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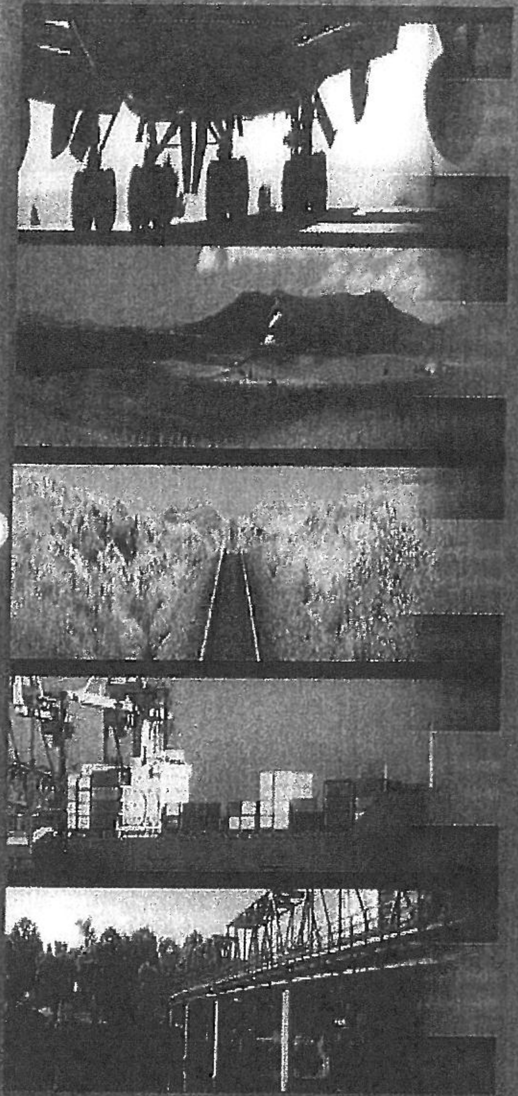
DELIVERED: (OCTOBER 2008)

KPMG



Department of Infrastructure, Transport, Regional Development and Local Government

FMA Compliance – Procurement

2007-08

Conducted:	June 2008
Draft report:	June 2008
Final report:	October 2008

Third Party Reliance

This internal audit report has been prepared at the request of Management of the Department of Infrastructure, Transport, Regional Development and Local Government in connection with our engagement to perform internal audit services as detailed in the contract dated 23 July 2007. Other than our responsibility to the Department, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

This report may be provided to the Auditor-General, the ANAO, the external auditor of the Department, for its own use. If the Auditor-General intends to rely on internal audit work it can only do so in the context of the professional requirement placed on it by the provisions of the Australian Auditing Standard ASA 610 (Considering the Work of Internal Audit).

We believe that the statements made in this report are accurate, but no warranty of accuracy or reliability is given in relation to information and documentation provided by the Department's Management and personnel.

Inherent Limitations of Internal Audit

Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. As such, except to the extent of sample testing performed, it is not possible to express an opinion on the effectiveness of the internal control structure. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. The internal audit findings expressed in this report have been formed on the above basis.

Contents

1 Executive Summary

1.1 Background

In 2006-07, the Audit Committee commissioned a targeted review of high-risk areas not already covered by the 2006-07 Annual Internal Audit Plan – subsequently identified to be procurement activities. As part of the review, a number of recommendations were made to improve the compliance with the requirements of Financial Management and Accountability Regulations 1997 (FMA Regulations), in particular, FMA Regulations 9, 10, 11, 12 and 13.

As part of the 2007-08 Annual Internal Audit Plan, the Audit Committee has requested a further audit of FMA compliance. The Chief Financial Officer (CFO) has recommended the proposed audit be conducted along similar lines to that undertaken in 2006-07, that is, compliance with the provisions of Part 4 of the FMA Regulations.

1.2 Audit objectives

The objectives of this review were to determine whether, based on a sample of procurements:

- ***The Department has complied with the requirements of FMA Regulations 9, 10, 11, 12 and 13; and***
- ***The procurement procedures chosen (e.g. select tender, open tender) and the form of the agreement (e.g. quote, contract) comply with the requirements outlined in the Department's procurement guidelines (Chapter 5 of the Chief Executive's Instructions).***

1.3 Scope

The audit procedures were limited to compliance testing on a sample of procurements.

- Our sample was drawn from the Department's AusTender contract register. Hence contracts valued at less than the AusTender reporting threshold of $10,000 were not considered;
- The sample period was 1 July 2007 to 31 March 2008; and
- Internal Audit tested 35 procurements as agreed with the Audit Sponsor which was selected so as to be representative of the number of contracts entered into by key areas of the Department (refer table 1):

Table 1: sample allocation basis

Area	Total no. of new procurements	% total	Sample %	Sample
Aviation and Airports	35	9.80	3.43	3
Australian Transport Safety Bureau	11	3.08	1.08	1
Bureau of Infrastructure, Transport and Regional Economics	2	0.56	0.20	1
Corporate Services	193	54.06	18.92	16

Area	Total no. of new procurements	% total	Sample %	Sample
Infrastructure Investment	6	1.68	0.59	1
Infrastructure and Surface Transport Policy	5	1.40	0.49	1
Local Government and Regional Development	22	6.16	2.16	2
National Transport Strategy	2	0.56	0.20	1
Office of Local Government	3	0.84	0.29	1
Office of Transport Security	76	21.29	7.45	7
Regional Office	2	0.56	0.20	1
	357	100	35	35

1.4 Results

KPMG has identified numerous FMA Act breaches in respect of FMA Regulations 9, 10 and 12; and other matters of either a better practice nature or which involved non-compliance of a relatively minor impact. Internal Audit notes that the non-compliance includes instances where insufficient documentation was on file to assess compliance with the FMA / Departmental requirements. Audit identified:

FMA Act breaches

- In two of 35 procurements examined, there was no evidence on file to indicate that a spending proposal may proceed (Regulation 9 – spending proposal and Regulation 12 – documentation).
- In four of 21 procurements for which there was evidence of an approved spending proposal and a contract, contracts were entered into prior to obtaining Regulation 9 approval (Regulation 13).

Other matters

- In six of 33 procurements for which there was evidence on file to indicated that a spending proposal may proceed, the sign-off did not specifically mention efficient and effective use of public money (as required by the CEI).
- In 12 of the procurements examined, there was no evidence on file to indicate that a contract may be entered into.
- One instance where the amount spent ($36,256) exceeded the approved amount ($30,000).
- One instance where the amount spent ($60,995) exceeded the amount committed ($57,745).
- In 11 of the procurements examined, the procurement method did not comply with the CEI (for procurements of that value).

- One instance where the agreement form did not comply with the CEI.
- In six of the procurements examined, the purchase order was not created within four weeks of being agreed.

The results of our sample testing are summarised in Section 2.

1.5 Follow-up action required

KPMP note that the Department is going to upgrade SAP over the coming months. This will workflow the approval of Regulations 9 and 10 with linkage to the I-Delegate schedule of delegations/limits. This change, along with associated training, will likely improve FMA compliance considerably.

We recommend the CFO write to Executive Directors to advise them of the breaches identified by this report and, where necessary, highlight areas for procedural improvement and/or corrective action. All confirmed breaches should be included in the breach register attached to the Secretary's FMA Act certification of compliance.

1.6 Management Comment

Agreed. Recommendation has been implemented.

1.7 Signoff

Partner
KPMG

Chief Financial Officer
Department of Infrastructure, Transport, Regional Development and Local Government

2 Testing results

The following table summarises the audit results. The tables which follow outline the specific compliance results by sample item.

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.

Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.

Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.

Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.

Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.

Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

KEY	
✓	Satisfactory
×	Unsatisfactory
NI	Not enough information on file to complete test
N/A	Test not applicable

					Reg 9			Reg 10		Reg 11		Reg 13					Other requirements		
Division	Description	Contract #	PO value	PO #	1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
AAA	ABC services - Darwin	TRS05/331	$ 285,927.00	45025502	✓	✓	✓	✓	✓	N/A	N/A	✓	✓	✓	✓	✓	✓	×	×
AAA	Sydney Airport RESA contract review	TRS08/060	$ 36,256.00	45027538	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	×	✓	✓	✓	×
AAA	Temporary staffing - Michael Chertok	SOT2006/0045	$ 24,000.00	45027492	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	NI	✓	NI	✓	✓	✓
ATSB	Training for ATSB Human Factors	TRS07/311	$ 27,500.00	45025984	✓	✓	×	N/A	N/A	✓	N/A	✓	✓	NI	NI	NI	✓	✓	✓
BITRE	2008 update of Australian Transport	TRS07/169	$ 22,000.00	45025322	✓	✓	×	N/A	N/A	N/A	N/A	×	✓	✓	✓	✓	✓	✓	✓
CORP	Non-Campaign Press advertising	TRS07/257	$ 250,000.00	45025630	✓	✓	✓	N/A	N/A	✓	N/A	N/A	NI	NI	NI	NI	✓	NI	NI
CORP	Writing and editing services	SOT2006/0447	$ 16,000.00	45027465	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	×	✓	✓
CORP	CSS/PSS Actuarial Costs 2007-08	TRS07/353	$ 16,000.00	45026071	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	✓	NI	✓	NI	NI
CORP	Assurance Services for SAP Upgrade	TRS07/356	$ 47,750.00	45026047	✓	✓	✓	N/A	N/A	✓	N/A	✓	×	✓	✓	✓	✓	✓	✓
CORP	Backfill SAP Support	SOT2006/0498	$ 63,360.00	45023882	✓	✓	✓	N/A	N/A	✓	N/A	×	✓	NI	NI	NI	×	✓	NI
CORP	Professional Services Rendered	SOT2006/0511	$ 14,630.00	45025660	✓	✓	×	N/A	N/A	✓	N/A	×	NI	NI	✓	NI	×	NI	NI
CORP	Dept non-campaign press advertising	TRS08/050	$ 499,999.50	45027440	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	×	NI	NI
CORP	Maintenance fees - DSM & Variance Monito	TRS07/391	$ 72,187.50	45026331	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CORP	SERVICES TO AUDIT COMMITTEE	TRS08/044	$ 33,000.00	45027419	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NI	NI	✓	✓	✓
CORP	i-Delegate Licence Renewal -	T2007/0718	$ 10,298.97	45026719	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	✓	✓	✓	✓	NI	NI
CORP	ISYS:web	TRS07/149	$ 16,120.50	45024813	✓	✓	✓	N/A	N/A	✓	N/A	×	NI	NI	NI	NI	✓	NI	NI
CORP	M LANE - TESTER - S&M	SOT2005/0087	$ 49,999.99	45026323	✓	✓	✓	N/A	N/A	✓	N/A	✓	×	✓	NI	NI	×	✓	✓
CORP	Symantec Software Maintenance	TRS08/045	$ 68,688.94	45027417	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	✓	NI	NI
CORP	Late Fees	TRS07/382	$ 249,769.59	45026252	✓	✓	✓	N/A	N/A	✓	N/A	×	NI	NI	NI	NI	×	NI	NI
CORP	SSL Certificate Renewal	TRS08/049	$ 45,283.21	45027434	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	✓	NI	NI
CORP	OPTUS MAC	TRS07/229	$ 2,639,450.00	45025330	✓	✓	✓	✓	✓	✓	N/A	×	×	✓	NI	NI	×	✓	N/A
ININ	Printing of Corridor Strategies	TRS07/182	$ 60,000.00	45025198	✓	✓	×	N/A	N/A	✓	N/A	✓	NI	NI	✓	NI	×	NI	NI
ISTP	Sponsorship	TRS07/097	$ 10,000.10	45024379	✓	✓	✓	N/A	N/A	✓	N/A	×	✓	NI	✓	NI	✓	NI	NI
LGRD	Consultancy	SOT2006/0510	$ 16,368.00	45025724	✓	✓	✓	N/A	N/A	✓	N/A	✓	×	NI	NI	NI	✓	✓	✓
LGRD	Awards trophies for 2007 NALG winners	X2007/0100	$ 10,406.00	45026165	✓	✓	✓	N/A	N/A	✓	N/A	×	✓	✓	✓	✓	✓	✓	×
NTS	The provision of Historic freight rate	TRS07/321	$ 60,995.00	45026571	✓	✓	✓	N/A	N/A	✓	N/A	×	✓	✓	✓	×	✓	✓	×
OLD	Training for ATSB Human Factors	TRS07/312	$ 11,000.00	45025951	✓	✓	×	N/A	N/A	✓	N/A	✓	✓	NI	✓	NI	✓	✓	✓
OTS	Engagement of Contractor Lianah Wolfe	TRS08/031	$ 23,595.00	45027549	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	N/A	NI	NI
OTS	Recruitment services	SOT2006/0045	$ 20,847.60	45025613	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	×	✓	✓
OTS	IRCA accredited lead auditor training	TRS08/042	$ 48,494.11	45027384	×	N/A	N/A	N/A	N/A	N/A	N/A	×	NI	NI	NI	NI	×	NI	NI
OTS	Personal Efficiency Program	TRS08/022	$ 13,200.00	45027459	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	✓	✓	×
OTS	Facilitation Services OTH Roundtable 07	TRS07/270	$ 11,000.00	45025967	✓	✓	×	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	✓	✓	✓
OTS	Think on your Feet Workshop	TRS07/344	$ 15,477.00	45026030	✓	✓	✓	N/A	N/A	✓	N/A	×	NI	NI	NI	NI	✓	NI	NI
OTS	Personal Efficiency Program for SCIS	-	$ 26,400.00	45027423	×	N/A	N/A	N/A	N/A	N/A	N/A	×	NI	NI	NI	NI	×	NI	NI
RO	Diploma of Quality Auditing	TRS07/022	$ 33,630.00	45024972	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	✓	✓	×
				Not enough info on file to complete test	0	0	0	0	0	0	0	0	14	19	21	27	0	15	16
				Test not applicable	0	2	2	31	31	4	33	1	0	0	0	0	1	0	1
				Total available for testing	35	33	33	4	4	31	2	34	21	16	14	8	34	20	18
				Satisfactory	33	33	27	4	4	31	2	22	17	16	13	7	23	19	12
				Unsatisfactory	2	0	6	0	0	0	0	12	4	0	1	1	11	1	6

2.1 Aviation and Airports

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
				Date of approval				Date of	Value (PO	Reg 9	Amount	Amount															
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	PO	amount)	amount	committed	spent															
1	TRS05/331	1/07/07	30/06/09	2/07/07	5/07/07	2/07/07	6/07/07	22/08/07	$285,927	$142,964	$142,964	$107,223	✓ Note1	✓ Note1	✓ Note1	✓ Note2	✓ Note2	N/A Note1	N/A Note2	✓ Note3	✓	✓	✓	✓	✓ Note4	✗ Note5	✗ [illegible]
2	TRS08/060	7/01/08	31/03/08	3/01/08	N/A Note7	13/01/08	9/01/08	25/03/07	$36,256	$30,000	$24,508	$36,256	✓	✓	✓	N/A Note7	N/A Note7	✓	N/A Note7	✓	✓	✓	✗ Note11	✓	✓	✓	✗ [illegible]
3	SOT2008/0045	17/03/08	9/05/08	14/03/08	N/A Note7	14/03/08	14/03/08	14/03/08	$24,000	$24,000	Note 11	$21,176	✓	✓	✓	N/A Note7	N/A Note7	✓	N/A Note7	✓	✓	NI Note10	✓	NI Note10	✓	✓ [illegible]	✓
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0
												Test not applicable	0	0	0	2	2	1	3	0	0	0	0	0	0	0	0
												Total available for testing	3	3	3	1	1	2	0	3	3	2	3	2	3	3	3
												Satisfactory	3	3	3	1	1	2	0	3	3	2	2	2	3	2	1
												Unsatisfactory	0	0	0	0	0	0	0	0	0	0	1	0	0	1	2

Notes

- Reg 9 was found for the PO, signed 02/07/2007. The approval refers to the project as a whole and not individual suppliers.
- Reg 10 was completed in 2007 when the contract was varied - signed 05/07/2007
- Reg 13 was found for the PO, signed 02/07/2007
- No evidence of an open approach exists for the original contract however the Deed of Variation did comply with the CPG's.
- For procurements valued between $80K - $500K, a long form contract is required. A Deed to Vary the Services Agreement for Building Control Services at Darwin Airport was on file (which was on an old DOTARS template).
- The contract was entered into by the Department on 6/7/07 and the PO was raised on 22/8/07. The PO was not raised within four weeks of when the arrangement was entered into.
- The arrangement does not extend over to the next financial year
- The contract was entered into by the Department on 9/1/08 and the PO was raised on 25/3/08. The PO was not raised within four weeks of when the arrangement was entered into.
- Work order issued under deed of standing offer.
- The work order did not state the total amount committed. It only outlined the hourly rate.
- The amount spent was $36,256 which exceeds the amount approved - $30,000

2.2 Australian Transport Safety Bureau

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
	Contract #	Start date	End date	Date of approval Reg 9	Date of approval Reg 10	Date of approval Reg 13	Date of approval Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/311	5/10/07	30/06/08	26/09/07	N/A Note1	26/07/07	26/10/07	5/10/07	$27,500	$25,000	Note 2	Note 3	✓	✓	× Note5	N/A Note1	N/A Note1	✓	N/A Note1	✓	✓	NI Note2	NI Note3	NI Note3	✓ Note4	✓	✓
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0
												Test not applicable	0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
												Total available for testing	1	1	1	0	0	1	0	1	1	0	0	0	1	1	1
												Satisfactory	1	1	0	0	0	1	0	1	1	0	0	0	1	1	1
												Unsatisfactory	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0

Notes
Note 1 The arrangement does not extend over to the next financial year
Note 2 The contract does not state a total amount for the services.
Note 3 No invoices could be found on file
Note 4 No written quotes as services obtained from direct source.
Note 5 The signoff did not specifically mention policy compliance and efficient and effective use of public money.

2.3 Bureau of Infrastructure, Transport and Regional Economics

Test 1: FMA Regulation 9
- a Verify that there is clear signoff that the proposal may proceed and date of approval.
- b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
- c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.

Test 2: FMA Regulation 10
- a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
- b Record whether the signoff was completed on a Reg 10 template.

Test 3: FMA Regulation 11
- a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
- b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.

Test 4: FMA Regulation 13
- a Verify that there is clear signoff that a contract may be entered into and date of approval.
- b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.

Test 5: FMA Regulation 13 (cont.)
- a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
- b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
- c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.

Other requirements
- Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
- Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
- Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers											
				Date of approval								
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent
1	TRS07/169	1/07/07	15/06/08	20/06/07 Note 5	N/A Note2	Note 3	22/06/07	1/07/07	$22,000	$22,000 Note 1	$22,000	$22,000

	1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
1	✓ Note1	✓ Note1	✗ Note5	N/A Note2	N/A Note2	N/A Note1	N/A Note2	✗ Note3	✓	✓	✓	✓	✓ Note4	✓	✓
Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Test not applicable	0	0	0	1	1	1	1	0	0	0	0	0	0	0	0
Total available for testing	1	1	1	0	0	0	0	1	1	1	1	1	1	1	1
Satisfactory	1	1	0	0	0	0	0	0	1	1	1	1	1	1	1
Unsatisfactory	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0

Notes
- Note 1 Found a 'request for approval' on the file.
- Note 2 The arrangement does not extend over to the next financial year
- Note 3 No evidence of Reg 13 approval on file
- Note 4 No quotes were obtained as BITRE used a direct souce due to the specialised nature of the services and the familiarity of the proposed consultant with BITRE's requirements. This procurement process was adequately recorded.
- Note 5 An approval minute was found on the file but it does not specifically mention policy compliance.

2.4 Corporate Services

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate information has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers											
				Date of approval								
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent
1	TRS07/267	1/08/07	31/10/07	28/08/07	N/A Note 1	Note 2	Note 3	10/09/07	$250,000	$250,000	Note 3	Note 4
2	SOT2006/0447	13/03/08	15/04/08	6/03/08	N/A Note 1	6/03/08	12/03/08	12/03/08	$16,000	$16,000	$16,000	Note 4
3	TRS07/353	10/10/07	10/10/07	31/10/07	N/A Note 1	31/10/07	Note 6	7/11/07	$16,000	$16,000	Note 4	$16,000
4	TRS07/356	20/08/07	26/09/07	5/11/07	N/A	5/11/07	9/10/07	5/11/07	$47,750	$47,750	$47,750	$47,750
5	SOT2006/0498	2/07/07	1/09/07	13/07/07	N/A	Note 2	13/07/07	11/02/07	$63,360	Note 9	$63,360	Note 4
6	SOT2006/0511	1/07/07	31/07/07	3/09/07	N/A	Note 2	Note 6	12/09/07	$14,630	$14,630	Note 6	$14,630
7	TRS08/050	1/02/08	30/06/09	20/02/08	N/A	4/03/08	Note 6	20/02/08	$500,000	$500,000	Note 6	Note 4
8	TRS07/301	21/10/07	20/10/08	3/12/07	3/12/07	3/12/07	6/12/07	13/12/07	$72,188	$72,188	$72,188	$72,188
9	TRS08/046	21/02/08	21/02/10	19/02/08	19/02/08	19/02/08	21/02/08	25/02/08	$33,000	$72,600	$33,000	Note 4
10	T2007/0718	27/02/08	20/02/09	21/02/08	N/A	21/02/08	Note 6	11/02/08	$10,299	$30,000	$14,624	$10,299
11	TRS07/149	1/07/07	30/07/08	1/06/07	N/A	Note 2	Note 4	12/06/07	$15,121	$14,555	Note 6	Note 4
12	SOT2005/0087	2/01/08	31/03/08	10/12/07	N/A	10/12/07	5/12/07	12/12/07	$50,000	$50,000	$50,000	Note 4
13	TRS08/045	27/12/07	30/06/09	22/02/08	N/A	22/02/08	Note 6	22/02/08	$68,689	$68,689	Note 6	Note 4
14	TRS07/382	1/11/07	31/03/09	29/11/07	N/A	Note 2	Note 6	30/11/07	$249,770	$250,000	Note 6	Note 4
15	TRS08/040	1/03/08	1/03/10	21/02/08	N/A	21/02/08	Note 6	28/02/08	$45,283	$45,283	Note 6	Note 4
16	TRS07/229	1/07/06	30/06/08	10/04/06	10/04/06	Note 2	05/04/06	2/08/07	$2,639,450	$3,600,000	$2,639,450	Note 4

	1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
1	✓	✓	✓	N/A	N/A	✓	N/A	N/A	NI	NI	NI	NI	✓	NI	NI
2	✓	✓	✓	N/A	N/A	✓	N/A	✓	✓	✓	NI	NI	✗	✓	✓
3	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	✓	NI	✓	NI	NI
4	✓	✓	✓	N/A	N/A	✓	N/A	✓	✗	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	N/A	N/A	✓	N/A	✗	✓	NI	NI	NI	✗	✓	NI
6	✓	✓	✗	N/A	N/A	✓	N/A	✗	NI	NI	✓	NI	✗	NI	NI
7	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	✗	NI	NI
8	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NI	NI	✓	✓	✓
10	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	✓	✓	✓	✓	NI	NI
11	✓	✓	✓	N/A	N/A	✓	N/A	✗	NI	NI	NI	NI	✓	NI	NI
12	✓	✓	✓	N/A	N/A	✓	N/A	✓	✗	✓	NI	NI	✗	✓	✓
13	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	✓	NI	NI
14	✓	✓	✓	N/A	N/A	✓	N/A	✗	NI	NI	NI	NI	✗	NI	NI
15	✓	✓	✓	N/A	N/A	✓	N/A	✓	NI	NI	NI	NI	✓	NI	NI
16	✓	✓	✓	✓	✓	✓	N/A	✗	✗	✓	NI	NI	✗	✓	N/A
Not enough info on file to complete test	0	0	0	0	0	0	0	0	9	9	11	13	0	9	10
Test not applicable	0	0	0	13	13	0	14	1	0	0	0	0	0	0	1
Total available for testing	16	16	16	3	3	16	2	15	7	7	5	3	16	7	5
Satisfactory	16	16	15	3	3	16	2	10	4	7	5	3	9	7	5
Unsatisfactory	0	0	1	0	0	0	0	5	3	0	0	0	7	0	0

Notes

No Reg 10 was required as the contract does not cross financial years.
No Reg 13 was on file. Reg 13 may not have been required as the deed was not entered into by this Department. It was entered into by PM&C. Reg 13 would be required for work orders under the deed only.
Service Level Agreement, but no contract. This is not signed by either the Commonwealth or HMA Blaze.
No claims for payment was on file.
The contract is a whole of government contract held within the Department of Finance and Deregulation. When the contract was established the procurement complied with the CPGs.
No contract on file, however a Departmental work order was found, signed 12/03/2008 which is after the reg 9 was signed.
Only one quote on file.
Should be short form contract, instead has been put through as long form contract.
No amount stated on Reg 9.
No evidence of procurement method / tender process on file.
Work order issued under deed of standing offer.
Work order signed on 13 July 2007 by [redacted] Purchase Order was produced prior to Work Order being signed. Discussions with [redacted] indicated that this is acceptable as long as Reg 13 has been signed before the PO was raised. In this instance, Internal Audit had insufficient information to conclude as there was no evidence of Reg 13 (refer Note 2).
No Reg 10 was on file.
Contract was a long form departmental contract.
Should be long form contract, instead has been put through as short form contract.
The work order was signed by the CIO on 5/12/2007 prior to obtaining approval of both Regs 9 and 13 (which was dated 10/12/2007).
Work order issued under deed of standing offer.
The Reg 9 outlined the procurement would be directly sourced and the expenditure approval signed.
The contract was renewed on 30/4/2008 prior to obtaining Reg 9 approval (which was signed off on 28/2/2008).
A variation to the contract was entered into by [redacted] on 30 April 2008 to extend the contract for a further 12 months, with an increase of $680,000 up to $4.26 million. There was no approval on file to direct source for this amount.
Customised contract, however, it was not a DITRDLG contract (i.e. written by the supplier).
No claims for payment was on file. PAU have identified that this contract is still running and the Department may not have received any invoices to date.
Reg 10 is not required as the procurement relates to software and the invoice is paid in one financial year.
The Reg 9 was signed 10/04/2006. An approval to increase the cost of the procurement conducted this year was signed on 28/02/2008.
The contract was signed on 05/04/2006. A variation to increase was signed on 30/04/2008.

2.5 Infrastructure Investment

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order

The selected sample is as follows.

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
	Contract #	Start date	End date	Date of approval: Reg 9	Date of approval: Reg 10	Date of approval: Reg 13	Date of approval: Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/182	17/07/07	31/03/08	12/07/07	N/A Note	12/07/07	Note	17/07/07	$60,000	$60,000	Note	$3,961 Note	✓	✓	✗ Note	N/A Note	N/A Note	✓	N/A Note	✓	NI Note	NI Note	✓ Note	NI Note	✗ Note	NI Note	NI Note
Not enough info on file to complete test													0	0	0	0	0	0	0	0	1	1	0	1	0	1	1
Test not applicable													0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
Total available for testing													1	1	1	0	0	1	0	1	0	0	1	0	1	0	0
Satisfactory													1	1	0	0	0	1	0	1	0	0	1	0	0	0	0
Unsatisfactory													0	0	1	0	0	0	0	0	0	0	0	0	1	0	0

Notes:

The arrangement does not extend over to the next financial year
The signoff did not specifically mention policy compliance and efficient and effective use of public money.
The Funding Agreement Order (FAO) for Elect Printing could not be found on file
One invoice was found on the file for $3,961.10. The invoice does not exceed the approved amount
Only 1 quote on file

2.6 Infrastructure and Surface Transport Policy

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers			Date of approval									1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/097	9/09/07	13/09/07	17/04/07	N/A Note1	Note 2	Note 3	23/04/07	$10,000	$10,000	Note 2	$10,000	✓	✓	✓	N/A Note1	N/A Note1	✓	N/A Note1	x Note2	✓	NI Note3	✓	NI Note3	✓ Note4	NI Note3	NI Note3
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	1	0	1	0	1	1
												Test not applicable	0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
												Total available for testing	1	1	1	0	0	1	0	1	1	0	1	0	1	0	0
												Satisfactory	1	1	1	0	0	1	0	0	1	0	1	0	1	0	0
												Unsatisfactory	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0

Notes:
Note 1 The arrangement does not extend over to the next financial year
Note 2 Unable to test as no Reg 13 sign-off on file
Note 3 Unable to test as no contract on file
Note 4 The Reg 9 states that this is a direct source which was signed by the expenditure approver.

2.7 Local Government and Regional Development

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order

The selected sample is as follows

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
				Date of approval																							
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	SO72006/0510	17/07/07	31/12/07	3/10/07	N/A Note 1	3/10/07	20/08/07	20/09/07	$16,360	$25,000	Note 8	Note 3	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✓	✗ Note 2	NI Note 3	NI Note 3	NI Note 3	✓ Note 4	✓ Note 5	✓
2	X2007/0100	15/10/07	15/10/07	21/02/07	N/A Note	Note 7	20/08/07	16/10/07	$10,406	$76,100	$10,406	$10,406	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✗ Note 7	✓	✓	✓	✓	✓	✓	✗
											Not enough info on file to complete test		0	0	0	0	0	0	0	0	0	1	1	1	0	0	0
											Test not applicable		0	0	0	2	2	0	2	0	0	0	0	0	0	0	0
											Total available for testing		2	2	2	0	0	2	0	2	2	1	1	1	2	2	2
											Satisfactory		2	2	2	0	0	2	0	1	1	1	1	1	2	2	1
											Unsatisfactory		0	0	0	0	0	0	0	1	1	0	0	0	0	0	1

Notes:

The arrangement does not extend over to the next financial year
The contract was signed on 20/08/2007 which was before the approval was granted under Reg 9 but after approval was granted under Reg 13.
No invoices were found on file
Approval to Direct Source for Non-Covered procurements/variations between $5,000 and $80,000 -- [redacted] Section Head 3/10/2007 – reason being preeminent expertise
Work order issued under deed of standing offer
A PO was raised on 20/9/07 which was not within 4 weeks of being agreed on 5/7/07
A Reg 13 could not be found on file
The work order did not specify a specific amount. The fees were expressed on hourly rates

2.8 National Transport Strategy

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers			Date of approval									1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/321	1/10/07	28/02/08	12/10/07	N/A Note 1	Note 2	2/11/07	19/12/07	$60,995	$60,995	$60,995	$60,995	✓	✓	✓	N/A Note1	N/A Note1	✓	N/A Note1	✗ Note2	✓	✓	✓	✗ Note5	✓ Note3	✓	✗ Note4
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
												Test not applicable	0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
												Total available for testing	1	1	1	0	0	1	0	1	1	1	1	1	1	1	1
												Satisfactory	1	1	1	0	0	1	0	0	1	1	1	0	1	1	0
												Unsatisfactory	0	0	0	0	0	0	0	1	0	0	0	1	0	0	1

Notes:
Note 1 The arrangement does not extend over to the next financial year
Note 2 No evidence of Reg 13 approval on file
Note 3 No quotes were obtained as NTS used a direct souce due to the specialised nature of the services and the familiarity of the proposed consultant with NTS's requirements. This procurement process was adequately recorded.
Note 4 Purchase order created more than four weeks after being agreed.
Note 5 The amount spent ($60,995.00) exceeds the amount committed ($57,745)

2.9 Office of Local Government

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.

Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.

Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.

Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.

Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.

Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
				Date of approval																							
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/312	5/10/07	30/06/08	26/09/07	N/A Note1	26/09/07	19/10/07	19/10/07	$11,000	$10,000	Note 2	$3,300	✓	✓	×	N/A Note1	N/A Note1	✓	N/A Note1	✓	✓	NI Note2	✓	NI Note2	✓	✓	✓
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0
												Test not applicable	0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
												Total available for testing	1	1	1	0	0	1	0	1	1	0	1	0	1	1	1
												Satisfactory	1	1	0	0	0	1	0	1	1	0	1	0	1	1	1
												Unsatisfactory	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0

Notes:
Note 1 The arrangement does not extend over to the next financial year
Note 2 The contract did not specify a specific amount. The fees were expressed on hourly rates

2.10 Office of Transport Security

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
	Contract #	Start date	End date	Date of approval: Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS08/031	31/03/08	27/06/08	28/03/08	N/A Note 1	28/03/08	Note 2	28/03/08	$23,595	$21,450	Note 2	Note 3	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✓	NI Note 2	NI Note 2	NI Note 3	NI Note 3	N/A Note 4	NI Note 2	NI Note 2
2	SOT2006/0045	27/08/07	31/10/07	28/08/07	N/A Note 1	20/08/07	27/11/07	27/08/07	$20,848	$20,848	$20,848	Note 3	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✓	✓	✓	NI Note 3	NI Note 3	✗ Note 5	✓ Note 6	✓ Note 10
3	TRS08/042	14/01/08	25/01/08	Note 7	N/A Note 1	Note 8	Note 2	14/01/08	$48,494	Note 7	Note 3	Note 3	✗ Note 7	N/A Note 7	N/A Note 7	N/A Note 1	N/A Note 1	N/A Note 7	N/A Note 1	✗ Note 8	NI Note 2	NI Note 2	NI Note 3	NI Note 3	✗ Note 5	NI Note 2	NI Note 2
4	TRS08/022	31/01/08	30/04/08	16/01/08	N/A Note 1	23/01/08	31/01/08	12/03/08	$13,200	$13,200	$13,200	Note 3	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✓	✓	✓	NI Note 3	NI Note 3	✓ Note 9	✓	✗ Note 12
5	TRS07/270	21/09/07	8/10/08	17/09/07	N/A Note 1	17/09/07	21/09/07	24/10/07	$11,000	$15,000	$11,000	Note 3	✓	✓	✗ Note 11	N/A Note 1	N/A Note 1	✓	N/A Note 1	✓	✓	✓	NI Note 3	NI Note 3	✓ Note 9	✓	✓
6	TRS07/344	31/01/08	12/02/08	23/10/07	N/A Note 1	Note 8	Note 2	31/10/08	$15,477	$15,000	Note 2	Note 3	✓	✓	✓	N/A Note 1	N/A Note 1	✓	N/A Note 1	✗ Note 8	NI Note 2	NI Note 2	NI Note 3	NI Note 3	✓ Note 9	NI Note 2	NI Note 2
7		6/02/08	26/03/08	Note 7	N/A Note 1	Note 8	Note 2	27/02/08	$26,400	Note 7	Note 2	Note 3	✗ Note 7	N/A Note 7	N/A Note 7	N/A Note 1	N/A Note 1	N/A Note 7	N/A Note 1	✗ Note 8	NI Note 2	NI Note 2	NI Note 3	NI Note 3	✗ Note 5	NI Note 2	NI Note 2
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	4	4	7	7	0	4	4
												Test not applicable	0	2	2	7	7	2	7	0	0	0	0	0	1	0	0
												Total available for testing	7	5	5	0	0	5	0	7	3	3	0	0	6	3	3
												Satisfactory	5	5	4	0	0	5	0	4	3	3	0	0	3	3	2
												Unsatisfactory	2	0	1	0	0	0	0	3	0	0	0	0	3	0	1

Notes:

Note 1 The arrangement does not extend over to the next financial year
Note 2 A contract could not be found on file
Note 3 No invoices on file.
Note 4 As procurement was for an extension of employment contract, quotes were not necessary.
Note 5 Unable to confirm as there was no evidence of quotes on file
Note 6 Work order issued under deed of standing offer.
Note 7 No evidence of Reg 9 signoff could be found on file
Note 8 No evidence of Reg 13 signoff could be found on file
Note 9 No written quotes as supplier is noted to be the sole supplier of the required services.
Note 10 The PO was raised prior to executing the agreement. Discussions with [redacted] indicated that this is acceptable as long as Reg 13 has been signed before the PO was raised.
Note 11 The Reg does not specifically mention policy compliance and thus its unsatisfactory
Note 12 The actual PO date is 12/03/2008. Thus the PO was not raised with four weeks of the contract being agreed.

2.11 Regional Office

Test 1: FMA Regulation 9
a Verify that there is clear signoff that the proposal may proceed and date of approval.
b Record whether appropriate authorisation has been provided that complies with FMA Regulations 9 and 12.
c Record whether the signoff specifically mentions policy compliance and efficient and effective use of public money.
Test 2: FMA Regulation 10
a Verify that there is clear signoff and date of approval from an appropriate Reg 10 delegate that appropriation is available to support the expenditure.
b Record whether the signoff was completed on a Reg 10 template.
Test 3: FMA Regulation 11
a Verify that at the time the Reg 9 approval was granted, the approver had sufficient delegation to approve the expenditure.
b Verify that at the time the Reg 10 approval was granted, the approver had sufficient delegation to approve the expenditure.
Test 4: FMA Regulation 13
a Verify that there is clear signoff that a contract may be entered into and date of approval.
b Verify that the contract was signed after approval was granted under Regs 9, 10 and 13.
Test 5: FMA Regulation 13 (cont.)
a Verify that the amount committed (e.g. the contracted amount) does not exceed the approved amount.
b Verify that the amount spent (i.e. total of invoices) does not exceed the approved amount.
c Verify that the amount spent (i.e. total of invoices) does not exceed the amount committed.
Other requirements
Test 6 Verify that the procurement method (quotes, tender etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 7 Verify that the agreement form (quote, contract etc.) complies with the CEI for procurements of that value (refer to the threshold requirements).
Test 8 Verify that a single purchase order was created within four weeks of being agreed (when the arrangement was entered into, as opposed to when it commenced) and record actual date of purchase order.

The selected sample is as follows:

	Identifiers												1a	1b	1c	2a	2b	3a	3b	4a	4b	5a	5b	5c	6	7	8
				Date of approval																							
	Contract #	Start date	End date	Reg 9	Reg 10	Reg 13	Contract	Date of PO	Value (PO amount)	Reg 9 amount	Amount committed	Amount spent															
1	TRS07/022	31/07/07	31/12/07	20/04/07 Note 1	N/A Note2	25/07/07	24/07/07	22/06/07	$33,630	$33,630	$33,630	Note 3	✓	✓	✓	N/A Note2	N/A Note2	✓	N/A Note2	✓	✓	✓	NI Note3	NI Note3	✓	✓	× Note4
												Not enough info on file to complete test	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0
												Test not applicable	0	0	0	1	1	0	1	0	0	0	0	0	0	0	0
												Total available for testing	1	1	1	0	0	1	0	1	1	1	0	0	1	1	1
												Satisfactory	1	1	1	0	0	1	0	1	1	1	0	0	1	1	0
												Unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Notes:
Note 1 "2006" date on Reg 9 form is a possible transposition error. It should be 2007.
Note 2 The arrangement does not extend over to the next financial year
Note 3 Unable to test as no invoices on file.
Note 4 The PO was raised 4 weeks prior to the contract being signed. Discussions with [redacted] indicated that this is acceptable as long as Reg 13 has been signed before the PO was raised. In this instance, the Reg 13 was signed after the PO.