

Ministerial Travel Claims

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Canberra ACT
22 December 1997

Dear Madam President
Dear Mr Speaker

In accordance with the authority contained in the *Audit Act 1901*, the Australian National Audit Office has undertaken a performance audit of ministerial travel. I present this report and the accompanying brochure to the Parliament. The report is titled *Ministerial Travel Claims*.

Yours sincerely

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Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

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Abbreviations

ANAO	Australian National Audit Office
DAS	Department of Administrative Services
DoF	Department of Finance
DOFA	Department of Finance and Administration
DoTRD	Department of Transport and Regional Development
MAPS	Ministerial and Parliamentary Services Division
PM&C	Department of Prime Minister and Cabinet

Summary and Recommendations

Summary

Overview

1. This audit was undertaken in response to a request from the Prime Minister concerning matters primarily relating to travel allowance claims made by a former minister.

2. The audit highlights the importance of sound administrative processes as a means not an end for effective public administration. This is a facet of public administration which does not always receive the profile or attention that it should. Yet sound processes, determined by the application of risk management, are the essential foundations upon which efficient and accountable administration and cost effective outputs and outcomes are delivered. In short, they are an important element of effective control and assurance to both the Executive Government and the Parliament.

3. The focus of this audit was on the administration of travel claims under the current policy arrangements and has not examined alternative models, which may involve policy issues, which are clearly matters for Government.

4. It is apparent from the audit that most issues arose from the incorrect certification of certain travel claims by the former minister of his original travel allowance claims, which were subsequently revised, and from weaknesses in the administration of travel claims by his office and the then Department of Administrative Services (DAS). As well, it highlights the importance of information provided to the Parliament being consistent, accurate and showing clearly what it purports to be, to ensure the transparency of the way in which public money is spent.

5. It is recognised that government, parliamentary, party and electorate duties place a heavy demand on ministers' time. Nevertheless, given that ministers approve their own travel arrangements, the requirement that ministers certify their travel allowance claims is a key control mechanism to ensure that Commonwealth funds are only spent for the intended purpose. The onus is therefore clearly on ministers to ensure the basis and accuracy of such certifications are sound and verifiable.

6. DAS was aware of the risks inherent in the system as it operated during the period under review and had drawn a number of concerns to ministerial attention over several years prior to recent steps to strengthen the system. Notwithstanding any known weaknesses at the time, it was still incumbent on DAS to implement the current arrangements in the most effective manner.

7. There is considerable scope for the Department of Finance and Administration (DOFA), which has now assumed responsibility for administration of ministerial travel claims, to enhance the integrity of the current system for processing travel claims by ministers and to provide

more effective support for ministers and their staff. This report makes four recommendations directed to that purpose.

Ministerial travel entitlements

8. Ministers' entitlements are established by decisions of Government and determinations of the Remuneration Tribunal and are provided for in legislation. In addition, there are conventions which apply. Ministers are provided with a range of entitlements, many of them in addition to the entitlements of a backbench member or senator. These entitlements include additional travel for the minister's spouse, dependents and staff.

9. A minister has access to a range of travel entitlements for official business which are subject to certain conditions. These entitlements include travel on scheduled commercial services; the use of a variety of car transport arrangements; use of charter aircraft and payment of travel allowance. Travel allowance is available for each overnight stay in a place other than the minister's home base when that stay is occasioned primarily by parliamentary sittings; official business; meetings or formal business of parliamentary committees; meetings of his or her political party in Canberra; party executive meetings or party committee meetings.

10. A minister is responsible for ensuring that his or her travel claims are supported by appropriate documentation, are accurate, and incurred against entitlements. Ministerial entitlements are administered by the minister's portfolio department, by his or her respective parliamentary department, and during the period under review, that is, 11 March 1996 to 18 December 1996, by DAS.

11. In the period under review, the Ministerial and Parliamentary Services Division (MAPS) was the responsible area within DAS for administration and payment of ministers' travel. From 9 October 1997, with the abolition of DAS, MAPS and its functions were transferred to DOFA. The convention used in this report is to refer to MAPS where the issues relate to the processing and administration of claims, and to DAS or DOFA for broader issues relating to guidelines and policy matters or for information held within the department but outside of MAPS.

Background to the audit

12. On 26 June 1996, the then Minister for Transport and Regional Development, the Hon John Sharp, certified claims for travel allowance

for the period 5 March 1996 to 27 June 1996. These claims were processed by MAPS on 4 July 1996. On 19 January 1997, Mr Sharp certified another claim for travel allowance which was processed by MAPS. This claim covered the period from 2 July 1996 to 18 December 1996. In total Mr Sharp certified travel allowance claims amounting to \$29 205 for the period 11 March 1996 to 18 December 1996.

13. In preparation for the tabling of the report, *Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 – 3 March 1996*, MAPS wrote to all ministers, parliamentary secretaries and office holders on Friday, 23 May 1997 enclosing details prepared by MAPS of their travel allowance claims from the date of their appointment. The letter asked ministers to advise MAPS urgently if any corrections were required.

14. On 27 May 1997, MAPS was provided with a schedule of revised travel claims for Mr Sharp covering the period 11 March 1996 to 18 December 1996. On 29 May 1997, the then Minister for Administrative Services, the Hon David Jull, tabled the report on ministerial travel allowance which included Mr Sharp's revised travel claims as the amount paid, without any explanatory note. Following a telephone call from MAPS, Mr Sharp's office forwarded a cheque for \$8 740 on 11 June 1997 to MAPS, which they received on 13 June 1997.

15. On 24 September 1997, the Prime Minister announced he had requested the Auditor-General to conduct an inquiry into matters relating to travel allowance claims of the then Minister for Transport and Regional Development, Mr Sharp, in the following terms:

- whether the travel claims made by the Minister for Transport and Regional Development for the period 11 March 1996¹ to 18 December 1996 were made in accordance with established procedures;
- whether the amended return for travel allowances submitted by Mr Sharp on 27 May 1997 was processed in accordance with established procedures by the Department of Administrative Services; and
- whether the Minister for Administrative Services and the Minister for Transport and Regional Development and/or their offices acted appropriately to ensure that due process was followed in relation to the processing of Mr Sharp's travel claims.

¹ 11 March 1996 was the date of Mr Sharp's appointment to the Ministry.

16. Subsequently, the Prime Minister asked that the audit be extended to include consideration of a statement from Mr Jull's senior adviser dated 25 September 1997.

17. In response to the Prime Minister's request, the Auditor-General agreed to conduct an efficiency audit pursuant to the *Audit Act 1901*.²

18. The Auditor-General wrote to the Prime Minister advising that, for the purposes of the audit, he would be examining any actions carried out by, or on behalf of, a minister which had any bearing on the operations of relevant departments. The Auditor-General said that his statutory functions did not extend to examining the operations of a minister or a minister's office other than as they related to the conduct of the audit. However, he would be examining the actions of Mr Sharp and Mr Jull and their respective offices in so far as they related to the audit.

19. Mr Sharp, Mr Jull, their staff, and the departments involved cooperated with the Australian National Audit Office (ANAO) to facilitate the timely completion of the audit requested by the Prime Minister.

20. In determining the objectives for the audit the ANAO identified two related areas for review which had a bearing on the original request, viz:

- the accuracy of the information in the report to Parliament, tabled in the House of Representatives on 29 May 1997, entitled, *Travelling Allowance Paid to Various Office Holders in the House of Representatives—1 January 1992 - 3 March 1997* in respect of Mr Sharp; and
- the effectiveness of the administration of ministerial travel claims in question by DAS and specifically MAPS.

21. In the context of this audit the ANAO has defined travel claims as consisting of both travelling allowance and transport costs such as air fares, charter flight costs, taxi fares and COMCAR costs.

Objectives of the audit

22. Against this background, the objectives of the audit were to examine and form an opinion on:

² From 1 January 1998 the Audit Act will be replaced by a package of legislation that includes the Auditor-General Act, the Financial Management and Accountability Act and the Commonwealth Authorities and Companies Act.

- 1) whether the travel claims of Mr Sharp, the then Minister for Transport and Regional Development, for the period 11 March 1996 to 18 December 1996 were made in accordance with established procedures (Chapter 1 refers);
- 2) whether MAPS processed Mr Sharp's amended return for travel claims (submitted on 27 May 1997) in accordance with established procedures; and the effectiveness of administration of ministerial travel claims by MAPS (Chapter 2 refers);
- 3) whether the report to Parliament, *Travelling Allowance Paid to Various Office Holders in the House of Representatives—1 January 1992 – 3 March 1997*, tabled in the House of Representatives on 29 May 1997 was accurate in respect of Mr Sharp (Chapter 3 refers); and
- 4) whether Mr Jull, the then Minister for Administrative Services, and Mr Sharp, and/or their offices acted appropriately to ensure that due process was followed (Chapter 4 refers).

Audit methodology

23. The methodology used in the audit included:

- analysing Mr Sharp's original and revised travel claims for the period 11 March to 18 December 1996 against his ministerial entitlements;
- reviewing and assessing MAPS policies and practices and comparing these with available evidence from files, records and other departmental information systems;
- interviews conducted with:
 - Mr Sharp, Mr Jull and key members of their respective staff;
 - staff from DAS, the Prime Minister's office and the Department of Prime Minister and Cabinet (PM&C); and
- cross-matching available information from Mr Sharp, his office, MAPS, the Department of Transport and Regional Development (DoTRD), PM&C and the Attorney-General's Department.

24. A lack of documentary evidence in this audit meant that the ANAO often had to rely on statements from individuals and their sometimes differing recollections of the same events. In some cases individual's recollections of events changed during the period of the audit and their statements were subsequently revised.

Conduct of the audit

25. The audit was conducted in accordance with ANAO Auditing Standards between September and December 1997. The total cost of the audit was \$230 000.

Key findings and conclusions

Objective 1 - whether the travel claims of Mr Sharp were made in accordance with established procedures.

Findings

26. The ANAO found that the onus to certify the accuracy of his travel allowance claims was Mr Sharp's alone. Mr Sharp's revised claim included 53 amendments to the 144 travel allowance claims made in his original travel allowance claims for the period 11 March to 18 December 1996.

27. Although there is no requirement on ministers to submit claims for travel allowance within a specified timeframe, the ANAO noted that Mr Sharp made only two claims over the nine months period. This could have increased the risk of error due to the elapsed time between the date of the travel and preparation of the claim.

28. Furthermore, in preparing his travel allowance claims, Mr Sharp has stated that "he depended on memory to a great extent". Mr Sharp initially certified that his claims were correct, apparently without adequate reference to his diary and other records maintained in his office, which provided a more accurate record of his movements. The ANAO found that he certified his travel allowance claims when he could not be certain that they were accurate.

29. Following a request by MAPS to review his travel allowance claims, Mr Sharp identified a number of inaccuracies in his original claim. This was done prior to the tabling of the report, *Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 – 3 March 1996*, in Parliament on 29 May 1997. Subsequent to identifying these inaccuracies, Mr Sharp volunteered to make repayments for those he did not consider valid.

30. The ANAO found that Mr Sharp did not use the significant rate of variation in his revised travel allowance claims to review his associated transport costs, such as charter flights, on those dates when he had disclaimed travel allowance. On certain of those dates, Mr Sharp had taken charter flights paid for by the Commonwealth and it was not clear from his travel records that these flights were associated with official business. Mr Sharp subsequently advised the ANAO that the charter flights in question were undertaken for official purposes relating to ministerial or electoral matters.

31. Mr Sharp also indicated that there were errors in MAPS' records, for example, MAPS had paid for two charter flights in this period valued at \$1 300, which he advised that, to the best of his recollection, he had neither arranged nor taken. The ANAO found that his office had forwarded the invoices for these flights to MAPS as correct for payment and that consequently the Commonwealth had expended funds for services which it seems had not been provided.

32. On 24 November 1997, Mr Sharp advised the Auditor-General of a further twenty revisions to his travel allowance claims for the period to the value of \$3 335. Fourteen of these related to new claims which Mr Sharp had previously overlooked, and six had been claimed originally and disclaimed on 27 May 1997.

Conclusions

33. The audit identified weaknesses associated with Mr Sharp's certification of travel claims. Although Mr Sharp submitted his original claims for travel allowance within established procedures, in a number of instances he incorrectly certified that he was entitled to travel allowance. He subsequently submitted a revised claim to rectify these errors and repaid the amount he had been overpaid.

34. In the ANAO's view, the variation rate of 37 per cent in Mr Sharp's first revised travel allowance claim is significant. This and subsequent revisions of travel claims covering the same period are not consistent with sound administrative practice. From a risk management perspective it would be prudent, and good practice, for any person experiencing such a high variation rate to also review other claims for accuracy as a matter of course.

35. The ANAO notes that, despite expectations by MAPS to the contrary, the provision of monthly management reports does not necessarily ensure that ministers review their expenditure on a monthly basis.

36. The ANAO considers that, before certifying their travel claims, ministers should ensure that they are accurate. To assist, they should utilise reliable record management systems and require that their staff have sufficient training to provide them with efficient backup and support.

It is also considered that DOFA should include in their advice to ministers that they retain their travel records for audit purposes.

Objective 2 - whether MAPS processed Mr Sharp's amended return for travel claims in accordance with established procedures, and the effectiveness of administration of ministerial travel claims by DAS' Ministerial and Parliamentary Services Division (MAPS).

Findings

MAPS processing of Mr Sharp's revised claim

37. The ANAO found that MAPS had no formally established procedures for processing revised travel allowance claims by ministers. Furthermore, when Mr Sharp's revised claims were received, MAPS did not apply the normal controls used in processing ministerial travel allowance claims by requiring a certification from the minister.

38. MAPS had no risk management framework to generate a response to the high variation rate in Mr Sharp's revised claims for travel allowance. MAPS did not check the accuracy of Mr Sharp's revised claim until September 1997 and only after questions about his claims were raised in Parliament. MAPS did not recheck claims by Mr Sharp outside the period under review.

39. The ANAO found that, although there were procedures promulgated in MAPS for recovery of overpayments to ministers, processes followed by MAPS in the case of the overpayment to Mr Sharp were not in accordance with these procedures.

40. In the administration and processing of Mr Sharp's travel claims for the period under review, the ANAO found persistent inadequate record keeping in MAPS. Records of important conversations, decisions and instructions were not in evidence. Management trails of key instructions between the office of the Minister for Administrative Services and MAPS had not been kept.

41. A new system introduced by MAPS on 15 September 1997 for processing ministerial travel allowances includes cross checking with relevant data to substantiate travel claims. Although the new system does not currently provide for any check on the purpose of the ministerial

travel claimed, DOFA advised that the system is to be extended to include a check on the purpose of travel.

Effectiveness of the administration of ministerial travel claims

42. The ANAO found that the management and control systems of the administration of travel claims operating in DAS in the period under review were not effective in providing adequate assurance and accountability for ministerial travel expenditure.

43. The ANAO found that MAPS had not fully implemented the recommendations made in ANAO Report No. 34 of 1990-91, *Services Provided to Members of Parliament and their Staff*. DAS had taken a number of measures to improve the administration of ministerial entitlements and had brought the issues arising from ANAO Report No. 34 to ministerial attention.

44. The ANAO found that, during the period under review, the established procedures in MAPS for processing ministerial travel claims required only a minimal checking process. MAPS paid claims for ministerial travel allowances without cross checking with other relevant data available within DAS; establishing the accuracy of the overnight location claimed; and without verifying that ministers had undertaken travel in accordance with entitlements outlined in the Remuneration Tribunal determinations.

45. The ANAO found that, although Mr Sharp's initial claims were mainly processed by MAPS in accordance with the Department's procedures in place at the time, there were processing errors relating to certification and authorisation by officers without appropriate delegations. Some of the officers who certified and authorised the claims occupied the positions without formal delegations as a result of a failure to update delegations following a reorganisation.

46. The ANAO found that, although Mr Sharp's revised claim indicated that a high proportion of overpayments had been made, MAPS processes did not trigger any review action when the revised claims were submitted.

Conclusions

47. MAPS had inadequate systems of control and risk management increasing the risk of overpayments not being detected. Less than satisfactory document and record management, provided an inadequate accountability trail for actions and decisions taken.

48. MAPS' system for processing ministerial travel claims, as it operated in the period under review, was inadequate. It did not provide for MAPS to undertake checks, even spot checks, of ministerial travel allowance claims for validation purposes. In addition, there was no effective management information system to enable MAPS to identify and address potential problems in the administration of ministerial travel claims and to exercise effective governance of the program.

49. The procedures followed by MAPS in processing Mr Sharp's revised travel claims were not in accordance with sound administrative practice.

50. The ANAO endorses DOFA's practices in reviewing ministers' travel claims in order to verify their accuracy and considers there should be documented procedures for referral to the Minister for Finance and Administration for possible investigation by the Attorney-General's Department where:

- there is evidence of false claims; or
- cross checking of ministerial travel claims indicates that there are significant inaccuracies and/or anomalies with other relevant travel data held by MAPS, and such anomalies involve overpayments which cannot be reconciled.

51. The ANAO considers that where a minister varies travel allowance claims previously claimed, DOFA should review the validity of any associated transport costs met by the Commonwealth.

52. The ANAO considers, that if the present reimbursement system is to continue, it is important to strengthen certification procedures by ministers for all travel expenditure that they incur; and the subsequent verification of travel allowance claims and transport costs. It should be clear that certification of travel allowance claims, of invoices and management reports, is a requirement and not an invitation. Also, procedures should be in place to ensure that monthly management reports are verified on a timely basis.

Objective 3 - whether the report to Parliament was accurate in respect of Mr Sharp

53. The onus was on Mr Jull to provide accurate information to Parliament in the report, Travelling Allowances Paid to Various Office Holders in the House of Representatives - 1 January 1992 - 3 March 1997, which he tabled in the House of Representatives on 29 May 1997.

54. Mr Jull and his office were aware that Mr Sharp had revised his travel allowance claims. The schedule of Mr Sharp's travel claims included in the report to Parliament was prepared by MAPS with clearance of the content and format by Mr Jull's office.

55. The ANAO found that the title and covering statement of the report were not consistent with its content in respect of Mr Sharp. That is, the title and covering statement referred to travelling allowance payments made. In Mr Sharp's case, his schedule showed only his revised travel allowance claims, which were lower than the travel allowance payments he had received over the period.

56. At the time of tabling the report, although Mr Sharp had revised his claims, no repayment had been made. The schedule showed payment for 97 nights for \$20 465 whereas actual payments were for 144 nights for \$29 205. No explanation of the variation was provided. This contrasts with the information provided in annotations for certain former ministers and office holders.

57. There was conflicting evidence of the advice given by MAPS to Mr Jull's office concerning the format of the report. MAPS informed the ANAO that they had advised Mr Jull's office that the format ran the risk of criticism, whereas Mr Jull's office advised the ANAO that MAPS had supported the approach adopted.

58. There was no documented evidence to confirm advice given to the ANAO by a former MAPS officer that both Mr Jull's office and MAPS had anticipated that Mr Sharp's repayment of travel allowance would be received before tabling of the report, which would have at least made the documented actual payment correct.

Conclusions

59. Mr Jull, as the minister responsible for tabling the report, was ultimately accountable for its content even though he could have reasonably expected MAPS and his office to have conducted thorough checks to ensure its accuracy and consistency.

60. In discharging their responsibilities to their minister it would be reasonable to expect Mr Jull's staff and MAPS to ensure the accuracy of material prepared on his behalf. In this respect the ANAO found that headings of the report were not consistent with the content of individual schedules and had the potential to mislead readers.

61. The lack of documentation in MAPS regarding important policy advice provided to the minister's office made it difficult to confirm that there was proper transparency and accountability for decisions that were made. There is a need for sound records management policies and procedures within MAPS.

Objective 4 - whether Mr Sharp and Mr Jull and/or their respective offices acted appropriately to ensure due process was followed

The ANAO included in its definition of due process consideration of proper process and due care.

Mr Sharp and his office

62. Mr Sharp submitted his original claims for travel allowance within established procedures. However, he is considered not to have taken due care in that in a number of instances he incorrectly certified that he was entitled to travel allowance. Further, there were no established procedures for ministers to submit revised claims.

63. Mr Sharp's office is also not considered to have taken due care in ensuring that it provided effective administrative support to Mr Sharp in the certification and verification of travel claims, invoices and management reports.

64. The ANAO found no evidence that Mr Sharp and his office played any role in the preparation and tabling of the report, Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 - 3 March 1997, tabled in the House of Representatives on 29 May 1997, apart from providing a schedule of revised travel allowance claims.

Mr Jull and his office

65. The ANAO found that neither Mr Jull nor his office had any direct role in the processing of Mr Sharp's travel claims.

66. Mr Jull, as the Minister responsible, tabled a report which was not accurate or internally consistent. The report provided incorrect information and was therefore open to misinterpretation with respect to Mr Sharp's claims. In contrast to information provided in annotations shown for certain other former ministers and office holders, no explanation was provided for the variations made to Mr Sharp's schedule.

67. Mr Jull's office is considered not to have taken due care in the preparation of the report to Parliament. In discharging their responsibilities to their minister it would be reasonable to expect Mr Jull's staff to ensure the accuracy and consistency of material prepared on his behalf.

Recommendations

Recommendation No 1

Para. 2.107

The ANAO recommends that, in order to minimise the risk of incorrect claims being made, the Department of Finance and Administration review the Ministerial Entitlement Guidelines to provide additional guidance to ministers to:

- clarify terms and definitions including clear guidance on their entitlement to publicly funded travel;
- include suggestions on appropriate records to be kept by ministers; and
- include a time-frame for submission of travel allowance claims.

DOFA response: Agree.

Recommendation No 2

Para. 2.109

The ANAO recommends that the Department of Finance and Administration formally identify, document and address the risks of overpayment inherent in MAPS processing system through a risk management review. In particular to ensure that:

- MAPS establishes and maintains an effective control environment;
- MAPS identifies a system of controls to minimise the risk of paying claims which cannot be substantiated; and
- MAPS delivers effective training in payment processes to relevant staff.

DOFA response: Agree.

Recommendation No 3
Para. 2.111 The ANAO recommends that the Department of Finance and Administration strengthen certification procedures by ministers and subsequent verification for all travel expenditure that they incur.

DOFA response: Agree.

Recommendation No 4
Para. 2.113 The ANAO recommends that the Department of Finance and Administration establish sound records management policies and procedures within MAPS.

DOFA response: Agree.

Audit Findings and Conclusions

MR SHARP'S TRAVEL CLAIMS

This chapter describes the ministerial travel entitlements available and the ANAO analysis of Mr Sharp's original and revised travel claims for the period 11 March to 18 December 1996. It also provides findings and conclusions against audit objective 1: whether the travel claims of Mr Sharp were made in accordance with established procedures.

Legislative basis of ministerial entitlements

1.1 Ministers' entitlements are determined by decisions of Government and the Remuneration Tribunal and are provided for in the following legislation:

- *Members of Parliament (Staff) Act 1984;*
- *Ministers of State Act 1952;*
- *Parliamentary Entitlements Act 1990;*
- *Remuneration and Allowances Act 1990;*

- *Remuneration Tribunal Act 1973*;
- *Parliamentary Allowances Act 1952*;
- *Parliamentary Contributory Superannuation Act 1948*; and
- *Parliamentary Precincts Act 1988*.

Ministerial travel entitlements³

1.2 Ministers are provided with a range of entitlements, many of them in addition to the entitlements of a backbench Member or Senator. The following summary of ministerial travel entitlements is relevant to this audit:

- Ministers and their spouses are entitled to first class travel on official business within Australia on scheduled commercial services.
- Ministers and their spouses⁴ are entitled to use car transport for official purposes anywhere in Australia. Ministers may use a COMCAR⁵ with driver or a chauffeur-driven hire car. They also have access to self-drive hire cars booked through DASFLEET and taxis. In Canberra a private-plated DASFLEET vehicle may be used as an alternative to COMCAR.⁶
- The minister's portfolio department is responsible for meeting the cost of official car transport including a private-plated car in Canberra. In Mr Sharp's case it was met by the Department of Transport and Regional Development (DoTRD). The cost of a private-plated vehicle in his electorate was met by DAS.
- Ministers may use charter aircraft for their personal transport in connection with their ministerial duties in circumstances where scheduled services are not available, or where the use of scheduled services would not enable the minister to keep an official commitment.

1.3 A complete outline of ministerial entitlements showing the division of responsibility between departments is provided in Appendix 1.

³ The following information on ministerial travel entitlements and travel allowance is taken largely from *Ministers of State Entitlements*, March 1996, a guide published by MAPS and provided to Ministers.

⁴ A 'spouse' is defined as including a person who is living with the minister on a genuine domestic basis although not legally married to the Minister.

⁵ COMCAR, managed by DAS, provides car-with-driver services for Government leaders, Parliamentarians and dignitaries.

⁶ Ministers requiring a car on a long-term basis in Canberra may be provided with a private plated, self-drive car with access to COMCAR as required. Entitlement to a self-drive car does not negate the Minister's entitlement to COMCAR when appropriate.

Ministerial travel allowances

1.4 A minister is entitled to be paid travel allowance for each overnight stay in a place other than his or her home base when that stay is occasioned by official business.

1.5 Official business can be ministerial, parliamentary, or parliamentary party business. It has not been formally defined by the Remuneration Tribunal but may include⁷:

- sittings of the House of Parliament, or direct travel to or from such sittings;
- official business as a minister;
- meetings of, or the formal business of, parliamentary committees of which he or she is a member, or direct travel to or from such meetings;
- meetings in Canberra of his or her parliamentary political party, of its executive or one of its committees, or direct travel to or from such meetings;
- meetings of his or her parliamentary political party executive in a capital city or direct travel to or from such meetings; or
- meetings, other than in Canberra, of a committee or committees of a parliamentary political party of which he or she is a member up to a maximum of seven overnight stays in total and direct travel to or from such a meeting.

1.6 The 'home base' of a minister is his or her principal place of residence nominated to the Minister for Administrative Services. If a minister is required to spend continuous periods in Canberra on official business,⁸ the 'home base' is the place of residence which the minister maintains and to which he or she would ordinarily return if not required to spend continuous periods in Canberra on official business.⁹

1.7 Travel allowances are paid at varying rates for locations of overnight stays. The rates are determined annually by the Remuneration Tribunal.

⁷ Remuneration Tribunal 1996 Decisions and Reports. P.19.

⁸ It has been a long standing practice for a minister who is in Canberra for extended periods on official business and who maintains a residence in Canberra, but whose principal place of residence is located in his or her home State, to only claim travel allowance for weekdays spent in Canberra.

⁹ Remuneration Tribunal 1996 Decisions and Reports. P.17.

Certification of ministerial travel allowance claims

1.8 The system for processing ministerial travel allowance relies on certification by the minister that he or she is entitled to the claim; checking by ministers of their monthly management reports of expenditure; and annual certification by ministers of expenditure itemised in monthly reports.

1.9 Ministers are required to submit claims for travel allowance on an *Application for Travelling Allowance* form which requires details of the minister's nominated place of residence or 'home base', dates of travel and place of each overnight stay. The *Application for Travelling Allowance* form is reproduced at Appendix 2.

1.10 The minister is required to sign the following certification on the application:

I wish to claim for travelling allowance listed above. I certify that the absences from my nominated home base as claimed were in accordance with the criteria specified in the relevant Remuneration Tribunal determination relating to travelling allowance payments for Ministers of State and Office Holders.

1.11 Ministers, along with members and senators, are expected to review their records of expenditure on a monthly basis and to advise MAPS of any discrepancies. A monthly management report, provided by MAPS, includes details of their entitlement to, and expenditure on travel, including travel allowance, associated transport costs (including charter flights), staff (salaries, overtime and travel), and on their office and communications costs. The information in the monthly report includes data provided to MAPS by the minister and his or her office by way of claims or invoices. The accuracy of the report is, in turn, governed by the accuracy and timeliness of the data input.

1.12 In addition, an annual management report on their expenditure for the full financial year is forwarded each year to all parliamentarians including ministers. An accompanying letter requests:

I should be most grateful if you would examine them, and, if accurate, sign the certification form and return them to this office as soon as possible. If you have any queries please contact your Client Services Manager.

1.13 The ANAO notes that, despite expectations by MAPS to the contrary, the provision of monthly management reports does not necessarily ensure that ministers review their expenditure on a monthly basis. There was no evidence to indicate whether or not Mr Sharp would have revised his travel allowance claims without the request from MAPS to ensure that details to be tabled in Parliament were correct.

1.14 The system of certification of travel claims is discussed further in paragraphs 2.71 to 2.78.

Mr Sharp's travel allowance claims

1.15 In order to verify the accuracy of Mr Sharp's revisions to his original claims for travel allowance, the ANAO used information made available to it from four sources:

- from Mr Sharp's office: Mr Sharp's 1996 diary¹⁰; COMCAR accounts and monthly frequent flyer statements for the period;
- from MAPS: Mr Sharp's initial and revised travel allowance applications; COMCAR and DASFLEET records; and commercial airline and charter flight accounts for the period;
- from DoTRD (Mr Sharp's portfolio department): mobile phone and charter flight accounts for the period; and
- from Department of Prime Minister and Cabinet and Attorney-General's Department: weekly itineraries produced by Mr Sharp's office, updated with changes as they occurred, often on a daily basis.

1.16 Mr Sharp advised the ANAO:

it has been suggested that my weekly itineraries, updated as they may have been, were a record of what I did and where I went....they were not. They were only in the nature of a record of prospective appointments and movements. Changes were not always effected.

1.17 The ANAO recognises that each of the data sources used in its analysis, e.g. diary, COMCAR records, itineraries, by themselves, are no guarantee of Mr Sharp's overnight location. In addition, the ANAO recognises that records such as diaries, if not amended, can record

¹⁰ Mr Sharp advised the ANAO that his diary was "in effect a prospective appointments diary, and was never intended to be a record of what I actually did or where I actually was at any time."

prospective rather than actual movements. Nevertheless, taken together, such secondary sources provided reasonable assurance of Mr Sharp's location at the time.

1.18 The ANAO examined both Mr Sharp's original and revised claims and sought to verify whether, in all instances where Mr Sharp had claimed travel allowance, he was absent from his nominated home base on official business in accordance with the criteria specified by the Remuneration Tribunal determination.

1.19 Although entries in Mr Sharp's diary were often abbreviated, generally the ANAO confirmed that Mr Sharp travelled to the locations away from his home base on official business. Those instances where Mr Sharp had made claims for charter flights and it was not clear to the ANAO from Mr Sharp's travel records that he was on official business are discussed in paragraphs 1.44 and 1.46.

Mr Sharp's travel arrangements

1.20 The audit examined Mr Sharp's travel claims in the period 11 March 1996 to 18 December 1996, his first nine months as Minister for Transport and Regional Development. During this period Mr Sharp had two official cars, one in his electorate and one for use in Canberra for official purposes. He used COMCAR cars and drivers, particularly for travel to and from Parliament House, for some movements around Canberra and for ground transport on travel interstate. Mr Sharp also used hire cars and taxis on occasion, and both commercial and charter aircraft.

Mr Sharp's original travel allowance claims

1.21 Mr Sharp initially claimed travel allowance for 144 nights between 11 March to 18 December 1996 for a total value of \$29 205.

Mr Sharp's revised claim for travel allowance

1.22 Following a letter from MAPS, advising him that details of travel claims for ministers and office holders for the period 1 January 1992 to 3 March 1997 would be tabled in the House of Representatives, Mr Sharp submitted a revised claim for travel allowance on 27 May 1997. The letter had requested him to advise MAPS urgently if any corrections were required.

1.23 Mr Sharp advised that he instructed his staff to check the material provided by MAPS in regard to his travel claims and that following that analysis his revised travel claim was submitted.

1.24 Mr Sharp's revised application for the period claimed travel allowance for 97 nights at a total value of \$20 465. The revised application contained 53 amendments which amounted to a variation rate of 37 per cent of the claims originally submitted. These changes comprised of:

- 49 nights deleted from the original claims. As noted in paragraphs 1.26 to 1.28 below, the ANAO analysis of information available at the time, confirmed that on 43 of these 49 nights Mr Sharp had returned to his home base;
- amendments to two overnight locations - one Melbourne, the other Sydney - to claim, respectively, one overnight stay in Perth and one in Taree. These amendments were confirmed as accurate by the ANAO analysis; and
- travel allowance for an additional two nights not previously claimed. His overnight stays at these locations, on these dates, were confirmed by the ANAO analysis as accurate.

1.25 Table 1 provides a summary of amendments made in Mr Sharp's revised claim. There was a net reduction of 47 in the number of nights claimed.

**Table 1:
Summary of amendments in Mr Sharp's revised application**

Amendment	Number of nights	Amount returned (\$)
Deletion of nights from original application	49	9 050
Revision of location claimed in original application (no impact on total nights claimed)	2	155
Additional nights not claimed in original application	2	(465)
Total amendments:	53	\$8 740

Source: ANAO analysis

1.26 The ANAO analysis found that there were 45 instances in his original claim (31 per cent) where Mr Sharp inaccurately certified his overnight location. In 43 instances (30 per cent) his travel records verified that he had returned to his home base for an aggregate cost of \$7 985. On the other two nights his original claims had indicated the wrong overnight location with a net variation in the cost of \$155.

1.27 The available records were insufficient to confirm Mr Sharp's overnight location on six instances where he claimed travel allowance in his original claim and subsequently disclaimed them.

1.28 However, from the data available, the ANAO was able to confirm Mr Sharp's overnight location for all but one night included in the revised claim. Mr Sharp subsequently provided additional details to confirm his location for that night.

1.29 Table 2 compares Mr Sharp's initial and revised claims, including the travel allowance entitlement per night for each location, with the number of nights and total travel allowance claimed at each location on both his initial and revised claims.

Table 2
Comparison of original and revised claims made by Mr Sharp

Location	Allowance per night (\$)	Original claims		Revised claims	
		Nights claimed	Amount claimed (\$)	Nights claimed	Amount claimed (\$)
Canberra	145	93	13 485	57	8 265
Sydney	320	38	12 160	27	8 640
Melbourne	320	4	1 280	3	960
Darwin	320	1	320	1	320
Darwin ¹¹	330	2	660	2	660
Perth	320	2	640	3	960
Taree	165	2	330	3	495
Coolangatta	165	1	165	1	165

¹¹ Allowances paid for these two nights in Darwin include \$10 per night spouse allowance.

Murwillumbah	165	1	165	nil	nil
Total		144 nights	\$29 205	97 nights	\$20 465

Source: ANAO analysis

Summary of original and revised travel allowance claims

1.30 Table 3 provides an overview, in a calendar format, of the whole period of the initial and revised travel claims under review, together with the ANAO analysis of the validity of each claim.

Mr Sharp's second revised travel allowance claims

1.31 On 24 November 1997, after receiving a copy of the ANAO's draft audit report, Mr Sharp advised the ANAO that:

as a result of a close examination of my travel details during the period in question I have discovered a number of additional corrections to both my revised and original claims. These relate to claims that originally were made and subsequently removed and days that had been completely overlooked. In all they amount to twenty days.

1.32 The twenty new revisions to Mr Sharp's travel claims amounted to a net increase of \$3 335. Six of these nights had been included in the original claim and had been subsequently disclaimed in the revised claim. Four of these nights were among the six instances where the ANAO analysis had been unable to confirm Mr Sharp's overnight location. (see paragraph 1.27).

1.33 The ANAO noted that three of the six dates in the second revised claim which had been included in the original claim, and had been subsequently disclaimed, were the subject of ANAO queries during the audit, as to whether charter flights on those days were within entitlement. Mr Sharp's second revised travel allowance claim increased the variation rate in his travel allowance claims for the period under review.

Submission of original travel allowance claims

1.34 Mr Sharp's original travel allowance claim was submitted to MAPS in two parts. The first, for the period including 11 March 1996 to 27 June 1996, was certified by Mr Sharp on 26 June 1996, and claimed travel allowance for 62 nights for a total of \$11 130. The second, for the

period 2 July 1996 to 18 December 1996, was certified by Mr Sharp on 19 January 1996 (*sic*), and claimed travel allowance for 82 nights for a total of \$18 075. The claims were submitted on the correct forms and certified by Mr Sharp in accordance with established procedures.

1.35 MAPS advised the ANAO that it is not unusual for claims to be made well after the event and that the delay in Mr Sharp's submission of claims was not unusual. MAPS Guidelines did not require ministers to submit their claims for travel allowance within any specific time-frame nor do MAPS' monthly statements to parliamentarians include advice or reminders on outstanding claims.

1.36 In an interview with the ABC's *7.30 Report* on Wednesday, 24 September 1997, Mr Sharp stated that he failed to make claims for months at a time, in some cases six, sometimes even twelve months. He said that in this case, when he got into difficulty, he was preparing the claim in January whilst on leave. He did not have a hard copy of his diary with him and depended on memory to a great extent.

1.37 The ANAO noted that Mr Sharp made only two travel allowance claims over the nine month period under review. The delay in submitting claims could have added to the difficulty he had in recollecting events at a point up to six months preceding the claim. The ANAO noted, however, that in his original claim certified on 26 June 1996, Mr Sharp claimed travel allowance for the dates of June 4, 7, 11, 20 and 23, which he subsequently disclaimed.

1.38 Other data was available to Mr Sharp to help him verify his travel claims. This included diary records, air bookings and COMCAR bookings. According to DOFA, Mr Sharp would also have had access to his monthly reports which provided full details of those occasions on which he used air and car travel at Commonwealth expense. The ANAO notes that Mr Sharp also had the benefit of his electorate and ministerial office staff. Mr Sharp could therefore have used these resources to help him to complete the claim form and certify to its correctness.

Mr Sharp's processing of his travel allowance claims

1.39 Mr Sharp's office advised the ANAO that the minister had indicated to them that he preferred to prepare his own travel allowance claims, as he had done while a backbencher. For this reason his staff did not put processes in place to assist him. However, they were inevitably involved in the process from time to time and at least had a duty of care.

1.40 Mr Sharp's revised travel allowance claims were prepared by his office at his request, his staff cross referencing his original claims against data held in the office (in particular diary entries and COMCAR records).

1.41 While the revised claim indicated that there was a high rate of variation in his revised claims for the period under review, Mr Sharp did not institute a review of the travel allowance claims he had made in earlier periods, nor did he review his associated travel costs for air fares, air charters, COMCAR or taxis, paid for by the Commonwealth, on those dates when he had disclaimed travel allowance.

Associated transport costs

1.42 The ANAO reviewed Mr Sharp's associated transport costs such as charter flight and COMCAR costs incurred on the days for which he submitted revised travel allowance claims and on occasions when it was not clear to the ANAO from Mr Sharp's travel records whether the flights were associated with official business. Mr Sharp's daily log of activities, as reported in his diary and in itineraries provided by his office to other agencies, were compared with the monthly management reports provided to him by MAPS for the period to 30 June 1997.

1.43 Mr Sharp's associated transport costs on the dates where he had disclaimed travel allowance were mainly for official travel by COMCAR to or from parliamentary sittings and his home base in Goulburn, to which he was entitled.

1.44 The ANAO analysis identified charter flights to the value of approximately \$6 000 taken by Mr Sharp during the period 16 April 1996 to 26 April 1996 where it was not clear to the ANAO from his travel records that these flights were associated with official business. The ANAO sought information from Mr Sharp to substantiate these claims. Mr Sharp advised that the charter flights in question were undertaken for official purposes relating to ministerial or electoral matters although he informed the ANAO that on a number of occasions he took advantage of the travel for private purposes to visit his father who was terminally ill.

1.45 Mr Sharp also indicated that there were errors in MAPS' records. ANAO analysis found that MAPS had paid for two charter flights during the period, valued at \$1 300, which Mr Sharp advised, to the best of his recollection, he had neither arranged nor taken. His office had forwarded the invoices to MAPS for payment without amendment and

consequently the Commonwealth had expended funds for services which may not have been provided. This matter is discussed in paragraphs 2.48 to 2.53.

1.46 DOFA advised:

Mr Sharp was provided with details of his charter expenditure on a monthly basis and was also given the opportunity to comment on consolidated records in the context of a consultation process relating to the FOI release of information on National Party Ministers travel. Mr Sharp advised several errors in our coding of the destination of charter flights (which had not been picked up previously) and which had no impact on the cost of travel.

Findings and conclusions

Findings

1.47 The ANAO found that the onus to certify the accuracy of his travel allowance claims was Mr Sharp's alone. Mr Sharp's revised claim included 53 amendments to the 144 travel allowance claims made in his original travel allowance claims for the period 11 March to 18 December 1996.

1.48 Although there is no requirement on ministers to submit claims for travel allowance within a specified timeframe, the ANAO noted that Mr Sharp made only two claims over the nine month period. This could have increased the risk of error due to the elapsed time between the date of the travel and preparation of the claim.

1.49 Furthermore, in preparing his travel allowance claims, Mr Sharp has stated that "he depended on memory to a great extent". Mr Sharp initially certified that his claims were correct, apparently without adequate reference to his diary and other records maintained in his office which provided a more accurate record of his movements. The ANAO found that he certified his travel allowance claims when he could not be certain that they were accurate.

1.50 Following a request by MAPS to review his travel allowance claims, Mr Sharp identified a number of inaccuracies in his original claim. This was done prior to the tabling of the report in Parliament. Subsequent to identifying these inaccuracies, Mr Sharp volunteered to make repayments for those he did not consider valid.

1.51 The ANAO found that Mr Sharp did not use the significant rate of variation in his revised travel allowance claim to review his associated transport costs, such as charter flights, on those dates when he had disclaimed travel allowance. On certain of those dates, Mr Sharp had taken charter flights paid for by the Commonwealth and it was not clear from his travel records that these flights were associated with official business. Mr Sharp subsequently advised the ANAO that the charter flights in question were undertaken for official purposes relating to ministerial or electoral matters.

1.52 Mr Sharp also indicated that there were errors in MAPS' records, for example, MAPS had paid for two charter flights in this period valued at \$1 300, which he advised that, to the best of his recollection, he had neither arranged nor taken. The ANAO found that his office had forwarded the invoices for these flights to MAPS as correct for payment and that consequently the Commonwealth had expended funds for services which it seems had not been provided.

1.53 On 24 November 1997, Mr Sharp advised the Auditor-General of a further twenty revisions to his travel allowance claims for the period to the value of \$3 335. Fourteen of these related to new claims which Mr Sharp had previously overlooked, and six had been claimed originally and disclaimed on 27 May 1997.

Conclusions

1.54 The audit identified weaknesses associated with Mr Sharp's certification of travel claims. Although Mr Sharp submitted his original claims for travel allowance within established procedures, in a number of instances he incorrectly certified that he was entitled to travel allowance. He subsequently submitted a revised claim to rectify these errors and repaid the amount he had been overpaid.

1.55 In the ANAO's view, the variation rate of 37 per cent in Mr Sharp's first revised travel allowance claim is significant. This and subsequent revisions of travel claims covering the same period are not consistent with sound administrative practice. From a risk management perspective it would be prudent, and good practice, for any person experiencing such a high variation rate to also review other claims for accuracy as a matter of course.

1.56 The ANAO notes that, despite expectations by MAPS to the contrary, the provision of monthly management reports does not

necessarily ensure that ministers review their expenditure on a monthly basis.

1.57 The ANAO considers that, before certifying their travel claims, ministers should ensure that they are accurate. To assist, they should utilise reliable record management systems and require that their staff have sufficient training to provide them with efficient backup and support. It is also considered that DOFA should include in their advice to ministers that they retain their travel records for audit purposes.

DEPARTMENT OF ADMINISTRATIVE SERVICES

This chapter outlines the administrative processes undertaken by the Department of Administrative Services in relation to travel claims by Mr Sharp for the period 11 March 1996 - 18 December 1996. It provides findings and conclusions against audit objective 2: whether it processed Mr Sharp's amended return for travel claims in accordance with established procedures, and the effectiveness of administration of ministerial travel claims by DAS' Ministerial and Parliamentary Services Division.

Ministerial and Parliamentary Services Division

1.58 Administration and payment of ministers' travel claims during the period under review was the responsibility of the Ministerial and Parliamentary Services Division (MAPS) of DAS. From 9 October 1997, with the abolition of the DAS, MAPS and its functions were transferred to the Department of Finance and Administration (DOFA).

MAPS resources

1.59 MAPS total outlays for 1996-97 was \$176.6 million, excluding COMCAR, but including Ministers' salaries of \$1.6m, and allowances of \$1.3m. MAPS budgeted total outlays for 1997-98 are \$176.7m, excluding COMCAR, but including ministers' salaries of \$1.6m, and allowances of \$1.3m.

1.60 MAPS employed the full time equivalent of 92 staff in 1996-97 with most staff located in the ACT. Running costs of MAPS were \$7.2 million in 1996-97 and estimated at \$8.5 million in 1997-98.

Reviews of DAS' administration of parliamentary entitlements

Previous audit coverage

1.61 Audit matters related to this subject were previously addressed by ANAO Audit Report No. 34, 1990-91, *Services provided to Members of Parliament and their Staff*, which examined the administration of members' entitlements in the context of the Audit Act and Finance Regulations and Directions. The audit reviewed the administrative framework of the then Parliamentary and Ministerial Services Branch of DAS.

1.62 The key findings of this previous audit were:

- the existing legislation and administrative framework made it impracticable for certifying officers to establish that expenditure on certain entitlements was in accordance with legislative requirements;
- alternative administrative arrangements should be introduced to ensure that the test of 'efficient and effective use of public moneys' was applied to parliamentarians' expenditure;
- there was a case for enhanced public reporting arrangements to provide more information on the level and type of expenditures by parliamentarians;
- guidelines should be developed to define more clearly the conditions for the payment of entitlements;
- improved procedures were needed to ensure that supplies and services had been received;
- the provision of information to parliamentarians should be improved to assist them to manage their resources;
- controls over electorate staff travel should be strengthened; and
- procedures for the recovery of expenditure from parliamentarians should be formalised.

1.63 The audit made ten recommendations, DAS agreed to action each of them.

1.64 In accordance with long standing convention, the minister responsible for an agency which has been the subject of an ANAO audit, provides the Minister for Finance with regular reports on progress in implementing ANAO audit report recommendations.

1.65 Since June 1991, the Minister for Administrative Services has forwarded twenty-two reports to the Minister for Finance on DAS' progress in implementing the recommendations of Report No 34. Based on this advice, the Department of Finance (DoF) considered that satisfactory progress had been made on all recommendations.

1.66 In September 1995, DAS' Performance Review and Audit Division reviewed the implementation of Report No. 34. The report concluded that five of the ten recommendations had been implemented and five partially implemented.

1.67 A number of issues addressed in Report No. 34's recommendations were found to be still relevant to this audit. They are discussed in more detail in Paragraphs 2.61 to 2.73.

Other reviews of MAPS

1.68 The ANAO noted that there had been a number of recent reviews of MAPS, including:

- In 1994-95, a firm of management consultants reviewed the management and organisation of MAPS. Their final report, in February 1995, found that MAPS' organisational structure was fragmented and unbalanced and its management arrangements flawed. The consultants considered that a more wide-ranging review should be initiated into the current concept of entitlements. Their report noted that much of the work of MAPS was in interpreting and administering a complex set of entitlements, that in travel alone MAPS managed thirty-six categories of travel entitlement. It noted that for the most part MAPS did not look behind expenditure to ensure that funds were expended lawfully.
- On 5 March 1997 the then Minister for Administrative Services, Mr Jull announced to the House of Representatives that KPMG had been retained to provide advice on the administration of Parliamentarians' entitlements through DAS, with particular emphasis on arrangements for further enhancing accountability procedures.
- KPMG's report, *Review of Administration of Members' and Senators' Entitlements*, completed in June 1997, recommended that a single, centralised remuneration, allowances and entitlements system be

established, administered by DAS, with Parliamentary Departments responsible only for providing advice to members and senators about their entitlements, not for administering the payments system. The report anticipated that a centralised system would facilitate the tightening of primary checking controls to detect non-compliance. The system could include secondary controls, such as identifying excessive and/or unusual expenditure, and would enable regular and frequent compliance and benchmarking checks to be made.

- In August 1997 Coopers and Lybrand completed the first volume of a report on MAPS administrative and IT systems which support the production of monthly management reports for senators and members. The report, *Parliamentary Entitlements Processing Review*, recommended improvements in MAPS' system of recording, managing and reporting entitlement usage, particularly in relation to data integrity. It recommended upgrading the IT infrastructure underpinning the MAPS system with a new purpose-designed system.

Other current reviews of parliamentary travel entitlements

1.69 KPMG has recently completed, in their role as internal auditor to the Departments of the House of Representatives and the Senate, a data-matching exercise to identify for 1995-96, instances where travel allowances paid to members, former members, senators and former senators mismatched with records held by the former Department of Administrative Services. KPMG is currently completing a similar project for 1996-97.

1.70 KPMG reviewed 9 357 travel allowance records for members and former members and 5 624 for senators and former senators.

1.71 Initial data matching resulted in 357 or 3.8 per cent of the 9 357 records for members and former members, and 124 or 2.2 per cent of records of senators and former senators, requiring further follow-up and reconciliation.

1.72 At the date of their progress report, KPMG had reconciled 339 (95 per cent of the 357) records for members and former members and 105 (85 per cent of the 124) for senators and former senators.

1.73 KPMG found errors in a total of 187 of the 14 981 travel allowance claims. These included both under and overpayments which were a result of errors in claiming or processing a claim. At the date of

the progress reports, the net recovery from the review across both departments is expected to be \$18 595.

1.74 On 1 October 1997 the Prime Minister wrote to the Remuneration Tribunal requesting that it review the travel allowance arrangements for members of Parliament. The Tribunal forwarded its report, *The Fundamental Design and Administration of Travelling Allowance for Members of Parliament*, on 29 October 1997. The Prime Minister has indicated that the Remuneration Tribunal's report would be "the subject of a very detailed examination by Government."

MAPS processing of ministerial travel claims

Overview of legislative provisions

1.75 The *Audit Act 1901*, together with the associated Finance Regulations and Directions, outline the legislative framework for the administration of public moneys. They also impose formal responsibility on the heads of agencies to maintain appropriate administrative arrangements and internal control mechanisms for implementing the provisions of the Audit Act and related legislation.¹²

1.76 The key legislative provisions covering the approval and certification for the expenditure of public moneys are:

- Finance Regulation 44, which outlines the approval processes to be followed prior to approving or committing the expenditure of public moneys;
- Finance Direction 8D of the Finance Directions in effect requires the satisfactory performance of services or the delivery of supplies before payment; and
- Section 34 of the Audit Act, together with Finance Regulations 45 or 45A, which require certifying and authorising officers to ensure that public moneys are spent lawfully.

Meeting the requirements of the legislative provisions

1.77 MAPS' system for processing of ministerial travel allowances addresses the requirements of the legislative provisions as follows:

¹² Refer para 2.1.1, Audit Report No 34, 1990-91, Department of Administrative Services, *Services provided to Members of Parliament and their Staff*.

- Ministers have a statutory entitlement to travel allowance arising from the Remuneration Tribunal Act and determinations made under that Act. The Remuneration Tribunal determination sets an entitlement for ministers to claim against when travelling and no further delegated approval to expend funds in satisfaction of the travel allowance claim is required under Finance Regulation 44.
- The Minister's certification on his or her *Application for Travelling Allowance* claim is intended to satisfy the provisions of Finance Direction 8D. The minister indicates by his or her certification that "the absences from my nominated 'home base' on the days listed were in accordance with the criteria specified for ministers of state in the relevant Remuneration Tribunal Determination". The certification serves as notification of satisfactory performance of services for the purposes of the Finance Direction, that is, the minister was absent from his or her home base on the nominated days. Together, the certification and approval under the Remuneration Tribunal determination indicates to the certifying officer in MAPS that the claim has been duly approved and the entitlement due.
- The certifying officer may certify the claim under either Finance Regulation 45 or 45A. If certifying under Finance Regulation 45, the provisions are clear that the certifying officer, before certifying that payment may be made, must:
 - “45(a) ensure that the claim:
 - i. is correct as to amount;
 - ii. is for expenditure that has been duly approved;
 - iii. is made out in the name of a person or authority to whom payment may be made in accordance with regulation 68;
 - iv. has not been previously paid; and
 - v. identifies the head of expenditure to which the amount is chargeable.”

1.78 In the case of ministerial travel allowances, the certifying officer relies on the minister's statutory entitlement arising from the Remuneration Tribunal determination to meet requirement (a)(ii), that is, that the claim has been duly approved. He/she must satisfy himself or herself, through MAPS' internal control system, on (a)(iii), that the claim is made out in the name of a person or authority to whom payment may be made, and (a)(iv), that the claim has not been previously paid. The minister's certification also provides evidence for the MAPS certifying

officer to indicate that the claim is correct as to the period of travel which forms the basis for calculating the amount due.

1.79 Finance Regulation 45A only applies in particular circumstances, for example if the claim was under \$1 000 or where payment is made from one Department to another. If the provisions of Finance Regulation 45A are used for the purposes of certification, it reduces the certifying officer's required checks to ensuring that:

“45A (2)

- (a) the expenditure has been duly approved; and
- (b) is supported by a claim that identifies the head of expenditure to which the payment is chargeable.”

1.80 The role of the authorising officer is defined in Section 34 of the Audit Act and in Division 2 of the Finance Regulations. In summary, the authorising officer, before authorising a payment, is required to ensure that:

- moneys are lawfully available for the payment; and
- the certifying officer, that is, an officer appointed in writing by the Minister for Finance, has indicated that the payment may properly be made.

Processing of original travel allowance claims

1.81 Figure 1 shows the system in place in MAPS in May 1997 for processing ministerial travel allowance claims.

1.82 Mr Sharp's original travel allowance claims were submitted in two batches. The ANAO reviewed the processing of the original claims by MAPS against the legislative requirements outlined above. The first batch of claims, certified by Mr Sharp on 26 June 1996, was certified and authorised by MAPS officers with appropriate delegated powers. Payment of \$11 130 was made by cheque to Mr Sharp on 8 July 1996. The ANAO confirmed that the payment accorded with the travel allowance claim submitted by Mr Sharp. The second batch of claims, certified by Mr Sharp on 19 January 1997, was certified and authorised for payment by MAPS officers who, in this case, did not hold the appropriate delegated powers to do so. Payment of \$18 075 for the second batch of claims was made by way of direct credit on 31 January 1997. The ANAO confirmed that the payment accorded with the claims submitted by Mr Sharp.

Processing of revised claims of 27 May 1997

1.83 On 27 May 1997, following a letter from MAPS asking ministers to review the details of their travel allowance to be tabled in Parliament, MAPS received a letter faxed from Mr Sharp's office with a schedule of revised claims for the period 11 March 1996 to 18 December 1996. The revised claims were not set out on an application for travel allowance form and were not signed or certified by Mr Sharp. Mr Sharp and his office advised the ANAO that he had signed a covering letter to MAPS explaining the source of the discrepancies. A copy of this letter was not able to be located.

1.84 Mr Sharp's revised claims, which totalled \$20 465, as against his original claims, which amounted to \$29 205, were forwarded to MAPS on 27 May 1997. The schedule of his revised claims, under cover of a second covering letter from Mr Sharp's Senior Adviser, without formal certification by the minister, apparently served MAPS as the minister's "revised claim."

1.85 The ANAO found that there were no formally established procedures for processing revised travel allowance claims by ministers or for notifying them of amounts to be refunded. The two additional claims made in Mr Sharp's revised schedule were not processed by MAPS in accordance with the normal procedures and controls applicable to new claims, for example, requiring a certification from the minister. Instead MAPS accepted Mr Sharp's cheque as full payment of the difference between the two new claims for travel allowance and the 49 instances of travel allowance disclaimed in the revised schedule which had been previously paid to Mr Sharp.

1.86 Although Mr Sharp's revised claim represented a significant variation, with 34 per cent of his original claim disclaimed, MAPS did not take this as a trigger to check the accuracy of the revised claim or of any previous claims. The ANAO noted that the rate of original claims disclaimed was high, particularly against the error rate established by KPMG in relation to all parliamentary claims (see paragraph 2.16).

1.87 A former MAPS officer advised the ANAO that MAPS did not re-examine Mr Sharp's claims for a number of reasons. Mr Sharp had identified and volunteered the amendments and repayment; it had not been standard practice for such revised claims to be put to further examination; checks of this kind are extremely time intensive and MAPS was not staffed to readily undertake them; there was insufficient time for such checking to be done and the requirements for tabling the report to

Parliament on travel allowance payments on 29 May 1997 to be completed (as discussed in Chapter 3); and in view of the minister's office's decision to table Mr Sharp's amendments, such a course would have been incongruous and an irritation to his office. The ANAO was informed that there was nothing to suggest to MAPS that there was any impropriety by Mr Sharp.

1.88 Mr Sharp's then senior and assistant advisers advised the ANAO that they had discussed with MAPS the possibility of offsetting Mr Sharp's repayment of the \$8 740 against a new claim for \$10 490 covering the period February to May 1997 submitted at the same time. They recollect that a MAPS officer had said that this might be possible and that he would confirm how much, if any, Mr Sharp would be required to repay. For this reason a cheque was not drawn immediately. Mr Sharp subsequently went overseas and left a blank signed cheque awaiting confirmation from MAPS. In any event Mr Sharp's estimate of the amount of repayment due was not confirmed by MAPS processes.

1.89 Although the MAPS officer told the ANAO that he had advised Mr Sharp's staff that it was not possible to offset the repayment against the new claim, the ANAO was subsequently advised by MAPS that it was not unusual to offset an overpayment to a minister in one period by deducting it from a subsequent payment of his or her allowances.

1.90 MAPS advised the ANAO that Mr Sharp's office was advised verbally on 27 May of the amount of the refund and MAPS was advised by Mr Sharp's office that repayment would be immediately forthcoming, that is, it would be received before details were tabled in Parliament. MAPS advised the ANAO that Mr Jull's office had a similar understanding in relation to the timing of the repayment. In the event repayment was not received by the time of tabling. Following confirmation of the amount due Mr Sharp's office forwarded a cheque for \$8 740 which was received by MAPS on 13 June 1997.

1.91 Mr Sharp's revised claims, as presented in an unsigned schedule from his office, were used by MAPS to confirm the amount of overpaid travelling allowance. MAPS undertook no documented actions until such time as Mr Sharp's cheque for the amount of the overpayment was received. It should be noted that Mr Sharp took action to ensure the amount owing was repaid, including leaving a signed, blank cheque with his office when he went overseas.

1.92 The procedures used by MAPS in processing the overpayment were not in accord with established procedures. The refund of the cheque, when entered in the ledger, was contrary to Section 2AA of the Audit Act in that the net amount only was recorded in the ledger although it represented a refund of 49 claims netted against two new claims.

MAPS procedures for recovery of overpayments

1.93 While MAPS has provided the ANAO with documentation of its debt management strategy, the ANAO would have expected MAPS to have in place a debt identification and recovery system, similar to that in Figure 2, to have been applied in the recovery of overpayments of ministerial travel allowances. Figure 2 represents the basic elements of an overpayment recovery system.

1.94 The ANAO review of the departmental processes operating in the case of the overpayment of travel allowances to Mr Sharp indicated that, of the basic elements outlined above:

- the overpayment was identified in writing to MAPS staff on 27 May 1997;
- the quantum of overpayment was not subject to an exchange of correspondence between MAPS and the minister's office;
- there was no formal notification from MAPS to Mr Sharp as to the quantum of overpayment although MAPS informed the ANAO that it had verbally advised Mr Sharp's office of the amount owing;
- there was no recognition in MAPS' accounting records either of the amount owed to the Commonwealth for travel allowance paid to Mr Sharp which he subsequently disclaimed, or for transport costs paid for by the Commonwealth on those occasions when Mr Sharp had disclaimed travel allowance;
- the payment from Mr Sharp was not receipted in accordance with established procedures.¹³ Details of the cheque were entered in the remittance register by the executive assistant to the general manager of MAPS rather than by the responsible officers. No receipt number was evidenced in the remittance register to provide the necessary audit trail;

¹³ Finance Direction 31 requires Departmental Secretaries to issue procedures and directions to ensure that all mail remittances are properly safeguarded and brought to account.

- the monies remitted by Mr Sharp with his cheque of 11 June 1997 were identified only by an unsigned ‘with compliments’ slip from the minister’s office; and
- monies recovered from Mr Sharp were receipted by MAPS’ Collector of Public Monies on 13 June 1997 and paid into the Commonwealth Public Account.

1.95 The ANAO was advised by MAPS and DAS’ then Performance Review and Audit Branch that there were no procedures in place at the time of Mr Sharp’s revised claims for the recovery of overpayments from ministers. However, DOFA subsequently advised the ANAO that MAPS had formal procedures for the recovery of overpayments to Ministers but overpayments of the type made to Mr Sharp, that is, corrections identified by Ministers themselves and advised to MAPS, had never been regarded by MAPS as falling within these procedures.

1.96 There were no requirements for MAPS officers to re-examine travel costs associated with days for which travel allowance had been claimed and was subsequently disclaimed. Similarly, ministerial travel costs were paid without reference to travel allowance claims.

1.97 The ANAO endorses DOFA’s practices in reviewing ministers’ travel claims in order to verify their accuracy and considers there should be documented procedures for referral to the Minister for Finance and Administration for possible investigation by the Attorney-General’s Department where:

- there is evidence of false claims; or
- cross checking of ministerial travel claims indicates that there are significant inaccuracies and/or anomalies with other relevant travel data held by MAPS, and such anomalies involve overpayments which cannot be reconciled.

Payment of associated transport costs

1.98 As there were links between certain claims for travel allowance and other transport costs, the ANAO reviewed Mr Sharp’s associated transport costs on those dates where he had disclaimed travel allowance. His daily log of activities as reported in his diary and in itineraries provided by his office to other agencies were then compared with his monthly management reports supplied by MAPS.

1.99 His transport costs on those dates were mainly for travel within entitlement to and from parliamentary sittings and his home base in Goulburn. For this he used chauffeured cars provided by COMCAR.

1.100 The ANAO analysis identified several instances where Mr Sharp had used charter flights and where it was not clear from his travel records that they were for official purposes and were therefore available at Commonwealth expense. These instances involved charter flights undertaken in the period 16 April to 26 April 1996 to the value of approximately \$6 000.

1.101 The ANAO noted that MAPS had not taken action to identify or recover any possible overpayments of Mr Sharp's associated transport costs on those dates.

Use of charter flights

1.102 The *Ministers of State Entitlements Handbook (1996)* states:

Ministers may use charter aircraft for their personal transport in connection with their Ministerial duties in circumstances where scheduled services are not available or where the use of scheduled services would not enable the Minister to keep an official commitment.

1.103 Whereas backbenchers have a limit on their expenditure on charter aircraft¹⁴ based on the size of their electorate, ministers have unlimited access to charter flights for official business where scheduled services are not available or not timely.

1.104 The ANAO sought information from Mr Sharp to substantiate the claims. In November 1997 Mr Sharp advised that the charter flights in question were undertaken for official purposes relating to ministerial or electoral matters although he informed the ANAO that on a number of occasions he took advantage of the travel for private purposes to visit his father who was terminally ill.

1.105 Mr Sharp also indicated that there were a number of errors in MAPS' records, which if correct, would mean that the Commonwealth had expended funds for services not provided.

¹⁴ A determination of the Remuneration Tribunal.

1.106 The *Minister of State Entitlements Handbook* states on page 26 that:

arrangements should be made for the charter company to send the account direct to the office of the minister concerned so that the minister (or senior adviser on his or her behalf) can make the required certification that the services were provided and supply details of passenger names and organisations (where appropriate for recovery purposes). The account is then forwarded to the Division for payment and, where appropriate, cost recovery.

1.107 The ANAO noted that invoices and statements for Mr Sharp's charter flights were forwarded to MAPS (and in some cases to DoTRD) from Mr Sharp's electorate office, with a covering letter from his personal secretary requesting that payment be made.

1.108 The covering letters from Mr Sharp's office provided MAPS with certification, required under Finance Direction 8D of the Finance Directions, that the services had been provided before they made payment to the charter firms.

1.109 Mr Sharp drew the ANAO's attention to discrepancies between the MAPS records and his recollections of flights taken. In light of Mr Sharp's response, the ANAO analysis of the charter accounts paid for by MAPS for the period 16 April 1996 to 5 May 1996 noted some clear errors in dates and destinations.

1.110 Mr Sharp advised the ANAO that to the best of his recollection he had not arranged or taken flights on 21 April 1996 and 4 May 1996 to the value of \$1 300 which had been paid for by MAPS. The ANAO found that the invoices for these flights had been forwarded to MAPS for payment by Mr Sharp's office without any amendment to indicate that they were incorrect.

1.111 Monthly management reports from MAPS provide the opportunity for ministers to verify their expenditure and to advise MAPS of any variations. There was no evidence that any review of expenditure on charter flights had been made by Mr Sharp or his office up to the period covered by the 30 June 1997 monthly expenditure report.

1.112 On a number of occasions, Mr Sharp's office had forwarded charter flight invoices to Mr Sharp's portfolio department, DoTRD. DoTRD had paid the invoices and subsequently sought reimbursement from the responsible department, DAS. One effect of

these arrangements was to delay the production of accurate management reports on travel expenses for up to 10 months as invoices were passed from the electorate office to DoTRD and then to MAPS.

1.113 The ANAO considers that MAPS should provide suitable information to ministers and their offices on their role in the administration of ministerial charter flights and should seek to establish an effective system of control for certification and payment of charter flight accounts.

MAPS review of Mr Sharp's revised travel allowance claims

1.114 On 22 September 1997 the then Minister for Administrative Services, Mr Jull, wrote to the then Minister for Transport and Regional Development, Mr Sharp, seeking his cooperation in a review by MAPS of his revised travel allowance claims. A chronology of events prepared by DAS states that, on 23 September 1997, officers from MAPS worked with Mr Sharp's office to check details of the minister's amended claims.

1.115 On 23 September 1997 Mr Sharp signed and forwarded to MAPS, at their request, a copy of the earlier revised schedule.

1.116 Again, on this occasion, MAPS did not identify the risk that, given the high proportion of Mr Sharp's claims which he subsequently disclaimed, there may have been other travel claims which might also be inaccurate. MAPS did not institute action to re-examine Mr Sharp's claims for his period as minister and substantiate them by cross-checking them against other MAPS records of travel undertaken by Mr Sharp during that period.

MAPS' revised processing arrangements

1.117 On 15 September 1997, MAPS revised its processing system with the introduction of substantiation procedures to confirm ministers' certification. The revised system is outlined in Figure 3.

1.118 The ANAO noted that MAPS' revised processing system only partially satisfies public accountability issues raised in Audit Report No. 34 which recommended that DAS develop guidelines to define official travel. The revised arrangements for processing ministers' travel allowance claims currently do not include review of the purpose for which travel was undertaken. DOFA advised the ANAO that draft definitions and guidelines were formulated by DAS in 1995, revised in 1996, in

consultation with the Department of the Prime Minister and Cabinet, and are currently being considered by Government.

1.119 A former Secretary of DAS advised the ANAO that subsequent to the 1994-95 management consultants' review, both DAS and the consultants considered that a more wide ranging review should be initiated into the current concept of entitlements. He further advised that the recommendations of the KPMG report relied in no small part on recommendations from within DAS. Furthermore, the appointment of Coopers and Lybrand was initiated in the latter half of 1996 reflecting DAS management's own concerns regarding the need for administrative and information technology based improvements.

1.120 As indicated at paragraph 2.11 there have been a number of recent reviews of travel allowance arrangements and their administration commissioned by the Government.

DAS implementation of earlier ANAO recommendations

1.121 MAPS' system for processing ministerial travel claims in the period under review has remained largely unchanged from that which existed at the time of the ANAO's 1990-91 review of the Division's operations. In particular, with no compensating checks or controls in respect of the minister's certification, the system relied on the minister providing an accurate claim. Given the focus of ANAO Report No. 34 was on compliance with legislative and financial controls, it was predicated on the minister providing an accurate claim and did not consider or recommend cross checking travel allowance claims against other travel related data held by DAS.

1.122 This situation persisted until 15 September 1997, when Mr Jull, the then Minister for Administrative Services, approved cross checking arrangements. During the period under review MAPS held airfare, COMCAR and other records which could have been used systematically, or on a sample basis, to at least partially substantiate travel allowance claims.

1.123 ANAO Report No. 34 found that the terms 'parliamentary business,' 'electorate business' and 'official business' were not defined in the determinations of the Remuneration Tribunal or in the Parliamentary Entitlements Act. The report recommended that:

Guidelines be formulated to define clearly the conditions of entitlements specified by the Remuneration Tribunal and the Parliamentary Entitlements Act.

1.124 DOFA advised the ANAO that the purposes for which publicly funded travel can be used and for which travel allowance can be claimed are set out in Remuneration Tribunal determinations and that DAS had made reasonable efforts to clarify the definition.

1.125 DOFA also advised that the MAPS system for processing ministerial travel claims is to be extended to include a check on the purpose of travel in the same way that MAPS currently checks the purpose of Senators' travel where they claim travel allowance. DOFA noted that checking Ministerial travel claims will necessarily be more difficult given the wider range of purposes for publicly funded ministerial travel and the more limited scope for independent verification.

1.126 ANAO Report No. 34 pointed to the need for enhanced public reporting arrangements for services provided to ministers to counter the absence of the normal 'checks and balances' applicable to other public sector expenditure systems. This recommendation was considered¹⁵ to have been implemented, six years after it was made, with an announcement by Mr Jull on 15 June 1997, to table, on a six monthly basis, details of travel allowance claims of all Senators and Members (including ministers). The ANAO considers that the public scrutiny afforded by tabling such details is an important element in ensuring the integrity of the travel allowance system if it is to continue in its present form.

1.127 The report recognised that ministerial approval of their own travel was both necessary and appropriate. However, it also recognised that proper accountability mechanisms for the expenditure of these funds needed to be established. To this end, the report recommended the establishment of management reporting and post-event certification system for parliamentarians.

1.128 ANAO Report No. 34 noted that shortcomings in MAPS' administrative and legislative framework make it impracticable for certifying officers to establish that expenditures on such items as ministerial travel allowances are in accordance with legislative requirements.

¹⁵ By the Department of Finance quarterly review of the implementation of recommendations made in the reports of the Auditor-General described in Chapter 2.

1.129 Report No. 34 made several recommendations to strengthen the then arrangements. These included the redefining of entitlements and the establishment of monthly expenditure reports.

1.130 ANAO Report No. 34 recommended forwarding all parliamentarians monthly reports of all expenditure “to assist them in managing and monitoring resources provided”. The report envisaged that monthly reports would also enable parliamentarians to certify that expenditure had been used in accordance with legal entitlements and that efficient and effective use had been made of public moneys. Monthly expenditure reports were introduced by the Department in 1992.

1.131 The ANAO noted that the monthly reports have been revised and improved since their introduction. However, certification of expenditure has only been required of backbenchers, not ministers, and has been linked to only selected items, such as expenditure on charter flights and the use of frequent flyer points. The ANAO considers that the present system, whereby ministers certify travel allowance claims and certain other invoices for travel costs prior to forwarding them to MAPS for payment, should be strengthened. The monthly report should be checked by the minister to verify his or her travel claims, to certify other bona fide travel expenditure not previously certified, and to identify any necessary adjustments and notify MAPS of them in a timely fashion.

1.132 DOFA advises that ministers, along with senators and members, have been expected to review their records of expenditure on a monthly basis and to certify claims and expenditure.

1.133 In DOFA’s view the system relied on certification by ministers of their original travel allowance claims, checking by ministers of monthly management reports of expenditure and annual certification by ministers that all claims made in that year were within entitlements,

1.134 DOFA has advised that there may be a need to encourage greater attention to checking, for example, by requiring greater certification of all expenditure identified in the monthly report.

1.135 The ANAO considers that, if the present system is to continue, it is important that DOFA strengthen the system of monthly certification procedures by ministers for all travel expenditure that they incur.

MAPS information, advice & training for ministers

1.136 MAPS issued all ministers with a ring-bound folder, *Minister of State Entitlements, March 1996*, which contains a summary of ministerial entitlements and MAPS administrative guidelines. MAPS also publishes extensive details of the entitlements of ministers and office holders.

1.137 DOFA advised that a consultant was employed in July 1997 to update all guidelines to incorporate recent decisions of the Remuneration Tribunal and supplementary bulletins issued by the minister or his senior adviser. These revisions were completed in August but have not been printed, pending the finalisation of the current deliberations of the Tribunal on parliamentarians' entitlements, including the Prime Minister's referral of travelling allowance payment procedures to the Tribunal.

1.138 MAPS provides ongoing information and advice to ministers and their offices on request. DOFA stressed to the ANAO that MAPS staff manage a constant and heavy workload of telephone queries from parliamentarians. DOFA advised that analysis of the nature and substance of inquiries from parliamentarians about their entitlements formed a significant part of the workload of MAPS client service managers. Regular meetings were held at which particular entitlements policy issues which were a source of ongoing inquiry from entitlees or which were administratively difficult were discussed. Where appropriate, papers were prepared for ministerial consideration.

1.139 DOFA advised the ANAO that following the 1996 election all new ministers and their staff were offered the opportunity of a personal briefing by MAPS and briefings were held in most ministerial offices. Two members of Mr Sharp's staff attended such a briefing. Similar briefings are undertaken whenever a new parliamentary secretary or minister is appointed.

MAPS record keeping

1.140 Commonwealth agencies are responsible for efficient management of records and are required to manage them within the framework established by:

- *Archives Act 1983*;
- *Freedom of Information Act 1982*; and
- *Privacy Act 1988*.

1.141 Under s.24 (1)(a) of the Archives Act a person shall not destroy or otherwise dispose of a Commonwealth record.

1.142 On 27 May 1997, following a letter to Mr Sharp asking him to review the details of his travel allowance claims, MAPS received a letter faxed from Mr Sharp's office with a schedule of revised claims for the period 11 March 1996 to 18 December 1996. The revised claims totalled \$20 465 against original claims for the period of \$29 205. The revised claims were not set out on *Application for Travel Allowance* forms and were not signed or certified by Mr Sharp.

1.143 ANAO was advised that the letter and attachments were faxed to MAPS by Mr Sharp's office and the original posted through the Parliament House mail system late on the morning of 27 May 1997. While Mr Sharp and his office staff advised the ANAO that he had signed the covering letter to MAPS explaining the source of the discrepancies, MAPS advised the ANAO that the covering letter was signed by the Minister's senior adviser.

1.144 A chronology of these events prepared by DAS for the Prime Minister on 23 September 1997 states that the covering note:

was referred back to the office of the Minister for Administrative Services who had discussions with Minister Sharp's office who requested the note not go on file. No copy of the note was kept by the Department.

1.145 Mr Sharp advised the ANAO:

It is not correct that my office requested that the covering letter that I had signed attaching the schedule of revised claims "not go on file".

1.146 There was conflict between the statements from departmental officers and Mr Sharp's staff on responsibility for disposing of the covering letter. MAPS was unable to provide the ANAO with the original of the letter or indeed a copy.

1.147 What is clear is that there was a letter to MAPS with a revised schedule. This letter appears to have been destroyed, although it is not clear by whom and on whose advice. Regardless, in the ANAO's view, MAPS having received the communication then had a responsibility to safeguard the document as a Commonwealth record.

Findings and conclusions

Findings

MAPS processing of Mr Sharp's revised claim

1.148 The ANAO found that MAPS had no formally established procedures for processing revised travel allowance claims by ministers. Furthermore, when Mr Sharp's revised claims were received, MAPS did not apply the normal controls used in processing ministerial travel allowance claims by requiring a certification from the minister.

1.149 MAPS had no risk management framework to generate a response to the high variation rate in Mr Sharp's revised claims for travel allowance. MAPS did not check the accuracy of Mr Sharp's revised claim until September 1997 and only after questions about his claims were raised in Parliament. MAPS did not recheck claims by Mr Sharp outside the period under review.

1.150 The ANAO found that, although there were procedures promulgated in MAPS for recovery of overpayments to ministers, processes followed by MAPS in the case of the overpayment to Mr Sharp were not in accordance with these procedures.

1.151 In the administration and processing of Mr Sharp's travel claims for the period under review, the ANAO found persistent inadequate record keeping in MAPS. Records of important conversations, decisions and instructions were not in evidence. Management trails of key instructions between the office of the Minister for Administrative Services and MAPS had not been kept.

1.152 A new system introduced by MAPS on 15 September 1997 for processing ministerial travel allowances includes cross checking with relevant data to substantiate travel claims. Although the new system does not currently provide for any check on the purpose of the ministerial travel claimed, DOFA advised that the system is to be extended to include a check on the purpose of travel.

Effectiveness of the administration of ministerial travel claims

1.153 The ANAO found that the management and control systems of the administration of travel claims operating in DAS in the period under review were not effective in providing adequate assurance and accountability for ministerial travel expenditure.

1.154 The ANAO found that MAPS had not fully implemented the recommendations made in ANAO Report No. 34 of 1990-91, *Services Provided to Members of Parliament and their Staff*. DAS had taken a number of measures to improve the administration of ministerial entitlements and had brought the issues arising from ANAO Report No. 34 to ministerial attention.

1.155 The ANAO found that, during the period under review, the established procedures in MAPS for processing ministerial travel claims required only a minimal checking process. MAPS paid claims for ministerial travel allowances without cross checking with other relevant data available within DAS; establishing the accuracy of the overnight location claimed; and without verifying that ministers had undertaken travel in accordance with entitlements outlined in the Remuneration Tribunal determinations.

1.156 The ANAO found that, although Mr Sharp's initial claims were mainly processed by MAPS in accordance with the Department's procedures in place at the time, there were processing errors relating to certification and authorisation by officers without appropriate delegations. Some of the officers who certified and authorised the claims occupied the positions without formal delegations as a result of a failure to update delegations following a reorganisation.

1.157 The ANAO found that, although Mr Sharp's revised claim indicated that a high proportion of overpayments had been made, MAPS processes did not trigger any review action when the revised claims were submitted.

Conclusions

1.158 MAPS had inadequate systems of control and risk management, increasing the risk of overpayments not being detected. Less than satisfactory document and record management provided an inadequate accountability trail for actions and decisions taken.

1.159 MAPS' system for processing ministerial travel claims, as it operated in the period under review, was inadequate. It did not provide for MAPS to undertake checks, even spot checks, of ministerial travel allowance claims for validation purposes. In addition, there was no effective management information system to enable MAPS to identify and address potential problems in the administration of ministerial travel claims and to exercise effective governance of the program.

1.160 The procedures followed by MAPS in processing Mr Sharp's revised travel claims were not in accordance with sound administrative practice.

1.161 The ANAO endorses DOFA's practices in reviewing ministers' travel claims in order to verify their accuracy and considers there should be documented procedures for referral to the Minister for Finance and Administration for possible investigation by the Attorney-General's Department where:

- there is evidence of false claims; or
- cross checking of ministerial travel claims indicates that there are significant inaccuracies and/or anomalies with other relevant travel data held by MAPS, and such anomalies involve overpayments which cannot be reconciled.

1.162 The ANAO considers that where a minister varies travel allowance claims previously claimed, DOFA should review the validity of any associated transport costs met by the Commonwealth.

1.163 The ANAO considers, that if the present reimbursement system is to continue, it is important to strengthen certification procedures by ministers for all travel expenditure that they incur; and the subsequent verification of travel allowance claims and transport costs. It should be clear that certification of travel allowance claims, of invoices and management reports, is a requirement and not an invitation. Also procedures should be in place to ensure that monthly management reports are verified on a timely basis.

Recommendations

Recommendation No. 1

1.164 The ANAO recommends that, in order to minimise the risk of incorrect claims being made, the Department of Finance and Administration review the Ministerial Entitlement Guidelines to provide additional guidance to ministers to:

- clarify terms and definitions including clear guidance on their entitlement to publicly funded travel;
- include suggestions on appropriate records to be kept by ministers; and
- include a time-frame for submission of travel allowance claims.

Agency response

1.165 DOFA agrees with this recommendation.

Recommendation No. 2

1.166 The ANAO recommends that the Department of Finance and Administration formally identify, document and address the risks of overpayment inherent in MAPS processing system through a risk management review. In particular to ensure that:

- MAPS establishes and maintains an effective control environment;
- MAPS identifies a system of controls to minimise the risk of paying claims which cannot be substantiated; and
- MAPS delivers effective training in payment processes to relevant staff.

Agency response

1.167 DOFA agrees with this recommendation.

Recommendation No. 3

1.168 The ANAO recommends that the Department of Finance and Administration strengthen certification procedures by ministers and subsequent verification for all travel expenditure that they incur.

Agency response

1.169 DOFA agrees with this recommendation.

Recommendation No. 4

1.170 The ANAO recommends that the Department of Finance and Administration establishes sound records management policies and procedures within MAPS.

Agency response

1.171 DOFA agrees with this recommendation.

2. ACCURACY OF THE REPORT TO PARLIAMENT

This chapter discusses the preparation of the report, Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 - 3 March 1997, tabled in Parliament on 29 May 1997 and analyses its contents. It provides findings and conclusions against audit objective 3: whether the report to Parliament was accurate in respect of Mr Sharp.

Publication of details of ministerial travel expenditure

2.1 Since 1985, the Minister for Administrative Services has usually issued a press release around August-September each year containing summary information on ministerial travel expenditure during the previous financial year.

Tabling of travel allowance details

2.2 On the initiative of successive presidents of the Senate, information about travel allowances paid to senators by the Department of the Senate has been tabled in the Senate since 1992. Annual tabling of details of travel allowances paid to Senate committee chairs commenced in 1992 and travel allowance details for all Senate committee members the following year.

2.3 Details of travel allowance paid by the Department of the Senate to Senate backbenchers were first tabled for the financial year 1995-96 and are intended to be tabled annually thereafter. These details did not include travel allowance payments to senators who were ministers and office holders as these were administered by DAS.

2.4 Details of payments of travel allowance claims by senators who were ministers and office holders during the period 1 January 1992 to 3 March 1997 were tabled in the Senate on 24 March 1997. On that date the Senate also requested the House of Representatives to table similar details for ministers and office holders in that House at the earliest opportunity.

2.5 On 29 May 1997, Mr Jull tabled a report in the House of Representatives, *Travelling Allowance Paid to Various Office Holders in*

the House of Representatives - 1 January 1992 - 3 March 1997. On the same day, the Speaker tabled details of payments of travel allowances to backbenchers over the same period which are the responsibility of the Department of the House of Representatives.

Preparation of the report

2.6 On 25 March 1997 Mr Jull requested his department to extract travel allowance details for the period 1 January 1992 to 3 March 1997 in respect of members of the House of Representatives who were, or had been ministers, parliamentary secretaries and opposition office holders in that period. On 6 May 1997 a draft schedule of this information, prepared by MAPS, was provided to Mr Jull.

Convention period

2.7 It has been a long-standing convention of all major parties that ministers do not claim travel allowance for the duration of an election campaign (that is, from the day of the Prime Minister's campaign launch to the day after polling day.) The only exceptions have been where ministers travel for cabinet meetings or primarily in connection with their ministerial duties. Factors taken into account by MAPS in deciding whether a function during an election period related primarily to a ministerial responsibility have included:

- whether the function had been arranged prior to the calling of the election; and, more importantly,
- whether attendance could reasonably be regarded by the community to have been for election campaigning purposes.

2.8 On 15 June 1997, the then Minister for Administrative Services, Mr Jull, announced that the Government would ask the Remuneration Tribunal to formalise the convention, varying the determination on Parliamentarians' travel allowance entitlements to specifically preclude ministers claiming the allowance during an election period, except for travel to functions relating to ministerial duties.

Letters to former ministers and office holders

2.9 On 15 May 1997 Mr Jull wrote to twenty-three former ministers and parliamentary secretaries, identified by MAPS as having claimed travel allowance during the 'convention period' inviting them to check MAPS' figures against their own records. His letter said, "if, in your

judgement, any of the above instances were outside the convention, you may wish to consider reimbursing the amounts involved.”

2.10 The ANAO noted that MAPS had not prepared an analysis for their Minister of claims for travel allowances made during the ‘convention period’ that were contained in the report tabled in the Senate on 24 March 1997. None of the ministers or office holders in the Senate mentioned in that report had been contacted prior to tabling to confirm that their schedules were correct. No follow up had been undertaken with those who had claimed travel allowance during the two ‘convention periods’ covered by the report to confirm whether their travel had related primarily to their ministerial or office holder responsibilities.

Letters to current ministers and office holders

2.11 On Friday, 23 May 1997, the acting general manager of MAPS wrote to all current ministers and office holders with a copy of the information on their travel allowance payments included in the report. He asked them to advise him urgently if any corrections were required.

Content of the report

2.12 The report spanned periods of two Governments and included information on both current and former ministers and office holders. The report was made up of a short covering letter headed *Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 to 3 March 1997* and signed, David Jull, Minister for Administrative Services; the second page contained explanatory notes and was headed *Travelling Allowance Payments to Current and Former Members from 1 January 1992 to 3 March 1997*.

2.13 The body of the report was made up of separate schedules, one for each former and current minister and office holder during the period covered by the report, headed *Ministers and Office Holders in the House of Representatives Travelling Allowance - Claim Details*.

2.14 The ANAO noted that there was internal inconsistency in the report in that the title referred to **travelling allowance payments** whereas the individual schedule of each minister referred to **travelling allowance claim** details. Mr Jull’s covering letter stated “I present a document setting out details of travelling allowance payments”. This was similarly inconsistent with Mr Sharp’s schedule, which purported to contain details of travel allowance claims.

2.15 Each schedule was divided into columns showing:

- the relevant clause of the determination of the Remuneration Tribunal;
- the dates for which travel allowance was claimed;
- the location;
- number of nights;
- nightly rate;
- payment for spouse; and
- total amount.

Schedules of ministers and office holders who claimed travel allowances in the convention period

2.16 In his covering letter to the report Mr Jull noted:

In preparing the information for tabling, it became evident that a number of then Ministers and Parliamentary Secretaries had, during the 1993 and 1996 election campaigns, made claims for travelling allowance.....I wrote to each of the former Ministers and Parliamentary Secretaries concerned to give them an opportunity to comment on their claims for travelling allowance during election periods. Most have responded; their comments are noted in the tabled documents.

2.17 In those cases where travel allowances were claimed during the convention period, that instance of travel on the member's schedule was marked and footnoted variously as:

- # Claimed in electoral rather than Parliamentary Secretary responsibilities;
- * Official farewell for Governor-General;
- # Official Ministerial business during election campaign; and
- ^ Amounts which the Member has indicated were legitimately claimed but which the member has repaid or intends to repay.

2.18 These annotations related only to travel during the 'convention period' which had been the subject of Mr Jull's correspondence with former ministers. The amounts of travel allowance shown on their schedules were their original payments, regardless of

whether amounts had been repaid or whether the member had made an undertaking that they would be repaid.

2.19 MAPS' briefing to Mr Jull on 13 May 1997 noted that a list prepared for Mr Jull of ministers who had travelled in the 'convention period' had "been consolidated post the finalisation of some changes to claims by members." The ANAO notes that the briefing makes it clear that there were earlier changes to some ministers' and office holders' travel claims that were not included or annotated in the final report to Parliament.

2.20 The annotation in the report also contrasts with a lack of annotation and footnotes in the earlier report which was tabled in the Senate on 24 March 1997. The report to the Senate did not identify or distinguish any payments claimed for the 'convention period'.

Schedule of Mr Sharp's travel claims in the report

2.21 In the period 11 March to 18 December 1996, Mr Sharp had claimed travel allowance for 144 nights for a total of \$29 205. He had received payment for all travel allowances claimed. Mr Sharp had submitted a revised travel allowance claim on 27 May 1997 for 97 nights for a total of \$20 465, but on 29 May 1997, when the report was tabled, he had not repaid any moneys although his office had indicated his intention to do so. The ANAO was advised that MAPS and Mr Jull's office understood that the repayment would be made prior to the tabling of the report.

2.22 The information provided to Parliament about Mr Sharp's travel claims in the report was taken directly from Mr Sharp's revised travel claim. It showed claims for 97 nights and total value of claims as \$20 465. Those 53 instances where he had amended his travel claims were not reflected in the schedule. His schedule contained no additional information nor were footnotes appended which explained or qualified the information provided.

2.23 Although Mr Sharp had indicated his intention to repay the balance to MAPS, he had not done so. There was no footnote which noted this fact.

Roles and responsibilities for preparation of the report

2.24 Lack of routine record keeping in MAPS made it difficult to follow a management trail of the preparation of the draft report by MAPS, of the substance of advice provided by MAPS to the minister, of instructions received by MAPS from the minister's office on the layout of information, on footnoting and particularly on including revisions to information on Mr Sharp's schedule.

2.25 It was clear to the ANAO from interviews and the evidence available that MAPS had provided advice on the layout of the report and on options for identifying variations to payments of travel allowances for travel during the 'convention period' which had been set in train by Mr Jull's correspondence with former ministers.

Amendment of data on the schedule of Mr Sharp's travel claims

2.26 MAPS had received Mr Sharp's revised claim by fax on the morning of 27 May 1997. On that afternoon a MAPS officer went to Parliament House to return the faxed covering letter to Mr Sharp's office. He went there via the office of the Minister for Administrative Services where he delivered an updated draft of the report to Mr Jull's Senior Adviser.

2.27 The ANAO was advised that MAPS had already been advised by Mr Jull's office to use Mr Sharp's amended claims. The updated draft contained Mr Sharp's revised schedule, adjusted to concur with information he had provided to MAPS only a few hours before. MAPS had not processed, checked or confirmed his revised claims, but had put them straight into the report, supplanting data held in its own system on travel payments made to Mr Sharp during the period.

2.28 A serious lapse in MAPS was its failure to produce a draft report to its Minister with consistency between its title, subtitle and the information it contained. The headings used in the report did not establish clearly the information it intended to provide to Parliament. Whereas the title on the covering letter and explanatory notes indicated that it would provide information on travel allowance payments made, Mr Sharp's schedule referred instead to travel allowance claim details. However, the ANAO considers that readers of the report were likely to interpret total payments as being equal to the total amount of travel

allowance actually paid to the minister or office holder in the period covered, rather than amounts claimed.

2.29 DOFA advised that:

It has long been MAPS practice (and entitlees' expectation) that public presentations show only those payments that have not been refunded (eg annual media releases on use of travel entitlements).

If this is the case, as no amount had been refunded by Mr Sharp, it follows that the report should have shown the higher amount.

Role of Mr Jull's office

2.30 MAPS officers advised the ANAO that the decision to use annotations selectively, that is, to annotate amendments by former ministers but not those of current ministers, was made by Mr Jull's office.

2.31 MAPS officers stated that the decision to amend Mr Sharp's schedule, and not to provide a footnote or annotation similar to those used to refer to ministers who had claimed travel allowance during the 'convention period', was made on the basis that Mr Sharp had amended his claim voluntarily, whereas payments during the 'convention period' had been identified by the Department and responses had been elicited by Mr Jull's letter to former ministers.

2.32 A MAPS officer advised the ANAO that he had "strongly counselled that selective annotations ran the risk of criticism of inconsistency by the Opposition and that the Minister would need a defence." He said that Mr Jull's office considered that the defence lay in Mr Sharp "having identified and volunteered amendments and repayment". This advice was not documented. A statement by Mr Jull's senior adviser advised that the MAPS officer had "thought the approach to be right. No contrary view was expressed by him".

2.33 The MAPS officer concerned stated:

I believe that I agreed with Mr Jull's Senior Adviser that the repayment would constitute a voluntary repayment, etc but not that the amended schedule should be used. That was his advice.

2.34 In a statement tabled by the Prime Minister on 25 September 1997, Mr Jull's senior adviser stated that he had discussed

the approach, that is, replacing details of Mr Sharp's travel allowance claims (and payments) for the period, with those contained in his revised claims, with staff from the Prime Minister's office. He recalled that the Prime Minister's senior adviser "considered that the proposed method of tabling was right". While the Prime Minister's former senior adviser had no recollection of such a conversation, another former staff member of the Prime Minister's office did recall that issues relating to Mr Sharp's amended claims had been discussed briefly in a general way with Mr Jull's senior adviser.

Role of Mr Jull

2.35 Mr Jull advised the ANAO that he was not involved in putting the figures together in the report and was not aware that the data concerning Mr Sharp was incorrect. He said that he was aware that Mr Sharp was to refund some travelling allowance and had been advised that MAPS had checked the refund and everything matched up. There was no evidence of any fraud or criminal intent. It was done in good faith and he accepted this advice.

2.36 Mr Jull advised the ANAO:

I did not and would never have intentionally misled Parliament.

MAPS project management

2.37 One obvious element of the investigation of the period under review was the tightness of the timeframe allowed for current ministers to check details of their travel allowances to be included in the report to Parliament. Whereas letters to former ministers from Mr Jull concerning the 'convention period' had gone out two weeks before the report was tabled, letters from MAPS to current Ministers had been sent on the Friday before the Thursday tabling, and for many this meant they did not actually read them until the following Monday.

2.38 Not all former ministers and office holders were given the opportunity to check information relating to their receipt of travel allowances. Only those who had claimed travel allowances for the 'convention period' were contacted. In a busy parliamentary sitting week, in addition to their ministerial workloads, ministers were asked to check and confirm the accuracy of their schedules and reply within a matter of hours, given that most received MAPS' letter on Monday 26 May 1997.

Findings and conclusions

Findings

2.39 The onus was on Mr Jull to provide accurate information to Parliament in the report, *Travelling Allowances Paid to Various Office Holders in the House of Representatives - 1 January 1992 - 3 March 1997*, which he tabled in the House of Representatives on 29 May 1997.

2.40 Mr Jull and his office were aware that Mr Sharp had revised his travel allowance claims. The schedule of Mr Sharp's travel claims included in the report to Parliament was prepared by MAPS with clearance of the content and format by Mr Jull's office.

2.41 The ANAO found that the title and covering statement of the report were not consistent with its content in respect of Mr Sharp. That is, the title and covering statement referred to travelling allowance payments made. In Mr Sharp's case, his schedule showed only his revised travel allowance claims, which were lower than the travel allowance payments he had received over the period.

2.42 At the time of tabling the report, although Mr Sharp had revised his claims, no repayment had been made. The schedule showed payment for 97 nights for \$20 465 whereas actual payments were for 144 nights for \$29 205. No explanation of the variation was provided. This contrasts with the information provided in annotations for certain former ministers and office holders.

2.43 There was conflicting evidence of the advice given by MAPS to Mr Jull's office concerning the format of the report. MAPS informed the ANAO that they had advised Mr Jull's office that the format ran the risk of criticism, whereas Mr Jull's office advised the ANAO that MAPS had supported the approach adopted.

2.44 There was no documented evidence to confirm advice given to the ANAO by a former MAPS officer that both Mr Jull's office and MAPS had anticipated that Mr Sharp's repayment of travel allowance would be received before tabling of the report, which would have at least made the documented actual payment correct.

Conclusion

2.45 Mr Jull, as the minister responsible for tabling the report, was ultimately accountable for its content even though he could have

reasonably expected MAPS and his office to have conducted thorough checks to ensure its accuracy and consistency.

2.46 In discharging their responsibilities to their minister it would be reasonable to expect Mr Jull's staff and MAPS to ensure the accuracy of material prepared on his behalf. In this respect the ANAO found that headings of the report were not consistent with the content of individual schedules and had the potential to mislead readers.

2.47 The lack of documentation in MAPS regarding important policy advice provided to the minister's office made it difficult to confirm that there was proper transparency and accountability for decisions that were made. There is a need for sound records management policies and procedures within MAPS.

3. DUE PROCESS

This chapter provides an audit opinion on audit objective 4: whether Mr Jull and Mr Sharp, and/or their respective offices, acted appropriately to ensure that due process was followed. In forming these opinions it draws on the analysis outlined in chapters 1, 2 and 3.

The ANAO's definition of due process included consideration of proper process and due care.

Mr Sharp and his office

3.1 Mr Sharp submitted his original claims for travel allowance within established procedures. However, he is considered not to have taken due care in that in a number of instances he incorrectly certified that he was entitled to travel allowance. Further, there were no established procedures for Ministers submitting revised claims.

3.2 Mr Sharp's office is also not considered to have taken due care in ensuring that it provided effective administrative support to Mr Sharp in the certification and verification of travel claims, invoices and management reports.

3.3 The ANAO found no evidence that Mr Sharp and his office played any role in the preparation and tabling of the report, *Travelling Allowance Paid to Various Office Holders in the House of Representatives - 1 January 1992 - 3 March 1997*, tabled in the House of Representatives on 29 May 1997, apart from providing a schedule of revised travel allowance claims.

Mr Jull and his office

3.4 The ANAO found that neither Mr Jull nor his office had any direct role in the processing of Mr Sharp's travel claims.

3.5 Mr Jull, as the Minister responsible, tabled a report which was not accurate or internally consistent. The report provided incorrect information and was therefore open to misinterpretation with respect to Mr Sharp's claims. In contrast to information provided in annotations shown for certain other former ministers and office holders, no

explanation was provided for the variations made to Mr Sharp's schedule.

3.6 Mr Jull's office is considered not to have taken due care in the preparation of the report to Parliament. In discharging their responsibilities to their minister it would be reasonable to expect Mr Jull's staff to ensure the accuracy and consistency of material prepared on his behalf.

Canberra ACT
22 December 1997

P. J. Barrett
Auditor-General

Appendices

Appendix 1

Departmental responsibility for ministerial services and facilities¹⁶

Ministers are provided with support primarily from three sources. The division of responsibility for services is described below.

Department of Finance and Administration

The department has responsibility for:

- payment of the minister's additional salary and travelling allowance;
- payment of salaries and allowances of consultants and personal and electorate staff employed under the *Members of Parliament (Staff) Act 1984*;
- cost of all official travel (except official car transport) within Australia by the minister, staff, spouse or nominee and dependent children;
- cost of a private plated vehicle in the minister's electorate;
- cost of the minister's official overseas visits including personal staff and spouse or nominee (but excluding departmental staff) and hospitality of a personal nature;

¹⁶ Adapted from *A Guide on Elements of Ministerial Responsibility*, Department of Prime Minister and Cabinet, April 1996.

- electorate office accommodation for the minister and three electorate staff;
- office accommodation in the minister's state capital;
- backbench postage entitlement;
- management of office accommodation in the ministerial wing of Parliament House including parking in the basement car park;
- security within the ministerial wing;
- provision and maintenance of the secure communications network (ministerial communications network); and
- computer training for electorate staff.

Minister's portfolio department

The minister's portfolio department is responsible for:

- costs of official cars, including a private plated vehicle in Canberra, for the minister and spouse;
- additional furniture and equipment for the minister's offices both in the ministerial wing and in the State office;
- security measures for offices (outside the ministerial wing) and private residence necessitated by the minister's portfolio responsibilities;
- office requisites, including crockery, cutlery, Artbank fees, petty cash, briefcases, luggage, business cards;
- relief arrangements for personal staff absences of less than 12 weeks;
- unlimited postage for use in relation to ministerial duties;
- costs of official residential telephone and fax services and telephone credit cards for the minister;
- portfolio-related hospitality overseas;
- official hospitality within Australia (including when a staff member represents the minister);
- mobile telephones for the minister and staff;
- official commemorations (e.g. wreaths);
- membership fees of business organisations related to portfolio or ministerial functional responsibilities;
- provision of semi-official residential telephone services and telephone credit cards for senior ministerial staff nominated by the minister; and
- payment of conference and training fees for ministerial staff.

Parliamentary Departments

The parliamentary departments are responsible for:

- payment of ministers' basic salary and electorate allowance; and
- standard issue of facilities and equipment in the ministerial suite.

Appendix 2

Application for Travelling Allowance. (Scanned in, not able to transfer to this application.)