
New South Wales Auditor-General's Report

Performance Audit

Use of purchasing cards and electronic payment methods

NSW Treasury



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The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the *Public Finance and Audit Act 1983*.

Our major responsibility is to conduct financial or 'attest' audits of State public sector agencies' financial statements. We also audit the Total State Sector Accounts, a consolidation of all agencies' accounts.

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Following a financial audit the Audit Office issues a variety of reports to agencies and reports periodically to parliament. In combination these reports give opinions on the truth and fairness of financial statements, and comment on agency compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

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In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled **Use of purchasing cards and electronic payment methods: NSW Treasury**.

A handwritten signature in black ink, appearing to read 'G Hehir'.

Grant Hehir
Auditor-General
5 June 2014

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Executive summary

Background

In November 2011, a 'Whole of Government Review of Purchasing Cards' identified potential savings of \$127.4 million over six years by moving away from traditional high cost purchase-to-pay processes to more efficient methods. This involves increasing the use of purchasing cards (pcards) and electronic fund transfers (EFT). The review found that the use of credit cards/pcards in the NSW public sector was limited compared to some other jurisdictions.

In December 2011, the NSW Government mandated the use of pcards for transactions below \$3,000 (around 85 per cent of government transactions are below \$3,000) and the replacement of cheques with EFTs where applicable. This policy required:

- principal departments (clusters) to set their own adoption targets for pcards and EFTs by March 2012
- agencies to incorporate the requirements for meeting the targets into their corporate shared services reform business cases or other existing business improvement programs
- Treasury to issue a revised policy and guidelines for credit card use by mid-2012.

The 2012 Commission of Audit Final Report on Government Expenditure recommended that each cluster develop a benefit realisation program for the pcard program by mid-2013. The government endorsed this recommendation.

This audit assessed whether the use of pcards and electronic payment methods for low value transactions is achieving the expected benefits. The audit criteria are:

- Do clusters have adoption targets and benefit realisation programs for the use of pcards and EFTs?
- Is the use of pcards and EFTs meeting targets and achieving the expected benefits?

The audit focused on credit card/pcard, EFT and cheque transactions below \$3,000, for the financial year 2012–13, and six months to 31 December 2013.

Conclusion

Overall, the implementation of the pcard program has not been in accordance with the government decision.

Two years on, not all clusters have targets, only one cluster has a benefit realisation program, and all clusters lack reliable data on transactions. There is no picture centrally of:

- what the targets set by clusters amount to
- whether the targets are appropriate
- what the usage of pcards and EFTs for transactions below \$3,000 has been
- whether any savings are being realised.

The Audit Office assessment based on bank data shows that the uptake of pcards is low. More transactions have been shifted to EFTs than to pcards, yet pcards offer three times more savings per transaction than EFTs. Expense management systems to streamline processes and maximise savings are not widely used. Treasury has not provided guidance and oversight to ensure consistent and timely implementation of the policy. The clusters with potential to achieve most of the savings have made little progress.

At the current rate of uptake, the government is unlikely to achieve the estimated gross savings of \$127.4 million over six years.

The initiative is in danger of stalling unless these issues are addressed as a priority and additional incentives are used to encourage greater uptake of pcards.

Recommendations

To ensure effective implementation of the policy and maximise savings, we recommend that principal departments (clusters):

- set adoption targets for pcards and EFTs based on delivering best value for money, and support these with a benefit realisation program that identifies potential savings, timeframes and priority areas by December 2014 (page 11)
- define the roles and responsibilities for the pcard program at cluster and agency levels by December 2014 (page 11)
- revise policies and procedures to reflect the requirements of the pcard policy in line with Treasury's guidance by December 2014 (page 19)
- monitor progress against targets and report progress and savings to Treasury annually (page 19)
- improve data capture and analysis through better use of enabling technologies and bank's data (page 11).

To ensure the government achieves the expected benefits, we recommend that Treasury:

- implement a framework for monitoring and reporting progress and savings for the pcard program by December 2014 (page 19)
- abolish the six-monthly reporting on credit card use and use the bank's data to monitor trends and issues for action (page 19)
- clarify the pcard program roles and responsibilities within Treasury, and between stakeholder agencies by August 2014 (page 19)
- finalise the credit card guidance by August 2014 (page 19)
- consider providing additional incentives to clusters to reward good performance, namely re-allocating the bank rebates to clusters (page 19)
- define the data to be provided by the bank to Treasury, clusters and agencies by August 2014 (page 11).

To facilitate implementation of the policy, we recommend that the Office of Finance and Services:

- assist clusters to develop benefit realisation programs, focusing on clusters with the highest potential, in line with Treasury requirements by August 2014 (page 11)
- develop whole-of-government standards for downloading data from the bank and from corporate and shared services by December 2014 (page 19).

Response from NSW Treasury



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Mr Grant Hehir
Auditor-General
Audit Office of New South Wales
Level 15, 1 Margaret Street
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28 MAY 2014

Dear Mr Hehir

Performance Audit - Use of purchasing cards and electronic payment methods

Thank you for the opportunity to respond to your Performance Audit on the use by government of more efficient payment methods. We acknowledge the concerns you have identified and support the need to reinvigorate reforms in this area.

To this end, and with the support of Cabinet, we are implementing stronger governance oversight through the NSW Procurement Board to ensure cluster implementation and benefit realisation plans are in place by December 2014 with full implementation by the end of 2017. This governance arrangement will be supported by regular reporting to the Expenditure Review Committee of Cabinet. We will also look towards further incentives under the Government banking contract to support cluster implementation plans.

As you are aware, the Office of Finance and Services (OFS) is now within the Treasury and Finance Cluster. This will be particularly helpful in clarifying roles and responsibilities to assist the implementation of payment reform. In this regard, OFS will complete implementation of their own purchasing card and electronic payments reforms by the end of 2014. It will be important to recognise that while implementation across government can be monitored within the Treasury and Finance Cluster, ultimate responsibility for achieving targets is the responsibility of individual clusters. Proposed cluster implementation plans will address the unique challenges and differences in the levels of system maturity in each cluster. Benefit realisation plans will also include milestones and targets that are in-line with financial system capabilities as they apply to agencies in the context of their ongoing rollout of financial and business system reforms.

Finally, Treasury intends to revamp the six-monthly reporting procedure on credit card use to ensure it better satisfies both anti-fraud requirements as well as supporting greater use of electronic payment forms.

Thank you again for the opportunity to respond to the report.

Yours sincerely

Philip Gaetjens
Secretary

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Introduction

1. Setting the scene

Manual paper-based purchase-to-pay processes are the most expensive payment methods, especially for low value transactions. There has been a global move away from the use of cash and cheques towards electronic payments. According to the Australian Payments Clearing Association:

- cheques volumes are declining worldwide
- over the past decade, the number of cheques used in Australia has dropped by more than 60 per cent
- 75 per cent of Australians no longer use cheques.

1.1 What is a purchasing card?

A purchasing card (pcard) is a form of credit card, but its use is more restricted than a corporate credit card to reduce the risk of fraud and misuse. The key differences between pcards and corporate credit cards are summarised in Exhibit 1.

Exhibit 1: Key differences between purchasing cards and corporate credit cards

Purchasing cards typically:	Corporate credit cards typically:
<ul style="list-style-type: none">– have low credit limits– are used by employees to purchase low value goods and services, and as replacement for petty cash– have restrictions on their use, for example, on transactions and monthly expenditure, time of use and type of purchase.	<ul style="list-style-type: none">– have high credit limits– are issued to executives and senior managers to cover business expenses– have no or limited restrictions on the type of purchases, time and place of use up to the credit limit.

Source: The Audit Office research.

There are three types of pcards:

- a traditional physical card issued to employees
- a virtual card used by a number of staff for internet or e-procurement purchases from a single supplier
- a prepaid card that has a preloaded credit balance and predefined purchase categories.

According to the Chartered Institute of Purchasing and Supply Australasia, pcards offer many benefits, especially when used in conjunction with appropriate supporting technology and systems integration, and clearly defined and enforceable policies and procedures. These include:

- efficiency savings by reducing the cost and time of the purchase-to-pay process through automation
- cost savings from greater visibility and transparency of transactions, enabling rationalisation of suppliers, consolidation of spend and better negotiations with suppliers
- better control over purchases to reduce the risk of fraud and misuse, increase compliance and improve visibility and accountability for spend.

1.2 The government policy

In November 2011, a 'Whole of Government Review of Purchasing Cards', referred to in this report as the government review, identified potential savings to be achieved by increasing the use of pcards for low value, high volume and low risk transactions and the use of electronic fund transfers (EFT).

The review showed that:

- transactions below \$3,000 account for around 85 per cent of the total number of NSW Government transactions on goods and services and for less than 10 per cent of total expenditure
- the use of credit cards by NSW Government was limited – at January 2011, 8,738 cards were held by 88 agencies, with 91 per cent of cards held by 12 agencies and 44 agencies holding less than ten cards each
- the use of credit cards by NSW Government was low compared to some other jurisdictions – NSW expenditure totalled \$76.2 million in 2009–10 compared to \$400 million in Western Australia
- 28 cases of fraud/misuse were reported in 2009–10, that is 0.24 per cent of all credit cards held.

The government review estimated that increasing the use of pcards and EFTs in the NSW public sector could achieve gross savings of around \$127.4 million over six years, based on a minimum transaction threshold of \$3,000 or less.

The review also projected recurrent gross annual savings of \$33 million from year six onward, and highlighted additional savings that can be achieved by using better information on expenditure to improve procurement sourcing.

In December 2011, the NSW Government mandated the use of pcards for transactions below \$3,000 and the replacement of cheques with EFTs where applicable. While this policy did not set a deadline for implementation, it outlined specific requirements for 'principal departments' (clusters), and Treasury. It also required agencies to incorporate the requirements of the pcard program into their corporate and shared services reform or other business improvement programs.

1.3 Principal departments

NSW Government agencies are grouped into nine clusters or 'principal departments' each led by a Secretary and comprising a number of portfolios. At the time of the audit, the nine clusters were:

- Attorney General and Justice
- Education and Communities
- Family and Community Services
- Finance and Services
- Health
- Premier and Cabinet
- Trade and Investment, Regional Infrastructure and Services
- Transport
- Treasury.

In late April 2014, the government introduced changes to clusters, which we have reflected in the report to the extent that it is appropriate. The changes include:

- establishing a new Planning and Environment cluster
- renaming the Attorney General and Justice cluster as the Police and Justice cluster
- consolidating the Finance and Services cluster with the Treasury cluster to form a Treasury and Finance cluster.

According to the 2012 Commission of Audit Interim Report: Public Sector Management, clusters vary considerably in the number of ministers they support, the number of entities they contain, the number of staff they employ and the budget they administer.

1.4 Corporate and Shared Services Reform Program

The aim of the Corporate and Shared Services Reform Program is to process common business transactions in a central location to gain economies of scale and increase transparency in the cost of providing corporate services, including, finance, human resource management, information technology, communications and assets management. There are seven corporate shared service providers servicing nine clusters. The responsibility for the corporate and shared services is vested primarily with clusters.

1.5 Contracted bank

Government agencies are required to use the government contracted bank, Westpac, for credit cards services. In April 2013, the contract with Westpac was renewed and involved transitioning over 130 government agencies from MasterCard to Visa by December 2013.

1.6 About the audit

This audit assessed whether the use of pcards and electronic payment methods for low value transactions is achieving the expected benefits. The audit criteria are:

- Do clusters have adoption targets and benefit realisation programs for the use of pcards and EFTs?
- Is the use of pcards and EFTs meeting targets and achieving the expected benefits?

The audit focused on credit card/pcard, EFT and cheque transactions below \$3,000, for the financial year 2012–13, and six months to 31 December 2013. It did not examine:

- whether value for money considerations were taken into account in individual pcard transactions
- corporate and shared services systems, but did consider their impact on progress and benefits
- compliance of individual agencies within clusters with the government policy
- fleet card or petty cash transactions.

See Appendix 1 for more information on the audit scope and focus.

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Key findings

2. Do clusters have adoption targets and benefit realisation programs for the use of pcards and EFTs?

Findings The government policy required clusters to set adoption targets for pcards and EFTs by March 2012.

Two years later, not all clusters have set adoption targets. Eight of nine clusters have set targets for EFTs, and four of nine have set targets for pcards. Where targets are set, they are not comparable across clusters and have not been assessed for their appropriateness.

Each cluster was expected to develop a benefit realisation program by August 2013. Only the Transport cluster has a benefit realisation program to show how and when targets will be achieved, and an estimate of savings. The Office of Finance and Services has not provided the expected guidance to clusters on developing benefit realisation programs.

Three clusters that have the potential to make substantial savings are yet to set adoption targets for pcards and develop benefit realisation programs.

Clusters do not have reliable information on transactions below \$3,000 by type of payment to set appropriate targets. Information systems across agencies are often not compatible to provide a reliable snapshot at a cluster level and to allow efficient access to information across government.

The government banker has reliable and timely information on transactions by type of payment. This information is not being fully or widely utilised.

Overall, planning for the implementation of the pcard policy by clusters and Treasury has been poor and slow.

2.1 Targets and benefit realisation programs

The government review estimated the total number of government transactions on goods and services in 2009–10 at around 7.63 million. Of these, 2.04 million cheque and petty cash transactions, valued at \$3,000 or less, were identified as eligible to be moved to credit cards/pcards and EFTs to achieve gross savings of around \$127.4 million over six years. The final split of the eligible transactions was to be as follows:

- an increase of 1.14 million in credit card/pcard transactions and 0.9 million in EFTs
- a corresponding reduction of 1.76 million in cheque transactions and 0.28 million in petty cash transactions.

The review estimated the savings per transaction to be three times higher for credit cards/pcards than for EFTs and the potential savings per type of transaction over six years to be as follows:

- \$97.4 million (76 per cent of potential savings) from credit cards/pcards
- \$26.8 million (21 per cent of potential savings) from EFTs
- \$3.2 million (three per cent) from rebates based on credit card/pcard spend.

Exhibit 2 shows the percentage annual uptakes of eligible transactions, used in the government review to estimate the savings, and the corresponding increases in credit card/pcard and EFT transactions over six years.

Exhibit 2: Annual uptake of eligible transactions based on the percentage uptakes adopted in the government review

Annual % uptake of eligible transactions	Year 1 8%	Year 2 40%	Year 3 60%	Year 4 80%	Year 5 100%	Year 6 100%
Uptake of eligible credit card/pcard transactions	91,200	456,000	684,000	912,000	1,140,000	1,140,000
Uptake of eligible EFT transactions	72,000	360,000	540,000	720,000	900,000	900,000
Total uptake of eligible transactions	163,200	816,000	1,224,000	1,632,000	2,040,000	2,040,000

Source: The Audit Office analysis based on data from the 2011 Whole of Government Review, Purchasing Cards and the 2012 NSW Commission of Audit Final Report, Government Expenditure.

The government policy did not mandate these uptakes or specify a timeframe for full implementation, but required:

- clusters to set their own adoption targets for pcards and EFTs and report back to Treasury by March 2012
- agencies to incorporate the requirements for meeting the targets for pcards and EFTs, including implementation and operating costs, into their corporate shared services reform business cases or other existing business improvement programs.

In September 2012, clusters reported their adoption targets to Treasury. We found that:

- eight of nine clusters set targets for EFTs, and four of nine set targets for pcards
- the targets are not comparable across clusters, most do not have timeframes or baselines, and many do not cover an entire cluster.

Treasury was required to assist clusters assess the appropriateness of their targets by December 2012. Treasury is yet to do so. Appendix 2 shows which clusters set adoption targets.

The government endorsed the Commission of Audit recommendation that each cluster develop a benefit realisation program for the pcard program by mid-2013. At the time of the audit, only the Transport cluster had a comprehensive benefit realisation program to support its targets and savings.

Treasury advised that the Office of Finance and Services was to assist clusters develop their benefit realisation programs and to monitor their progress. The benefit realisation programs were to identify:

- the changes in the type and number of transactions occurring
- an implementation timetable and cost, for example, resources, systems and training
- savings, including positions to be made redundant because of the change, and other benefits.

We found no evidence of involvement of the now Office of Finance and Services in the benefit realisation process.

Three of the clusters that are yet to set adoption targets for pcards and develop benefit realisation programs have the potential to make substantial savings. Education and Communities, Attorney General and Justice (now Police and Justice), and Health combined have 73 per cent of all cheques drawn across all nine clusters (1.4 million out of 1.9 million) and only 21 per cent of all pcard transactions (90,000 out of 432,000). They advised the following:

- Education and Communities is finalising its corporate and shared services to replace its legacy finance, human resources, payroll and student administration systems – full roll-out of pcards to all schools is expected by December 2014 at the earliest

- Health piloted the use of pcards, developed a uniform policy for the cluster, introduced a virtual card for the procurement of uniforms and acquired an expense management system – full roll-out of the pcard is expected by December 2014
- Attorney General and Justice (now Police and Justice) is working on solutions to ensure uniform practices and systems across the cluster – the start of the roll-out is expected within two years.

The WA and Qld governments adopted different approaches to increase the use of pcards, summarised in Exhibit 3.

Exhibit 3: Approaches adopted elsewhere to increase the use of credit cards

Western Australia

Mandated the adoption targets, timeframes and the transaction threshold at \$5,000 for credit cards/pcards. It also mandated the use of a uniform platform (Oracle) across agencies (as part of another program) and offered access to the bank's fully automated expense management system at no additional cost to agencies except for a small once-off implementation fee. This provided a strong framework for implementation and benefit realisation.

Queensland

Relied on educating agencies and selling the merits of using pcards rather than mandating targets. The Qld approach took longer than WA's to achieve results, but is now reporting widespread adoption and benefits.

Source: The Audit Office research.

2.2 Factors affecting progress

A number of factors may have impacted on progress in setting targets and benefit realisation programs. These include:

- lack of complete, accurate and timely information at the cluster level on transactions below \$3,000 and by type of payment making it difficult to set appropriate targets
- incompatible legacy systems across agencies within clusters preventing easy access to consistent information
- slow progress with the implementation and consolidation of corporate shared services to provide consistent information
- poorly defined roles and responsibilities for the management of the pcard program in clusters.

Some clusters are adopting new technologies that could improve information at a cluster level quickly. See Exhibit 4.

Exhibit 4: Adoption of cloud technology in Trade and Investment, Regional Infrastructure and Services cluster

Following the restructure of government agencies into clusters, Trade and Investment had disparate corporate systems, data and shared services arrangements across its agencies. It also had inconsistent policies, procedures and systems and could not monitor and measure performance across the cluster.

To get a single view of the business and its operations, Trade and Investment recently invested in cloud computing, that is the delivery of hosted services over the internet. Services are managed by an external provider and a user needs only a personal computer and internet access. Trade and Investment opted for software-as-a-service cloud computing model where the vendor supplies the hardware infrastructure, the software product and interacts with the user through a portal.

Trade and Investment is also implementing an expense management system to better manage credit card/pcard data and transactions.

Trade and Investment is still in early stages of refining and extending the use of these technologies across its agencies.

Source: The Audit Office research.

Even without the latest systems and technology, clusters can access high level information on transaction volumes by type of payment from the government banker, Westpac. This may assist clusters in setting targets, developing benefit realisation programs, analysing trends and monitoring performance. We found that few clusters/agencies are taking advantage of these services. Consultation with agencies/clusters indicated that many:

- are not aware of what the bank can offer
- do not have appropriate technology to receive electronic data downloads from the bank.

The bank is offering services which could be useful to clusters and Treasury including:

- regular reporting on transactions and fees paid by cluster, by agency and for the State
- assessing opportunities for service improvement.

Treasury advised that it is identifying the type of quarterly and annual information that is needed by and/or can be provided to clusters and agencies by the bank.

Recommendations

Principal departments/clusters should:

- set adoption targets for pcards and EFTs based on delivering best value for money, and support these with a benefit realisation program that identifies potential savings, timeframes and priority areas by December 2014
- define the roles and responsibilities for the pcard program at cluster and agency levels by December 2014
- improve data capture and analysis through better use of enabling technologies and bank's data.

Treasury should define the data to be provided by the bank to Treasury, clusters and agencies by August 2014.

The Office of Finance and Services should assist clusters to develop benefit realisation programs, focusing on clusters with the highest potential, in line with Treasury requirements by August 2014.

3. Is the use of pcards and EFTs meeting targets and achieving the expected benefits?

Findings: There is no requirement for regular reporting against targets and on savings achieved. We found no evidence of monitoring of savings at any level. There is no information or benchmark to compare performance across clusters.

The estimated \$127.4 million in gross savings were based on achieving an uptake of 0.9 million eligible EFT transactions and 1.14 million eligible credit card/pcard transactions over six years.

Using the bank's data to assess progress, we found that:

- in year one, the uptake of eligible transactions was 22 per cent for EFTs and only three per cent for pcards
- in year two, the uptake of eligible transactions is estimated to increase to 29 per cent for EFTs and to only six per cent for pcards
- there has been a bigger switch to EFTs than to pcards, although the savings per pcard transaction are three times higher than an EFT transaction
- by 30 June 2013, expenditure on credit cards/pcards reached nearly \$107 million and the number of credit cards increased to over 12,000
- the Education and Communities, Attorney General and Justice (now Police and Justice) and Health NSW clusters have potential to achieve most of the savings, but they have contributed little to the results.

Overall, there has been little progress made. If current trends continue, the government is unlikely to achieve \$127.4 million of estimated potential gross savings over six years. The Audit Office estimated the possible savings achieved over the first two years to be \$10 million less than the government review envisaged. The shortfall will increase significantly over time if no action is taken.

There are a number of constraints hindering wider adoption of pcards. These include insufficient oversight and guidance, limited use of enabling technologies and limited incentives to drive adoption and performance.

We also found that Treasury's six-monthly survey of credit card usage does not provide the required assurance on compliance with approved credit card limits.

3.1 Performance against targets and benefit realisation programs

Not all clusters have targets for their pcard program and for those that do, their targets are not comparable. There are also no standards for monitoring and reporting on progress within and across clusters to determine the level of progress and savings achieved or to benchmark performance.

Therefore, to assess progress we used the bank's data as we found it to be the most reliable and complete.

The bank provided data on credit card, cheque and EFT transactions, as well as credit cards' spend and number. Information on transactions below \$3,000 was not readily available. See Appendix 3 for detailed information. In assessing progress we assumed that:

- all credit card transactions are pcard transactions because we had no means of distinguishing between the two
- increases in credit card transactions are in transactions \$3,000 or less.

We also assumed 2012–13 to be the first year of implementation as the government policy required clusters to set their adoption targets for pcards and EFTs by March 2012.

The bank's data showed that in year one, there has been a 22 per cent uptake of eligible EFT transactions and only three per cent uptake of eligible credit card/pcard transactions. The Audit Office estimated that in year two, the uptake of eligible transactions will increase to 29 per cent for EFTs, and to six per cent for pcards, as summarised in Exhibit 5.

Exhibit 5: Whole-of-government additional uptake of eligible credit card/pcard and EFT transactions

Year 1		
	Credit cards	EFTs
Total number of additional eligible transactions as per the government review	1,140,000	900,000
Actual uptake of additional eligible transactions	38,996	198,880
% uptake of additional eligible transactions	3%	22%
Year 2		
	Credit cards	EFTs
Total number of additional eligible transactions as per the government review	1,140,000	900,000
Estimated uptake of additional eligible transactions*	66,788	261,768
% uptake of additional eligible transactions	6%	29%

Source: Westpac's data and the 2012 NSW Commission of Audit Final Report, Government Expenditure.

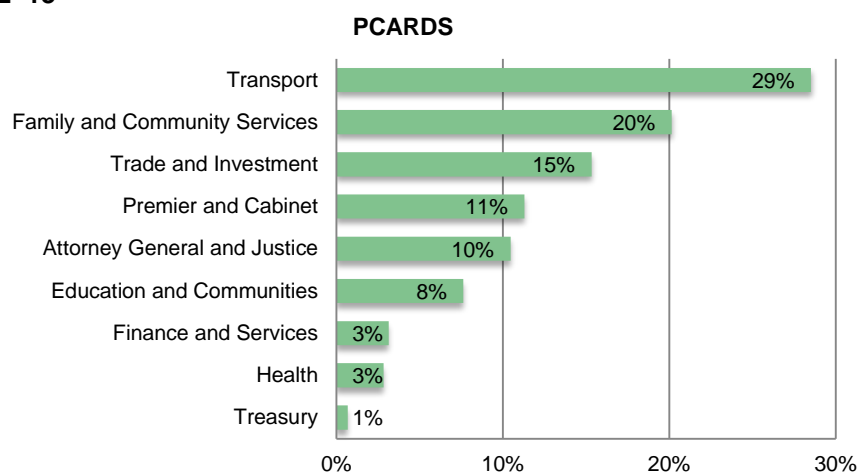
*Estimate based on six months data provided by Westpac.

Comparing NSW performance to WA's gives an appreciation of how slow the pace of reform has been in New South Wales. Western Australia increased the total number of credit card transactions by 45 per cent in one year.

The number of transactions is the measure of potential efficiency savings not the value of spend. This is because the processing of a \$1 million transaction costs the same as the processing of a \$5 transaction. Also, the savings per transaction are three times higher for pcards than for EFTs.

We found that the combined number of credit card transactions in Education and Communities, NSW Health and Attorney General and Justice (now Police and Justice) was only 21 per cent of the total number of credit card transactions across NSW Government, compared to 29 per cent in Transport, and 20 per cent in Family and Community Services.

Exhibit 6: Percentage of total government credit card/pcard transactions by cluster in 2012–13



Source: Westpac's data.

Note: Attorney General and Justice is now Police and Justice, and Finance and Services is now within the Treasury cluster.

The results so far suggest that:

- the uptake of credit cards/pcards has been lower than was envisaged in the government review
- the three clusters with the potential to achieve significant savings contributed the least to the uptake
- there has been a faster switch to EFTs than to pcards, although the savings per pcard transaction are three times higher than an EFT transaction.

Based on results so far, the Audit Office estimated the possible savings achieved at \$5.8 million in year one and two for the whole-of-government, which is almost \$10 million less than envisaged by the government review, as summarised in Exhibit 7. Appendix 4 outlines the methodology for deriving the savings.

Exhibit 7: Estimates of expected savings in year one and two for whole-of-government

	Year 1		Year 2		Total
	Credit cards	EFTs	Credit cards	EFTs	
Government review estimated gross savings (\$million)	\$2.0	\$0.6	\$10.0	\$2.7	\$15.3
Audit Office estimated gross savings based on actual transactions (\$million)	\$0.8	\$1.5	\$1.5	\$2.0	\$5.8
Difference	-\$1.2	\$0.9	-\$8.5	-\$0.7	-\$9.5

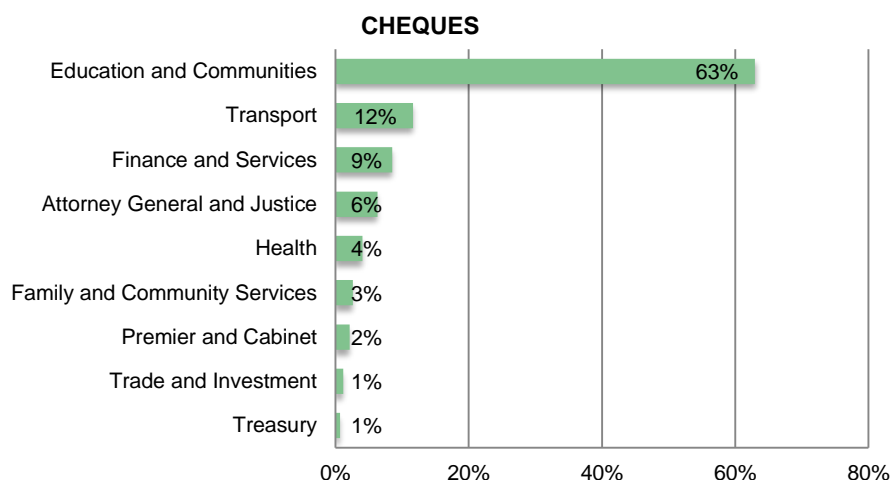
Source: The Audit Office analysis based on Westpac's data.

We could not determine if clusters have achieved any gross or net savings. Savings will depend on the actual cost per transaction in each agency and other implementation and operational costs to be identified in benefit realisation programs.

Judging by progress made in the two years, the government is unlikely to achieve the estimated gross savings of \$127.4 million over six years.

The Education and Communities cluster can contribute the most to potential savings. We found that NSW public schools issue around 1.14 million cheques annually, that is 63 per cent of all cheques drawn by government agencies. By switching these to pcards, schools alone can save around \$25 million annually.

Exhibit 8: Percentage of total government cheques by cluster in 2012–13



Source: Westpac's data.

Note: Attorney General and Justice is now Police and Justice, and Finance and Services is now within the Treasury cluster.

The Westpac's data showed that whole-of-government expenditure on credit cards increased by 40 per cent (from \$76.2 million in 2009–10 to \$107 million in 2012–13) and the number of credit cards increased by 40 per cent (from 8,738 in January 2011 to 12,272 in March 2013).

While the number of credit cards is not an indication of the level of use, it is reasonable to expect that every NSW public school should have at least one credit card. However, we found that there are 450 cards used across 2,240 schools in New South Wales, or one in five schools.

3.2 Key performance drivers

Three factors are important to drive performance:

- effective oversight, guidance and policies
- effective enabling technologies
- proper incentives.

Oversight, guidance and policies

The government review envisaged that Treasury would drive the initial whole-of-government implementation of the pcard policy. We found that:

- there are no standards for monitoring and reporting on progress
- there is no picture centrally of achievements at the whole-of-government level
- there is no formal mechanism for sharing better practices and there is duplication of efforts across clusters with many exploring similar solutions to similar problems independently.

Exhibit 9: Examples of purchasing initiatives using pcards

Attorney General and Justice (now Police and Justice) – use of prepaid cards

To move away from issuing cash to inmates upon their release and to reduce the risk of money being misplaced or lost, Corrective Services completed a pilot on the use of Stored Value Cards. These are similar to Visa debit cards pre-loaded with a limited spendable amount and offer a number of benefits, including:

- 50 per cent to 75 per cent reduction in cash holdings at correctional centres
- reduced number of cheques issued to offenders and to correctional centres
- increased transparency and accountability in the release process, as cards can be cancelled, tracked and reissued online.

At the time of the audit, Corrective Services was testing a tool that enables automatic loading of the cards without going through the bank's portal to maximise savings and benefits and reduce the risk of corruption, before full roll-out across New South Wales.

NSW Health– use of virtual cards

Each Local Health District has been issued with a virtual procurement card for all uniform purchases. The card is locked down by merchant code and only allows debits from the uniform supplier for uniform purchases. The use of a virtual purchasing card in hospitals for staff uniforms saved \$0.4 million in one year by avoiding 40,000 paper invoices.

Transport – use of traditional physical cards

One division moved away from a paper-based purchase-to-pay process to an electronic environment by adopting a user-friendly expense management system, a robust compliance checking regime and a strict acquittal process. This enabled the division to almost eliminate purchase orders, rationalise suppliers, scan invoices and improve the visibility of spend. One officer with appropriate training in the use of pcards and expense management system has delegation to purchase goods and services up to \$60,000 a month and with a \$7,000 transaction limit.

Source: The Audit Office research and information provided by clusters.

The government policy, introduced in 2011, required Treasury to update its 2005 Credit Card Use Best Practice Guide by mid-2012. This would assist clusters and agencies to reflect the policy requirements in their policies and procedures. Treasury advised that its focus has been on renewing the banking contract and that new guidance is being finalised. The WA Department of Finance reviews their purchasing card guidelines annually and updates them as needed. Qld Treasury updates their guidelines for credit card use every two years.

Clusters should specify the minimum requirements for pcards to guide their agencies with the development of policies and procedures. This would ensure consistency and minimise duplication. At the time of the audit, Family and Community Services had a single cluster wide pcard policy, and Health NSW and Trade and Investment had a draft policy for their clusters.

Some agencies are reluctant to increase the use of credit cards because of the risk of noncompliance with Section 12 and 13 of the *Public Finance and Audit Act 1983*, specifically in relation to the requirements for:

- cardholders to have written authorisation to spend money before making a purchase
- accounting officers to make all the necessary checks before paying for goods and services.

Agencies can mitigate this risk by having:

- clear and up-to-date policies and procedures for the use of credit cards that give cardholders proper delegation for a specified expenditure limit
- stringent processes for acquitting expenditure on credit cards within reasonable timeframe, preferably within 30 days, as specified in the Treasurer's Direction 205.05
- effective procedures to manage noncompliance
- data analysed to detect noncompliance and for exception reporting
- proper documentation, including electronic records.

Appendix 5 summarises Section 12 and 13 of the *Public Finance and Audit Act 1983*.

Enabling technologies

The implementation of a pcard program requires clusters to introduce new systems and processes that may require coordination with corporate and shared services, including expense management systems. The Office of Finance and Services has developed a standard pcard process for incorporation in the design of corporate and shared services. However, we found that there is no standard for accessing information on pcards from shared services.

Best practice suggests that an effective pcard program relies on the appropriate use of technology and systems integration. Expense management systems enable better management of data and transactions when integrated with finance (general ledger), human resources and procurement systems.

Exhibit 10: Benefits of using an expense management system

According to the Chartered Institute of Purchasing and Supplies Australasia, the benefits of using an expense management system include:

- faster spend verification and acquittal process compared to paper-based processes
- improved governance through an automated approval process and retaining an audit trail of all transactions
- greater spend visibility through categorisation of transactions against suppliers and types of spend
- exception reporting.

Source: The Chartered Institute of Purchasing and Supplies Australasia - Visa business case for P-cards, 2010.

We found that the use of expense management systems in clusters is limited. This makes it difficult to:

- facilitate a fully automated approval and payment cycle
- manage compliance and expenditure
- analyse spend and improve procurement sourcing.

There is no one expense management system solution that would be suitable for all clusters or all agencies. Also, the cost of expense management systems will vary from cluster to cluster due to the following factors:

- the level of sophistication and integration with other systems
- whether it is an in-house setup or a hosted system
- the number of staff using the system.

Exhibit 11 shows the variation in the cost of expense management systems.

Exhibit 11: Indicative cost of expense management systems

Based on information provided by clusters, the cost of an expense management system can vary significantly depending on whether the system is in-house or externally hosted:

- around \$30 per user per month for an in-house system plus a once off cost of server
- between \$4 and \$6 per user per month for a third party hosted system.

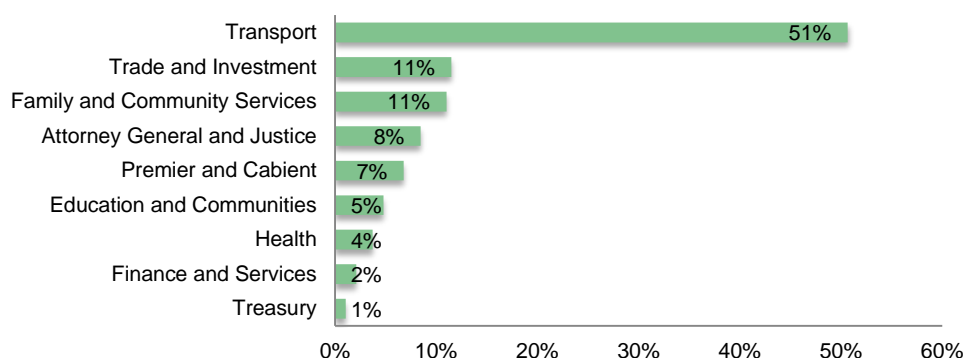
Source: The Audit Office research based on advice from officers consulted in various clusters.

At the time of the audit, even those clusters with an expense management system were not in a position to use pcard spend information to rationalise suppliers and secure volume based rebates. The Office of Finance and Services is developing a whole of government database that would assist in analysing agencies spend and transactions by extracting information directly from agencies' general ledgers. This work is still in early stages.

Incentives

Incentives to encourage the uptake of pcards and EFTs may include agencies/clusters retaining the savings achieved from more efficient purchase-to-pay processes. Credit card providers also offer usage incentives to governments through rebates based on credit card spend. We observed such rebates in Western Australia and Queensland, as well as New South Wales. Agencies in Western Australia kept the rebate as an incentive only in the early implementation phase of the pcard policy. Queensland uses the rebate to cover agencies' credit cards transaction fees as an incentive. In New South Wales, Treasury collects and retains the rebate. The rebate is not allocated to clusters for re-investment in process improvement and/or as an incentive. Based on the 2012–13 spend on credit cards, Transport was responsible for over half of the total government rebate.

Exhibit 12: Percentage of total government spend on credit cards by cluster 2012–13



Source: Westpac's data.

Note: Attorney General and Justice is now Police and Justice, and Finance and Services is now within the Treasury cluster.

Queensland and Western Australia attribute their success in increasing the use of credit cards to Treasury's close involvement and support, regular communication with agencies, feedback on performance, and effective oversight and monitoring regimes, as well as the incentives above. Queensland and Western Australia:

- have nearly three times more credit card transactions than New South Wales
- spend around four times more on credit cards than New South Wales
- have nearly double the number of credit cards than New South Wales.

Exhibit 13: Comparison of credit card use in NSW, Qld and WA in 2012–13

	NSW	Qld	WA
No of transactions ('000)	432	1,122	1,090
Credit card spend (\$million)	107	386	466
No of cards	12,141*	19,011	23,819
Average number of transactions per card	36	59	46
Average spend per card (\$)	8,813	20,304	19,553
Average spend per transaction (\$)	248	344	427

Source: The Audit Office research.

*As at March 2013.

Exhibit 13 also shows that New South Wales has the lowest:

- average number of transactions per credit card
- spend per credit card
- spend per transaction.

3.3 Controlling credit limits

The government review indicated that expenditure on credit cards would quadruple over six years if the increase in credit card use eventuates. Some agencies may need to increase their total credit limit for all cards held. The government policy requires agencies to review their credit card limit and seek the Treasurer's approval if an increase is warranted, and to continue their six-monthly reporting to Treasury on credit card use.

Agencies must have their total credit limit for all cards held, or changes to it, approved by the Treasurer, as required under Section 8 of the *Public Authorities (Financial Arrangements) Act 1987* (PAFA). This is referred to as the PAFA limit which sets an agency's maximum amount of credit/ borrowing that can be provided through the sum of all cards at any one point in time.

Agencies must also report to Treasury every six months on their compliance with the credit limit, their credit card activities and their management of fraud and misuse. However, these reports have been in place for more than a decade and were not designed for the pcard policy. They do not collect data on cheques and EFTs, or transactions below \$3,000, and do not align with financial year data.

The six-monthly reports showed that:

- the aggregated approved PAFA limit for the whole-of-government, as reported by agencies, increased from nearly \$50 million as at March 2012, to nearly \$68 million as at March 2013
- a number of agencies had not advised their PAFA limit or do not have PAFA approvals, and/or are excluded from reporting, which means the actual aggregated PAFA limit for whole-of-government is potentially higher than \$68 million
- if all agencies' credit card spend was to increase to \$68 million a month, the combined annual spend will be \$800 million, which is adequate to quadruple spend on credit cards to \$381 million, but the allocation may need readjustment within and across clusters.

We could not determine why some agencies were excluded from this reporting and what action was taken when agencies did not report their credit limit or did not have PAFA limit approval, but used credit cards.

According to Treasury's Credit Card Use Best Practice Guide 2005, the government's banker is responsible for ensuring agency credit card limits do not exceed their PAFA approved limit. This is a stop gap measure to ensure agencies do not exceed their credit limit. In any case, Treasury would need monthly rather than six-monthly expenditure data to identify breaches.

Also, agencies extract the information provided to Treasury from bank statements. It may be more efficient for Treasury to obtain this information directly from the bank to avoid duplication, and reduce the potential for errors from the manual data handling. Treasury could use this data to provide agencies with feedback so they can address identified issues and improve practices.

Heads of authorities must also certify that credit card use in their department has been in accordance with Premier's Memoranda and Treasurer's Directions and must include the certification in the annual report. This includes management of fraud and misuse.

Exhibit 14: Practices elsewhere

Government agencies in Western Australia and Queensland are not required to seek the Treasurer's approval for their credit card limit. It is left up to the agencies to manage credit card spend as part of managing total budgets. Also, the WA Department of Finance and Qld Treasury obtain information on credit card use directly from their banks and provide feedback to agencies:

- Queensland assesses the data from the bank for key compliance issues considered important and that information is fed back to the agencies where action is required
- Western Australia uses the information to provide agencies with feedback on their buying behaviour.

Source: The Audit Office research.

Recommendations

Principal departments/clusters should:

- revise policies and procedures to reflect the requirements of the pcard policy in line with Treasury's guidance by December 2014
- monitor progress against targets and report progress and savings to Treasury annually.

Treasury should:

- implement a framework for monitoring and reporting progress and savings for the pcard program by December 2014
- abolish the six-monthly reporting on credit card use and use the bank's data to monitor trends and issues for action
- clarify the pcard program roles and responsibilities within Treasury, and between stakeholder agencies by August 2014
- finalise the credit card guidance by August 2014
- consider providing additional incentives to clusters to reward good performance, namely re-allocating the bank rebates to clusters.

The Office of Finance and Services should develop whole-of-government standards for downloading data from the bank and from corporate and shared services by December 2014.

Appendices

Appendix 1: About the audit

The audit assessed whether the use of pcards and electronic payment methods for low value transactions is achieving the expected benefits. The audit criteria are:

- Do clusters have adoption targets and benefit realisation programs for the use of pcards and EFTs?
- Is the use of pcards and EFTs meeting targets and achieving the expected benefits?

Scope

The audit focused on:

- pcard, credit card, EFT and cheque transactions, especially those below \$3,000
- transactions for the financial year 2012–13 and year to date 2013–14
- the role of Treasury regarding the pcard policy, credit cards use and reporting, and contractual arrangements with Westpac for the supply of credit cards and for controls/reporting on their use
- the role of the nine principal departments (clusters) in planning, setting targets, and monitoring and reporting on progress and benefits achieved from implementing the policy.

Audit exclusions

We did not examine:

- whether value for money considerations were taken into account in individual pcard transactions
- corporate and shared services systems, although we **did** consider their impact on progress and benefits
- compliance of individual agencies within clusters with the policy and their respective governance structures for pcard
- fleet card or petty cash transactions.

Audit approach

The audit team acquired subject matter expertise through:

- interviews with relevant staff in Treasury and principal departments
- examination of relevant data and documents, including legislation, policies, guidelines, reports, strategies, reviews, business cases and plans
- discussions with representatives of key stakeholders and procurement experts
- research into better practices
- comparisons with other approaches in New South Wales and other jurisdictions, including Western Australia, Queensland and the Northern Territory, where relevant and appropriate.

Audit selection

We use a strategic approach to selecting performance audits which balances our performance audit program to reflect issues of interest to parliament and the community. Details of our approach to selecting topics and our forward program are available on our website, <http://www.audit.nsw.gov.au/Audit-Program/Performance-Audit-Program>.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing, and to reflect current thinking on performance auditing practices. Our processes have also been designed to comply with the auditing requirements specified in the *Public Finance and Audit Act 1983*.

Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by Treasury and all the clusters. In particular we wish to thank our liaison officers and staff who participated in interviews and provided material relevant to the audit.

Audit team

Henriette Zeitoun and Bettina Ocias conducted the performance audit. Sean Crumlin provided direction and quality assurance.

Audit cost

Including staff costs, printing costs and overheads, the estimated cost of the audit is \$325,000.

Appendix 2: Adoption targets set in each cluster

	Pcard target	EFT target	Targets cover of whole cluster
Attorney General and Justice	✗	✗	✗
Education and Communities	✗	✓	✗
Family and Community Services	✗	✓	✗
Finance and Services	✗	✓	✗
Health	✗	✓	✗
Premier and Cabinet	✓	✓	✗
Trade and Investment	✓	✓	✗
Transport	✓	✓	✗
Treasury	✓	✓	✓

✗ Did not set targets and/or targets do not cover the whole cluster.

✓ Did set targets and the targets cover the whole cluster.

Note: Attorney General and Justice is now Police and Justice, and Finance and Services is now within the Treasury cluster.

Appendix 3: Transactions by method of payment and by cluster

	2012–13		Estimate for 2013–14*	
	Number of transactions	% of transactions	Number of transactions	% of transactions
Pcards				
Attorney General and Justice	45,163	10	49,026	11
Education and Communities	32,911	8	29,402	6
Family and Community Services	86,963	20	80,874	18
Finance and Services	13,522	3	12,966	3
Health	12,271	3	17,930	4
Premier and Cabinet	48,761	11	51,716	11
Trade and Investment	66,176	15	84,336	18
Transport	123,105	29	130,100	28
Treasury	2,930	1	3,244	1
Total government pcard transactions	431,802	100	459,594	100
EFTs				
Attorney General and Justice	366,011	8	350,706	7
Education and Communities	374,496	8	377,286	8
Family and Community Services	669,577	14	619,408	13
Finance and Services	381,898	8	404,040	9
Health	725,212	15	762,672	16
Premier and Cabinet	909,598	19	972,212	20
Trade and Investment	140,496	3	148,760	3
Transport	630,188	13	654,094	14
Treasury	484,966	10	456,152	10
Total government EFT transactions	4,682,442	100	4,745,330	100
Cheques				
Attorney General and Justice	118,243	6	109,534	6
Education and Communities	1,180,605	63	1,252,068	65
Family and Community Services	48,998	3	44,890	2
Finance and Services	160,051	9	152,292	8
Health	76,196	4	62,014	3
Premier and Cabinet	39,696	2	40,446	2
Trade and Investment	21,540	1	23,068	1
Transport	218,413	12	241,052	12
Treasury	12,654	1	10,036	1
Total government cheques	1,876,396	100	1,935,400	100

Source: Westpac's data.

*Estimates based on six months of data to December 2013.

Note: Attorney General and Justice is now Police and Justice, and Finance and Services is now within the Treasury cluster.

Appendix 4: Methodology for deriving the savings estimates

The following assumptions were used to estimate the savings:

- the number of transactions envisaged in the government review for year one and two was based on annual uptakes of eight per cent and 40 per cent respectively
- the actual number of transactions for year one (2012–13) was based on the Westpac's data for 12 months
- the estimated number of transactions for year two (2013–14) was based on the Westpac's data for six months ending December 2013
- the estimated savings were based on average savings per transactions of \$21.90 for pcards and \$7.64 for EFTs envisaged in the government review
- all credit card transactions are pcard transactions because we had no means of distinguishing between the two based on the banks' data
- increases in credit card transactions are in transactions \$3,000 and less
- 2012–13 is the first year of implementation as the government policy required clusters to set their adoption targets by March 2012.

	Year 1			Year 2*		
	Pcards/ credit cards	EFTs	Total	Pcards/ credit cards	EFTs	Total
Number of transactions as per the government review	91,200	72,000	163,200	456,000	360,000	816,000
Estimated savings as per government review	\$1,997,280	\$550,080	\$2,547,360	\$9,986,400	\$2,750,400	\$12,736,800
Actual/estimated number of transactions	38,996	198,880	237,876	66,788	261,768	328,556
Estimated savings as per actual/estimated transactions	\$854,012	\$1,519,443	\$2,373,455	\$1,462,657	\$1,999,908	\$3,462,565

Source: Westpac's data, the whole-of-government review of purchasing cards, and the NSW Commission of Audit Final Report, Government Expenditure.

*Estimates based on six months data provided by Westpac.

Appendix 5: Extract of the *Public Finance and Audit Act 1983*

Section 12 – Commitment etc of expenditure

- (1) Expenditure shall be committed or incurred by an officer of an authority only within the limits of a delegation in writing conferred on the officer by a person entitled to make the delegation.
- (2) An officer of an authority who commits or incurs expenditure shall be responsible for the exercise of due economy.
- (3) An officer of an authority must not, without the authorisation of the Treasurer, incur any liability that would result in a payment out of the Consolidated Fund in excess of the amount to be provided out of the Consolidated Fund in accordance with an Appropriation Act or this Act.
- (4) Nothing in this or any other section of this Act prevents an officer of an authority from being authorised to commit or incur expenditure that is legally available for the use of any authority.

Section 13 – Payment of accounts

An officer of an authority shall not authorise the payment of an account:

- a. unless the account has been approved for payment by a person who is duly authorised to approve the payment, or
- b. otherwise than in accordance with the Treasurer's directions.

Performance auditing

What are performance audits?

Performance audits determine whether an agency is carrying out its activities effectively, and doing so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of a government agency or consider particular issues which affect the whole public sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake performance audits is set out in the *Public Finance and Audit Act 1983*.

Why do we conduct performance audits?

Performance audits provide independent assurance to parliament and the public.

Through their recommendations, performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also focus on assisting accountability processes by holding managers to account for agency performance.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, the public, agencies and Audit Office research.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing. They can take up to nine months to complete, depending on the audit's scope.

During the planning phase the audit team develops an understanding of agency activities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the agency or program activities are assessed. Criteria may be based on best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork the audit team meets with agency management to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with agency management to check that facts presented in the draft report are accurate and that recommendations are practical and appropriate.

A final report is then provided to the CEO for comment. The relevant minister and the Treasurer are also provided with a copy of the final report. The report tabled in parliament includes a response from the CEO on the report's conclusion and recommendations. In multiple agency performance audits there may be responses from more than one agency or from a nominated coordinating agency.

Do we check to see if recommendations have been implemented?

Following the tabling of the report in parliament, agencies are requested to advise the Audit Office on action taken, or proposed, against each of the report's recommendations. It is usual for agency audit committees to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament's Public Accounts Committee (PAC) to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report is tabled. These reports are available on the parliamentary website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

Internal quality control review of each audit ensures compliance with Australian assurance standards. Periodic review by other Audit Offices tests our activities against best practice.

The PAC is also responsible for overseeing the performance of the Audit Office and conducts a review of our operations every four years. The review's report is tabled in parliament and available on its website.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100

Performance audit reports

No	Agency or issues examined	Title of performance audit report or publication	Date tabled in parliament or published
243	NSW Treasury	<i>Use of purchasing cards and electronic payment methods</i>	5 June 2014
242	NSW Police Force	<i>Effectiveness of the new Death and Disability Scheme</i>	22 May 2014
241	Road and Maritime Services	<i>Regional Road funding – Block Grant and REPAIR programs</i>	8 May 2014
240	NSW State Emergency Service	<i>Management of volunteers</i>	15 April 2014
239	Fire and Rescue NSW NSW Rural Fire Service	<i>Fitness of firefighters</i>	1 April 2014
238	Transport for NSW Department of Attorney General and Justice Department of Finance and Service Roads and Maritime Services NSW Police Force Department of Education and Communities	<i>Improving legal and safe driving among Aboriginal people</i>	19 December 2013
237	Department of Education and Communities	<i>Management of casual teachers</i>	3 October 2013
236	Department of Premier and Cabinet Ministry of Health – Cancer Institute NSW Transport for NSW – Rail Corporation NSW	<i>Government Advertising 2012-13</i>	23 September 2013
235	NSW Treasury NSW Police Force NSW Ministry of Health Department of Premier and Cabinet Department of Attorney General and Justice	<i>Cost of alcohol abuse to the NSW Government</i>	6 August 2013
234	Housing NSW NSW Land and Housing Corporation	<i>Making the best use of public housing</i>	30 July 2013
233	Ambulance Service of NSW NSW Ministry of Health	<i>Reducing ambulance turnaround time at hospitals</i>	24 July 2013
232	NSW Health	<i>Managing operating theatre efficiency for elective surgery</i>	17 July 2013
231	Ministry of Health NSW Treasury NSW Office of Environment and Heritage	<i>Building energy use in NSW public hospitals</i>	4 June 2013
230	Office of Environment and Heritage - National Parks and Wildlife Service	<i>Management of historic heritage in national parks and reserves</i>	29 May 2013
229	Department of Trade and Investment, Regional Infrastructure and Services – Office of Liquor, Gaming and Racing Independent Liquor and Gaming Authority	<i>Management of the ClubGRANTS scheme</i>	2 May 2013
228	Department of Planning and Infrastructure Environment Protection Authority Transport for NSW WorkCover Authority	<i>Managing gifts and benefits</i>	27 March 2013

No	Agency or issues examined	Title of performance audit report or publication	Date tabled in parliament or published
227	NSW Police Force	<i>Managing drug exhibits and other high profile goods</i>	28 February 2013
226	Department of Education and Communities	<i>Impact of the raised school leaving age</i>	1 November 2012
225	Department of Premier and Cabinet Division of Local Government	<i>Monitoring Local Government</i>	26 September 2012
224	Department of Education and Communities	<i>Improving the literacy of Aboriginal students in NSW public schools</i>	8 August 2012
223	Rail Corporation NSW Roads and Maritime Services	<i>Managing overtime</i>	20 June 2012
222	Department of Education and Communities	<i>Physical activity in government primary schools</i>	13 June 2012
221	Community Relations Commission For a multicultural NSW Department of Premier and Cabinet	<i>Settling humanitarian entrants in NSW: services to permanent residents who come to NSW through the humanitarian migration stream</i>	23 May 2012
220	Department of Finance and Services NSW Ministry of Health NSW Police Force	<i>Managing IT Services Contracts</i>	1 February 2012
219	NSW Health	<i>Visiting Medical Officers and Staff Specialists</i>	14 December 2011
218	Department of Family and Community Services Department of Attorney General and Justice Ministry of Health NSW Police Force	<i>Responding to Domestic and Family Violence</i>	8 November 2011
217	Roads and Traffic Authority	<i>Improving Road Safety: Young Drivers</i>	19 October 2011
216	Department of Premier and Cabinet Department of Finance and Services	<i>Prequalification Scheme: Performance and Management Services</i>	25 September 2011
215	Roads and Traffic Authority	<i>Improving Road Safety: Speed Cameras</i>	27 July 2011

Performance audits on our website

A list of performance audits tabled or published since March 1997, as well as those currently in progress, can be found on our website www.audit.nsw.gov.au.

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To make the people of New South Wales proud of the work we do.

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