



**Minister for Regional Development; Lands;
Minister Assisting the Minister for Transport;
Minister Assisting the Minister for State Development**

Our Ref: 27-13079

**SPEAKER
LEGISLATIVE ASSEMBLY
PARLIAMENT OF WESTERN AUSTRALIA**

**REASON FOR NOT TABLING THE 2009/10 ANNUAL REPORT FOR THE
PILBARA DEVELOPMENT COMMISSION**

Dear Mr Speaker

I wish to advise that the Pilbara Development Commission's (PDC) 2009/10 Annual Report has been delayed and is not available to table in Parliament in accordance with the timelines set by the Financial Management Act 2006.

This is due to the Office of the Auditor General awaiting a final report from an external auditor appointed by the PDC and therefore the PDC is unable to provide the Auditor General's certification (please see attached letter from the PDC). The report will be submitted once this certification is received.

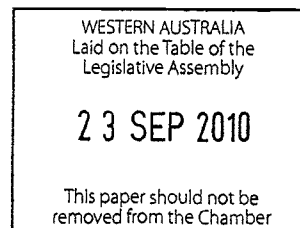
Should you have any queries, please contact my Executive Officer, Lorraine Etherington on 9213 7002.

Regards

**HON BRENDON GRYLLS MLA
MINISTER FOR REGIONAL DEVELOPMENT; LANDS**

Attach.

23 SEP 2010





Government of Western Australia
Pilbara Development Commission



Our Ref: 10/01010
Your Ref:
Enquiries: 9173 840

Mr Doug Cunningham
Chief of Staff
Minister for Regional Development and Lands
9th Floor
Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Mr Cunningham

**Re: Late Submission of the Pilbara Development Commission's 2009/2010
Annual Report**

Commencing during the 2008/2009 financial year and continuing through the current reporting period, the previous Chief Financial Officer of the Pilbara Development Commission (PDC) has been the subject of a CCC criminal investigation. Effective immediately from the commencement of the public CCC investigation, the previous Chief Financial Officer (CFO) was quarantined from all activities associated with the PDC.

Early in the 2009/2010 financial year, the PDC seconded an acting CFO from Department of Planning for a period of 6 months. He remained based in Perth with regular visits to the Pilbara in order to manage the financial affairs of the Commission.

The PDC successfully appointed a new CFO in March 2010 who immediately began reviewing all financial data and processes. During this period of time the PDC was not able to employ additional support staff due to the nature of the available budget.

However, at the mutual desire of both myself and the PDC Board, I appointed the KPMG auditing firm to conduct a forensic audit of the PDC finances. Although this did occupy the time of the CFO, it has been very valuable in providing due diligence and confidence in going forward.

Unfortunately, the decision to conduct the external audit subsequent to the forensic audit has delayed the finalisation of the PDC Annual Report.

Currently the Office of the Auditor General is awaiting the final report from the external auditor and hence is unable to provide the Auditor General's Certification.

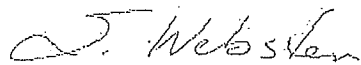
Port Hedland Office: Shop 2, 6 Wedge Street, Port Hedland, Western Australia 6721
PO Box 544, Port Hedland, Western Australia 6721 Telephone: (08) 9173 8400 Facsimile: (08) 9173 1881

Karratha Office: State Government Office Building, Cnr Searipple and Welcome Roads, Karratha, Western Australia 6714
PO Box 294, Karratha, Western Australia, 6714 Telephone: (08) 9185 0600 Facsimile: (08) 9185 0189
www.pdc.wa.gov.au Email: pdc@pdc.wa.gov.au

With the approval of the Minister's office, the Pilbara Development Commission is able to submit its Annual Report without the Auditor General's Certification. The Certification will be added as soon as it is available.

If any additional information is required please do not hesitate to contact me on 91738400.

Yours sincerely

A handwritten signature in cursive script, appearing to read "S. Webster".

Stephen Webster
Chief Executive Officer
Pilbara Development Commission