what your qualifications are, please?---I've got a Masters in Business Admin and that's my highest qualification.

All right. And do you have any other qualifications?---I've got a Bachelors in Banking and Finance. I've got a Diploma in Accounting and Finance.

All right. Could you tell us, could you I've us a brief history of your work experience?---I started off in internal audit in State Government with the WA Police, I was an internal auditor with them for about two and a half years. And then I was with Randstad which is a recruitment company for three years. And then I moved to Botany Bay Council.

30

All right. Can you just speak a little bit slower?---Sure.

When you were at the recruitment company what was your role there?---Internal Auditor.

All right. What were you told about the nature of your role or function when you first started at Botany Council?---I was expected to do internal audit duties. So basically look at what the audit program was and to make sure that the audit was being completed.

40

All right. And normally in your experience if you were asked to do that would that cover the entirety of the business?---Yes.

And was that the case at Botany Council?---I covered a lot of the operational areas. The only areas that I didn't look at was the finance areas.

And when I started I believe I was told that we had an external auditor that was looking at that part of it. It was also something that the previous auditors said that he felt like this was the, he felt like this was the area that they should focus on because we would get the most value out of it. So that's why I think the role focused on the operational side of the business.

All right. And who told you what you've just said about the finance division and not looking at that?---Lorraine.

10 Okay. And Lorraine who?---Cullinane.

All right. Did you report to her?---Yes.

Okay. Did you have any discussions with anyone from the Audit Committee apart from Ms Cullinane about whether or not you would look into the Finance Division?---No.

And did you receive, because you reported to her, did you receive instructions or directions from Ms Cullinane?---Yes.

20

About - - ?---Can I just clarify one thing?

Yeah?---We did have some finance areas as part of it but I never looked at the financials. And I looked at the finance area as part of bigger audits as well but never directly as just one area on its own.

In the way that you would have expected to?---Yes.

30

And in the way you had in the past?---Yes.

Were you qualified or experienced enough to look at the financial aspects of that division?---No.

So what I mean by that is, were you qualified or experienced to audit, sorry, the finance division in the way that you, we've been discussing?---In terms of the processes, yes, in terms of financial statements, no.

40

All right. Do you regard the external audit as a reasonable replacement for the internal audit?---In what, in what regard?

Well, in the role, you've told us that you previously have audited to the finance division of both the WA Police and this recruitment firm?---Yeah.

You would have expected to do that at Botany Bay Council in your role? ---Yes.

You were told that you didn't need to do it because the external audit was looking at that?---Yes.

Did you regard that as a reasonable replacement for you doing it instead?  
---Not when it comes to the processes, no.

All right. Did you have any interaction with the external auditor?---No.

Would you expect in your role to have interaction with the external auditor?---Yes.

10 And why did you not?---I'm not sure.

All right. Did you take up with anyone that you perhaps should be meeting with the external auditor?---No.

Was there any reason for that?---I was new with Council. I was there before this investigation started only about a year. I was still trying to figure out how Council worked and you know, how to bring things up and just understand the business before I thought I could jump in and say things like that.

20

All right. I think we're trying to work that out too?---Yeah.

What's the audit plan?---It's a three audit plan that Seon, the previous auditor came up with and it covers 2014 to, mid-2014 to mid-2017.

And did you have, sorry, did the internal auditor have a role to play with respect to that plan?---The previous one?

30 The one that's in existence?---I'm sorry, can you - - -

Sorry. What did you say the years were for the audit plan?---June, I think late 2014 to mid-2017.

All right. So that one that's – that's the one that you're currently operating under?---Yes.

Presumably you have a role with respect to that audit plan?---No, I had - - -

40 Or you don't?---I did not, I did not develop that. It was approved - - -

Sorry, that's my fault. I don't mean that you were involved in the construction of the audit plan but part of the plan involved various people doing different things and the audit plan required – would say the external auditor would do X, the internal auditor would do Y I assume?---The audit plan was just simply for internal audit so everything on that plan was supposed to be done by me.

Okay. All right. Have you had any input into modifying that plan?---I reviewed it a couple of times with Lorraine. We've looked at it and just looked at, you know, how the business is doing, what the temperature of the business is and then decided what we should continue to do and what we shouldn't continue to do.

All right. And who approves that plan?---The reviews of it were never officially approved.

10 All right. So originally it was approved by the Audit Committee I take it?  
---Yes.

All right. With respect to the areas on the audit plan that are part of what you're doing, who selects which ones to do and which ones to do in what order?---Lorraine.

All right. Now normally in an audit plan are there assessments of risk, so there are matters that are high risk or moderate risk or low risk?---Yes.

20 And does that normally define the order in which you would prioritise your work?---You usually would, yes.

And obviously you would normally start at the highest, high risks and work your way to the bottom. Is that how it works?---Yes.

All right. And was that the way that was – is that the process that was employed here?---Not always. I would go to Lorraine and just say this is our audit plan. What is it that she would like me to do next and we would just go through and see what was on the plan and she would, you know,  
30 depending on what knowledge she had of the business or just depending on what she thought needed to be done then she'll tell me to do that one.

All right. Does the audit plan – sorry, does the Audit Committee get involved in the prioritisation of your tasks, do they say well, maybe you should be doing this first or not?---Since the time I've been there, no. They have requested for one audit to be done and that was the very first one that I did.

40 Right?---But besides that, no.

All right. And what was that first one that they requested?---The leave audit.

All right. How many internal audits are there a year?---On average, I'm not, I'm not - - -

Well, how many have you been involved in, maybe we'll do it that way?  
---Since I started I've done, I've done four.

Okay. Do you go to Audit Committee meetings?---Yes.

And do you discuss there the order in which you will do work, do you say – or does someone say well, it's determined that you, Ms Rai, will do these things in this order or is it not discussed?---No.

Okay. Apart from the leave entitlement were you ever performing audits that were not part of the audit plan?---Just one.

10

And is that the one that you did at the end of last year?---Yes. The Children's Services.

All right. And why did you do that?---Lorraine requested for it to be done.

Okay. And with respect to that aspect of the – sorry, with respect to that Children's Services audit did you cover everything in the Children's Services Department?---We didn't look at the, the fees, the financial side of it.

20

All right. Okay. And who asked you to do or not do that?---Lorraine. She thought that the audit might get too big.

All right. What was the scope of the audit with respect to leave?---I was asked to look at the processes of leave, so how we went in putting in leave forms and, you know, who authorised it and that sort of stuff.

30

All right. And were you ever asked to look at or not look at the financial aspects of that?---Yeah, I was told that we wouldn't look at the balances of the leaves and the calculations and the financial part of it.

That you would not look at those things?---Not look at them.

And who told you that?---Lorraine. I think it was after the Audit Committee and she believed that that's not what the ex-Deputy Mayor wanted when he requested for the audit to be done.

40

That who may not have wanted that?---The ex-Deputy Mayor, he was the one that requested for the audit.

And is that what she told you or did you hear that from him?---No, she told me.

Okay. Do you receive the management letters from the external auditors? ---No.

Would you usually receive those?---I have previously, yes.

Have you ever not received those previously?---No.

All right. And do you know why you were not receiving the management letters from the external auditors here?---No. I would assume maybe because I wasn't part of the external audits, but I'm not sure.

10 All right. And does that mean when you were at WA Police and the recruitment company, were you part of the external audits then?---They would ask me to assist with getting information or working with the external auditors or acting as a middle person between the staff and the external auditor.

Right. So that might be a reason why you received the management letters in those instances - - -?---Correct.

- - - as opposed to here?---Yes.

20 All right. Did you receive the end-of-year financials?---I saw the, yeah, I saw some financials as it came through the Audit Committee.

Because of your membership of the Audit Committee?---Correct.

Right. Not otherwise?---I'm not sure.

Okay. Did you see the external audit into the financials?---No.

And in your previous jobs, did you see those?---I'm sorry, can you repeat the question?

30 The external auditors looking at the Finance Division, the finances of the business, we know you didn't receive them at Botany Council, did you receive them in your previous roles?---Yes.

Did you receive any other reports such as consulting reports et cetera that had to do with audits or your job?---Do you mean other external audits?

Yes?---I received the risk audit that was done in 2014, I was part of that audit.

40 Right?---And then Children's Services underwent an external audit recently as well and I got the report from that to help them to give a response.

Okay, right. Did you receive any reports from consultants that assist the Council in any way, do you receive any other reports like that?---Not that I can remember.

All right. Now, we know that you report to Ms Cullinane. She was the Deputy General Manager and Director of Corporate Services, which included Finance?---Yes.

What did you think of the fact that you were reporting to her, given your role?---Well, when I was hired I was told that I was reporting to the Deputy General – to the General Manager through the Deputy General Manager.

10 Who told you that?---Um, I think that was part of my interview process when I asked who I was supposed to be reporting to.

Right. And sorry, just do you remember who interviewed you or what title role they had?---Um, it was the Deputy General Manager and the General Manager.

Okay, right. And what did you understand by reporting to someone through someone else?---I didn't understand it. I just thought I'm reporting to whoever directs me and whoever - - -

20 Right?--- - - - I come into contact with, yeah.

All right. Now, did the internal audit that you did do cover areas that came within Ms Cullinane's responsibility?---Yes.

30 And what did you think of that arrangement, was that consistent with what you'd done in the past and what you knew or not?---Well, with my previous jobs we always had an Audit Manager and everything will go through them and then it will go from there to Directors for review um, and then it will go to the Audit Committee, so this was the first time that we were doing it or I've done it like that.

And the difference then from what you're saying is, you're reporting to someone who comes within part of your audit?---Yes.

And you would regard that as unusual?---Yes.

For obvious reasons?---Yes.

40 All right. Do we take it then that you did not report anything directly to the General Manager?---Correct.

Do you prepare reports?---Audit reports?

Yes?---Yes.

And who do you send those to?---I send it to the business areas and Directors and Managers for comments and then it goes to Lorraine.

All right. What is the makeup of the Audit Committee – and, sorry, would you send them to the Audit Committee as well?---Once it was reviewed by the General Manager and the Deputy General Manager it would go to the Audit Committee, yes.

All right. So how does it – you’ve told us who you send it to, how does it get to the General Manager, does it go from you to the General Manager or - - -?---It would go from me to the Deputy General Manager and then she would discuss it with the General Manager.

10

All right. All right. What is the makeup of the Audit Committee?---From what I remember I think at the moment we’ve got five internal members and two external members. We had three but one passed away.

All right. So if the internals it’s the General Manager, the Deputy General Manager, the Chief Financial Officer, you and a Councillor. Is that right? ---There is the Special Projects Manager.

As well?---As well.

20

So that’s, does that mean that there are five internal employees - - -? ---Yes.

- - - plus the Councillor?---Plus the Councillor.

And is the Councillor regarded as an independent or – an external or an internal?---I believe he’s considered external - - -

Okay?--- - - - but I’m not sure.

30

And then you’ve got someone who is outside the Council completely as the independent or an independent?---Yes.

Okay. So regardless of whether it’s – and then the person that passed away, that was also another independent?---Yes.

So the breakup then is five plus the Councillor plus two independents? ---Yes.

40

All right. And how often would the Committee meet?---I can only speak for the time I was - - -

Sorry, in the time that you’ve been there?---Yeah. So for 2014 they met twice and I believe both was in Q4 and in 2015 I believe it was towards the end of the year as well, so I think one was in September and one in October.

When you say Q4, are you talking financial or calendar?---Calendar.

Okay. And in your time there what has been the main focus of the Audit Committee or the main focuses of the Audit Committee?---From what I've observed - - -

Yeah?--- - - - we usually meet around the times when the financial statements needs to be approved by the Audit Committee?

Right. All right. And so does that mean that the focus is the financial statements?---Maybe.

10

All right?---Probably.

All right. Do you have much of a role at these meetings, do you say much at these meetings?---No. I will if they ask me questions specifically about the findings in the audit - - -

Yeah?--- - - - but not much more than that, not at the moment.

Does Ms Cullinane attend these meetings when you attend?---Yes.

20

Have you ever attended or spoken with the Audit Committee as a group independently of her?---No.

Who reports the, who reports on your work to the Committee, is it you or Ms Cullinane or both, orally, do you speaking to a report, if that happens or it doesn't happen?---The report gets sent to them in advance.

Yes?---They will discuss it. I will speak if there's any questions in regards to it.

30

Right. So you don't present it, you wait for any questions?---Yes.

All right. Did you feel that you could report matters to the Audit Committee independently of Ms Cullinane?---(No Audible Reply)

Well, let's start with did you?---No.

All right. And you've raised some matters that were not consistent with what you would have expected to happen?---Yes.

40

Did you feel that you could or should take that up with anyone else, such as the Audit Committee?---I beg your pardon?

Did you feel that you firstly should take that up with anyone outside Ms Cullinane?---I'm not sure I understand.

So you've given some evidence about things that, your role at Council wasn't the same as what you had done in the past?---Yeah.

Do you want to raise those with anyone such as the balance of the Audit Committee?---Is the question do I want to?

Yes, did you want to, is there some reason why you didn't or you just - - -?---I think, I think I did speak to Lorraine about it when I, when I originally started - - -

Yeah?--- - - - but not to anyone else, no.

10

All right. Did you feel that you could, were you comfortable enough in the Audit Committee meetings to raise these matters, given that she was sitting there?---No.

All right. What do you say about the makeup of the numbers on the Audit Committee with the internals and the proportion of internals to externals, do you think that's a good balance or do you think it could be slightly different?---From, from a professional point of view I always think there should be more external independent members than internal members.

20

Right?---It just, it just leads to good governance and leads to better transparency.

And would you regard a Councillor – which, which category would you put a Councillor in, internal, external or a separate category?---I would consider him more internal than external.

All right. Did the external auditors ever raise concerns about management with the Audit Committee?---Not that, not that I know.

30

All right. Did they ever raise – did they ever talk about the finalising of the management letters or the delay in finalising the management letters that you can recall?---Not that I can recall.

Right. To your knowledge was the Audit Committee aware that you were reporting directly to Ms Cullinane?---Yes, I think so.

Okay. And was that fact ever discussed at Audit Committee level in your presence at least?---No.

40

Did anyone ask you or the Audit Committee why is was that you were not examining the financial aspects of your areas?---No.

Does the Audit Committee examine the results of your internal audit reports?---When you mean examine, you mean discuss?

Well we know they, you've told us they discuss it but do they critically analyse it and look at matters or is it more at a global or a high level?---

Well, with some of the audits they have I know they looked a bit closely at the leave audit but I don't recall for any of the others.

All right. Do you believe that all the – from your observations was it your belief that all of the Audit Committee had read all of your reports or you couldn't tell?---I couldn't tell.

10 All right?---Can I just point out that out of the four only two has gone to an Audit Committee, so we're only talking about two audits that they had a chance to look at and review and discuss.

All right. So you prepared a couple of reports that have not gone to the Audit Committee have you?---Yes.

And why did they not go to the Audit Committee?---We just haven't had an Audit Committee.

Oh, since?---Since.

20 Okay. When was the last meeting?---October of last year.

All right. And so the expectation would be would it that they would be discussed at the next meeting?---Correct.

What is – what in your experience is the frequency with which the Audit Committee should be meeting?---Quarterly.

30 And here it sounds like it's, even though it's a couple of times a year, they're two together, so it seems like it's basically annual?---Possibly.

Well you're saying two in the same quarter of 2014?---Yeah.

And what about 2015, you might've said this I've forgotten, sorry. What did you say about 2015?---I believe one was in September and one was in October.

All right. So they're spread out by 11 months or so?---Yes.

40 Or they can be?---Yes.

All right. Do you know why it was that you were asked to look at the leave in an audit – or firstly, do you remember who remember who asked you in particular?---It was the ex-Deputy Mayor.

Okay?---So I think it was George Glinatsis.

Okay. The Councillor?---Yes.

So you know – did he tell you why or did you understand why he wanted you to look at that?---No. It was something that he requested.

All right. You're not always told why you were being asked to do something?---No.

Sometimes you were just asked to do it?---Yeah.

10 All right. What happens if you make a recommendation in a report, how is that dealt with?---So it would, it would need to get approved by the Audit Committee first and then I would send it off to the Manager and the Director in the area and tell them the report has now been approved, please go ahead and implement these recommendations. And then I would put it on an issues list, write down what the due dates were and then follow up with it on the due dates.

20 Right. And what has been your experience with the recommendations you've made in the short time you've been there that have been covered by an Audit Committee meeting?---In what regard?

Have you made recommendations to the Audit Committee that have been dealt with at a meeting?---(No Audible Reply)

I'll go back a step. Have you made recommendations in reports?---Yes.

Have those reports – of those reports have they been reports that have gone to the Committee?---Yes.

30 Okay. So of the recommendations that have reached the Audit Committee what's happened with those?---I try and follow up them, follow up with them as much as possible. But a lot of them are still just sitting as open on the issues list.

All right. And does that include recommendations that you've raised from 2014?---The only audit I did in 2014 was the leave audit and, yes.

40 All right. Do you know, all right. When you have a meeting with the Audit Committee – when the Audit Committee meets after they have previously discussed a recommendation or have had before them a recommendation, is part of the agenda to deal with the recommendations from the previous meeting?---So I think the first time that we send them an issues list might've been in September of last year and then when we, I could be wrong. Yeah. I think it was the first time I sent to them was in September and they did express interest that they wanted to see some of these issues actually progressed then.

All right. And did they include matters that have been raised in the report that had gone to them the year before or, or you can't tell?---Yes.

Okay?---Yes.

All right. But there hadn't been – all right, you've told us about what progress there had been in the intervening 12 months. Has anything changed – when did you become aware of the – this investigation?---On the day that ICAC came - - -

10 So that was - - -?--- - - - into Council.

Was it 3 October? 8 October. Have there been any Audit Committee meetings since then?---There would have been one in September.

And so none since the day in which - - -?---So there was one in October and I think that was to finalise the financial statements.

All right?---I can't remember, but there was one in October since then.

20 All right. That was after the investigation commenced to your knowledge?  
---Correct.

All right. And were any changes made as a result of the – sorry, in the, in the October, 2015 meeting of note?---I don't know.

30 Okay. All right. What I mean is was the ICAC investigation discussed at the audit meeting in October and anything come of that?---Not that I was aware of. Once the meeting was over I know that the General Manager and external auditor stayed back to discuss something but I wouldn't be privy to what their conversation would have been about.

Okay. Who determined the agenda for the Audit Committee meetings?---It was prepared by Lorraine so I'm thinking it might have been her.

All right. Is that something that – who do you, who do you think should prepare the agenda for an Audit Committee?---It's usually prepared by the audit manager with input from the directors and the people that are going to be present at the Audit Committee.

40 And who is the audit manager?---At the moment I would have to say it would be Lorraine.

Okay. All right. And normally in the two previous jobs you've had who has been the audit manager?---Just an independent person that's running the Risk and Audit team.

So someone from outside the business?---From - - -

Is that what you mean by independent?---No. Someone - - -

Who doesn't get audited as part of the - - -?---It would - - -

What do you mean?---It would just be a team that had a leader that wasn't part of the management team.

10 Okay. All right. Can I just show you this document, volume, page 51 of volume 2. This is Corruption Prevention or CP volume 2, page 51. It's on the restricted website. I'm only going to take you to one page. Have you seen this – do you see Business Unit reports like this?---I believe that this was an audit that was done by the previous auditor. I've come across it but I don't think I've actually looked at it carefully.

Okay. You see that, excuse me, it has a rating of high, and I'm only going to go to this one example but purchase order limits and segregation of duties, have you read this page before or recently?---I may have briefly looked at it but I haven't read it recently.

20 Okay. You see that – I just want to ask if to your knowledge whether or not any of these are still issues. You see that the second paragraph on the first column, following discussions, just read that to yourself. Do you know who that administration clerk is they're talking about?---No.

All right. Do you know if anything has changed with respect to a person of that function having a delegation of that order?---No, I wouldn't know.

Okay. And you wouldn't – would you expect to know or you wouldn't expect to know that?---(No Audible Reply)

30 Anyway, you don't know?---No, I don't know.

All right. That's fine. What about a bit further down on that page, 90 per cent of manual purchase orders inspected are not being created in the Civica System. Has – do you know whether or not – well, firstly, can you comment on that as to what's happening now or not?---No.

All right. And what about the next bullet point, 60 per cent?---(No Audible Reply)

40 Can you comment on that?---No.

All right. That's okay.

Nothing further.

THE COMMISSIONER: Yes, Mr Moses.

MR MOSES: Thank you, Commissioner.

Ma'am, I act for the Council. I just have a few questions if I could?---Sure.

Thank you. Now, your role as internal auditor is located within Corporate Services?---Correct.

And as you've said, you report to the Office of the Deputy General Manager?---Yes.

10

And that's because the Deputy General Manager also is the Director of Governance and Finance Matters. Is that right?---I believe so, yes.

And I think you've said that the current internal audit plan was developed by your predecessor?---Correct.

And that was done on your understanding in consultation with the Deputy General Manager and the internal Audit Committee?---I wouldn't know, but I would assume.

20

You'd assume that. And in terms of the internal Audit Committee, there are voting members of the Audit Committee and there are non-voting attendees and non-voting invitees. Are you aware of that distinction?---Yes.

And in terms of the voting members of the internal Audit Committee, there are three, that is a Councillor who was nominated by the Council, correct? ---I think so.

30

Yeah. If you don't know you should say so rather than make an assumption?---Okay.

Okay. It will be easier for you. If you don't know, just say so?---Okay, I wouldn't know - - -

Okay?--- - - - to your previous question.

40

So would it surprise you to know that in terms of the Audit Committee just picking up from an answer you gave to Counsel Assisting, that the majority of the voting members of the Committee are actually external members, or you wouldn't know that?---I wouldn't know.

Okay. Because in fact the majority of the voting members on that Committee are external and the remainder of the persons who attend, such as the Deputy General Manager or the Manager of Special Projects, Mr Patterson, who's a consultant - - -?---Ah hmm.

- - - they actually are non-voting invitees. So you're not aware of that?

---I knew that we have voting and non-voting members, I just wasn't clear on - - -

That's okay?--- - - - which ones were which.

Yeah, that's fine, that's okay. And the internal Audit Committee, I think you've said meets quarterly usually. Is that your understanding?---From my experience they've met usually towards the end of the year and they've usually met twice.

10

Okay. And in terms of the internal Audit Committee, I think the previous Chair passed away last year. Is that right?---Correct.

And that was just before the October meeting?---I think so, yes.

Yes?---I don't know though.

Yes, thank you. And in terms of your role as internal auditor, you issue draft reports that include an action plan for the audited area to remedy any issues that you identify?---Correct.

20

And you identify a responsible officer who should deal with the recommendations?---Yes.

And the internal audit plan I think is coming up for review, correct, that's at the end of this year?---(No Audible Reply)

30

The current internal audit plan, are you aware of that?---I'm not sure. I know that it ends in June 2017, I wasn't clear on when it was expected to be reviewed.

But you have input in relation to the next one?---I hope so.

Are there any concerns in relation to the current audit plan that you have? ---I would have no way of knowing that. I don't know how it was developed or what considerations were taken so - - -

That's okay?---Yeah.

40 Have you raised any concerns about the current audit plan with anybody? ---No.

Thank you. And you work off the current plan. Correct?---Correct.

According to high and low risk?---Not always.

You engage with stakeholders?---In, in regards to the audits?

Yes?---Yes.

And you try to be proactive?---I try to be.

Yeah. It's okay, you don't need to be defensive, I'm just trying to get some information out for the Commissioner. It's fine?---Yeah.

And the internal audits that you've undertaken, they include in this areas, leave?---Yes.

10

Risk management?---That was an external audit.

Did you participate in that?---Yes.

Worker's Compensation?---Correct.

Parks and Gardens?---Yes.

20

And in terms of segregation of duties, I think you identify that in the leave audit that you undertook?---Yes.

And you set out a process to segregate approval in respect of leave?---I think so.

And you made recommendations to Human Resources?---I believe so, yes.

And that went to the Audit Committee?---Correct.

30

Which approved it?---Yes.

And that process is now in place?---The recommendation?

Correct. It was approved or you don't know whether it was implemented? ---No, it's still open from what I understand.

You don't know if has been approved?---No.

40

It wasn't approved or you don't know?---No, it was approved by the Audit Committee.

Yes?---But when it's gone to HR I don't know whether it's been fully implemented yet.

So the answer to my question is you don't know whether it's been fully implemented?---Based on my last conversation with the HR Manager, it hadn't been, it was a work in progress.

Thank you. And are you following that up with that HR Manager?---We've got a new HR Manager and I'm following it up with the new HR Manager.

Thank you. And I think you mentioned that the former Deputy General Manager informed you that in terms of your role it wasn't to look at the issues of finance, is that right?---It wasn't - - -

I'm just trying to understand the evidence you gave to Counsel Assisting?  
---Can you repeat the question?

10

You said to Counsel Assisting but you should correct me if I'm wrong?  
---Ah hmm.

That you had a discussion with Ms Cullinane about the issue of you looking at Finance area matters. Do you recall giving that evidence?---Yes, I did discuss with her about that, yes.

Yeah. And what did the former Deputy General Manager say to you?  
---We, so we had a conversation about that and she believed that because we had external auditors that came in and would look at the finance section in quite detail and that they would do it every year. That maybe I would add more value if I looked at other areas that weren't being looked at.

20

Okay. And what about procurement, did you look at procurement?---No.

And was that something that the former Deputy General Manager told you not to look at?---We didn't – I don't believe we discussed procurement.

30

Okay. Thank you. And the position was if you made recommendations to the Audit Committee they would be implemented, that is they would be approved?---If they were approved - - -

That was your general - - -?--- - - - I would expect them to be implemented, yes.

Yeah. But your general experience was that if you recommended something to the Audit Committee they would approve it?---Yes.

40

Thank you. Just, could I just have a moment, Commissioner. I'm just going to show you the three-year audit plan, the current one. Mr Thangaraj has asked you some questions about the three-year audit plan. Could you just identify, that's that current three-year plan?---(No Audible Reply)

Is that the current three-year audit plan?---This was the one that my predecessor did come up with, yes. I think it's been reviewed once or twice since then.

Okay. Did you review it?---I reviewed it with Lorraine, I did.

Okay. Is there another version of the plan than that one that you have in front of you or you just don't know?---It's an unofficial version, it never went through the Audit Committee so this is we consider the official version.

So the answer to my question is the document you have in front of you is the current internal audit plan?---I believe so, yes.

10 Okay. Thank you. Can you just hand that back to your lawyer, he wants to have a look at it. And in relation to that plan that sets out your focus and role in terms of what you should be doing as an internal auditor?---Correct.

Thank you. Okay. I have no further questions of the witness, Commissioner. Thank you.

THE COMMISSIONER: Thank you. Any other questions of Ms Rai?

MS McNAUGHTON: Yes, thank you.

20

THE COMMISSIONER: Yes, Ms McNaughton.

MS McNAUGHTON: Ms Rai, hello?---Hi.

I appear for Ms Cullinane and you might be aware that she's no longer the Deputy General Manager for Botany Council?---Correct.

Is it your understanding that you were to report functionally to the Audit Committee but administratively to report to the General Manager?---No.

30

THE COMMISSIONER: Sorry, to the General Manager?

MS McNAUGHTON: Yes?---No. I – like I mentioned I was told in my interview that I was supposed to report to the General Manager through the Deputy General Manager and I just took that to mean that I would report to the Deputy General Manager.

Did you ever try to report to the General Manager directly?---No.

40 Within the audit plan covering the years '15 and '16, the accounts payable section was part of that wasn't it?---Correct.

And it's the position isn't it that you had a conversation with Ms Cullinane about the audit for the year and discussed what next to do within the audit, yes?---Correct.

Did you have that conversation either in about July or early August or sometime in September of 2015?---I, I can't remember.

But you recall such a discussion sometime the second-half of last year do you?---Are you talking about in regard to - - -

Just planning for the next phase of the audit?---Correct, yes.

Did Ms Cullinane say something to this effect, because the finance section are doing their annual financial statements and with the new procurement officer coming on board in October it would be best to do the accounts payable audit sometime after November?---Yes.

10

So it's not the case that she told you not to do an audit of the finance?---I, I believe we had a discussion about that earlier as well. I think it was May or something like that and I was told that because they were preparing for the external auditors to come in and it was a very busy that that wasn't the best time to go in.

20

She wasn't telling you not to do it, it was just what would be the more appropriate time. Is that right?---Well, it's – it kind of seems to block up quite a large part of the year if, if I can't look at it from May until the external auditor leaves so the way I heard it was don't look at it, look at something else instead.

But you can look at it, it was her suggestion sometime after November? ---Yes, but when it came to after November I was asked to look at Children's Services instead of accounts payable.

30

Now it's the case isn't it that Ms Cullinane always encouraged you to maintain the integrity of your own reports. That's right isn't it?---Yes, that's correct.

And that if you had any concerns even about herself that you should raise them with the General Manager?---Yes.

And you didn't do that did you?---No.

You in fact thought highly of Ms Cullinane didn't you?---Yes.

And you wrote her a Christmas card didn't you?---I did.

40

And you've said this, "Dear Lorraine, merry Christmas. I wanted to thank you for all your support and the kindness you've shown me this year." You recall writing that?---I do.

"It has been inspiring to work with and for you and through the year I have realised that you are not only our boss but you genuinely care for people as well. It's a rare trait and I'm glad to have been able to witness it. I know it has been a challenging year so I pray for God's blessings to be upon you as we close this year and start a new one. Merry Christmas, Lorraine, and a

very happy New Year. I will see you in 2016 for more adventures. Kind regards, Natasha.” Did you write that?---Yes.

Yes, if that could be received into evidence please.

THE COMMISSIONER: Yes. Exhibit R73.

10 **#EXHIBIT R73 - CHRISTMAS CARD FROM NATASHA RAI TO LORRAINE CULLINANE**

MS McNAUGHTON: Thank you. You’ve met the external auditor haven’t you at the Audit Committee meeting?---I have.

And you’ve been working with the manager of governance on risk management issues, that’s right?---I’ve been assisting him with it, yes.

20 And you have seen and participated in the external risk audit by In Consult or something to that effect?---In Consult, yes.

And Ms Cullinane also asked you to do an internal audit of the use of pool cars in relation to parking infringement issues. Is that the case?---It was a review, yes.

Do you know whether or not Ms Cullinane has spoken to the General Manager about issues or planning of various audits?---No.

30 Are you aware of whether or not there’s an audit charter?---I believe there is.

Do you think – sorry, do you understand that you are to report to the General Manager under this charter?---I’m not sure, I’m not sure.

You didn’t think it was important to find out as the internal auditor?  
---I believed what I was told when I was employed, when both the Deputy General Manager and the General Manager was in the room and I took their word for it.

40 Did you think it was unusual for the General Manager not to meet with you on a regular basis?---No, because I was reporting to someone quite high up, I was reporting to the Deputy General Manager and I thought that’s just the way that Council wanted it to be.

And it didn’t bother you such that you did anything about it?---No, it didn’t bother me enough that I did something about it, no.

In relation to the leave audit, is it the case that the interest of the Deputy Mayor was in the amount of leave that had not been taken, rather than anything else?---I don't know. It wasn't something that was discussed with me.

So you don't know whether or not he was concerned about the leave liability of the Council?---Not directly, it's not something that he said to me directly, no.

10 Are you aware whether or not there was a Business Unit audit in previous years?---Yes, I, I knew one had been done.

And are you aware whether or not a Finance contractor was engaged by Ms Cullinane through Local Government appointments in April 2013 to work with the Business Unit manager to improve financial process and address audit issues?---No, I wasn't aware of that, I hadn't started at that point.

20 Are you aware whether or not that person worked for about a six-week period?---No, I wasn't aware of that.

Yes, thank you, they're my questions.

THE COMMISSIONER: Any other questions of Ms Rai?

MR THANGARAJ: Do you have anything?

MR LEWIS: No.

30 MR THANGARAJ: Just one question, two questions. You started in September of 2014?---Correct.

Has Ms Cullinane ever said to you, it's time for you to thoroughly audit the Finance Division?---Never.

Nothing further.

THE COMMISSIONER: Thank you, Ms Rai, you may step down. You're excused.

40 Thank you, Mr Lewis.

**THE WITNESS EXCUSED**

**[2.42pm]**

MR MOSES: Commissioner, could the audit plan just be marked for identification at this stage, it's contained in the statement of Councillor Glinatsis which is part of the - - -

MR THANGARAJ: It can be tendered now.

MR MOSES: It can be?

MR THANGARAJ: Yeah.

MR MOSES: Okay, thank you.

10

THE COMMISSIONER: All right. Exhibit R74.

**#EXHIBIT R74 - BOTANY BAY COUNCIL THREE YEAR AUDIT  
PLAN FOR JULY 2014 TO JUNE 2017**

MR MOSES: Thank you.

20

MR THANGARAJ: We're back to Mr Goodman, Commissioner, and Ms McNaughton and Mr Latham can decide who wants to go first.

THE COMMISSIONER: Thank you.

MR LATHAM: Commissioner, I've got CLE that I have to give tomorrow morning at 9.00 so it might be easier if I go now, unless the Commissioner is willing to put tomorrow's hearing off till 10.00. I haven't discussed that with my friend.

30

THE COMMISSIONER: Well, I don't know, you can fight it out amongst yourselves.

MR LATHAM: Ms McNaughton said it's fine.

MS McNAUGHTON: Yeah, I don't have a problem.

MR LATHAM: So I'm happy to start.

THE COMMISSIONER: Right.

40

THE COMMISSIONER: Yes, yes, Mr Goodman, I'll just remind you that once again you're on your former oath and the section 38 order continues to apply.

Yes, Mr Latham.

10 MR LATHAM: Mr Goodman, do you remember giving evidence earlier about the installation of security systems for Mr Fitzgerald?---(No Audible Reply)

Sorry, when I say Mr Fitzgerald I mean Mr Fitzgerald Senior?---Yes.

20 Okay. And you gave evidence as I remember that he had got security cameras installed in his house on the north coast paid by Council. Do you remember giving that evidence?---I don't think I said paid – I wasn't sure, I wasn't aware of the project only the people who did it told me about it, that was more to the point. I can't remember that part.

I see. Could I just put this to you then so that we can do this quickly. Mr Fitzgerald doesn't have a house on the north coast but he did have a business on the central coast, there was a security system installed and he paid for it. You don't have any contrary knowledge to that, do you? ---All I know there was a security system installed by the contractors who did the Council security system.

30 Okay?---Which is what I said.

And in relation to security systems generally, it was standard wasn't it for Botany Council to install security systems for senior officers if they expressed concerns as to their safety?---I believe that was the case with Ms Cullinane.

Yes?---There was concern expressed for her safety by herself, I don't know if it's the norm but - - -

40 But you knew that it had, that the General Manager had approved such security systems on a number of occasions, don't you?---I don't believe so.

And you knew, didn't you, that Ms Cullinane had expressed concerns about her safety, didn't you?---Absolutely.

And you knew also, as the Chief Financial Officer, that the General Manager had delegation to approve expenditure up to \$150,000?---The tender amount, yes.

Yes. So in fact the General Manager did have authority to approve such a security system, didn't he?---I just don't know if that related to private expenditure rather than Council work.

Sorry?---The question I was asked, would the General Manager have approval to spend \$50,000 on non-Council activities and that was the question I answered, not did he have authority to spend up to 170 or \$150,000, of course he has, but I was asked did he have authority to spend –  
10 did I believe he had authority now to spend \$50,000 on non-Council property expenditure.

And why is, why is getting a security system for a senior officer who has expressed concerns about their safety not to do with Council business?

THE COMMISSIONER: Sorry, are you talking about Ms Cullinane, are you?

MR LATHAM: Yes, sorry, Commissioner.

20 THE COMMISSIONER: Yes.

THE WITNESS: I'm not saying that it wasn't warranted, the question was put to me by Counsel Assisting the Commission, did I believe the General Manager had authority to approve \$50,000, I took it to mean \$50,000 worth of expenditure on non-Council work, not on a Council property. That's, that's, that's the question I believe I answered anyway.

MR LATHAM: Okay. Can I ask you this. It's a legitimate concern for a Council to have about the safety of its senior officers, isn't it?---And I  
30 completely agree with that, absolutely.

Okay. And it is therefore a legitimate function for Council to spend money on security systems to deal with those legitimate concerns, isn't it?

THE COMMISSIONER: Mr Latham, can I just clarify one thing.

MR LATHAM: Yes, Commissioner.

THE COMMISSIONER: I think the question, the question – and I want to  
40 make sure that the witness understands this, the question assumes that the legitimate security concerns are those that arise out of the performance of the person's duties as an officer of Council.

MR LATHAM: I accept that, Commissioner.

THE COMMISSIONER: All right. So I just want to make sure that this is, these are legitimate security concerns that somehow related to Council business?

MR LATHAM: Yes.

THE COMMISSIONER: Do you understand that, Mr Goodman?---Yes.

Right.

MR LATHAM: Okay.

10 MR THANGARAJ: And I should just point out in case this assists my friend that at transcript, I won't read it out so the witness hears it, but my friend can go to transcript 850 line 45/46, which is why I'm not objecting to the question, but there's an important distinction.

MR LATHAM: Oh, there certainly is.

Mr Goodman, can we just go back then one tick or one moment. It's legitimate, and I'll just repeat the earlier question, it's legitimate isn't it for Council to ensure the safety of its senior officers, isn't it?---Yes.

20

Okay?---I agree with that.

And if the concerns for safety arise out of their Council functions it would be legitimate for Council to do something about that by installing a security system, wouldn't it?---Yes.

Okay. And that's exactly what happened, isn't it?---The question was put to me did the - - -

30 THE COMMISSIONER: Don't, don't worry about what the question was? ---Okay, no.

Mr Latham's asking you, that was what happened in relation to Ms Cullinane's legitimate security concerns, namely that she had, she had concerns arising out of her position as Deputy General Manager and therefore the expenditure of the money on the security system came within the General Manager's delegation. That's what's being put to you?

40 ---I understand the question. I do, I do agree, Lorraine Cullinane did have genuine concerns about her safety, that was witnessed by me on a number of occasions, and the General Manager did approve the expenditure.

Yes. Now can we just stay with Mrs Cullinane for the moment. There has been some discussion about her superannuation arrangements?---Yes.

The simple way of describing it or to summarise it is to say that her superannuation was topped up because she had not been in the earlier more beneficial superannuation scheme. Is that a very fair, very broad summary? ---That's, that's a broad, yes. Yes.

Okay. Now that arrangement was documented, wasn't it?---Originally, yes.

And it seems, doesn't it from the evidence that we have heard from you today, that those documents had somehow since gone missing?---That's correct.

I see. And in fact that process or sorry, those payments were in fact discussed with the auditors, weren't they?---They were discussed with the  
10 Chief Auditor, yes.

Yes. But in fact the scheme that you had set up to enable them to be paid was hidden from the auditors, wasn't it?---I assume, yes.

And it was hidden from everybody else except for yourself and Ms Cullinane, wasn't it?---And the General Manager.

Sorry?---And the General Manager, he was aware of it.

20 Sorry, he was aware of the payments?---Yes.

The top up payment?---Yes.

But he wasn't aware of this scheme whereby it was charged to creditors, was he?---I can't answer that, I can't answer that right now.

I see?---I have my own thoughts on it but - - -

And on the same issue in relation to superannuation for Mr Fitzgerald?---  
30 Yes.

You gave evidence, didn't you, that Mr Fitzgerald was subject to a similar top up arrangement, is that correct?---That's correct.

And you said that that was not authorised, is that correct?---No, I don't, I think, I think I might've mentioned that that was confirmed and checked by an organisation called Strategic Consulting.

I see. And the check by Strategic Consulting basically said that Mr  
40 Fitzgerald had amounts paid as part of his package in relation to superannuation, was that correct?---That's correct.

And that in fact there had been a contribution holiday to the Council by the superannuation fund?---That's correct.

And that because of the holiday he had in fact lost that amount of money, is that correct?---I don't understand - - -

Or loss of benefit of that amount of money?---I don't understand the question?

Okay. Well let me go back. Council got a contribution holiday, didn't it?--- Yeah (not transcribable) three years or so, four years, yeah.

Yes. And in fact until that period, Mr Fitzgerald was given an amount as part of his package for those superannuation payments?---That's correct.

10 Okay. But he was no longer getting the benefit of those payments because there was a superannuation holiday and Council was no longer paying those amounts into the superannuation fund?---But I think the superannuation fund was making the payments on Council's behalf. I don't think anyone actually missed out on superannuation and in the holiday. The Council just didn't have to pay it so the Council got the benefit. I believe anyway.

20 Well if he's not having paid – if he's not having a certain amount of money paid into a superannuation fund he's no longer getting that benefit, is it?---I think the superannuation fund themselves were paying the money in, no one was actually missing out on superannuation. They were making the payments instead of collecting the money from Council. That's what I believe.

Well we might come back to that. And the essence of it was is that in accordance with that report, that external report is superannuation was, sorry, payments to him were topped up. That's correct, isn't it?---Could you just repeat that question again?

30 Certainly. In accordance with that external report, payments to him were topped up?

THE COMMISSIONER: Sorry. I'm sorry. What external report are we referring to?

40 MR LATHAM: Sorry, this was the report referred to by Mr Goodman. What was it, the name of it?---Strategic Consulting. I don't think they commented on whether the – it should be topped up or not. That was more on the method used like for calculation of the, the payment to the General Manager.

All right. Now can I go to this particular point. You state that you made payments in cash to Mr Fitzgerald. Do you remember making that statement?---Yes.

And you said that there was a payment in – a particular payment in cash of \$75,000. Do you remember saying that?---Yes, I do.

Sorry?---Yes, I do.

And that Mr Byrnes was there when the cash was taken out of the bank?  
---That's true.

And that you showed that payment to Ms Cullinane?---Yes.

How was that payment of cash accounted for?---As superannuation – as every other one as a superannuation top-up for the General Manager.

10 So in the accounts there will be an amount of \$75,000 as superannuation top-up for the General Manager?---I can't remember how it would show in the accounts. I can't remember that but when the cheque was drawn it was drawn as supplementary – I think the word is supplementary superannuation.

See, Mr Goodman, the payment of \$75,000 in cash is just a fabrication by you isn't it?---No, it's not.

20 And in fact Mr Fitzgerald had a right under his contract of employment to be paid top-ups in relation to supplementary superannuation as you describe it didn't he?---I have no doubt about that.

I see. And you say that there was a company called Bloggs Consulting - - -?  
---Yes.

- - - that was used to disguise these enormous payments. Is that correct?  
---Yes.

30 Now you in fact gave evidence that you even met Mr Bloggs?---Correct.

Was that serious evidence that you gave?---Absolutely.

Is there any person that you have ever met before or since called Mr Bloggs?---No.

Could I ask you this - - -

THE COMMISSIONER: Or that was introduced to him as Mr Bloggs?  
---Yeah, that's - - -

40 MR LATHAM: Oh, sorry?---I was about to (not transcribable) that.

I'll ask has there been anybody ever introduced to you as Mr Bloggs?  
---Once only.

Did you not laugh when somebody said here is Mr Bloggs?---I wouldn't laugh at the General Manager.

Sorry, you say that the General Manager introduced somebody to you - - -?  
---Yes.

- - - as Mr Bloggs?---Absolutely.

Is that your serious evidence today?---That is my very serious evidence.

And you say that there were invoices prepared for Bloggs Consulting?  
---Yes.

10

And this Commission has not been able to find any such invoices as I understand it?---You're telling me that this Commission hasn't been able to find any payments?

THE COMMISSIONER: Sorry, is that evidence from the bar table? I mean if that's a fact, Mr Latham, you can rely upon it but I don't think this witness is going to be helping in that regard.

20

MR LATHAM: I accept that. I withdraw that. And in relation to Bloggs Consulting, are you saying that those invoices were entirely fictitious, that there was no such work ever done?---It was my belief. I didn't know. I don't know. It was my belief that's all. That was the question I was asked.

So who sent the Bloggs Consulting invoices?---I don't think anyone sent any. I'd receive either a phone call or Peter would say I had to pay that so we'd go and arrange the payment.

30

And how did you do that?---Went to either Mark Thompson or Barry Byrnes and said we had to do these cheques. Either - I think Mark produced the cheques, went - had someone go down to the bank and cash them. Envelopes. I'd give them to the GM in his office.

So think carefully about this, Mr Goodman. If you're telling the truth there must be records of Bloggs Consulting within the Council records?---There would have to be, yes.

Now you were also asked about - - -?---Can I just go back for a minute, sorry.

40

Sorry. Take as long as you want, Mr Goodman?---MB Consulting. I'm just trying to get the name right.

Well, we'll go to MB Consulting?---Mmm.

But you gave evidence about Bloggs Consulting?---Yes, that's right.

Yes. Now let's go to MB Consulting - - -?---Yes.

- - - which you were asked by my friend Mr Moses. Who was MB Consulting?---I don't know.

I see. Is MB Marny Baccam?---No, absolutely not.

I see. And what did MB Consulting do?---I don't know.

I see?---I was asked by the General Manager to produce these payments so I did.

10

So if that evidence is correct there must be invoices for MB Consulting within the Council records?---I would assume so.

See - - -

20

THE COMMISSIONER: Sorry, can I just clarify before we go on. Mr Goodman, I just want to make sure I understand this. Do you say that there were invoices for Bloggs Consulting using that name and invoices for MB Consulting using that name, or were they one and the same thing?---They were one and the same, I believe they were one and the same and I was - - -

So you thought that MB Consulting was in fact Bloggs Consulting?  
---Yes. I was handed a pile of about 10 or 12 blank invoices and I can't remember if it was MB or Bloggs up the top, this is years ago, but that's what I was handed, no question.

30

MR LATHAM: Sorry, Mr Goodman, when you say years ago, how many years ago?---Could have been 10, could have been 10, I can't remember the timeframe, it's too long ago.

Can you remember anything about these consulting invoices?---Absolutely, I remember drawing the cheques and paying, and they were countersigned by someone else.

They were countersigned by somebody else?---Absolutely.

And who would they have been countersigned by?---Either Barry Byrnes or Mark Thompson.

40

I see. All right. Well, let's just press on and we'll come back to those in a moment. You gave some evidence about Mr Fitzgerald Senior's car and its sale. Do you remember giving that evidence?---Yes.

I think the evidence was, wasn't it, that it was three-year-old LandCruiser. Is that correct?---Whatever it was, yes.

Or roughly a three-year-old - - -?---Roughly, yeah, roughly.

And that you had a similar LandCruiser from that similar sort of vintage?  
---Different model, yes.

Yes. You referred to yours as a wreck. Do you remember that?---Yes.

Was it literally a wreck or was it an old car?---It had done a lot of kilometres and it had been bashed around a bit.

10 Was it literally a wreck or was it an old car?---A very old car.

Okay, a very old car about three years old?---It had a lot of damage.

Right. And what was the depreciation practice or sorry what was the accounting practice in relation to depreciation at - - -?---I believe it was 20 per cent per year.

Sorry, 20 per cent per year?---20 per cent per annum.

20 So after three years the value of it would be down to 60 per cent of the original price. Is that correct?---If you relied on depreciated value only.

Right. And what else would you rely upon?---Sale price and fair value.

Well, wasn't this the policy, that they were entitled to, or sorry, Council sold cars either at the written-down value or the trade-in value. Is that correct?  
---I would say that our policy was to get the maximum we could for each car.

30 Well, is that an answer to my question?---Yes.

I see. And in accounting terms, isn't the process that the written-down value or the trade-in value is used?---When you sell a car the written-down value is used to determine the profit on the sale.

I see. And what do you say the value of the car was?---I was asked for an estimate of what I thought it was.

40 Yes?---It was a LandCruiser Sahara, about three, maybe four years old, in brilliant condition, 10,000 kilometres, I would say somewhere in the order of 60 to 70,000, in my opinion. That's only a personal opinion.

60 to 70,000?---Yes.

You told him didn't you that it was worth 38,000?---I was asked to get a valuation on my car, which I did.

And in fact Mr Fitzgerald paid more than that, didn't he?---I can't recall what he paid.

In fact he looked at the Carsales website at the time, didn't he?---I don't know.

Did he discuss that with you?---I don't – no, he didn't.

Now, we discussed a, or you discussed a car for Ms Baccam?---Correct.

10 And going to Pickles. Do you remember that discussion?---I remember the discussion about going to an auction place, yes, I believe it was Pickles.

And this is Pickles in Belmore is it, the auction site?---That's where it would have been, yes.

And this is what happened, isn't it, Mr Fitzgerald rang you because his son had written off his car. Do you remember that?---I don't remember about written off his car, I know his son was there.

20 And he said could you come and help him buying a car for his son. Do you remember that?---No, not that part of the conversation.

And, and in fact you went round and his son wanted to buy a Mini, do you remember that?---I remember him looking at a Mini, yes.

And you in fact went there with Joe Freitas and Ms Baccam. Is that correct? ---No, that's not correct.

30 Well, sorry, how did Ms Baccam get there?---I was asked to bring Ms Baccam to that auction place by – I don't know whether he asked me or another particular person to bring her there which we did. Joe Freitas was not there.

Well that's just simply not true, isn't it?---I suggest you ask Mr Freitas.

And Ms Baccam pointed out a car and she said that she liked it?---That is correct.

40 And that was the end of the discussion in relation to the car and Mr Fitzgerald Senior, wasn't it?---Absolutely not true.

Now Mr Goodman you had some – gave some evidence about credit cards? ---Ah hmm.

That were used by Mr Fitzgerald Senior?---Correct.

And I think at least some of those credit cards are in evidence, aren't they?--  
-(No Audible Reply)

Sorry, you may not know that?---No. Don't know.

Withdraw that. The truth in relation to those credit cards, isn't it, is that those statements, the credit card statements went to you, didn't they?---No. MasterCard statements went directly to Barry Byrnes, I never saw them. Diners Club statements came to me.

Okay, sorry. So let's just go through that. The Diners Club statements went to you?---Yes.

10

And the others went to Mr Byrnes?---That's correct.

Okay. So in relation to those statements in fact the actual owner of the card would never in fact know what was on the statement?---(No Audible Reply)

THE COMMISSIONER: Sorry. Is this because all the cards were in the name of Botany Bay Council?

20

MR LATHAM: No, no, no. Sorry. I might, might just - - -?---Yes.

- - - break that question down. The card for, for example, Mr Fitzgerald Senior, did not go to Mr Fitzgerald Senior, did it?---It was addressed to Mr Fitzgerald Senior at a particular GPO Box in the city which I believe for a period of time his secretary collected the mail.

Well we'll get to the post office boxes in a moment, Mr Goodman. But can you answer my question. The statement did not go to him it went to you, didn't it?---That is correct. When it was delivered.

30

And you would determine whether and how it would be paid?---That is correct.

And in fact the statements included a whole series of legitimate payments for other members of Council, didn't it?---I never said anything other than, I never commented, sorry, on that. I didn't say anything was illegitimate.

No, no. Well I'm just asking you to comment now?---Yeah.

40

There were in fact four example, a whole series of payments that were telephone bills paid for other members of staff?---Is absolutely correct.

Okay. And there are also a large number of payments that were payments for you - - -?---Could've been.

- - - personally?---Could've been.

No, no, not could've been, Mr Goodman - - -?---Well I haven't got the statements in front of me so I can't comment.

But you know that there were, don't you?---I think I mentioned that to the Commission before.

Yes. And those payments were entirely illegitimate, weren't they?---Yes.

THE COMMISSIONER: Mr Goodman, can I ask you. They payments made on the Diners Club card relating to telephone bills of other Council staff - - -?---No, no, they were the Councillors who - - -

10

Councillors?---Councillors as well as Council.

I see?---It wasn't just, there was Councillors who were, they were paid by that card. I think it might've been (not transcribable)

So they were paid by a Diners Club card that was in Mr Fitzgerald's name? ---Mr Fitzgerald care of Botany Bay City Council.

20

And why was that method chosen as opposed to paying the Councillors telephone accounts from general revenue?---It was still charged to general revenue when we costed out the card at the end of the year.

All right?---(not transcribable) to the correct areas then.

MR LATHAM: All right. Now can I go back to Mr Fitzgerald Senior. I want to hand up, sorry, Commissioner. If I could hand up these documents with one qualification.

30

THE COMMISSIONER: You want these admitted, Mr Latham or you just want to show them to the witness?

MR LATHAM: No, no, no. I want them admitted. Is there a copy for the witness?

THE COMMISSIONER: Yes.

40

MR LATHAM: Could I just say, Commissioner, some of these documents may already be in the bundles of documents produced by the Commission and I apologise for that. Could I just go through these documents one by one, Mr Goodman. The first document is a rough organisational structure and I want to make this qualification to that. I think the Airport Business Unit in fact, not only reports to the Director for City Infrastructure but also to the SACL, is that correct?---They did report to Sydney Airport Corporation Limited. But the Airport Business Unit was owned by Botany Bay City Council.

Certainly. But particularly in relation – and this is obviously at the time that Peter Fitzgerald was the General Manager?

---Ah hmm.

But the central column is correct isn't it?---Centre column. Yes.

Now can I then take you to the second page which is a contract of employment with Mr Fitzgerald. Have you seen that document before?

---I may have. I may have. I can't recollect but I may have.

10 Okay. Because one of the pieces of evidence that you gave was in relation to the cashing out of the General Manager's leave. Do you remember giving that evidence?---Yes.

And did you say that that cashing out was legitimate or not legitimate?---I think I might have made a – I can't remember. I might have made a comment about the taxation of it.

20 I see. But if I can just explain to you then at page – the bottom of page 5 you will see at 8.2 that the General Manager was entitled to receive payment in lieu of any leave in credit at any time during the period of the contract. Do you see that last sentence in that paragraph?---I'm reading it now.

And you know of course don't you, Mr Goodman, that Mr Fitzgerald was not subject to the aware because he was the senior officer?---Yes.

Yes. And that senior officers were subject to an individual contract of employment between themselves and the Council?---I think the only contract in existence at Botany was the General Manager's.

30 Yes?---Back in this time.

Now if I can then take you to the bottom paginated number 4 at paragraph 6.1. You will see, "The General Manager will receive a total remuneration package at the commencement of this contract as set down in schedule 4." Do you see that?---Yeah.

THE COMMISSIONER: Schedule F?

MR LATHAM: Sorry, Commissioner.

40 THE WITNESS: Schedule F.

THE COMMISSIONER: Schedule F.

MR LATHAM: Sorry, I missed that.

THE COMMISSIONER: Schedule F.

MR LATHAM: Oh, sorry.

THE COMMISSIONER: Yes.

MR LATHAM: Yeah, withdraw that. And then can I take you to Schedule F. You'll see that's at the bottom page is at, paginated number 19. Do you see that there?---(No Audible Reply)

10 And there's a reference there to remuneration packaging, the provision of a motor vehicle then supplementary superannuation. Do you see that?---Yes, I see that.

And so Mr Fitzgerald was entitled to determine the amount of supplementary superannuation to be paid?---Yes.

And you'll see there's a civic allowance of \$2,000?---Yes.

And if one goes over the page of course you'll see at paragraph 3.1 that he was entitled to reasonable expenses being paid?---I see that.

20 And then at paragraph 3.5 on the next page you'll see that he was allowed an annual allowance, this is in the second paragraph, the second sentence, of \$20,000 to use as he determines from time to time?---Yes.

And you'll see at 3.8 that he was entitled to an allowance in addition to salary entitlements of \$8,000 a year, you'll see this over at the next page, in year 1 increasing by \$500 per annum. See that there?---Yes.

30 So they're the entitlements that he was entitled to, aren't they?---According to the contract, yes.

And, and, and is that the, is that last sentence the figure of \$8,000 or so that you were referring in your evidence?---I can't recollect mentioning \$8,000.

I see. And can I take you to the next page then. You'll see there, there is what's called a presale, sorry, Trade Vehicle Presale Summary?---Yes.

40 And, and there's a, in the top right-hand corner, City of Botany Mascot 220 and then contact Barry Byrnes. That's the Barry Byrnes you were talking about beforehand, is it?---Barry Byrnes I was talking about, yes.

And can I take you over the page – or sorry, could I just go to that page. What is a Trade Vehicle Presale Summary mean?---Sorry, yeah?

Sorry, the top, second-top line on the left-hand side, Trade Vehicle Presale Summary?---I assume that would mean looking at a vehicle prior to it, prior to its sale.

I see. And then you'll see on the next page it refers to Trade Post Sale Summary?---Yes.

Do you know – and there's a reference to a LandCruiser there. Do you know which LandCruiser that is?---That would be the one I drove.

I see. And the sale price is what, \$39,000 is it?---Yes.

10 I see. Now, would it surprise you that Mr Fitzgerald sold his car at \$42,000, or do you not know?---No, I do not know.

Okay. Now, can I then take you over to some further documents. The next page at 26 you'll see there is a reference to, from the Manager Personnel in February 2000 as to the approval of a salary package for the General Manager?---Yes.

And it's made up of several components including car allowance, supplementary superannuation and civic allowance?---Yes.

20 See that these?---Yes, see that.

And then it goes on to the payments in relation to superannuation of slightly over \$20,000 per year?---Yes.

And that's signed by John Gordon, the Manager of Personnel?---Yes.

Have you seen this document before?---No, I don't believe so.

30 I see. And then there's a similar document over the next page isn't there that sets out broadly similar figures?---From the Payroll Supervisor.

THE COMMISSIONER: These are all – I take it these are all deductions from the gross salary before tax, are they, Mr Latham, the amounts in brackets?

MR LATHAM: Um - - -

40 THE COMMISSIONER: It seems as though the calculations are worked out on the - - -

MR LATHAM: They're deductions, as I understand it, Commissioner, I'll confirm this, but they're deductions from the gross salary.

THE COMMISSIONER: Yes.

MR LATHAM: But I'm not sure as to whether they were taxed prior to their payment or after their payment. That's the only question I do need to ask.

And again you'll see that there is the calculation in relation to the superannuation amounts set out about three-quarters of the way down that page, aren't there?---Yes, I see that.

Now, could I then go over to paginated number 27. You'll see there, there is set out some various payments, but in particular payments to both Local Government Superannuation Scheme and a supplementary superannuation scheme and actual and you'll see there are some further in kind benefit set out at the bottom. You've seen that before?---Sorry, I'm trying to find the document.

Oh, sorry. It should have at the bottom - - -?---I've got it now.

- - - right-hand page the number 27?---Oh, yeah, I see it, yes, sorry.

I see. And then on the next page, being page number 28 - - -?---Ah hmm.

- - - you will see there a letter to the Human Resource Manager from Strategic Consultants, sorry, Strategic Consulting, which sets out in some detail the payments that were actually made. Do you see that there? ---Yes, I do. Salary evaluation.

Yes. And you'll see set out on page 29 in fact those precise amounts?---Yes, I see that.

So at least internally there were no secrets about these payments being made, were there, Mr Goodman?---I don't believe there was any secrets internally, no. I've never seen this, this document before.

I'm not saying that you've seen them necessarily, Mr Goodman, but I'm just saying that his pay details were certainly not secret within the Council, were they?---Yes, they were.

Sorry, yes they were?---Peter, Peter kept all his contracts in a drawer in his office, so I believe.

Yes, but that doesn't mean that these details are secret, does it, Mr Goodman?---No, you said they were available to staff. I believe that not to be true.

Well, they were available to the staff who needed to have them, weren't they, Mr Goodman?---I couldn't answer that one, I couldn't answer that, I don't know.

Now, can I then just go to a very precise point which is a discussion that you referred to, and there was a telephone intercept about this, in relation to a conversation that you had with Ms Cullinane. Now, I think you gave

evidence didn't you that you were hazy as to the details of that conversation but broadly speaking it involved the raising of invoices with you. Do you remember that evidence that you gave?---No. Say that – just repeat the question again.

All right. Certainly. You gave evidence about a meeting with Ms Cullinane?---Yes.

10 You said that your evidence was hazy about it?---That's correct, yes.

You said that there was a third person there?---Yes.

It may have been Mr Fitzgerald Senior or it may have been Mr Byrnes, but you weren't sure. That was one of your versions?---Correct.

Okay. Now, to put it to you fairly, there were other versions you gave where you thought it was Mr Fitzgerald?---Correct.

20 But you've seen Mr Byrnes' evidence, haven't you?---I haven't read it, no.

Oh. Well, perhaps before I go to that, the point was this wasn't it, there was only one such meeting, wasn't there?---Regarding?

Well, regarding the issue of invoices being raised by Ms Cullinane in relation to invoices that you were involved in?

THE COMMISSIONER: This is I understand it the, the - - -?---I know it.

30 - - - shit file that you referred to in the telephone call?---That's exactly right.

That was the terminology.

MR LATHAM: I think that was the terminology, yes, Commissioner.

THE WITNESS: Yes.

MR LATHAM: Yes?---So I believe.

40 So yes, but I just want to get this quite clear, Mr Goodman, there was only one such meeting, wasn't there?---(No Audible Reply)

MR MOSES: It's not clear from my friend's question. Is he saying on his client's instructions there was one meeting or is he saying on this witness's recollection?

THE COMMISSIONER: Well, well - - -

MR MOSES: We do have to be very careful about this so we get to the nub of it.

THE COMMISSIONER: But the critical issue - - -

THE WITNESS: I'm trying to be careful.

THE COMMISSIONER: I'm sorry, just a minute. The critical issue as I understand it, Mr Latham, is whether your client was in attendance - - -

10

MR LATHAM: Yes.

THE COMMISSIONER: - - - at a meeting of this nature.

MR LATHAM: Yes.

THE COMMISSIONER: You haven't got to that point yet, but are you, are you asking the witness whether there was only one such meeting at which your client was present or are you suggesting there was only one such meeting and your client wasn't there?

20

MR LATHAM: I'm suggesting there was only one such meeting and my client was not there.

THE COMMISSIONER: All right. That's the proposition, Mr Goodman.

THE WITNESS: I, look, was there one, I can't be sure. I can somehow remember a meeting with Peter there, but I'm not sure if it's the one I'm referring to or another one. I just can't remember.

30

MR LATHAM: Well, can I put this to you. Mr Byrnes gives evidence of having a meeting with you and Ms Cullinane - - -?---Yes.

- - - in relation to those issues?---Yes.

That's the meeting we're talking about, isn't it?---I can't be sure. I am, I'm 90 per cent sure I had a meeting with Peter. The best person to answer this question is Lorraine. She's got a brilliant memory, I haven't.

40

Right. And you gave - sorry. I don't think you voluntarily gave evidence, but there was evidence given of a telephone intercept between you and a Mr Keith Mark in relation to this meeting. Do you remember that?---Yes.

I'm sure it's sealed in your memory. And in relation to that meeting you talked about a Peter being at the meeting, didn't you?---Yes.

Okay. Now in that meeting you were trying to hold off Mr Mark and the debts that he said that you owed him, weren't you?---Probably.

Yes. Well not probably, certainly. Because you owed him money, didn't you and he was asking for it back?---So he believed.

Sorry, so he believed. And he was in fact threatening to blow the whistle on your scheme with him, wasn't he?---That seemed what was happening.

10 Yes. And in fact you said and you thought that you would engage in a process with him where you said to him essentially, look, I can't pay these amounts and I haven't been able to pay these amounts because the Senior Officers of Botany Council are after me. That's a very broad summary?--- That's not true.

Well isn't this what you said? "Let me, let me clear up something for you too on my business. What I said to you, you know Lorraine, she put a fucking shit fight on me and you've got no idea what I went through". You were trying to get yourself off the hook with him, weren't you, with Mr Mark?---I don't believe so.

20 Well what were you doing, Mr Goodman?---Talking to him.

I see. And you said that "She got every invoice we had ever paid you and went through fucking every one", do you remember saying that?---Yes, I do remember. I remember from the transcript I don't remember the conversation. But I do remember from the transcript.

And you've in fact given evidence that she did not go through every invoice, didn't you?---When did I do that?

30 Well when you were asked about it yesterday?---That Lorraine didn't go through every invoice, I thought that was the purpose of this meeting. That's what I believed it was about and I wasn't sure what subjects were brought up. But I remember a meeting, whether Barry was there or Peter was there (not transcribable)

I see. And you thought that you would say all of this to Mr Mark using Mr Fitzgerald's name so that you could get yourself off the hook in relation to the debts that you owed Mr Mark?---Absolutely untrue.

40 Now look, I'll just put formerly to you. There was no such meeting where Mr Fitzgerald Senior was there, was there?---I believe there was.

You know believe there was?---Yeah.

Sorry. I just thought you said you couldn't remember?---You've asked me the same question three times.

THE COMMISSIONER: He did say he was 90 per cent sure that - - -?---  
Yes.

- - - that Mr Fitzgerald was there?---A meeting. Not necessarily that one but  
a meeting.

MR LATHAM: I see. Well of course- - -?---Was there more than one,  
there could well have been, I don't know, I don't remember that detail.

10 Well Mr Goodman of course you met with Mr Fitzgerald, you would've met  
with him on dozens of occasions, wouldn't you?---Probably hundreds.

Yes. But I'm talking about a particular meeting where particular invoices  
were raised with you as to be legitimate?---That's correct.

Mr Fitzgerald was not at that meeting, was he?---(No Audible Reply)

Sorry, you can't just open your mouth - - -?---Well I can't - - -

20 - - - you have to say yes or no or I don't remember?---Look I believe I did  
have a meeting with him and Lorraine about that. Whether it was that one  
or something different, I can't recall. I can't say something that I don't  
believe.

You're kidding, aren't you?---No, I'm not kidding.

Sorry?---You asked me a direct question about a meeting and I'm trying to  
answer it.

30 Now, Mr Goodman, you gave some evidence that I found a bit difficult to  
follow - - -?---Ah hmm.

- - - about deleting some names from a list going to the Australian Tax  
Office?---Yes.

Do you remember that?---Yes, yes.

40 And in fact in that discussion, if we can just go to it. You stated and just  
bear with me. You've said something about deleting payments made to  
Peter Fitzgerald and his friends?---Yes.

Do you remember saying that?---I remember saying that or hearing that at  
this Commission, yes.

Sorry, hearing it?---From the telephone transcript, yeah, from the telephone  
calls.

I see?---So I must've said it.

From the discussion with Mr Mark?---That's right.

I see. Okay. But did you have any memory before you heard it of that evidence?---I can remember talking to Keith about that but it was about eight or nine telephone calls that aren't there.

Certainly. But before you spoke to Mr Mark do you have any memory of ever deleting payments made to Peter Fitzgerald and his friends?---Peter  
10 Fitzgerald, yes, absolutely.

Right. Well, let's just go through the easy part, and his friends?---I believe the consulting company.

And which consulting company again?---MB.

I see. And what were the payments that you say were deleted?---It would have been payments concerning that particular creditor. It would have been payments made to Peter Fitzgerald Senior for anything because they weren't  
20 required. He was a, a staff member. But all those for all staff members were deleted.

Oh, sorry. Just so I've got this right, Mr Goodman, the process was to take these records out for all staff members?---Absolutely.

Oh, I see. So it wasn't some conspiracy designed to protect Mr – to protect the General Manager?---Not, not, not Mr Fitzgerald himself, no. Absolutely not.

30 THE COMMISSIONER: Sorry, are you referring to any cash payments made to a staff member?---No, any payments made to a staff member the ATO did not want that. They didn't want that information. PAYE.

Yes, but what payments, sorry, what payments would be made to a staff member by Council leaving to one side salary that went through the payroll system, so what payments would be made?---Payments of annual leave, payments of sick leave with no tax.

40 But wouldn't that have all gone through the payroll system?---I don't believe so.

What, so they got their annual salary on a fortnightly basis and then there were other payments that were off the books that weren't - - -?---Paid through creditors.

MR LATHAM: What?

THE COMMISSIONER: But why would - - - ?---Which aren't through payroll.

Why - - -?---That's – look, that's what I believe.

But why would things like leave which is part of their salary package, payments for leave and what was the other one that you mentioned?---Long service leave, annual leave, sick leave.

- 10 Long service leave, sick leave, why would that go through the creditors account and not through the payroll system?---I can't recall why but I've just been pointed out in Peter's contract that he was entitled to pay sick leave so had sick leave pay. I'm sure that was paid out of creditors. Absolutely positive.

But you're saying not just him but other members – other staff at Council were paid from the creditors account for the same types of items?---Could have been, yes, yes.

- 20 Well, could have been or - - -?---Because we done it – look - - -  
- - - or it did happen?---No, could have been. I can't guarantee they did. That one definitely was paid through creditors. That entry would have been deleted from that Tax Office information.

MR LATHAM: Sorry, this – sorry, Commissioner.

THE COMMISSIONER: No, no, that's all right.

- 30 MR LATHAM: Mr Goodman, I'm a bit lost here?---Ah hmm.

When you said that payment was deleted, which payment are we talking about?---I, I can't recollect exactly. It could have been – I think it was the payment for sick leave which you pointed out was agreed to in his contract that should have been paid through payroll.

I'm just trying to understand this. Botany Council has got legal obligations to pay for example sick leave doesn't it?---Absolutely.

- 40 And you're saying that those payments of sick leave were not even made through the payroll system?---No, that's not what I said.

Well, what are you saying?---Mr Fitzgerald had a lump sum payment of sick leave – I believe it was sick leave paid to him and I believe that was paid through creditors not through payroll.

That's just extraordinary events you're giving isn't it, Mr Goodman?---I believe that's what happened.

Because, Mr Goodman, you gave evidence too didn't you that there was information deleted from the material sent to the Tax Office but it didn't affect the original Council records at all?---No, that's correct.

So what is the purpose of all of this?

THE COMMISSIONER: You'll have to be a bit more precise than all of this.

10

MR LATHAM: Sorry. I accept that.

MR MOSES: Commissioner (not transcribable) a way of short circuiting this for my learned friend. I mean if his instructions are that all his client got were his lawful entitlements under the contract and he puts that to the witness and the witness either agrees or disagrees that's the end of it. Ultimately Mr Fitzgerald will have to present himself and explain where moneys were coming from over and above his contractual entitlements but this is just a waste of time because this person hasn't got the records in front  
20 of him and my learned friend is boxing at shadows because he's not squarely putting his client's proposition. If he's saying that his instructions are from Mr Fitzgerald Senior that all he got was in the written contract then sobeit. Then he will come here and be tested on it but can we get on with it. It's 3.30. I mean seriously.

MR LATHAM: I didn't realise that Mr Moses had a right to object to my cross-examination.

MR MOSES: Well, I'm on my feet so I did it (not transcribable)

30

THE COMMISSIONER: Mr Latham I appreciate that you're entitled to test Mr Goodman's credit because that's a significant matter in terms of the evidence he's given against your client up to a point but if, my difficulty is if Mr Goodman simply answering in terms of it could have happened this way, but in relation to Mr Fitzgerald he claims that there were payments made from the creditors system that related, he believes, some long service leave entitlement or some sick leave entitlement, it's all expressed in terms of belief and it could have happened, I don't know if it assists us very much does it?

40

MR LATHAM: I accept that and I don't think Mr Goodman's evidence assists generally.

THE COMMISSIONER: That might be true in terms of how these payments were made.

MR LATHAM: I think I was just about at the end of that part of the discussion, Commissioner.

THE COMMISSIONER: All right.

MR LATHAM: Now, could I then just go onto some quite discrete matters and then I'll wrap up. There was evidence in relation to a car, you say, for Miss Cullinane that was not authorised by Council. Do you remember giving that evidence?---Yes.

10 And that it was authorised by Mr Fitzgerald, the General Manager?---Yes.

I put to you that he never authorised the payment for that car, what do you say to that?---I believe he did.

20 And you also referred to a Council, a post box or a post office box that Mr Fitzgerald used, do you remember giving that evidence?---I don't think, I said Mr Fitzgerald used, I said Mr Fitzgerald asked us to open one where discrete, I'm not going to say there was anything illegal with it, but discrete mail could go to that didn't go through the mail system and mail was collected by the secretary or some other way, and brought into work. For instance, the Diner's Card bills went there.

Yes. That was in fact the Botany Council Post Office Box, wasn't it?--- Absolutely, it wasn't his own one, I never said it was his own.

And there was one in the city wasn't there, and there was one in Mascot? ---Yes, we had our general mail box and Mascot and GPO box in the city.

30 And you don't see anything improper about that at all, do you?---No, I didn't say it was improper.

Now, can I just then come to this, your scenario in relation to Mr Fitzgerald isn't it that he was part of some corrupt scheme with you, is that your essence of your evidence?---No.

Oh sorry, he wasn't part of a corrupt scheme?---Wasn't part of a corrupt scheme, you said he was part of a corrupt scheme with me, that's not what I said.

40 Well, sorry, what do you say Mr Goodman?---I was questioned about payments to consultants which I believe I've answered truthfully. I was questioned about superannuation payments which I answered truthfully. I was questioned about delivering cash to Mr Fitzgerald which I answered truthfully.

See, the truth is this, isn't it Mr Goodman, Mr Fitzgerald has nothing to do with Bloggs Consulting and nothing to do with M B Consulting did he?--- (No audible reply)

And that, if those companies even existed and if there were any such invoices they were simply part of your scheme weren't they?---No.

They had nothing to do with him whatsoever?---No.

10 Because your modus operandi was this, wasn't it Mr Goodman, you would find some vulnerable person, you would implicate them in a corrupt scheme of your making and then you would threaten them with non-payment of debts or the possibility of going to gaol if they ever showed any concern about the scheme at all. That was your modus operandi wasn't it?---That's what you say.

No, no. I'm asking you?---No.

No?---No.

Well isn't that - - -?---You've asked me, I've answered it, no.

20 And none of those occurred with Mr Fitzgerald at all, did they?---What the payments, they did, absolutely.

Well that like most of your evidence, Mr Goodman, is just a lie, isn't it?---I think there may well be other people who know that, not just myself.

Sorry, you think so?---There may well be other people who know that, not just myself.

Who know what?---About these payments.

30 Right. Well we'll look forward to hearing from them, Mr Goodman?---Yes.

Could I just have one moment, Commissioner?

THE COMMISSIONER: Yes. Do you want to tender that bundle, Mr Latham?

MR LATHAM: Yes, Commissioner, could I do that now?

40 THE COMMISSIONER: Yes, Exhibit R75.

**#EXHIBIT R75 - BUNDLE OF PETER FITZGERALD DOCUMENTS**

MR LATHAM: There is one final thing and I just want to – this will not take long. Commissioner, could I just have the transcript of the intercepted telecommunication between Mr Peter Fitzgerald and Mr Goodman that was shown today, could that be put on the screen?

THE COMMISSIONER: Yes, that was R72.

MR LATHAM: This is the one dated 3 March, 2016. Sorry.

THE COMMISSIONER: This is the 2004 call between - - -

MR LATHAM: No, no.

10 THE COMMISSIONER: No?

MR LATHAM: Sorry, Commissioner. I've given the wrong, I misread it. It's dated 27 July, 2015.

THE COMMISSIONER: It's 2004. The number of the call is 2004.

MR LATHAM: Yes, yes, Commissioner. Now could we just take – go to page 3 of that document. And you'll see at the bottom there is a statement saying "It doesn't matter it's unintelligible", it's about three quarters of the way down. You see that?---Yes.

And then you say "I spoke to Lara about it but Lara didn't know what it was I said", sorry. "Didn't know what it was". Can I just stop there. As best we can, is this what was being said? You are recounting a conversation with Lara being Lara Kirchner, do you see that there?---Yes.

And you are saying I said this is what it is, blah, blah, blah. And it was based on what a previous Director, John Maree was getting?---Yes.

30 And then where you say "Oh, have we", that's in fact what you're recounting Lara Kirchner to have been saying, is it, is that what was being said there? --- (No Audible Reply)

"Oh, have we, I didn't know about it"?---Probably.

Yeah. Okay?---I'm trying to read in context to the conversation.

It's certainly not easy. And then if you go over the next page it says "That's between you and Peter, not me". That's again what Lara Kirchner was saying as you recount it?---That's exactly right.

Is that correct?---Yes.

Okay. And then you were in fact asking Mr Fitzgerald to write a letter for you about Lorraine's super, weren't you?---Absolutely.

Okay. And did Mr Fitzgerald ever do so?---There was a subsequent meeting after this telephone call between Mr Fitzgerald, Lorraine and

myself at the Botany Bay Hotel where we met for lunch and Mr Fitzgerald said to Lorraine, write out what you want and I will sign it.

That's just a lie, isn't it, Mr Goodman?---Okay. I can only tell you what happened.

See, because at the beginning of that document you say, "We might need to get a letter from you about Lorraine's super." See that there?---That's correct.

10

Now, the question I asked you was a very simple one. Did Mr Fitzgerald ever provide such a letter to you?---No.

Okay.

THE COMMISSIONER: Mr Latham, can I just clarify something. When you put to Mr Goodman that that's a lie, are you putting that the lunch did not occur or - - -

20

MR LATHAM: No, no, I'm not saying that.

THE COMMISSIONER: - - - or that there was some other discussion at the luncheon?

MR LATHAM: No, no, the, the, the statement made by Mr Goodman was that he said I will give you whatever letter you like, or some - - -

THE COMMISSIONER: So that's the relevant lie?

30

MR LATHAM: That's the relevant lie.

THE COMMISSIONER: Well, that's important because it wasn't clear to me which part of the evidence you were contradicting.

MR LATHAM: No. I, I, I accept that, Commissioner.

THE COMMISSIONER: All right.

40

MR LATHAM: And, and just finally, Mr Goodman, just to satisfy my friend Mr Moses, Mr Fitzgerald was simply paid what he was entitled to be paid under his contract of employment, wasn't he?---I've got no doubt about that.

Okay?---I think the Commission questioned me on the way it was paid at some stage.

Nothing further, Commissioner.

THE COMMISSIONER: Thank you.

MR THANGARAJ: Just before my friend stops, there are a couple of things. He said that there were a couple of things he might come back to, I just want to make sure that he hasn't forgotten to come back to them.

THE COMMISSIONER: Yes.

10 MR THANGARAJ: But more importantly, he put to Mr Goodman that these payments that went through for Ms Cullinane, he put that she wasn't, he wasn't aware that it went through the creditors account, that Mr Fitzgerald wasn't aware that it went through the creditors account. Now, that's a mechanical point. He started off by wanting to put that Mr Fitzgerald didn't know about the payments at all and he wasn't getting a positive response and so he narrowed it. If my friend wants to suggest that he has put to this witness that Mr Fitzgerald did not know about the improper payments to Ms Cullinane as opposed to the mechanics underneath them, he needs to go further than he did. If he's happy with where he left it, that's a matter for him.

20

MR LATHAM: Oh, no, I accept that.

Sorry, Mr Goodman, did you hear what my friend said?---Yes.

The question was, just to be fair to you in terms of the Commission's final position, that I'm putting to you that Mr Fitzgerald was not aware of any improper payments made to Ms Cullinane?---No, that's true.

30 Okay?---If you say the superannuation is a proper payment, that's true.

All right.

I don't have anything further.

THE WITNESS: And you accept that way I paid it, yes, that's correct.

40 THE COMMISSIONER: Mr Goodman, again, tell me if you aren't able to answer this question, but just in relation to salary packages such as Mr Fitzgerald Senior's - - -?---Ah hmm.

- - - conditions of employment, where there's a reference to supplementary superannuation payments, does that signify the amount that the employee would sacrifice by way of superannuation payments from their pre-tax income over and above what the statutory requirement is for contribution? Do you understand what I mean by that?---I understand the question.

Is - - -?---I think what attachment 2, to the Strategic Consulting document refers to, it says, "Salary package and components for General Manager,

confidential.” I believe that makes up his package, allowing for what Council would be paying in superannuation. I don’t think the supplementary superannuation up the top of 20,000, none of this relates to the top-up superannuation that was paid.

I see. So, so - - -?---It’s not contained in here.

10 So you’re, you’re distinguishing between what would have been taken from his gross salary by way of his superannuation contribution - - -?---  
Absolutely, yes, yes.

- - - and what you say was a separate payment?---And that’s just, yeah, just reading this document.

All right. Let me finish – and what you say was a separate payment which you describe as top-up superannuation?---Yes.

20 All right. Well, I’m not sure that that was clear, but in any event - - -?  
---And as I say - - -

I think Mr Latham’s covered it by the last, by the last question which was that according to you, Mr Fitzgerald Senior received his entitlements under his employment packages?---Yes, yes, yes.

All right.

Ms McNaughton, can you start?

30 MS McNAUGHTON: Yes.

THE COMMISSIONER: Yes.

MS McNAUGHTON: Mr Goodman, I appear for Lorraine Cullinane. Can I ask you first about what you say about her security. You gave evidence on Friday late about security at her home. You’ve agreed today I think that she did have genuine security concerns, yes?---Absolutely.

40 And she thought that they may be related to her work?---I don’t know about being related to her work but I know they were genuine, absolutely genuine security concerns, absolutely.

And that Mr Fitzgerald agreed to pay for security for her?---That’s true. That’s true.

And you don’t know do you whether or not it was paid in the normal course or any other way do you?---No.

So when you were asked in the positive by Counsel Assisting, page 850, line 38, "And that was done through false invoicing", you have no understanding at all do you that it was done through false invoicing?---I can't make an assumption here but I, I - - -

Well, you don't know do you?---No, I don't know.

It could well have been done in the normal course of business. That's right isn't it?---It could have been but it wasn't.

10

Well, you don't know do you, sir?---No. There is no records that I'm aware of at Council to indicate (not transcribable) paid through the normal course of business.

THE COMMISSIONER: You mean there was nothing that indicated payment of the installation of a security system for Deputy General Manager?---That's right.

Right.

20

MS McNAUGHTON: But you do understand that it was approved by the General Manager?---Absolutely, and I agreed with it.

Mr Maton was the person that installed that. Do you understand that?---No, I don't believe he did. No.

How certain are you about that?---Very certain.

30 All right. Are you aware that Mr Maton has come along to ICAC to give evidence in relation to this?---Absolutely, yes.

Are you aware of what estimate he gave of the value of the work done in installing security work?---Yes.

Are you aware that it's quite different to your estimate?---Absolutely.

That you say 50,000 and he says about 2,000?---I think Mr Maton installed an alarm system not a camera security system.

40 And are you aware whether or not Ms Cullinane has in relation to the maintenance of the system and the monitoring of the system after it's been installed are you aware that she pays for all of that?---I have no idea. I was only talking about the installation.

And indeed are you aware that Council had a security of servants policy?---I haven't seen it.

Can I go now to the evidence you gave in relation to the provision of a Lexus to Ms Cullinane. Do you recall giving evidence in relation to that?  
---Yes, I do.

I think it's – you gave the colour as black but it could be perhaps more accurately described as charcoal?---Oh, it could be.

And the General Manager you said authorised that?---That's what I believed.

10

Is it your understanding that the purchase of this charcoal Lexus was made by way of, by way – in lieu of one of the ex gratia payments paid to Ms Cullinane also known as top-up super?---I'm not aware of that.

It's possible?---Possible.

And that would have been approved by the former General Manager?---I believe the purchase of the car was approved by the former General Manager, yes.

20

Can I ask you now in relation to your relationship with Ms Cullinane. You met her originally through Mitchell College at Bathurst where you were both studying. Is that right?---That's correct.

Then you lost contact?---Correct.

And then you met her again when you started at Drummoyne Council?  
---Correct.

30 And that was about 1992?---Correct.

And you had a relationship you say for about 10 years that is of an intimate variety but is it possible that it was for a shorter period of time than that?  
---Absolutely, yes.

So perhaps between about '96 to about '02, '03, something like that?  
---Possibly, yes.

40

Is that possible?---Oh, yeah, absolutely.

And it wasn't a public couple relationship was it?---No.

In terms of the video outlets, it was, there was one main one at Mosman, is that right?---Correct.

And there was occasional, for a shorter period of time, one at Brookvale, one at Lakemba?---Correct.

Can I go to another issue now the superannuation issue that I've touched upon. Is it your understanding sir, that this arrangement was proposed to Ms Cullinane by the general manager, as part of a salary package for Ms Cullinane?---That's correct.

THE COMMISSIONER: Are we talking about the top-up super payments?

MS McNAUGHTON: Yes, Commissioner. And it's the case, isn't it, that it's been paid for her since about 1997?---Correct.

10

And that it's based on what was being paid to a former director, John Maree?---Based on what he would have accumulated if Ms Cullinane had been able to get into the old scheme.

You had discussions with her on more than one occasion, did you not, that these payment to her had already had the tax paid on it?---Correct.

20

So there was no issue that she was evading tax, was there?---I think that discussion was held in relation to the last couple of payments where actually took the decision to pay the tax from Council funds of part of the FBT return.

And that the later auditor, Mr Mah Chut - - -?---Mah Chut.

- - - said that the arrangement was words to the effect of, "generous but legal".---Absolutely correct.

30

But this arrangement had been subject to an external audit twice, is that right?---That would be correct, yes. I don't know about twice but it was definitely subject to an external audit.

MR THANGARAJ: I'm sorry, my friend's heard the evidence about that with the external auditor being misled by Mr Goodman, is there something more that is relevant to that issue otherwise that question itself doesn't advance the issue.

40

THE COMMISSIONER: It doesn't, but more importantly it simply restates this witnesses assertion that the former auditor made that finding but there's no evidence of the finding I mean that's the only basis on which you can put it, I take it, Ms McNaughton.

MS McNAUGHTON: Yes. Well, I suggest to you sir, in relation to the tax aspect in relation to Ms Cullinane's understanding, there was no discussion as between you and her, I suggest to you, that indicated that she understood that she was evading tax.---I disagree with that.

I suggest to you sir, in fact to the contrary, that you assured her that tax had been paid on the payments.---The last two yes, absolutely.

That there was no other discussion at any earlier time that would give her the idea that she should have been paying tax on those payments, I suggest to you?---No, I never said she should have been paying tax, it should have been paid into an approved superannuation fund.

10 THE COMMISSIONER: See Mr Goodman that's the point isn't it, for my part I'm confused about this, if you describe these payments as top-up super payments and a moment ago you said that they were designed to put Ms Cullinane in the same position as some former employee under the old scheme and it was calculated according to what that former employee would have accumulated in the old the scheme.---Correct.

20 So, if it was designed to put Miss Cullinane back in that position then there was only two things really, that could have been done with the payment. One was, it should have been paid into some kind of superannuation scheme and if that was to occur it should've happened from pre-tax income and been identified as going to a super fund not being paid to Ms Cullinane directly? ---Correct.

The only other way that they made sense is if Ms Cullinane was receiving it directly for the purposes of putting her in some advantageous or more advantageous financial position than she was in and in no circumstances it had to be taxable as income?---Correct.

Right.

30 MS McNAUGHTON: Did you ever have any detailed discussion about it with Ms Cullinane that she should be doing something else with it?---I believe we did, yes.

Well I suggest that that's not the case, what do you say about that?---Sorry?

I suggest that that is not is the case, you did not have such a detailed discussion with her about where that money should be going?---I disagree with that.

40 You've already agreed, I think, in answer to a question by Mr Moses, that are you liar and a thief and a fraudster, that's right?---That's what I admitted to.

You were asked yesterday in relation to this same issue, these are at page 856, line 8. "Can you remember why you didn't put it through payroll"? You said "I think, and this is just as I'm going, we're talking 20 years ago when this started"?---That's right.

You were asked "Well you say that, but you also did it last year and the year before and the year before that"? And you answer "Yeah, but I've just

followed the same formula all the way through, probably to avoid tax".  
That's not right, is it?---Can you just repeat that second half of the question?

This is your answer?---Yeah.

"But I've just followed the same formula all the way through, probably to avoid tax"?---Yes.

10 That's not Ms Cullinane's aim though, was it?---No. I've no doubt it wasn't initially her aim, absolutely no doubt at all it wasn't her aim.

So whose aim was it then if wasn't her aim?---Ms Cullinane had to open up a superannuation fund to pay this money into. That did not occur.

And who do you say informed Ms Cullinane of that requirement?---I did.

20 And when do you say that that occurred?---Quite a few years ago. I actually invited the super board up and arranged a meeting with her to open such an account.

I suggest that that's not right. What do you say about that?---Mark Thompson and Barry Byrnes were also there. I was there as well.

Can I now go to another issue. In relation to reimbursement. You've indicated that a number of the payments on a sheet of paper that you were shown related to reimbursement of Ms Cullinane's expenses. Do you recall that?---No. I said I recollected one of about \$10,000.

30 Right?---And it was a number of years ago.

You also said though that she always provided full documentation in relation to that?---Absolutely, always.

Now you've suggested that some of it was in relation to fuel?---Could have been, yes.

All right. So now you say it could've been?---I think I said that at the time.

40 She did have fuel cards though, didn't she?---But I believe, this is on memory. I believe the fuel card she had she didn't have one for the service station near her place.

But she - - -?---Now that could be true, correct, I just remember that.

Up to a certain point though she was using fuel cards for her vehicle, that's right, isn't it?---I don't believe she was.

And the last five years or so she paid for her own fuel and did not get reimbursed for that, is that right?---I don't think there's been a reimbursement for at least that period of time.

And that the reimbursements were for matters such as the staff Christmas function that she used to arrange?---Yes.

And payments for hampers?---Yes.

10 And some in the past, more than five years ago some fuel but that was minimal?---Yes.

Can I now go to the meeting that you've indicated occurred between you and her and another person in relation to invoices, if I can put it neutrally like that?---Ah hmm.

Now, you were first asked about that and at page 890 yesterday you were asked this: "Was she going through different things that you and Mr Fitzgerald," and then I think it was modified, maybe Mr Fitzgerald wasn't there, but - - -?---Yeah.

- - - "Were the three of you, I'll put it this way – was there a meeting where you, Ms Cullinane and Mr Fitzgerald were discussing misconduct at Botany Bay Council?" You answer this, "I don't think it was misconduct." And then you say you don't even know whether Mr Fitzgerald was there? ---That's correct.

So your initial answer was, "I don't think it was misconduct." That was right, wasn't it?---If that's what I said, that's what I said.

30 Yes. And you say that that's a correct - - -?---I believe so.

Right. So there was no fraudulent invoices discussed at that meeting. That's right, isn't it?---I can't recall the details of the meeting and I can't recall who the – I've been heavily asked about this other person that was there, whether it was Barry Byrnes, Peter Fitzgerald - - -

Focus on my question if you'd be kind enough, sir. There was no fraudulent invoices discussed at this meeting?---I believe there was.

40 Well, you've just said that you agreed that your answer, "I don't think it was misconduct discussed at that meeting," was a correct answer. Which one is it?---I don't think it was misconduct in that terms, it was more about the cost of some services.

Well, that's not fraudulent necessarily, is it sir, it's about cost, isn't it? ---I think if you look at the companies involved – anyway, no.

So you don't think it was misconduct when you were first asked about it?  
---That's exactly true.

And you also said in relation to that meeting that her major concern – sorry, I'll just find that reference – and I'm paraphrasing here, excessive cost.  
Yes?---Yes.

10 So it was really the amount of money being paid through the various invoices that she was inquiring into. That's right, isn't it?---Yes.

And fraudulent invoices or false invoices or the legitimacy of invoicing was not raised at that meeting?---I believe it was, towards the end of it, I believe it was, or at a subsequent meeting. I just can't remember whether there was one or two.

This is very, very important, sir?---I know, I know how important it is, I understand that.

20 Well, I suggest to you that you never raised the issue of false invoicing with Ms Cullinane?---No, I may not have raised it and I don't think false invoices were raised, I don't think that issue was raised as false invoicing. I don't think that was raised.

Well, at page 897, line 34, yesterday you said, you admitted that there were some false invoices in Keith's work?---That's exactly true.

And that you apologised for that?---I did.

30 Well, what is it, sir, were there false invoices discussed at that meeting or not?---You said it was a meeting to discuss false invoices, the answer was no. Did we have a discussion later on about that? The answer's yes. Did I issue an apology? The answer's yes.

Well, I suggest that that was not discussed, that is false invoicing, illegitimate invoicing or any other type of cognate word for that, was not discussed at that meeting at any time?---I believe it was.

40 That she never called you a crook at that meeting. What was that that you made some - - -?---Yes, I believe she did.

That she never called anyone else a crook at that meeting?---No, I disagree with that.

You also said though sir that your recollection, and I think my learned friend Mr Nash picked this up. Your recollection of the meeting is very hazy, yes?---Absolutely, very hazy.

Right. If it's very hazy, sir, you have no ability to recall whether or not what you've indicated to the Commission is true. That's right isn't it?---No. I clearly remember apologising. Clearly remember that.

Well, is your memory hazy or is it not hazy?---No, no, I clearly remember apologising.

So it's hazy but clear?---No. I clearly remember apologising, clearly.

10 Well, about what?---I believe I'd done the wrong thing.

About excessive spending?---Yes, and invoicing.

About excessive spending I suggest to you, sir?---No, and I believe invoicing as well.

Have you got any record of that?---No, I have none. As I said my memory is very clear on that apology to a couple of people not just to Lorraine, to a couple of people.

20

And who were those people, sir?---I believe it was Barry Byrnes, I believe it was Lorraine and I believe it might have – I can't say Peter Fitzgerald, I'm not sure, but Barry Byrnes definitely. Absolutely definitely. I was in tears. Absolutely definitely.

You were in tears?---I was in tears.

To Mr Byrnes?---Yes, and I think to – it may have been Mr Fitzgerald as well.

30

You're all together while you were in tears?---Yes.

So who was there when you were in tears?---I think Lorraine, Peter and myself. I can't remember the details but you don't forget something like that.

And why were you teary, sir?---Because I'd done the wrong thing.

40 So you say you were in tears because you had put in false invoices?---No, someone else had put in false invoices. Someone else had.

To your knowledge. Is that what you're saying?---To my knowledge, yes.

And you were in tears about that?---Absolutely, yes.

And who was the person that you were in tears in relation to?---I think it was Lorraine and I know Barry Byrnes definitely. I was very upset.

And you said what precisely?---I can't remember what I said.

Words to the effect - - -?---I apologised.

Could you give the Commission words to the effect of what you said?---I apologised.

10 Okay. Could you please try to the best of your ability to say what you said in relation to (a) the invoices and (b) the apology?---I cannot remember what I said but I know I apologised and that's what I did.

So you can't remember?---No, I can't remember the - - -

It was hazy but it was clear?---It's not a matter of being hazy. I cannot remember the words I used but I did apologise. No question.

You apologised on behalf of someone else putting in false invoices?---No, on behalf of myself letting it happen.

20 And what year was this?---I can't remember. I remember the event and I remember apologising very clearly. I cannot remember what year it was.

I suggest to you that that is a lie, sir?---Well, that's - I suggest it's not a lie. I don't forget things like that.

So you say you were so upset about the false invoicing such that you cried in front of your colleagues but you continued to not only allow false invoices to be submitted you also escalated that behaviour?---Later on, yes.

30 I suggest to you that the account that you told Ms Cullinane about false invoices is simply false, sir?---Well, I can only say what I believe. If Ms Cullinane has a different view so be it.

You said she has an excellent memory, yeah?---She has got a very good memory.

And yours is not good you said?---No, mine is, mine is not good.

40 Now in relation to the credit card bills I think you've already indicated to my learned friend Mr Nash that you received all of the credit card bills, yes, at the Council?---That's true.

And where did you put them?

MR LATHAM: To Mr Latham.

MS McNAUGHTON: Sorry. I don't know where Mr Nash came from. Mr Latham (not transcribable) Mr Latham.

MR LATHAM: Sorry, what's your name?

MS McNAUGHTON: I don't know. I can't remember. I withdraw that. That you received the credit card bills, yes?---The Diners Club ones.

Only Diners Club?---Only Diners Club.

Where did the others go?---Barry Byrnes.

10

Where did you put the Diners Club ones?---Bottom drawer.

Why did you put them in the bottom drawer?---Just somewhere to leave them.

Really?---Yes, really.

As an officer of a Council - - -?---Yes.

20

- - - popped them in the bottom drawer?---I had a large storage drawer.

And then what happened to them?---They just stayed there. Came time to audit, pulled them out, get someone to put them all in order and do a reconciliation. Transfer the money from a suspense account to the correct costing areas.

Got a good memory about that?---Something we did every year.

30

Now is the case that Lorraine Cullinane asked you to provide her for any credit card statements for acquittal just before Mr Fitzgerald left his position?---I think so. I seem to remember that, yes.

And do you recall at that time or around that time that Ms Cullinane was having a few days of annual leave?---I can't recall that, but I'm not going to say it didn't happen.

40

And that she told you that her PA had copies of Mr Fitzgerald's credit card bills to peruse?---I can't deny it. This conversation I don't remember any of it. But I'm not going to deny it. I remember Lorraine asking for the, all copies of the Diners Club accounts, yes, I do remember that.

Commissioner, would it be convenient if we had overnight to check to see whether I'll need to cover more things?

THE COMMISSIONER: All right. Are you close – but you're close to finishing in any event?

MS McNAUGHTON: Yes.

THE COMMISSIONER: Yes.

MS McNAUGHTON: Thank you.

THE COMMISSIONER: I'm sorry, Mr Goodman, you'll have to return tomorrow?---That's all right.

10 Mr Thangaraj, can you just remind me, I think we have Mr Fitzgerald tomorrow?

MR THANGARAJ: No, no, Ms Cullinane's next.

THE COMMISSIONER: Sorry, Ms Cullinane.

MR THANGARAJ: And I imagine she'll be the balance of tomorrow.

THE COMMISSIONER: All right.

20 MR THANGARAJ: And then Mr Fitzgerald. Hopefully we can get to him  
- - -

THE COMMISSIONER: On Thursday?

MR THANGARAJ: - - - at some stage tomorrow but if not, Thursday.

THE COMMISSIONER: All right. So - - -

30 MR THANGARAJ: But I'd still ask for extended hours.

THE COMMISSIONER: Yes. If it's not too much to ask, I know I was responsible for some of the delay today, but could I suggest that we commence at 9.30 and then Ms McNaughton can use that additional half-hour and then we can commence with Ms Cullinane as soon as possible thereafter. So please be here before 9.30 Mr Goodman and I'll adjourn to then. Thank you.

40 **THE WITNESS STOOD DOWN** **[4.18pm]**

**AT 4.17PM THE MATTER WAS ADJOURNED ACCORDINGLY**  
**[4.18PM]**