



## Use of Tasmanian Government Cards

### Examination Planning Memorandum

#### Introduction

The Annual Plan of Work 2017-18 included an examination to assess the probity and propriety of purchases made using Tasmanian Government Cards (TGC) by Ministers, Ministerial advisors, departmental Secretaries and the Chief Executive Officer (CEO) of the Tasmanian Health Service (THS) [collectively referred to as the selected persons].

From our preliminary examination enquiries we identified:

- Ministers were not provided TGCs
- The only ministerial advisors with cards were Ministerial Chiefs of Staff
- The cumulative total of TGC transactions for department Secretaries and the CEO of the THS, their Executive Assistant/s (or equivalent) and Ministerial Chiefs of Staff for the period from 1 July 2016 to 30 June 2017 totalled \$311 898

Consequently, the examination scope has been extended to include people with TGCs on department and THS executive committees (with these people also being included in the definition of selected persons).

A total of 3 667 transactions covering the period from 1 January 2017 to 31 December 2017 have been included within the scope of the examination, representing total expenditure of \$799,636 across 98 cardholders.

#### Relevant legislation and regulations

Treasurer's Instruction No 705 *Tasmanian Government Cards* (TI 705) (available from [www.treasury.tas.gov.au/budget-and-financial-management/guidelines-instructions-and-legislation/treasurers-instructions](http://www.treasury.tas.gov.au/budget-and-financial-management/guidelines-instructions-and-legislation/treasurers-instructions)) prescribes the terms and conditions for the use of TGCs.

#### Examination objectives

The examination objectives are to determine whether:

- Departmental Secretaries and the CEO of the THS maintain effective internal controls over the use of TGCs
- TGC purchase transactions for the selected persons are appropriate and comply with TI 705.

## Examination criteria

Criteria	Sub-criteria
<p>Have departments and the THS complied with the internal control requirements of TI 705?</p>	<p>Does the Head of Agency:</p> <ul style="list-style-type: none"> <li>• maintain effective internal controls over the use of TGCs</li> <li>• issue instructions covering specific department policies and procedures that apply to the TGCs?</li> </ul> <p>Do the policies and procedures contain payment guidelines for the use of TGCs and are they consistent with TI 705?</p> <p>Has the Head of Agency nominated an administering or controlling officer, responsible for:</p> <ul style="list-style-type: none"> <li>• ordering, issuing and cancelling cards</li> <li>• updating policies and procedures</li> <li>• ongoing education and training</li> <li>• reviewing operation of the card facility, including reporting on usage and ensuring the TGC is cost effective?</li> </ul> <p>Have cardholder acknowledged their responsibilities in using the TGC?</p>
<p>Are TGC purchases in compliance with the requirements in TI 705 and the Agency policies and procedures?</p>	<p>Were transactions supported by appropriate documentation?</p> <p>Were selected transactions in compliance with the requirements of the Treasurer’s Instruction and the Agency’s policies and procedures?</p>

## Examination scope

The scope of the examination covers TGC purchases made by the selected persons for the period 1 January 2017 to 31 December 2017.

## Examination approach

We will evaluate internal controls over the use of TGCs within each Agency, including a review of applicable policies and procedures that apply.

Relevant policies and procedures will be obtained from each department and assessed to determine:

- whether the policies and procedures identify and documented appropriate payment guidelines for the use of TGCs
- whether the policies and procedures are consistent with TI 705
- whether the Head of Agency has nominated an administering or controlling officer and their responsibilities
- how cardholders acknowledge their responsibilities in the use of the TGCs and test for compliance

Our examination will also test a selection of TGC purchases made by the selected persons within the scope of this review. Transactions will be selected related to unusual purchases, including purchases of entertainment, personal items, fuel or cash withdrawals.

Supporting documentation will be obtained for all selected transactions and reviewed. We will then visit each department to gather additional information and explanations to complete our analysis.

Our testing will assess:

- adherence to monthly credit and transaction limits,
- timeliness of reconciliations,
- ascertaining whether credit cards are being used by authorised personnel only & within approved limits,
- Spend is in accordance with policy requirements and for proper purposes.