



ACT AUDITOR-GENERAL'S OFFICE



## MEDIA RELEASE

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### Performance Audit Report

### Credit Card Use, Hospitality and Sponsorship

The Auditor-General, Mrs Tu Pham, has today presented a Performance Audit report titled **Credit Card Use, Hospitality and Sponsorship**, to the Speaker for tabling in the Legislative Assembly.

The performance audit assessed whether selected government agencies have sound policies and guidelines to efficiently manage and account for the credit card use, hospitality and sponsorship expenses; promote accountability and transparency in the management of credit card use, and the discretionary expenditure in hospitality, entertainment and sponsorship; and achieve value for money for the Territory.

The audit was, in part, a response to issues highlighted in Auditor-General's Report No. 5 of 2006 titled **Rhodium Assets Solutions Limited** (tabled in the Legislative Assembly in September 2006). That report identified poor controls and practice in Rhodium in the use of corporate credit cards, discretionary expenditure on hospitality, entertainment and sponsorship. There was a risk that similar conditions may exist in other ACT Government agencies and entities.

#### Audit Opinion and Findings

- Most audited agencies have adequate policies and guidelines and a satisfactory control framework in place to manage and account for credit card use and hospitality expenditure.
- Many audited agencies did not have specific policies and guidelines for effective management of sponsorships.
- The administration and management of the use of credit cards and payments of hospitality and sponsorship expenditure were satisfactory in the majority of cases examined during the audit.
- The audited agencies should improve the management of credit card use and hospitality by:
  - keeping adequate documentation to support expenditure incurred on corporate credit cards, and acquitting and reconciling the credit card statements in a timely manner; and

- obtaining prior approval and keeping adequate documentation to support hospitality expenditure, and exercising prudent judgment when incurring hospitality expenditure.
- Agencies should also improve accountability and transparency in the management of sponsorship expenditure through:
  - developing specific policies or guidelines for the assessment and administration of sponsorship arrangements;
  - monitoring and evaluating sponsorships; and
  - improving disclosure in agencies' annual reports.

## **Recommendations**

The audit made nine recommendations to address the issues raised. The audited agencies generally agreed or agreed-in-part to all recommendations.

## **Further Information**

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, [www.audit.act.gov.au](http://www.audit.act.gov.au).