

**Submission  
No 13**

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

**Organisation:** Dubbo Regional Council

**Date Received:** 30 September 2021

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MW:em



5 October 2021

Greg Piper  
Chair  
Legislative Assembly Public Accounts Committee  
Parliament of NSW  
Via email: [pac@parliament.nsw.gov.au](mailto:pac@parliament.nsw.gov.au)

Dear Sir

**FOLLOW UP PERFORMANCE AUDIT - CREDIT CARD MANAGEMENT IN LOCAL GOVERNMENT**

Thank you for the opportunity to address actions taken by Dubbo Regional Council in response to the recommendations from the Auditor-General's report.

Council had already changed a majority of processes and procedures, with a new system being implemented on 1 July 2020 which was immediately subsequent the audited period required for the report. However, the performance audit did highlight some features of the applicable policy which were ambiguous, which upon review improved further controls and identified responsibilities of card holder and approvers alike. Please see the attached document for a comprehensive response to the recommendations.

Overall Council is pleased with the conduct and outcome of the audit.



Chief Executive Officer

Attachment:            Audit office recommendation response

## IMPLEMENTATION OF RECOMMENDATIONS

### Dubbo Regional 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	amend its credit card policy to prevent cardholders from sharing their credit card with other staff.	ACCEPTED	Immediate policy change	3/09/2020	Completed – Amended audited policy 27 August 2020, included in revised Policy dated December 2020	Finance
2	clarify in the credit card policy and procedures	ACCEPTED	a) eligibility criteria for a credit card	01/12/2020	Completed – Updated and clarified criteria in the revised Policy dated December 2020	Finance
			b) reconciliation arrangements for the general manager's credit card	01/12/2020	Completed – Updated and clarified that Card administrator to approve general manager's credit card in revised Policy dated December 2020	Finance
			c) Cabcharge management policy and procedures	01/12/2020	Completed – Updated procedures and eligibility, and now a section within the revised Policy dated December 2020	Finance
3	ensure that credit card management practices are updated	ACCEPTED	a) monitoring credit card limits in line with financial delegations	01/12/2020	Completed – Updated procedures and eligibility, and now a designated section within the revised Policy dated December 2020 and aligns with levels within the financial delegations hierarchy	Finance
			b) considering the use of credit card blocks	01/12/2020	On Track - Revised policy states that when Purchase Card provider can implement these blocks it will be brought in	Finance
			c) keeping the credit card register are up-to-date, accurate and complete	01/12/2020	Completed – register is reviewed minimum weekly for staffing changes and application process updates	Finance
			d) maintaining complete and accurate records	01/12/2020	Completed – New system was established after audited period of 30 June 2019 and was in place at time of audit	Finance

4	Updated reconciliations	<b>PARTIALLY ACCEPTED</b> – Most recommendations were already implemented as part of a new system that was rolled over 1 July 2019 in conjunction with purchasing module in Civica	a) scrutinising business-related purposes and incident details of transactions	01/12/2020	Completed – New system was established after audited period of 30 June 2019 and was in place at time of audit	Finance
			b) keeping a record of the finance team's review of transactions	01/12/2020	Completed – New system was established after audited period of 30 June 2019 and was in place at time of audit	Finance
			c) reviewing transactions against travel pre-approval forms (where applicable)	01/12/2020	Completed – New system was established after audited period of 30 June 2019 and was in place at time of audit	Finance
			d) recording vehicle details and mileage when credit cards are used in place of fuel cards	01/12/2020	Completed – Revised policy states no transactions for fuel are to be used on purchase cards. Council has a separate Fuel card system and policy in place	Finance
			e) checking that there are no split transactions	01/12/2020	Completed – New system was established after audited period of 30 June 2019 and was in place at time of audit	Finance
5	ensure there is ongoing senior management oversight of credit card use	<b>ACCEPTED</b>	Monthly reports are provided to Executives for review	01/12/2020	Completed – Monthly reporting is delivered to directors to review all transactions and signed off. Further higher level information regarding preaches of policy or fraud identification is also reported to executives in a separate report	Finance
6	ensure the internal auditor undertakes monitoring activities as specified in the credit card policy.	<b>ACCEPTED</b>	Internal Audit to engage in review	01/12/2021	On track for upcoming review in December 2021	Governance