



Riparian Plaza
71 Eagle Street
Brisbane Qld 4000

GPO Box 223
Brisbane Qld 4001
Australia

ABN: 51 194 660 183
Telephone: +61 7 3233 3111
Facsimile: +61 7 3233 3100
www.kpmg.com.au

To Mike Kirton, General Manager,
Government Services
Chris Powell, Manager, MSB

Date 30 January 2019

From [REDACTED] Partner, KPMG

Ref 35501828

cc Christopher Smith, Director, Internal Audit and Risk Services

Internal Audit Memo - Ministerial Expense Claims (2018-19 Quarter Two)

Background

In accordance with our Ministerial Expense Claims Terms of Reference (ToR), signed 18 January 2019, Internal Audit was requested to check a sample of 25 expense claims for compliance with key requirements, as outlined in the Queensland Ministerial Handbook.

This internal audit was added to the 2018/19 Internal Audit Plan in response to the Queensland Audit Office's (QAO) 2018 *closing report to the Audit and Risk Management Committee*. In response, Ministerial Services Branch (MSB), developed an internal guide titled *Ministerial Services Branch Coding Guide and Compliance Checks* which outlines the requirement to check compliance of claims with the Handbook.

Approach

Our internal audit scope covered all expense claims processed and paid within the 1 October 2018 to 31 December 2018 quarter.

A transaction report was obtained for the above period which detailed each payment, reference number, cost centre, account code and a description of the expense.

Data analytics were performed over the transaction report data to enable:

- Transaction data to be reported by cost centre, account code and description.
- Transactions with the same description, date and amount (potential duplicates) to be identified; and
- Claims to be searched against a series of buzzwords which may indicate inappropriate expenditure.

Our sample of 25 claims were selected using the information obtained from the data analytics to ensure they focused on areas of higher risk.

A total of 6,857 payments were made during the period with an average monthly value of \$3.9M. The areas of highest spend relate to recharges for payroll, office accommodation and IT services charges.

See Appendix 1 for a Summary of the Ministerial Expenses for October – December 2018.

Summary of tests performed and results

The table below lists the specific data analytic tests performed for the sample selected. No exceptions were identified.

Tests performed	Comments
Claim certified by appropriate Ministerial officer	No exceptions identified
Claim certified and checked by MSB officer	No exceptions identified
Supporting documentation provided	No exceptions identified
Claim is in line with the Queensland Ministerial Handbook	No exceptions identified
Potential duplicate payments/ payments against buzzwords are appropriate	No exceptions identified

Released under RTI-DPC

Appendix 1: Summary of the Ministerial Expenses for October – December 2018

Summary of Expenses

Total Value

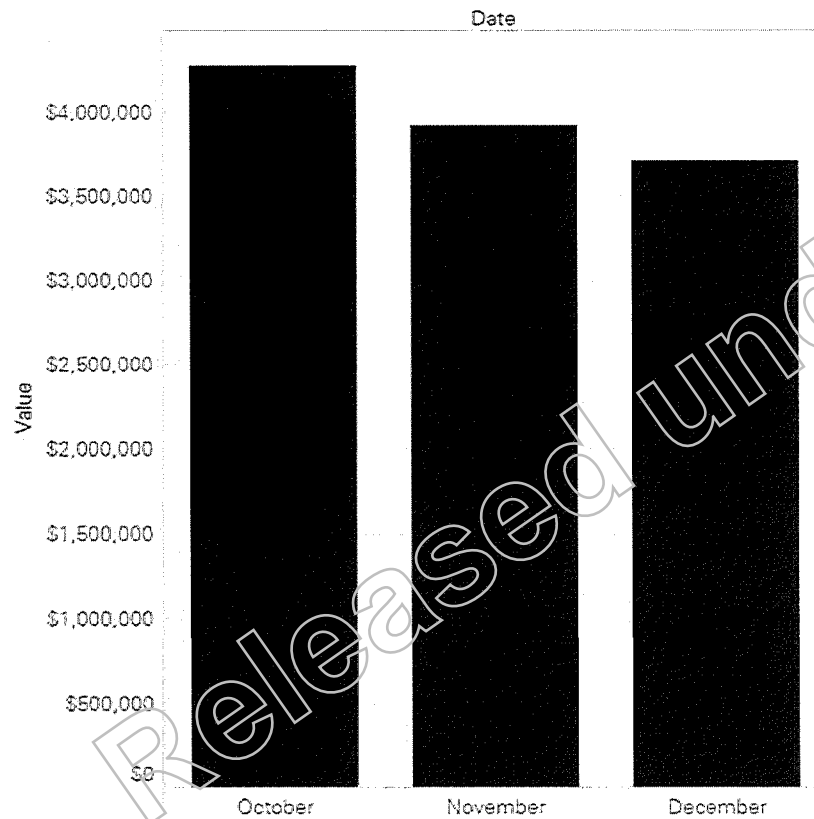
\$11,881,360

Number of Records

6,857

Top 10 Cost Centres by Amount

Amount by Month



Cost Centre	Description	Value
4206002	Premier and Minister for Trade - S	\$1,521,578
4206602	Opposition - S	\$644,515
4206012	Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships - S	\$534,631
4203998	Ministerial Corporate 2015	\$478,048
4206052	Minister for Health and Minister for Ambulance Services - S	\$417,889
4206062	Minister for Education and Minister for Industrial Relations - S	\$405,139
4206072	Minister for Transport and Main Roads - S	\$384,736
4206022	Minister for State Development, Manufacturing, Infrastructure and Planning - S	\$376,011
4206082	Minister for Natural Resources, Mines and Energy - S	\$372,646
4206092	Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport - S	\$367,715

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The contacts at KPMG in connection with this Internal Audit Report are:

[Redacted]

Partner

[Redacted]

[Redacted]

Associate Director

[Redacted]

This report is solely for the purpose set out in the Scope Section and for the information of the Department of Premier and Cabinet and the Public Service Commission, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

Inherent Limitations

This report has been prepared as outlined in the Terms of Reference. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, personnel, management and stakeholders of the Department of Premier and Cabinet and the Public Service Commission who have been consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form. The findings in this report have been formed on the above basis.

Third Party Reliance

This report has been prepared at the request of the Department of the Premier and Cabinet and the Public Service Commission in accordance with the terms of the extension of DPC-28-2018 – Internal Audit Services dated 3 December 2018. Other than our responsibility to the Department of the Premier and Cabinet and the Public Service Commission, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

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GPO Box 223
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ABN: 51 194 660 183
Telephone: +61 7 3233 3111
Facsimile: +61 7 3233 3100
www.kpmg.com.au

To Stuart Busby, General Manager,
Government Services
Chris Powell, Manager, MSB

Date 19 December 2019

From [REDACTED] Partner, KPMG

Ref 38853792_1

cc Christopher Smith, Director, Internal Audit and Risk Services

Internal Audit Memo - Ministerial Expense Claims (2018-19 Quarter Three)

Background

In accordance with our Ministerial Expense Claims Terms of Reference (ToR), signed 18 January 2019, Internal Audit was requested to check a sample of 25 expense claims for compliance with key requirements, as outlined in the Queensland Ministerial Handbook.

This internal audit was added to the 2018/19 Internal Audit Plan in response to the Queensland Audit Office's (QAO) 2018 *closing report to the Audit and Risk Management Committee*. In response, Ministerial Services Branch (MSB), developed an internal guide titled *Ministerial Services Branch Coding Guide and Compliance Checks* which outlines the requirement to check compliance of claims with the Handbook.

Approach

Our internal audit scope covered all expense claims processed and paid within the 1 January 2019 to 31 March 2019 quarter.

A transaction report was obtained for the above period which detailed each payment, reference number, cost centre, account code and a description of the expense.

Data analytics were performed over the transaction report data to enable¹:

- Transaction data to be reported by cost centre, account code and description;

¹ Note that data analytic routines were only applied to a subset of the total data: those records which were classified as 'vendor invoices'.

- Transactions with the same description, date and amount (potential duplicates) to be identified; and
- Claims to be searched against a series of buzzwords which may indicate inappropriate expenditure.

Our sample of 25 claims were selected using the information obtained from the data analytics to ensure they focused on areas of higher risk as well as some random sampling.

A total of 5,661 payments were made during the period with an average monthly value of \$11.57M. The areas of highest spend related to recharges for payroll, office accommodation and travel expenses.

See Appendix 1 for a graphical Summary of the Ministerial Expenses for January – March 2019².

Summary of tests performed and results

The table below lists the specific tests performed for the sample selected and the exceptions identified (including better practice observations), based on the samples selected for testing. In summary:

- The underlying root cause of two of the three exceptions identified is due to differences in interpretation of the Ministerial Handbook requirements by Internal Audit and the MSB. These details are further articulated in Appendix 2;
- The underlying root cause of one of the three exceptions identified is that supporting documentation to confirm expenses incurred are for official purposes are maintained by the claimant (per the 'Ministerial Services Branch Coding Guide and Compliance Checks document'). Information received by MSB includes a certification from the agency that expenses have been incurred in accordance with the Handbook (including for official purposes) as well as support to confirm the accuracy of amounts claimed; and
- An opportunity to ensure contemporary practice is adopted as part of the approvals process, by removing the ability to self-approve expenses from the Ministerial Handbook, has been identified.

As a result of the above, internal Audit recommends:

- The Ministerial Handbook is updated to improve clarity around the clauses subject to interpretation differences below; or that additional guidance material, supplementary to the Ministerial Handbook be developed to further articulate the intention of the clauses outlined.
- The contracting mechanism between MSB and agencies is updated (if required) to ensure there is adequate clarity in responsibility between MSB and the agency

² Note that the graphical representation in Appendix 1 was generated after excluding those records with [Cost element name]="Approp Rev Admin".

around maintenance of supporting documentation (for audit trail purposes) to evidence expenditure has been incurred for official purposes.

Scope objectives per agreed Terms of Reference	Tests performed	Comments
<p>The claim has been appropriately approved in accordance with the Handbook</p>	<p>Claim certified by appropriate Ministerial Officer</p>	<p>Two (2) observations were identified in relation to approval of expenses for a Minister's staff member including a Chief of Staff.</p> <p><i>Refer to Appendix 2.</i></p>
<p>The items claimed for are appropriately supported</p>	<p>Supporting documentation provided</p>	<p>S4.1 of the Ministerial Handbook outlines 'Expenditure by the Office of the Minister must be for official purposes related to the Minister's portfolio, properly documented, available for audit scrutiny and reasonable for the circumstances'. Internal Audit notes that 'Official purpose' is not presently defined in the ministerial handbook. Notwithstanding, S4.6 of the Handbook also outlines the Minister remains responsible for the proposed management and control of all financial transactions.</p> <p>Whilst source documentation was available to confirm the <i>accuracy</i> of the items claimed, Internal Audit was unable to confirm that all expenses selected for testing were <i>for official purposes</i> as calendar / diary events are not usually provided by the Ministerial Office unless requested by the Ministerial Services Branch (MSB). Internal Audit was advised there is no onus on proof of travel as travel bookings are made through each Ministerial Office's Business Travel Account (BTA) and BTA is meant to be used for official travel purposes.</p> <p>Excluding travel expenses, the remaining items where Internal Audit was unable to sight evidence to confirm the expenditure was for <i>official purposes</i> is outlined in Appendix 3.</p> <p><i>Refer to Appendix 3.</i></p>
<p>The items claimed for are in accordance with the Handbook</p>	<p>Claim is in line with the Queensland Ministerial Handbook</p>	<p>No exceptions identified in relation to the allowable expenses claimed based on the samples selected for testing.</p>

Department of Premier and Cabinet
Ministerial Expense Claims
(2018-19 Quarter Three)

Scope objectives per agreed Terms of Reference	Tests performed	Comments
and the MSB Coding Guide and Compliance Checks Internal Guide	Segregation between claimant and approver	Notwithstanding, sample testing identified two (2) instances of self-approval of expenditure by a Minister. Although the Ministerial Handbook does not explicitly require Minister's to obtain independent approval of their expenditure claims (for example, by their Chief of Staff), Internal Audit recommends that at the next scheduled update, MSB consider enhancing current approval practices by removing the ability to self-approve expenses in the Ministerial Handbook.
Appropriate evidence of MSB reviewing and challenging (where appropriate) the claim	Claim certified and checked by MSB officer	No exceptions identified based on samples selected for testing.
Perform data analytics over Ministerial expense claims processed in the scope period to identify high or unusual claims	Potential duplicate payments/ payments against buzzwords are appropriate	No exceptions identified based on samples selected for testing.

Appendix 1: Summary of the Ministerial Expenses for January - March 2019

Summary of Expenses

Total Value

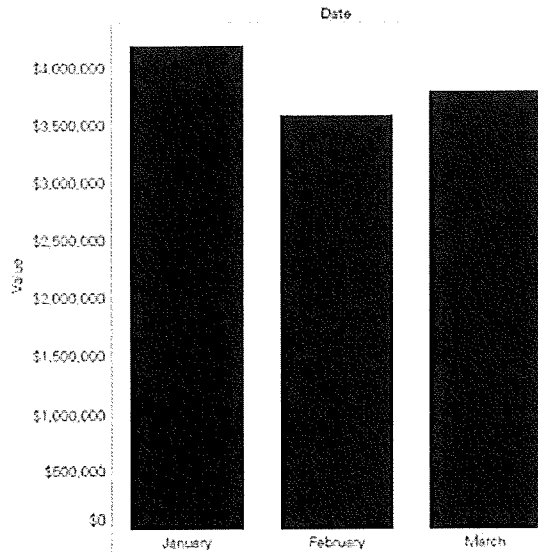
\$11,571,485

Number of Records

5,661

Top 10 Cost Centres by Amount

Amount by Month



Cost Centre	Description	Value
4206002	Premier and Minister for Trade - S	\$1,379,433
4205993	Ministerial Corporate 2015	\$699,609
4206002	Opposition - O	\$652,691
4206012	Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships - S	\$508,400
4206052	Minister for Health and Minister for Ambulance Services - S	\$390,643
4206062	Minister for Education and Minister for Industrial Relations - S	\$384,649
4206072	Minister for Transport and Main Roads - S	\$376,342
4206022	Minister for State Development, Manufacturing, Infrastructure and Planning - S	\$358,345
4206003	Premier and Minister for Trade - O	\$341,641
4206002	Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport - S	\$323,274

Released under RTID494

Appendix 2: Observations Identified

Document Reference	Posting Date	Ministerial Office Claimant	Amount claimed for Ministerial Office (including GST) \$	Total value of claim (including GST) \$	Item / expenditure details	Approval requirements OR Allowable expenditure requirements from Ministerial Handbook	Exception Details	Management Responses
1900055522	25/02/19	Office of the Premier	\$2,328.93	\$6,919.43	The claim relates to airfares for the Premier and Minister for Trade's Chief of Staff to/from Brisbane / Adelaide	Per S4.6 of the Handbook, the D-G establishes, in liaison with the Office of the Minister, the appropriate level of delegation to Ministerial staff. Per the Ministerial Office's Administrative Delegations, signed by the D-G, expenditure not exceeding \$30K may be approved by the Deputy Chief of Staff. In addition, S4.6 of the Handbook outlines the Chief of Staff, and the Deputy Chief of Staff within the Office of the Premier (subject to financial delegation) may authorise all other ministerial office expenditure for entertainment and travel. In addition, it also requires 'for internal control purposes', all proposed expenditure that is significant OR related to expenditure by the Chief of Staff, should be discussed with and formally endorsed by the Minister'.	<p>Approvals</p> <ul style="list-style-type: none"> The Deputy Chief of Staff approved the Chief of Staff's claim. Whilst the claim is within the Deputy Chief of Staff's delegation and is expenditure able to be approved by the Deputy Chief of Staff, the endorsement from the Minister of the Chief of Staff's claim was not evident. Accordingly, this is potentially inconsistent with elements of S4.6 of the Ministerial Handbook: which requires, 'for internal control purposes, all proposed expenditure that is significant OR related to expenditure by the Chief of Staff, should be discussed with and formally endorsed by the Minister'. 	<p>There is a formal process for approval of travel.</p> <p>The Minister determines and endorses the requirement for travel and that it is for official purposes (i.e. through discussion), and once the travel is finalised, the appropriate delegate approves the expense through the BTA process.</p> <p>The expense is only approved during the BTA process as the related costs are unknown prior to verbal approval being obtained for the travel.</p> <p>The BTA was approved appropriately for the Premier's Office and their staff, which also included the Premiers Chief of Staff who travelled on this BTA. It is acknowledged the formal endorsement by the Premier obtained prior to the travel could not be evidenced.</p>
1900055817	26/03/19	Employment and Small Business and Training and Skills Development	\$808.60	\$23,004.63	The claim relates to domestic airfares for a Minister's staff member	Per S4.6 of the Handbook, the D-G establishes, in liaison with the Office of the Minister, the appropriate level of delegation to Ministerial staff. Per the Ministerial Office's Administrative Delegations, signed by the D-G, expenditure not exceeding \$10K may be approved by the Chief of Staff.	<p>Approvals</p> <ul style="list-style-type: none"> Approval for the portion of the expense relating to the Minister's office was within the Chief of Staff's delegation of \$10K. Notwithstanding, the Chief of Staff approved the total value of the American expense claim to the value of \$23,004.63. Approval was also provided by the Director of MSB. S4.6 of the Handbook outlines the Director of MSB can approve expenditure of up to \$100K on behalf of a Minister. Where practical, the Minister must personally authorise their own expenditure within 45 days. It appears that approval from the Director MSB was sought under this clause of the Handbook. However, Internal Audit interprets this clause as relating to the Minister's personal / direct expenses. The Handbook also outlines that the Chief of Staff and the Deputy Chief of Staff within the Office of the Premier, subject to delegation, may authorise all other ministerial office expenditure for entertainment and travel. This authorisation from the Chief of Staff and Deputy Chief of Staff from the Office of the Premier was not provided. 	<p>Approval for the Minister's staff expense (which formed part of the BTA approval) was provided by the Chief of Staff and Director MSB (delegation to \$100k) on 18 March 2019, with the Minister approving on 16 April 2019.</p> <p>At the time of the audit, the Ministerial approval had not been received, as it was still within the 45 day timeframe and had not yet been received from the Ministerial Office.</p> <p>The department's interpretation of S4.6 of the Handbook is that the Director of MSB delegation to approve expenditure of up to \$100K on behalf of a Minister relates to the expenditure incurred by a Minister's office on behalf of the Minister (i.e. not just the Minister's personal/direct expenses).</p> <p>Notwithstanding the above, the Minister approved the expenditure on 16 April 2019, therefore the process outlined in the observation operated as expected, and all procedures under the Queensland Ministerial Handbook were correctly and appropriately followed.</p> <p>Ministers and their offices operate in an environment of rigorous accountability and their actions and expenditure are likely to come under close public and parliamentary scrutiny. Ministerial Services will continue to scrutinise documentation provided by ministerial offices and seek explanation where necessary to help support the highest standards of probity.</p> <p>No further action is deemed necessary on this transaction and no exception is noted.</p>

Appendix 3: Documentation to support expenses for official purposes

Document Reference	Posting Date	Ministerial Office Claimant	Amount claimed for Ministerial Office (including GST) \$	Total value of claim (including GST) \$	Item / expenditure details	Approval requirements OR Allowable expenditure requirements from Ministerial Handbook	Observation	Management Responses
1900055836	29/03/2019	Minister for Fire and Emergency Services	\$2,970.00	\$2,970.00	The claim relates to the cost of an air charter for 4 passengers who were guests of the Minister for Fire and Emergency Services	S4.13.5 of the Handbook on 'Air Charter' outlines Ministers are entitled to use charter services for official purposes <i>when scheduled services are not available, or if using scheduled services would not enable the Minister to keep an official commitment. Use of an Air Charter should not be the regularly accepted form of transport and is only to be used as a measure of last resort.</i>	<ul style="list-style-type: none"> Evidence was provided to support the cost of the charter. However, evidence could not be sighted to substantiate the claimable expenditure type, that is, 'use of Air Charter to be used as a measure of last resort'. Internal Audit notes the Minister has certified that the expenditure is in accordance with the Ministerial Handbook. 	<p>The role of Ministerial Services is to examine documentation provided by Ministerial Offices, seeking additional information or explanation where necessary, as an additional layer of assurance to ensure the highest standards of probity are met.</p> <p>The Minister or Leader are responsible for the proper management and control of all financial transactions of the office.</p> <p>All claimants are responsible for ensuring claims are for official purposes and in accordance with the handbook.</p> <p>A statement of compliance with the Queensland Ministerial Handbook is signed off by a delegated officer in the relevant office when approving claims.</p> <p>This is outlined in the MSB Coding Guide.</p> <p>The Handbook does not require evidence that the use of an air charter was a measure of last resort.</p> <p>The process outlined in the observation operated as expected and all procedures under the Queensland Ministerial Handbook were correctly and appropriately followed.</p> <p>Ministers and their offices operate in an environment of rigorous accountability and their actions and expenditure are likely to come under close public and parliamentary scrutiny. Ministerial Services will continue to scrutinise documentation provided by ministerial offices and seek explanation where necessary to help support the highest standards of probity.</p> <p>No further action is deemed necessary on this transaction and no exception is noted.</p>

Released under RTI - DP

The contacts at KPMG in connection with this Internal Audit Memo are:

[REDACTED]
Partner
[REDACTED]

[REDACTED]
Associate Director
[REDACTED]

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Third Party Reliance

This report has been prepared at the request of the Department of the Premier and Cabinet and the Public Service Commission in accordance with the terms of the extension of DPC-28-2018 – Internal Audit Services dated 3 December 2018. Other than our responsibility to the Department of the Premier and Cabinet and the Public Service Commission, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Released Under FOIA - DPC

Department of Premier and
Cabinet (DPC)

Ministerial Expenses Review – Quarter 1

Memo

April 2020

The better the question, the better the answer.
The better the world works.

EY

Building a better
working world

Private and Confidential

9 April 2020

Christopher Smith
Director Internal Audit and Risk Services
Department of the Premier and Cabinet

Ministerial Expenses Review – Quarter 1

Dear Chris

We are pleased to advise you that we have completed the Department of Premier and Cabinet (DPC) Ministerial Expenses Review for FY20 Quarter 1. Fieldwork for this engagement was conducted in November 2019. We hereby present you with the memo summarising our work for this review.

We wish to take this opportunity to thank DPC management and staff for their assistance during this review.

If you have any questions regarding our report or the work that it describes, please contact me on [REDACTED]

Yours sincerely



Partner

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1. Engagement Overview

Background and Objective

The Queensland Ministerial Handbook (the Handbook) sets out the common policies, practices and procedures to be adopted in Ministerial Offices. Ministerial Services Branch (MSB) within the Department of the Premier and Cabinet (DPC) is responsible for maintaining the Handbook and, with the approval of the Premier, issuing amendments. The Handbook is a publicly available document. MSB is also responsible for maintaining the publicly available Queensland Opposition Handbook (the Opposition Handbook).

Section 4 of the Handbook covers expense claims relating to a Minister's Office and sets out allowable expenses for Ministers, Assistant Ministers and Ministerial office staff. The Handbook also sets out allowable expenditure for Ministers' partners, guests and former Premiers. Similarly, section 4 of the Opposition Handbook details allowable expenses by the Leader of the Opposition, their office and staff.

The Queensland Audit Office's 2018 Closing report to the Audit and Risk Management Committee identified a control deficiency regarding the lack of formal policies over compliance checking and limited evidence of MSB checking compliance with the Handbook for expenses incurred. In response, MSB developed an informal guide titled MSB Coding Guide and Compliance Checks which defines MSB's responsibilities for assessing whether Ministerial expense claims are in accordance with the Handbook.

MSB has plans to implement Service Now, an online expenditure portal that will provide greater visibility over the expenses claimed, approved and rejected during the current financial year.

The objective of this internal audit was to assess the compliance of ministerial expense claims occurring in Q1 FY20.

Scope and Approach

The key focus areas for this review included:

- Performed data analytics over ministerial expense claims processed during the scope period to identify transaction patterns and/or outliers for further testing.
- Used the results of the data analytics to select a sample of 25 claims and assessed whether they were processed in line with the relevant Handbook, specifically whether the claims:
 - Were approved in line with the relevant Handbook.
 - Were supported by required documentation.
 - Were in accordance with the relevant Handbook and the MSB Coding Guide and Compliance Checks internal guide.
- Assessed whether there was appropriate evidence of MSB reviewing and challenging (where appropriate) claims.

Sample testing covered the period 1 July 2019 to 30 September 2019. This internal audit will be delivered quarterly as part of ongoing monitoring.

Summary of Outcomes

This review is the first of four reviews that EY will perform across FY20, focusing on expense claims processed by the MSB in FY20 Q1.

Internal Audit identified an opportunity for improvement relating to the delineation of Parliamentary and Ministerial expenses, particularly when Ministerial Offices incur expenses while attending Parliament (e.g. when a Minister is travelling for a Regional Parliament).

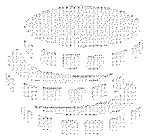
Internal Audit acknowledges that there are controls in place to mitigate the risk of Parliamentary expenses being incorrectly classified as Ministerial Office expenses, including the approval of Ministerial Office budgets and monitoring of expenditure against the approved budgets.

Further details are provided in section 3.

2. Data Analysis and Trends

Overview

Below is an overview of Ministerial expense claims processed by MSB between 1 July 2019 and 30 September 2019.

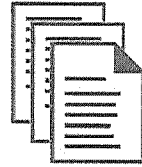


\$13.7M

Value of claims processed by MSB in Q1 FY20.

\$5.8M

Value of claims excluding salaries and wages, allowances, Super, levies and depreciation.



6405

Number of claims processed by MSB in Q1 FY20.

5535

Number of claims excluding salaries and wages, allowances, Super, levies and depreciation



65

Number of Ministerial Offices cost centres

142

Number of expense types used by MSB. (e.g. Travel Allowance, Telecommunications, Media Services, etc.)

Figure 1. Percentage of Total Expenditure Value by Expense Type excluding salaries and wages, allowances, Super, levies and depreciation.

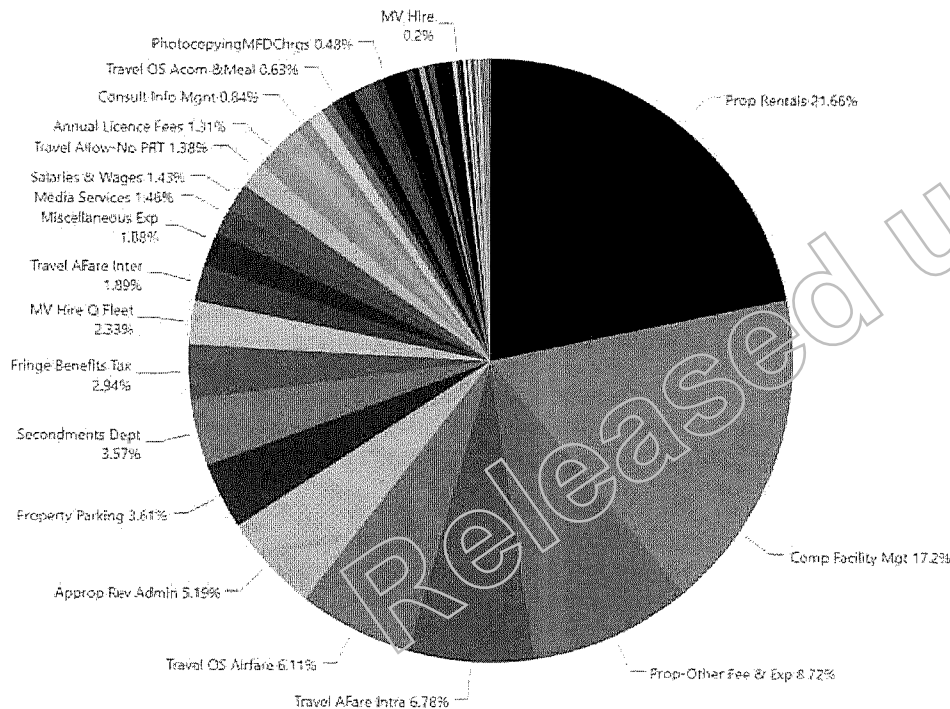
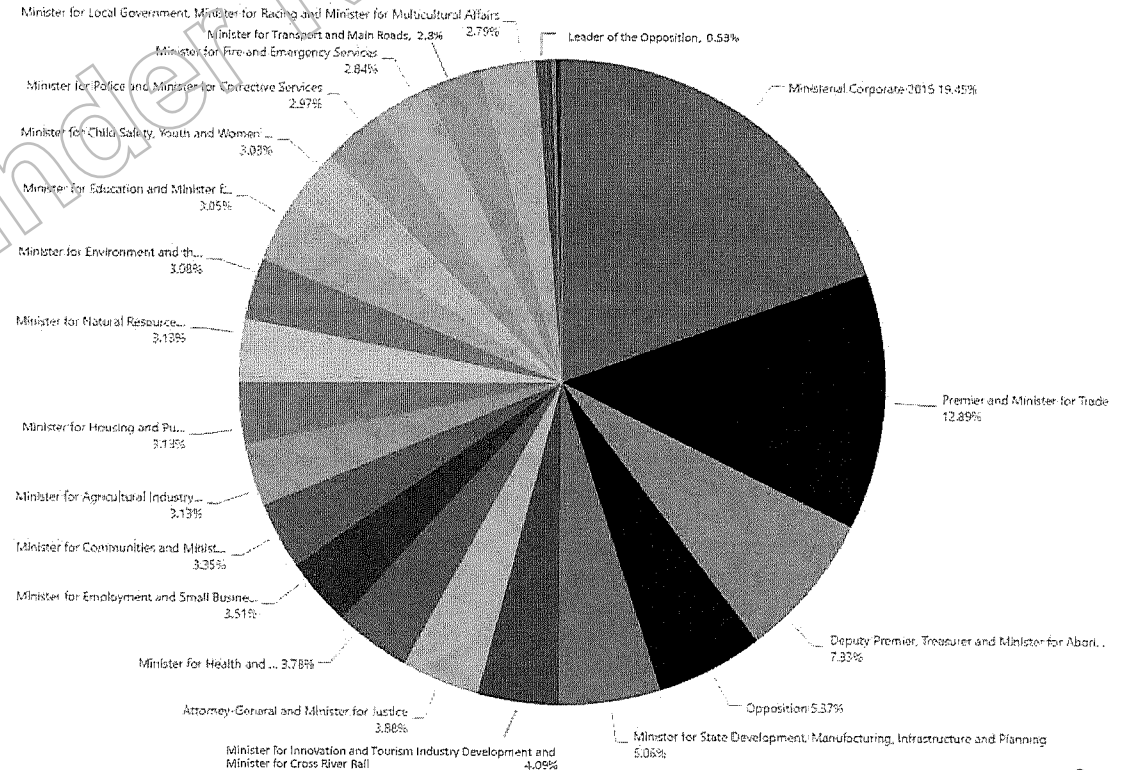


Figure 2. Percentage of Total Expenditure Value by Ministerial Office excluding salaries and wages, allowances, Super, levies and depreciation.



3. Testing Outcomes

We selected a sample of 25 ministerial and opposition expense claims that were processed between 1 July 2019 and 30 September 2019 for testing. We identified one improvement opportunity as detailed below.

Observations

The delineation of Parliamentary and Ministerial expenses is not clearly defined in MSB's guidelines. Section 4.1.1 of the Ministerial Handbook states that "expenditure that is incurred by the Minister in relation to duties as the parliamentary representative of their electorate should not be charged against the Office of the Minister".

MSB management advised that due to the scale of expenses for the Regional Parliament held during 3 to 5 September 2019, Parliament House, the Premier's Office and DPC agreed to split the costs of travel between Parliamentary Services and the relevant Ministerial Offices. In addition, MSB management advised this agreement has occurred for previous Regional Parliaments, including the previous one in 2011.



Following Regional Parliament, MSB processed \$132k worth of Regional Parliament related expense claims. MSB issued a debit note worth \$72k to Parliament House on 3 December 2019. The remaining \$60k was paid for by MSB through the relevant Ministerial Offices' budgets. MSB management advised that the remaining \$60k was related to costs incurred to support Ministers' ministerial duties while in attendance at Regional Parliament.

We could not determine if the \$60k covered by MSB was made up of Ministerial expenses only. MSB management advised that they rely on the approval by the Minister or staff with the right delegation of authority to identify and decline the approval of expenses that are not in line with the requirements of the Handbook.

It is acknowledged that there are various controls to mitigate inappropriate classification of expenses incurred by a Ministerial office, including the approval of Ministerial Office budgets and monitoring of Ministerial Office expenditure to ensure it does not exceed budget.

Improvement opportunity

- There would be value in MSB reviewing and updating the MSB Coding Guide and Compliance Check to clarify how expenses incurred by Ministerial Offices while a minister is attending Regional Parliament should be classified.

Management comment:

Agreed. The MSB Code Guide and Compliance Check will be reviewed and updated to clarify how expenses incurred by Ministerial Officers when attending Regional Parliament will be classified.

Responsible officer:

Director, Ministerial Services

Implementation date:

30 June 2021

The work we performed did not constitute an external audit or review in accordance with standards which apply to external auditing and accordingly does not express any form of assurance under those standards. Our work was performed in line with EY standards of internal audit which comply with International Standards for the Professional Practice of Internal Audit.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to internal audit operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Department of Premier and Cabinet's management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the Department of Premier and Cabinet. The findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in Section (refer to "Scope" section) of this report and for the Department of Premier and Cabinet's information, and is not to be used for any other purpose or distributed to any other party without Ernst & Young's prior written consent.

This report has been prepared at the request of the Department of Premier and Cabinet management to perform services as detailed in our scope statement. Neither Ernst & Young nor any member or employee of Ernst & Young undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the Department of Premier and Cabinet's external auditor on this internal audit report. Any reliance placed is that party's sole responsibility.

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Department of the Premier and
Cabinet (DPC)

Ministerial Expenses Review - Quarter 2

Memo

June 2020

Released under the
Access to Information Act
DPC

The better the question. The better the answer.
The better the world works.

EY

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working world

Private and Confidential

16 June 2020

Christopher Smith
Director Internal Audit and Risk Services
Department of the Premier and Cabinet

Ministerial Expenses Review – Quarter 2

Dear Chris

We are pleased to advise you that we have completed the Department of the Premier and Cabinet (DPC) Ministerial Expenses Review for FY20 Quarter 2. Fieldwork for this engagement was conducted in January 2020. We hereby present you with the memo summarising our work for this review.

We wish to take this opportunity to thank DPC management and staff for their assistance during this review.

If you have any questions regarding our report or the work that it describes, please contact me on [REDACTED]

Yours sincerely



Partner

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3. Testing Outcomes	5
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1. Engagement Overview

Background and Objective

The Queensland Ministerial Handbook (the Handbook) sets out the common policies, practices and procedures to be adopted in Ministerial Offices. Ministerial Services Branch (MSB) within the Department of the Premier and Cabinet (DPC) is responsible for maintaining the Handbook and, with the approval of the Premier, issuing amendments. The Handbook is a publicly available document. MSB is also responsible for maintaining the publicly available Queensland Opposition Handbook (the Opposition Handbook).

Section 4 of the Handbook covers expense claims relating to a Minister's Office and sets out allowable expenses for Ministers, Assistant Ministers and Ministerial office staff. The Handbook also sets out allowable expenditure for Ministers' partners, guests and former Premiers. Similarly, section 4 of the Opposition Handbook details allowable expenses by the Leader of the Opposition, their office and staff.

The Queensland Audit Office's 2018 Closing report to the Audit and Risk Management Committee identified a control deficiency regarding the lack of formal policies over compliance checking and limited evidence of MSB checking compliance with the Handbook for expenses incurred. In response, MSB developed an informal guide titled MSB Coding Guide and Compliance Checks which defines MSB's responsibilities for assessing whether Ministerial expense claims are in accordance with the Handbook.

MSB has plans to implement Service Now, an online expenditure portal that will provide greater visibility over the expenses claimed, approved and rejected during the current financial year.

The objective of this internal audit was to assess the compliance of ministerial expense claims occurring in Q2 FY20.

Scope and Approach

The key focus areas for this review included:

- Performed data analytics over ministerial expense claims processed during the scope period to identify transaction patterns and/or outliers for further testing.
- Used the results of the data analytics to select a sample of 25 claims and assessed whether they were processed in line with the relevant Handbook, specifically whether the claims:
 - Were approved in line with the relevant Handbook.
 - Were supported by required documentation.
 - Were in accordance with the relevant Handbook and the MSB Coding Guide and Compliance Checks internal guide.
- Assessed whether there was appropriate evidence of MSB reviewing and challenging (where appropriate) claims.

Sample testing covered the period 1 October 2019 to 31 December 2019. This internal audit is delivered quarterly as part of ongoing monitoring.

Summary of Outcomes

Testing identified two expense claims as potential instances of non-compliance with the relevant Handbook. Though the claims were approved in line with requirements they were not supported by adequate documentation that enabled confirmation of compliance with requirements detailed in the relevant Handbook.

Further details are provided in section 3.

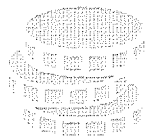
Two potential improvement opportunities for consideration during the implementation of DPC's new expense recording and processing system, and enhancements to expense guidance documentation are detailed in section 4.

Additional analysis of changes between Q1 and Q2 is provided on page 4.

2. Data Analysis and Trends

Overview

Presented below is an overview of Ministerial expense claims processed by MSB between 1 October 2019 to 31 December 2019.

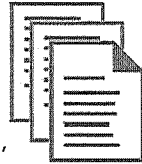


\$13.8M

Total value of claims processed by MSB in Q2 FY20.

\$5.4M

Value of claims excluding salaries and wages, allowances, superannuation, levies and depreciation.



6535

Number of claims processed by MSB in Q2 FY20.

5560

Number of claims excluding salaries and wages, allowances, superannuation, levies and depreciation.



65

Number of Ministerial Office cost centres

142

Number of expense types used by MSB. (e.g. Travel Allowance, Media Services, etc.)

Figure 1. Percentage of Total Expenditure Value by Expense Type

excluding salaries and wages, allowances, superannuation, levies and depreciation.

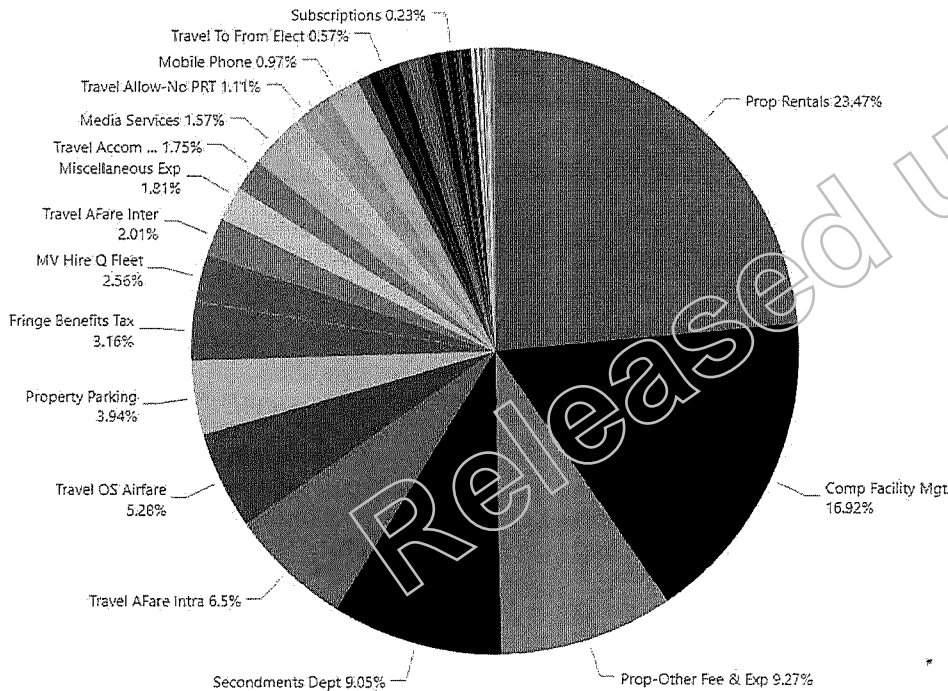
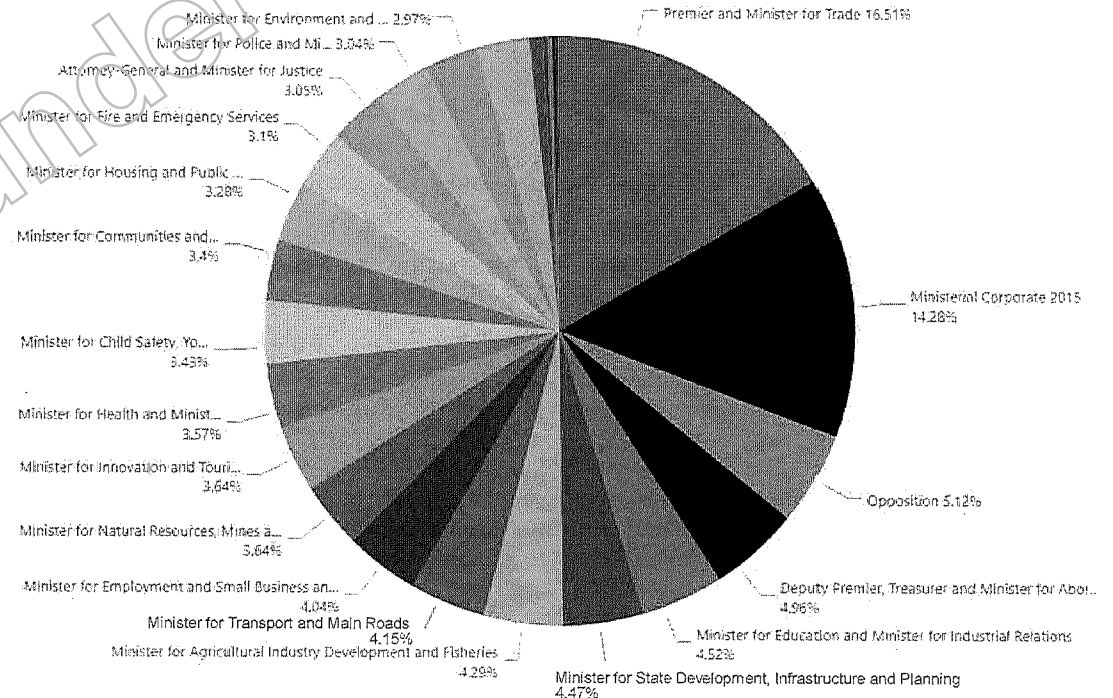


Figure 2. Percentage of Total Expenditure Value by Ministerial Office

excluding salaries and wages, allowances, superannuation, levies and depreciation.



2. Data Analysis and Trends (cont.)

Q1 - Q2 analysis of trends

The total number and value of expense claims processed by MSB remained steady from Q1 to Q2 at approximately \$14m across 6500 claims. Key differences in expense types claimed between Q1 and Q2 include:

- \$100k increase in expenditure related to secondments. MSB officers advised this was driven by the appointment of the Premier's Chief of Staff, on secondment from DPC, in late September.
- \$33k increase in expenditure related to pager, phone and fax due to a bill incurred in September that was paid in Q2 rather than Q1.
- \$68k decrease in annual licence fees. MSB officers advised this is a result of licences being paid in July, at the commencement of the 2019-20 financial year.
- \$67k decrease in intrastate air travel, and \$35k decrease in overseas air travel. MSB officers advised this was due to Queensland Parliament shut down over December, when many Ministers and staff take holidays.

Key figures

excluding salaries and wages, allowances, Super, levies and depreciation.



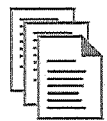
Value of claims processed by MSB

Q1

\$5.8M

Q2

\$5.4M



Number of claims processed by MSB

5535

5560



Average expense claim value

\$1,040

\$965

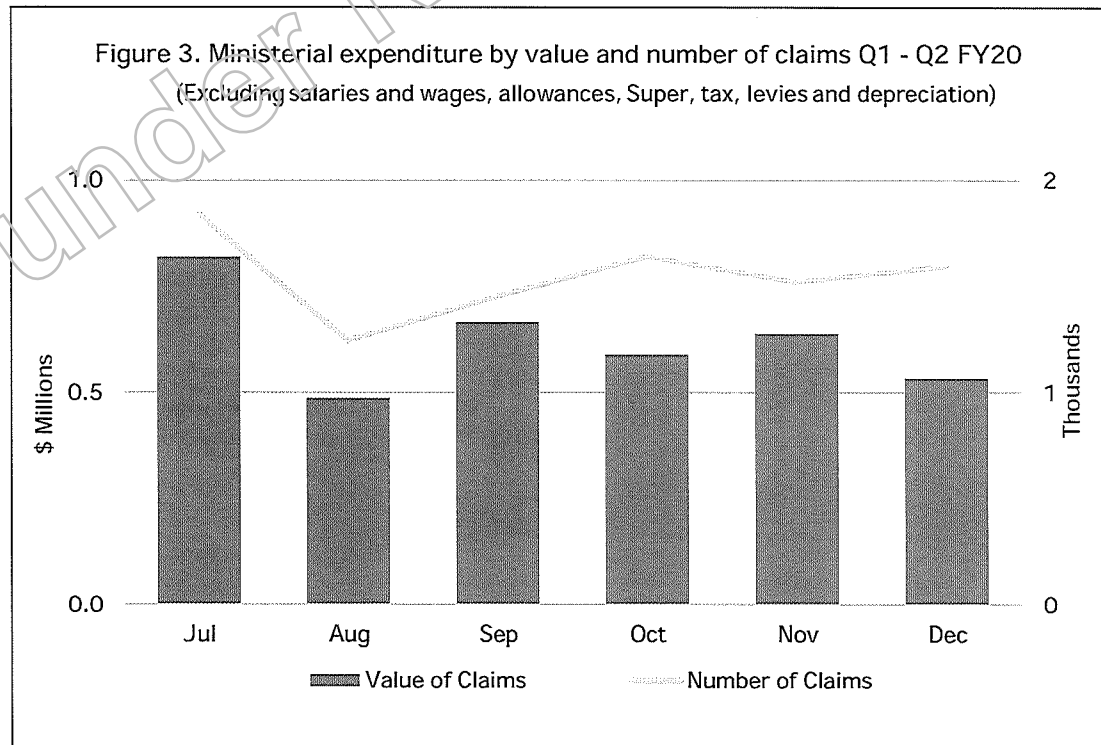


Highest value expense type

Property Rentals (22%)

Property Rentals (23%)

Figure 3. Ministerial expenditure by value and number of claims Q1 - Q2 FY20
(Excluding salaries and wages, allowances, Super, tax, levies and depreciation)



3. Testing Outcomes

Testing Approach

We selected a sample of 25 ministerial and opposition expense claims that were processed between 1 October 2019 to 31 December 2019 for testing. Test results are detailed below.

Testing Outcomes

Root Cause

Two expense claims tested did not have adequate supporting documentation to evidence that MSB had performed relevant verification activities to determine that the expenses were compliant with the relevant Handbook. Information about the two expenses is provided in the table below.



Expense Type	Expense Amount	Approved by an appropriate Delegation?	Supporting documentation provided	
Air Charter	\$2,331.66	✓	Invoice from air charter company. However, there was no evidence that travel by air charter was required (e.g. print-out illustrating that no scheduled services were available). Section 4.15.5 of the Opposition Handbook states air charter can be used when no scheduled services are available.	<ul style="list-style-type: none"> • No requirement for MSB to document actions taken to verify that the expenditure is allowable in accordance with the relevant Handbook. • No requirement for claimant to document official purpose for expenditure on supporting documentation provided to the MSB.
Miscellaneous Expense	\$50.80	✓	Invoice for Right to Information as requested by the Opposition. There was no evidence that relevant enquiries were made to confirm this was for official purposes related to the role of the Opposition, rather than a political party request. Political party expenditure is disallowed by section 4.3 of the Opposition Handbook.	

The MSB Coding Guide and Compliance Checks guide states that "the Ministerial Services finance officer will check all documentation attached to claims or invoices to ensure that based on the information provided by the Offices, the expense is in accordance with the relevant Handbook."

MSB management advised that where additional information is needed, confirmation is generally sought through phone call between the MSB and claimant. However, this process has not documented on the expense claims or their supporting documentation.

4. Potential Improvement Opportunities

Potential Improvement Opportunities

Based on the testing outcomes detailed in section 3, the following activities are suggested to improve processes to assess compliance of ministerial expense claims.

Potential Improvement Opportunities	Management comment	Responsible Officer	Implementation Date
<p>1 Revise the MSB Coding Guide and Compliance Checks guide to include a requirement to document any additional information provided by claimant (including email or telephone correspondence) to justify the purpose for the expense incurred.</p>	<p>Agreed. The MSB Code Guide and Compliance Checks Guide will be updated to include the requirement to document any additional information to justify the purpose of the expense incurred.</p> <p>Additionally, when the Ministerial/Opposition Handbooks are updated the requirement to provide supporting documentation e.g. emails trying to book commercial flights, evidence of booking processes before making air charter requests, will be included.</p>	Director, Ministerial Services	30 June 2021
<p>2 Consider the following functionalities during the implementation of the new expense recording and processing system:</p> <ul style="list-style-type: none"> - Recording the justification behind the decisions made when assessing expense claims that require judgement. - Require the relevant financial delegate responsible for approving the expense claim to document the official purpose (i.e. name of meeting, conference, official event) for expenditure incurred on the information that is provided to MSB for review. 	<p>Agreed. MSB will consider updates to the current form and/or process to make the expense claim details even more transparent.</p>	Director, Ministerial Services	30 June 2021

The work we performed did not constitute an external audit or review in accordance with standards which apply to external auditing and accordingly does not express any form of assurance under those standards. Our work was performed in line with EY standards of internal audit which comply with International Standards for the Professional Practice of Internal Audit.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to internal audit operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Department of the Premier and Cabinet's management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the Department of the Premier and Cabinet. The findings expressed in this report have been formed on the above basis.

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**Department of the Premier and
Cabinet (DPC)**

Ministerial Expenses Review – Quarter 3

Memo

▶ **DRAFT – AWAITING VALIDATION OF
OBSERVATIONS AND MANAGEMENT
RESPONSES**

June 2020

Released under RTI - DPC

EY

Building a better
working world

Private and Confidential

XX June 2020

Christopher Smith
Director Internal Audit and Risk Services
Department of the Premier and Cabinet

Ministerial Expenses Review – Quarter 3

Dear Chris

We are pleased to advise you that we have completed the Department of the Premier and Cabinet (DPC) Ministerial Expenses Review for Quarter 3 FY20. Fieldwork for this engagement was conducted throughout May 2020. We hereby present you with the memo summarising our work for this review.

We wish to take this opportunity to thank DPC management and staff for their assistance during this review.

If you have any questions regarding our report or the work that it describes, please contact me on [REDACTED].

Yours sincerely

[REDACTED]
Partner

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1. Engagement Overview

Background and Objective

The *Queensland Ministerial Handbook* (the Handbook) sets out the common policies, practices and procedures to be adopted in Ministerial Offices. Ministerial Services Branch (MSB) within the Department of the Premier and Cabinet (DPC) is responsible for maintaining the Handbook and, with the approval of the Premier, issuing amendments. The Handbook is a publicly available document. MSB is also responsible for maintaining the publicly available *Queensland Opposition Handbook* (the Opposition Handbook).

Section 4 of the Handbook covers expense claims relating to a Minister's Office and sets out allowable expenses for Ministers, Assistant Ministers and Ministerial office staff. The Handbook also sets out allowable expenditure for Ministers' partners, guests and former Premiers. Similarly, section 4 of the Opposition Handbook details allowable expenses by the Leader of the Opposition, their office and staff.

The Queensland Audit Office's 2018 *Closing report to the Audit and Risk Management Committee* identified a control deficiency regarding the lack of formal policies over compliance checking and limited evidence of MSB checking compliance with the Handbook for expenses incurred. In response, MSB developed an informal guide titled *MSB Coding Guide and Compliance Checks* which defines MSB's responsibilities for assessing whether Ministerial expense claims are in accordance with the Handbook.

The objective of this internal audit was to assess the compliance of ministerial expense claims occurring in Q3 FY20.

Scope and Approach

The key focus areas for this review included:

- ▶ Performing data analytics over ministerial expense claims processed during the scope period to identify transaction patterns and/or outliers for further testing.
- ▶ Using the results of the data analytics to select a sample of 25 claims and assessed whether they were processed in line with the relevant Handbook, specifically whether the claims:
 - ▶ Were approved in line with the relevant Handbook.
 - ▶ Were supported by required documentation.
 - ▶ Were in accordance with the relevant Handbook and the MSB Coding Guide and Compliance Checks internal guide.
- ▶ Assessing whether there was appropriate evidence of MSB reviewing and challenging (where appropriate) claims.

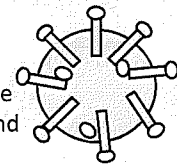
Sample testing covered the period 1 January 2020 to 31 March 2020. This internal audit is delivered quarterly as part of ongoing monitoring.

Summary of Outcomes

Testing identified two expense claims as potential instances of non-compliance with the Ministerial Handbook. The expense claims were both approved by the appropriate stakeholder in line with financial delegations. However, one was not supported by adequate documentation to enable confirmation of compliance with requirements detailed in the Ministerial Handbook. The second expense claim was for a purchase that did not follow the guidance detailed in the Ministerial Handbook. Further details of these two claims are provided in section 3.

Fieldwork Impacts

Fieldwork and reporting for this internal audit was conducted during the COVID-19 pandemic. Stakeholder interviews were performed via videoconference and testing was undertaken using electronic documents to accommodate the remote working arrangements imposed at DPC and EY. We wish to thank DPC's staff for their proactive and accommodating attitudes and their help in finalising fieldwork and reporting.



2. Data Analysis and Trends

Overview

Presented below is an overview of ministerial expense claims processed by MSB between 1 January 2020 to 31 March 2020.

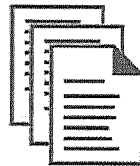


\$11.3M

Total value of claims processed by MSB in Q3 FY20.

\$3.8M

Value of claims excluding salaries and wages, allowances, superannuation, levies and depreciation.



4497

Number of claims processed by MSB in Q3 FY20.

4314

Number of claims excluding salaries and wages, allowances, superannuation, levies and depreciation.



65

Number of Ministerial Office cost centres used in this quarter.

70

Number of expense types used by MSB in this quarter. (e.g. Travel Allowance, Media Services, etc.)

Figure 1. Percentage of Total Expenditure Value by Expense Type

excluding salaries and wages, allowances, superannuation, levies and depreciation.

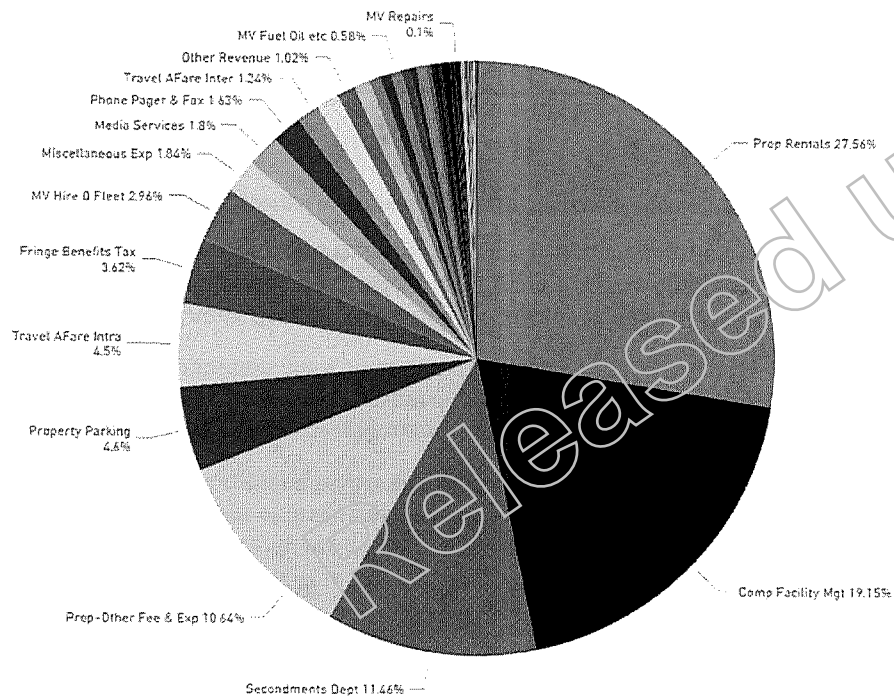
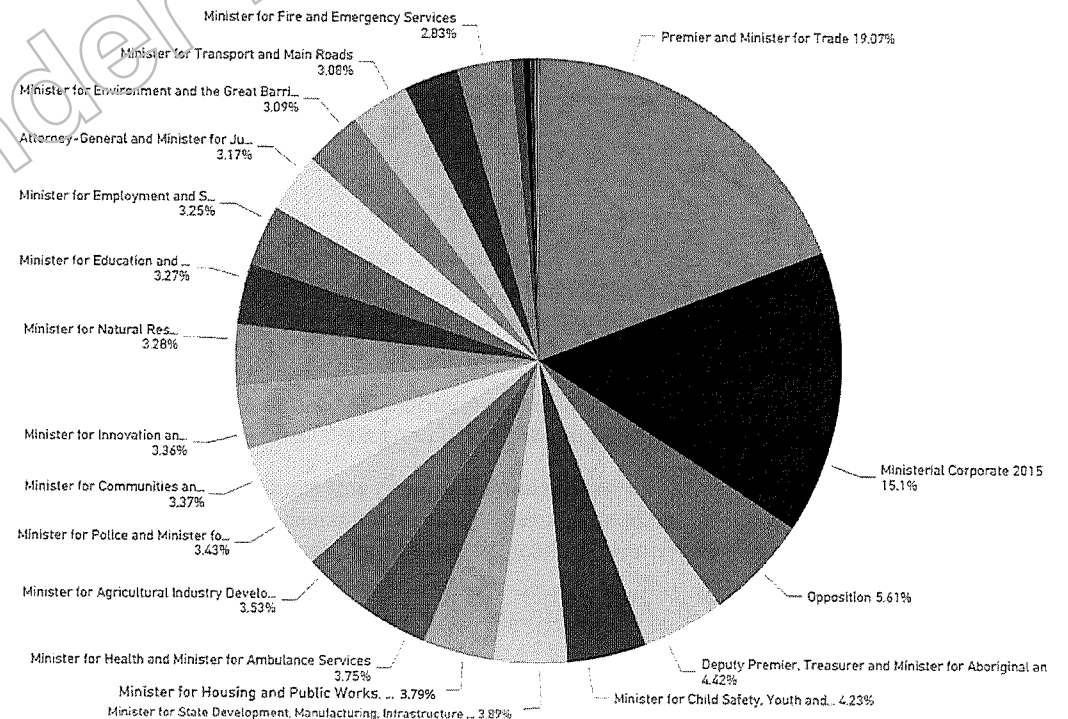


Figure 2. Percentage of Total Expenditure Value by Ministerial Office

excluding salaries and wages, allowances, superannuation, levies and depreciation.



2. Data Analysis and Trends (cont.)

Q2 – Q3 analysis of trends

The total number and value of expense claims processed by MSB in Q3 declined further from Q1 and Q2, despite the average value of expense claims increasing. Key differences in expense types claimed between Q3 and Q1 and 2 include:

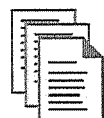
- ▶ Further declines in travel expenditure related to the closure of Queensland Parliament from November to January, and the travel restrictions that were put in place in March due to the COVID-19 pandemic. Overall a \$290k (54%) decline in Q3 from Q2 figures, compared to a 14% decline between Q2 and Q1.
- ▶ \$19k (59%) decrease in taxi cab expenditure from Q3 to Q2, due to similar reasons as listed above. This is compared to a \$5k (19%) increase between Q2 and Q1.
- ▶ \$2k (47%) decrease in entertainment expenses between Q3 and Q2. However Q3 expenses are in line with Q1 expenses (only a \$350 or 15% increase), due to a doubling in expense entertainment in Q2, likely due to seasonal festivities.

Key figures



Value of claims processed by MSB

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>
Value of claims processed by MSB	\$4.5M	\$4.3M	\$3.8M



Number of claims processed by MSB

Number of claims processed by MSB	5969	6193	4314
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Average expense claim value

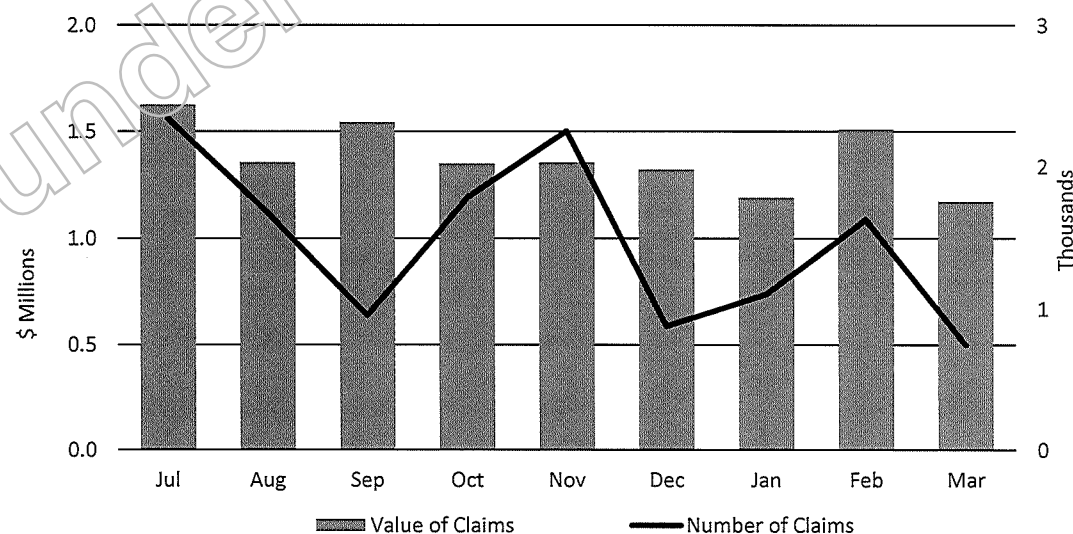
Average expense claim value	\$760	\$687	\$888
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Highest value expense type

Highest value expense type	Property Rentals (28%)	Property Rentals (30%)	Property Rentals (34%)
----------------------------	------------------------	------------------------	------------------------

Figure 3. Ministerial expenditure by value and number of claims Q1 – Q3 FY20



3. Testing Outcomes

Testing Approach

We selected a sample of 25 ministerial and opposition expense claims that were processed between 1 January 2020 to 31 March 2020 for testing. Test results are detailed below.

Testing Outcomes

Root Cause

One expense claim that was tested did not have adequate supporting documentation to evidence that the expense was compliant with the Ministerial Handbook.



Expense Type	Expense Amount	Approved by an appropriate Delegation?	Supporting documentation provided
P&E Maintenance	\$642.09	✓	Invoice for repairs to a laptop. There was no evidence that information on how the laptop became damaged was provided when requesting the repair. Section 4.8 of the Ministerial Handbook states that, for equipment requiring repair or maintenance, "details of how damage [to equipment] occurred is required to be provided to Ministerial Services where the damage is not normal wear and tear".

- Roles and responsibilities for requesting and documenting supporting detail as required by the Handbook have not been defined and communicated to those involved in submitting and processing expense claims.

MSB advised that the responsibility for retrieving information, such as details of how damage occurred, has not been formally communicated and as such it is not clear whether DPC Information Services should provide this, or if MSB should request these details on receipt of a claim.

One expense claim for the purchase of gifts for an interstate visit did not align with the procedure documented in the Ministerial Handbook. Section 3.8 of the Ministerial Handbook states that gifts made on behalf of the State are normally selected from the Official Gift Range.



Expense Type	Expense Amount	Approved by an appropriate Delegation?	Supporting documentation provided
Donations NonCash	\$105.00	✓	Invoice for gifts purchased from a Queensland supplier "Dare Original", for an overseas Trade Mission. Gifts made on behalf of the State are normally selected from the Official Gift Range in accordance with Section 3.8 of the Ministerial Handbook.

- Ministerial Handbook has not been updated to reflect that the Official Gift Range is no longer available.

MSB advised that Protocol Queensland stopped maintaining the Official Gift Range in 2019, however the Ministerial Handbook has not been updated to reflect this change.

4. Potential Improvement Opportunities

Potential Improvement Opportunities

Based on the testing outcomes detailed in section 3, the following activities are suggested to improve processes to assess compliance of ministerial expense claims.

Potential Improvement Opportunities	Management comment	Responsible Officer	Implementation Date
1	Revise internal policies and procedures (e.g. the MSB Coding and Compliance Guide) to clearly define roles and responsibilities for requesting and documenting details of how damage occurred to equipment requiring maintenance or repair, in accordance with Section 4.8. Include how this information is required to be communicated or documented (i.e. email attachment with repair request, or MSB to make a phone or email inquiry when processing claims).		
2	Revise Section 3.8 of the Ministerial Handbook to update the reference to Protocol Queensland's Official Gift Range and instead include detail on where gifts may be purchased in lieu of the Official Gift Range.		

The work we performed did not constitute an external audit or review in accordance with standards which apply to external auditing and accordingly does not express any form of assurance under those standards. Our work was performed in line with EY standards of internal audit which comply with International Standards for the Professional Practice of Internal Audit.

Inherent Limitations

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Agenda: New Minister briefing

Venue: Room 1, Level 40, 1 William Street

Time: 10:00am, Wednesday 13 May 2020

Attendees:

- Minister Butcher
- Ian Hutcheons, A/Chief of Staff
- Filly Morgan, Deputy Director-General Corporate and Government Services
- Stuart Busby, General Manager Government Services
- Leighton Craig, Cabinet Secretary
- Chris Powell, Manager, Ministerial Services Finance

<i>Time</i>	<i>Topic</i>	<i>Presenter</i>
10:00 am	Welcome and introduction: <ul style="list-style-type: none"> • Role of Minister and relationship with the department 	Filly Morgan
10:05 am	Cabinet, Executive Council and Parliament	Leighton Craig
10:15 am	Integrity Matters <ul style="list-style-type: none"> • Code of Conduct • Directorships and shareholdings • Declaration and Conflicts of Interest • Lobbyists • Post separation employment 	Filly Morgan
10:25 am	Right to Information, Privacy and Records Management	Stuart Busby
10:30 am	Ministerial Services: <ul style="list-style-type: none"> • Ministerial Handbook • Human Resources • Finance • Entitlements • Reporting 	Chris Powell
10:45 am	Close	

New Minister's Orientation

May 2020

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Ministerial Services

Ministerial Services provides corporate support for Ministerial Offices, which includes:

- human resources
- finance
- information technology and telecommunication
- accommodation
- motor vehicles

The Ministerial Handbook

The primary reference document for the administration of Ministerial Offices is the *Ministerial Handbook*, which is available on the Ministerial Intranet and internet (www.premiers.qld.gov.au/publications/categories/policies-and-codes/handbooks/ministerial-handbook.aspx).

There is a lot of public interest and scrutiny in Ministerial entitlements—please contact Ministerial Services for advice if you are unsure or if it is an out of the ordinary request.

Human Resources

- The appointment of Ministerial staff needs to be discussed with the Premier's Chief of Staff and approved by the Premier's Office.
- It is best not to make offers to staff before those discussions including any offers of salary levels and other entitlements.
- Generally, offices have approximately 8 to 10 staff—one Chief of Staff, Senior Advisors, advisors, admin staff, Executive Assistant/Office Manager and a Chauffeur.
- Generic position titles are used across offices to maintain consistency.
- In some instances, a Departmental Liaison Officer (DLO) may be appointed by the department to facilitate communication and liaison between the ministerial office and the department. This requires the Premier's approval for the position before appointment. DLO's are not appointed in all instances as the need varies between portfolio departments.

Budgets

- Budgets are provided and training provided to the Chief of Staff and Executive Assistant/Office Manager.
- The four key principles underpinning criteria for the incurring of expenditure by the Office of the Minister are:
 - the expense must be for official purposes
 - the expense must be properly documented
 - the expense must be available for audit scrutiny
 - the expense must be reasonable for the circumstances.

Credit cards

- Credit Cards are issued for Minister's overseas travel and for specific purpose corporate use approved by the Director-General, only Premier's Office hold such a card at present.

Entertainment

- Ministers are authorised to entertain and receive a specific budget for this.
- Prior approval from the Premier is required if staff are to entertain. This is usually given to Chiefs of Staff

Expenditure authorisation

- Minister or Chief of Staff can approve the Minister's expenditure.
- Minister must authorise all entertainment claims where they are the Host. Authorised staff approved to entertain must sign the entertainment certification, which is then approved by the Minister.
- Minister or Chief of Staff must authorise all travel claims.
- Chief of Staff cannot authorise their own expenditure or expenditure incurred on their behalf.
- Partner's expenses and FTB implications costed as for Minister.

Travel entitlements

- Entitled to First Class for overseas travel and Business Class for domestic travel.
- Travel to and from Electorate – a budget is provided for this for regional based Ministers to cover costs incurred when travelling to or from the Minister's electorate for the conducting of Ministerial business and it is only for economy travel.
- Assistant Ministers have a separate budget to the Ministerial Office for things such as travel, car, accommodation and phones, but not staff.

Gifts

- All gifts must be declared if valued over \$150 retail. Gifts can be retained if \$350 or under.

IT equipment standards

- iPad
- iPhone and car kit for official vehicle
- Laptop with built-in modem

Ministers may also request:

- A home security system. QPS carry out a security assessment

Motor vehicles

- One official chauffeur driven vehicle from CEO range.

Other entitlements:

- A Cabcharge card
- Up to 2 lines for official purposes in their residence. These can be used for any combination of telephone, fax or internet service.
 - one official line rental and service charges and 100 per cent call costs
 - up to \$100 per month for internet service
 - one private line rental and service charges and 85 per cent call costs
- Home newspapers or an online subscription
- Free membership to Qantas Chairman's lounge, including frequent flyer programs and free RACQ membership are offered by these companies.

If the Minister has not submitted a Conflict of Interest Management Plan, or obtained Integrity Commissioner advice prior to a Cabinet or Cabinet committee meeting, the Minister should err on the side of caution and declare the conflict and withdraw from the meeting for consideration of the matter.

Transparency

Ministers are not to accept any gift offered in connection with the discharge of their office except as permitted within the Ministerial Handbook (refer to section 3.6).

To avoid falling under an obligation to those in the hospitality or travel industry, a Minister will not knowingly accept travel or hospitality sponsored wholly or partly by any person, organisation, business or interest group which carries on the business of travel or hospitality, where such acceptance would create an obligation and is not related to the business of the Minister's portfolio; unless the travel or hospitality is approved by the Premier, or unless it is provided at rates which are openly available to groups of people other than Ministers of the Crown, or by reason of its triviality could not reasonably be construed as creating an obligation.

Use of public resources

Ministers shall make economical use of the public resources that are made available to them as office holders and will make every endeavour to prevent misuse by other persons. Those resources must only be used in connection with official duties and not for personal benefit.

Caretaker conventions

Ministers and their departmental public servants are bound by the caretaker conventions, in particular, that during the period after the dissolution of the Legislative Assembly, Ministers should not, except in cases of urgency, make any new significant appointments, enter into new contracts or undertakings that would bind an incoming Government, or embark on any new policy initiatives that would bind an incoming Government. Ministers should be aware that a breach of this convention justifies an incoming government reviewing such appointments, contracts or initiatives.

Post Ministerial Employment

In accepting their appointment, Ministers undertake not to take personal advantage, in any future employment, of information obtained as a Minister which is not publicly available, including confidential information on pending contracts or dealings. This does not apply to statutory appointments, nor does it apply to information that a Minister may have of another Minister's department which is not confidential.

Ministers should note that unlawful disclosure of confidential information, including Cabinet-in-Confidence information, may constitute an offence under the Criminal Code.

5. Transparency and scrutiny

It is vital to parliamentary democracy that the public has confidence in the integrity of the decision-making process of Parliament. To ensure transparency, public scrutiny and public confidence, it is necessary that each member disclose their pecuniary interests on a continuing and ad hoc basis when the need arises.

7. Appropriate use of entitlements

Members are provided certain entitlements to assist them to discharge their duties and responsibilities. Members are to ensure that they comply with any guidelines for the use of these entitlements.

EXTRACT FROM PART 3 OF PUBLIC SECTOR ETHICS ACT 1994

Division 2 The ethics values

6. Integrity and impartiality

In recognition that public office involves a public trust, public service agencies, public sector entities and public officials seek to promote public confidence in the integrity of the public sector and—

- a. are committed to the highest ethical standards; and
- b. accept and value their duty to provide advice which is objective, independent, apolitical and impartial; and
- c. show respect towards all persons, including employees, clients and the general public; and
- d. acknowledge the primacy of the public interest and undertake that any conflict of interest issue will be resolved or appropriately managed in favour of the public interest; and
- e. are committed to honest, fair and respectful engagement with the community.

7. Promoting the public good

In recognition that the public sector is the mechanism through which the elected representatives deliver programs and services for the benefit of the people of Queensland, public service agencies, public sector entities and public officials—

- a. accept and value their duty to be responsive to both the requirements of government and to the public interest; and
- b. accept and value their duty to engage the community in developing and effecting official public sector priorities, policies and decisions; and
- c. accept and value their duty to manage public resources effectively, efficiently and economically; and
- d. value and seek to achieve excellence in service delivery; and
- e. value and seek to achieve enhanced integration of services to better service clients.

New Minister's Briefing



**Queensland
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Ministerial Services



**Queensland
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Ministerial Services



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- Finance
- Information Technology and Telecommunication
- Accommodation
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Ministerial Handbook



Queensland
Government

- The primary reference document for the administration of Ministerial Offices is the *Ministerial Handbook*, which is available on the Ministerial Intranet and internet <http://www.premiers.qld.gov.au/publications/categories/policies-and-codes/handbooks/ministerial-handbook.aspx>
- There is a high level of public interest and scrutiny of ministerial entitlements and budgets
- Contact Ministerial Services for advice if you are ever unsure

Human Resources



**Queensland
Government**

- Ministerial Staff approved by the Premier's office
- Ministers need to consult with the Office of the Premier regarding the need for a Department Liaison Officer (DLO)

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Finance: Budget, Entertainment and Travel



**Queensland
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- All Ministerial Offices are given a budget
- Ministers are authorised to entertain and receive a specific budget for entertainment
- All travel costs must be approved by the Minister or Chief of Staff.
- Ministers, Assistant Ministers and staff may claim allowances for meals and incidental expenses if travel involves an overnight absence
- Conditions can be found in the *Ministerial Handbook*.

Finance: Gifts



**Queensland
Government**

- All gifts must be declared if valued over \$150 retail. Gifts can be retained if \$350 or under.

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Entitlements



Queensland
Government

Ministers are entitled to:

- iPad
- Laptop with Wireless Modem
- Up to 2 lines for official purposes in their residence.
- a Cabcharge card
- Home/online newspaper subscription
- Free membership to Qantas Chairman's lounge, including frequent flyer programs and free RACQ memberships
- Access to Queensland Government Air (QGAir)

Reporting



Queensland
Government

- Public Report of Ministerial Office Expenses
 - These are tabled by the Premier every 6 months. Ministerial Services will send out information at the appropriate time
- Proactive Disclosure
 - Quarterly proactive disclosure – Ministerial expenses, gifts, Government Airwing travel, fleet, CEO staffing levels, ministerial office staff numbers

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