

**Submission
No 12**

**EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDIT
REPORTS JUNE - DECEMBER 2020**

Organisation: Penrith City Council

Date Received: 17 September 2021



Our reference: 9693441
Contact: Julie Roes
Telephone: [REDACTED]

28 September 2021

Greg Piper MP
Chair
Legislative Assembly
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

Sent by email: pac@parliament.nsw.gov.au

Dear Mr Piper,

Auditor-General's Performance Audit report – credit card management in Local Government

Thank you for your letter dated 11 August 2021.

There were five recommendations for Local Government in the Auditor General's performance audit report, *Credit Card Management in Local Government*. Penrith City Council have responded to these recommendations with actions to be taken and progress of their implementation in the attached submission.

Should you have any questions or require further information please contact me on [REDACTED].

Yours sincerely

[REDACTED]

Neil Farquharson
Financial Services Manager

IMPLEMENTATION OF RECOMMENDATIONS

Penrith City Council Credit card management in Local Government

RECOMMENDATION		ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1	Ensure cardholders stop sharing their credit card with other staff	Accepted	a) Updating Credit Card Guidelines	30/09/2020	Completed – Credit Card Guidelines were updated to remove sharing of any cards	Operational Finance
			b) Training of Staff	30/09/2020	Completed – training has been rolled out which highlights that cards are not to be shared	Operational Finance
			c) Issue secretaries with cards	Ongoing	On track – All secretaries have requested cards have been issued cards in their own names	Operational Finance
2	Clarify in the credit card policy and procedures <ul style="list-style-type: none"> • Reconciliation arrangements for the general managers credit card • Cabcharge management policy and procedures 	Accepted	a) Updated Credit Card guidelines to identify the procedures for approval of General Managers credit card	31/10/2020	Completed – Credit Card guidelines have been updated to identify the procedure for approving the General Manager and Mayors credit cards.	Operational Finance
		Accepted	b) Update procedures for cabcharge management	31/10/2020	Completed – A separate procedures and process has been implemented for Cabcharge management.	Operational Finance
3	Ensure the credit card management practices include:	Accepted	a) Consider the use of credit card blocks	31/10/2020	Completed - credit card blocks have been implemented on all cards so that cash cannot be withdrawn at banks or ATM's. Further blocks will be considered such as	Operational Finance

	<ul style="list-style-type: none"> Considering the use of credit card blocks Keeping the credit card register up-to-date, accurate and complete Maintaining complete and accurate records 				blocking the booking of flights when the new booking process is implemented.	
		Accepted	b) Maintaining up-to-date, accurate and complete register	On-going	On track – the credit card register is updated as applications are submitted or as cards are cancelled.	Operational Finance
		Accepted	c) Maintaining complete and accurate records	On-going	On track – reviews are performed quarterly to identify any missing or inaccurate data	Operational Finance
4	<p>Ensure reconciliation involves:</p> <ul style="list-style-type: none"> Scrutinising business-related purposes and incident details of transactions 	Accepted	a) Reviewing transactions and scrutinising the business-related purposes	On-going	On track – transactions are reviewed monthly, and emails are sent out to staff where transactions could appear to be private in nature and descriptions do not explain reason clearly. Any non-compliance is addressed appropriately.	Operational Finance
	<ul style="list-style-type: none"> Keeping a record of finance team’s review of transactions 	Accepted	b) Maintaining a record of transactions that have been questioned	On-going	On track – when querying transactions, a copy of the query is saved within the credit card mailbox	Operational Finance
	<ul style="list-style-type: none"> Checking travel pre-approval forms 	Accepted	c) Review travel expenses for pre-approval	On-going	On track – procurement is looking into implementing new processes for booking travel through a 3 rd party	Operational Finance/ Procurement
	<ul style="list-style-type: none"> Recording vehicle details and kilometres when credit cards are used in place of fuel cards 	Accepted	d) Informing staff of information required when purchasing fuel with credit card		Complete – information has been added to the credit card training module	Operational Finance
	<ul style="list-style-type: none"> Checking that there are no split transactions 	Accepted	e) Review transactions for split bills	Ongoing	On track – reviews are performed monthly to identify and address any split transactions	Operational Finance
5	Develop a plan for periodic review (e.g.	Accepted	a) Develop Strategic Internal Audit Plan 2022 – 2025 &	30/11/2020	Complete - A Procurement audit is scheduled for 2023-2024 on the Strategic	Internal Audit

	internal audits) of credit cards use and management		include one or more audits of credit card management b) Implement automated/continuous data analytics in line with the Data Analytics Strategy		Internal Audit Program (SIAP). Credit Cards will be included in that scope. In addition, the annual Location Visits audit will cover credit card management of 3 satellite locations. In addition, Council's new Banking provider will be providing ongoing data analytics and reporting on Credit Card usage for monitoring.	
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