
1. Response from the Department of Parliamentary Services

Parliament of
New South Wales

Department of Parliamentary Services
Office of the Chief Executive

6 Macquarie Street, Sydney
NSW 2000 Australia
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Our Ref: D24/061861

Mr Bola Oyetunji
Auditor General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Dear Mr Oyetunji

Re: Auditor General's Report to Parliament - Members' Additional Entitlements 2024

I refer to the report to Parliament on Members' additional entitlements and specifically to the following findings:

Certain information submitted for the compliance review by the Department in 2022-23 was incomplete.

The Department notes the administrative oversight during the 2022-23 assurance engagement and can confirm additional processes and controls have been put in place to address this matter. We can however confirm the expenditure was accurately reflected in Parliament's audited financial statements as contained in the corresponding Annual Report.

Lateness in members' expense claims continues to grow.

The Department notes there were 30,566 claims processed in 2023-24 and as part of the sampling of Members' claims, the Audit Office has identified 21 instances where members submitted claims after the 60-day timeframe.

We will continue to work with Members to ensure their compliance with the PRT Determination and to ensure claims are submitted in a timely manner. It is however acknowledged that from time to time, expenditure claims are delayed due to issues with suppliers, and these are beyond the control of Members. DPS is implementing enhancements to our monitoring regime to minimise the number of late claims.

Five members were late in submitting their annual loyalty/incentive scheme declarations.

The Department will continue to work with members to ensure their annual loyalty/incentive scheme declarations are submitted in a timely manner in accordance with our internal timelines.

One Communications Allowance claim did not include the required authorisations and attributions.

The Department will continue to work with and encourage all Members to seek appraisals of their communications and publications prior to distribution to ensure compliance with the PRT Determination and Parliament's administrative guidelines.



The Department should enhance its process to assess whether claims are eligible prior to processing payments.

The Department notes the recommendation to enhance its assessment of Members' expenditure claims and will continue to review its administrative processes to ensure the ongoing compliance with the PRT Determination and Parliament's administrative guidelines.

The key principle that underpins the administration of the Members' entitlements is a self-assessment regime on the part of Members to ensure compliance with the Annual Report and Determination of the Parliamentary Remuneration Tribunal (PRT) and Parliament's administrative guidelines. This approach was supported by the Parliamentary Remuneration Tribunal and the Audit Office when the framework was established in 2009.

The Annual Report and Determination of the Parliamentary Remuneration Tribunal (PRT) states:

The use of Members' additional entitlements will be subject to Parliament's administrative guidelines. The administrative guidelines should assist Members in carrying out their functions and duties. Members must comply with the Parliament's administrative guidelines where they are consistent with the Determination and guidelines and conditions contained herein.

The Determination further states:

Expenditure is only to be incurred in connection with the parliamentary duties of Members (and in this respect the Member should refer to the guidelines in this Determination and those issued by the Parliament) and

... The onus is always on the Member to show that the expenditure or any claims for reimbursement relate to parliamentary duties.

Under the current regime, all claims are subject to an administrative review when submitted by a Member for payment. This includes an assessment of claims at the time of processing. Where deemed necessary, claims are also escalated for further review or clarification at which time, a Member may be contacted and asked to provide additional information. It should however be noted that in a self-assessment regime, the onus for demonstrating the parliamentary purpose of any claim rests with the Member rather than the Department. Given the lack of an objective definition and the importance of context to any interpretation of parliamentary purpose, it would be impossible for the Department to form a definitive opinion in this space.

The framework is further supported by a dedicated team within the Department who review claims and provide advice and education in addition to up-to-date information on the use of Members' additional entitlements.

An internal audit program is in place to complement the risk management approach to the administration of Members' entitlements and all Members are subject to audit.

The internal audit function is further complemented by the assurance engagement undertaken by the Audit Office.

The Department's annual internal audit review of additional entitlements did not meet the requirements of the Determination.

The Annual Report and Determination of the Parliamentary Remuneration Tribunal (PRT) states:

Members' additional entitlements in the nature of fixed allocations and the Sydney Allowance provided to Members shall be audited annually for compliance through the Parliament's internal audit function. In addition to any internal audit conducted by the Parliament, Members' additional entitlements in the nature of fixed allocations and the Sydney allowance shall be the subject of an external assurance engagement conducted by the Auditor-General of NSW.

The internal audit of the Communications Allowance was a pivotal piece of work in continuing to ensure the Department provides appropriate education and advice to Members, whilst also ensuring the compliance of Member's claims with the PRT Determination and Parliament's administrative guidelines.

A subsequent audit of the remaining entitlements is scheduled to commence in January 2025.

The Department's 2024 internal audit on additional entitlements was not completed in a timely manner.

As indicated above, the internal audit is progressing in accordance with the PRT Determination.

Members require further clarity to address the continued departures from the Determination.

We will continue to provide appropriate education and guidance to Members to ensure claims are submitted in a timely manner and other internal administrative requirements are met.

Enhanced public reporting.

We note the intention to retire this recommendation.

Yours sincerely



Mark Webb
Chief Executive