



Tasmanian Audit Office

Use of Tasmanian Government Cards (TGC) by Central Agency Executives and Executive Assistants

Report of the Auditor-General
No. 1 of 2018-19



Framework for use of TGC

Treasurer's Instruction (TI) No. 705
Tasmanian Government Card

Agency policies and training

Monitoring and compliance
(system of internal controls)



Objective

Whether:

- Departmental Secretaries and the CEO of the THS maintained effective internal control over the use of TGC
- TGC purchase transactions for the selected persons were:
 - appropriate
 - complied with TI 705 and applicable Agency policy



Scope

- Covered TGC purchases from 1 January to 31 December 2017:
 - 98 cardholders
 - 3 957 transactions
 - \$799 636

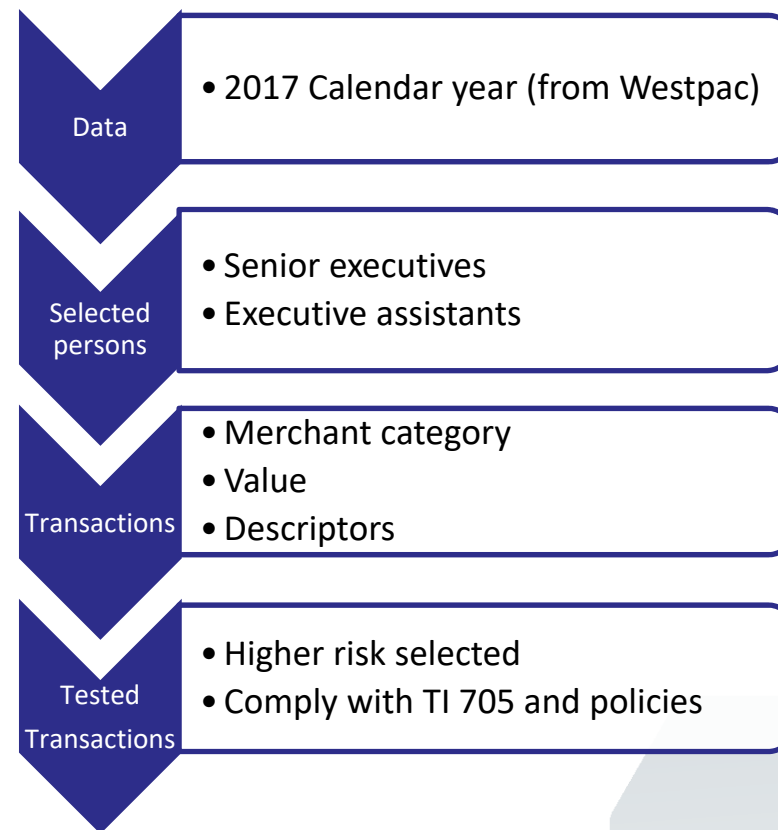


Criteria

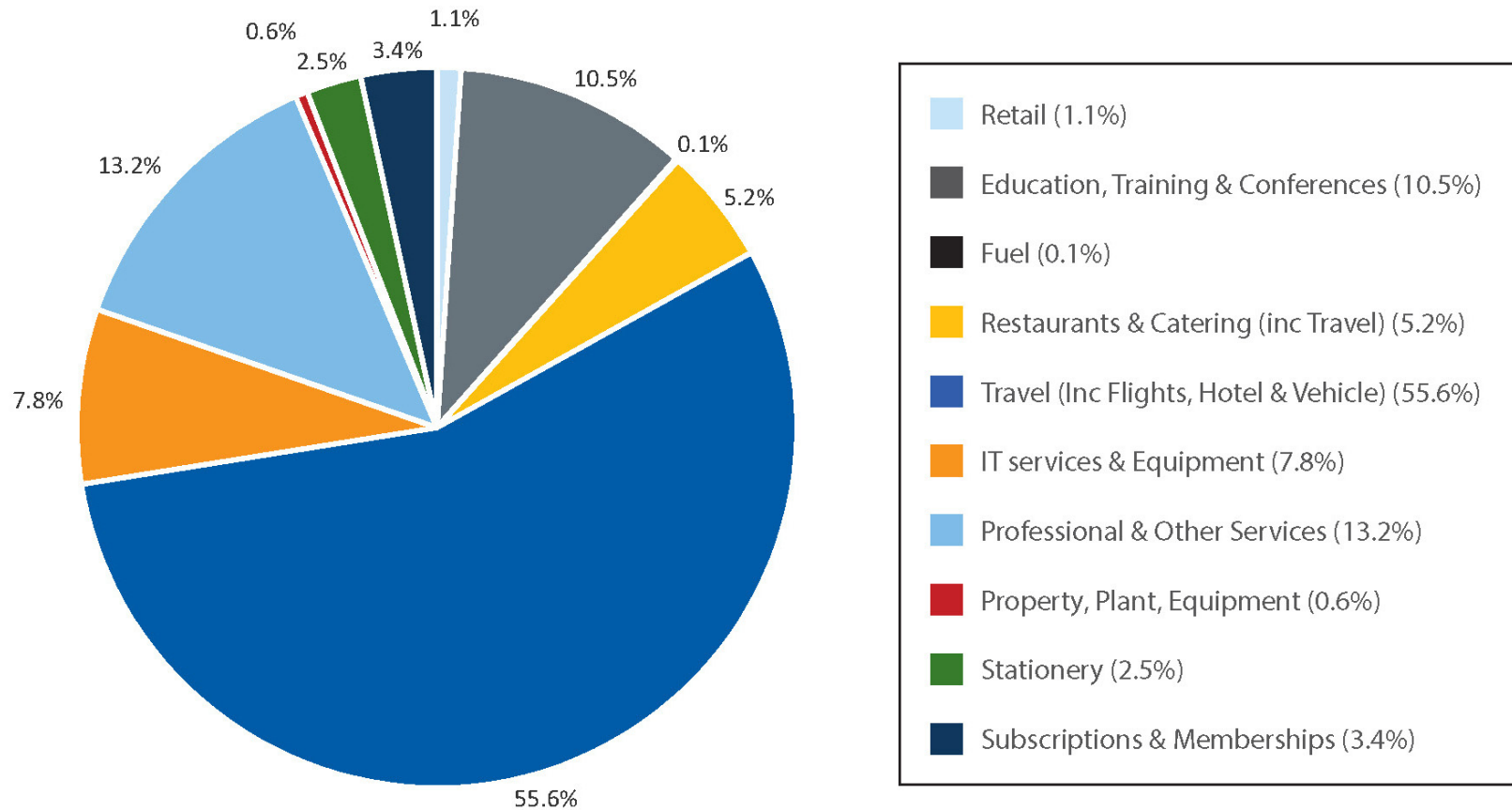
- Did departments and THS comply with the internal control requirements of TI 705?
- Were TGC purchases in compliance with the requirements in TI 705 and Agency policies and procedures?

Approach

- Examined relevant agency policies and procedures
- Tested transactions



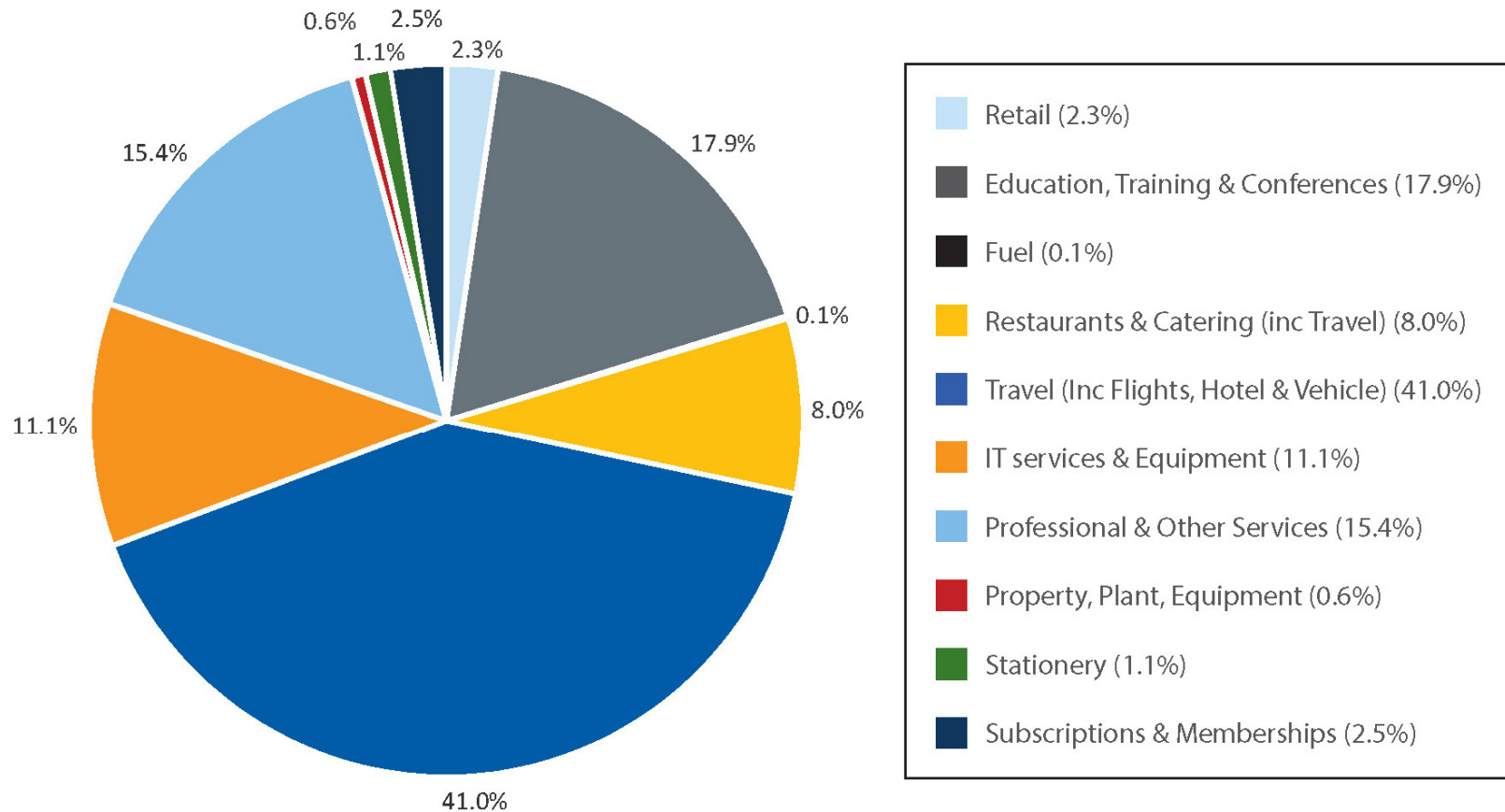
Categories of spend – all selected persons



Source: Tasmanian Audit Office

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Categories of spend – transactions of selected persons tested



Source: Tasmanian Audit Office

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Findings

- The level of compliance with TI 705 was strong
- Agency controls detected most breaches
- Undetected breaches:
 - 19 of 522 transactions (3.64%)
 - \$11 601 of \$251 252 (4.62%) transactions tested
- Transactions lacking appropriate documentation to support the purchase:
 - 10 (1.91%) of 522 transactions
 - \$9 377 (3.73%) in value

Findings (continued)

- Another 32 transactions where a staff member, other than the cardholder, had made the purchase
- Value of these transactions totalled \$44 309 (17.64%)



Conclusion

- Agencies generally compliant with TI 705
- Instances of policy and TI breaches were relatively minor in number and value
- No evidence of serious or systemic misuse of public funds or any potentially fraudulent transactions that warranted further investigation

Recommendations

1. Agencies consider measures, for example, expense tracking applications for smartphones, to improve the collection and retention of documentation to support TGC purchases
2. Agencies ensure there is a prohibition of card use by persons other than the cardholder, as intended by TI 705

Comments received

- Combined agency response
- **Recommendation one**
 - Measures to improve the collection and retention of documentation to support Tasmanian Government Card transactions will be considered as part of the upcoming tender process for Government Banking Services

Comments received (continued)

- **Recommendation two**
 - TI 705 currently includes an acknowledgement template by the cardholder, which explicitly requires that the cardholder will not permit their TGC to be used by another person. The TI will be amended to include this requirement as a mandatory revision in the body of the Instruction