



TRS19D1304

Hon Stephen Mullighan MP
Member for Lee
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Stephen

Dear Mr Mullighan

APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991*

I refer to your application made under the *Freedom of Information Act 1991* (FOI Act), dated 13 May 2019.

Your application seeks access to:

"All minutes, briefings and correspondence titled 'Request for Variation of Treasurer's Instruction – Treasurer's Instruction 12 – Government Purchase Cards' as described on the Objective document management system, between 12 July 2018 and 13 May 2019."

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 26 May 2019 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 2 documents were identified as answering the terms of your application.

I grant you access in part to 1 document; a copy of which is enclosed.
I grant you access in full to 1 document; a copy of which is enclosed.

Document released in full

Document 2

Document Released in Part

Document 1 is a briefing which was prepared by DTF for my consideration, requesting a variation to Treasurer's Instruction 12.9 – Government Purchase Cards.

The briefing makes mention of draft Treasurer's Instructions prepared by Parliamentary Counsel and as such considered legal advice.

I therefore determine this information exempt under clause 10(1) to the FOI Act.

Exemptions

Clause 10 – Documents subject to legal professional privilege

- (1) *A document is an exempt document if it contain matter that would be privileged from production in legal proceedings on the ground of legal professional privilege.*

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

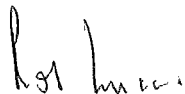
In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, Section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, Section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

Yours sincerely



Hon Rob Lucas MLC
Principal Officer

8 September 2019

RELEASE

MINUTE

9/11/18
TIS/035
TR11802209



Government of South Australia
Department of Treasury and Finance

MINUTES forming ENCLOSURE

File T&F17/0223

Doc No A957779

To The Treasurer

REQUEST FOR VARIATION OF TREASURER'S INSTRUCTION - TREASURER'S INSTRUCTION 12 - GOVERNMENT PURCHASE CARDS

Timing: ROUTINE

Recommendations/Issues: It is recommended that you:

- note that Andrew Swanson, Executive Director, Attorney General's Department (AGD), wrote to the Chief Executive of the Department of Treasury and Finance (DTF) requesting a variation to Treasurer's Instruction (TI) 12.7.5 - to increase the single transaction limit on the government purchase card for the Commissioner of Victims' Rights from \$10,000 to \$20,000;
- note Under TI 1.12 you, as the Treasurer, may vary the application of a Treasurer's Instruction; and
- approve, pursuant to TI 1.12, a variation to the application of TI 12.7.5 for the Chief Executive of the Attorney General's Department to set the credit card transaction limit for the Commissioner for Victims' Rights at \$20,000 per transaction, subject to the Attorney General's Department ensuring that the Commissioner for Victims' Rights has the appropriate contract authorisation under Treasurer's Instruction 8.

Approved/Not Approved

Hon Rob Lucas MLC
Treasurer

29/11/18

Key Points:

- On 31 October 2018, Andrew Swanson, Executive Director, Attorney General's Department (AGD), wrote to the Chief Executive of the Department of Treasury and Finance (DTF) seeking a variation to Treasurer's Instruction (TI) 12.7.5.



- TI 12.7.5 requires the Chief Executive to ensure that the transaction limit for a Government purchase cardholder must not be in excess of the lower of the contract authorisation or \$10,000 per transaction.
- The variation to TI 12.7.5 is requested by AGD in recognition of sensitive matters that the Commissioner for Victims' Rights is involved with from time to time when dealing with repatriation of South Australians back to the state from overseas. This can involve people who are in danger or have been the victim of terror incidents.
- The payments of costs are often needed to be made in a short time frame and outside of office hours and involves transacting with authorities in other countries to secure the safe repatriation of those who have been involved in such circumstances. In these instances the access to immediate payment method is via credit card issued through the whole of government corporate card program.
- The costs to repatriate from overseas and secure safe travel arrangements in a short time span can be significant and involve costs up to \$20,000.
- DTF considers it appropriate for you to approve a variation to TI 12.7.5 with respect to the increase of the transaction limit from \$10,000 to \$20,000 for the Commissioner of Victims' Rights. Note that the Chief Executive of AGD will need to ensure that the Commissioner has appropriate contract authorisation to enter into contracts up to this new limit.



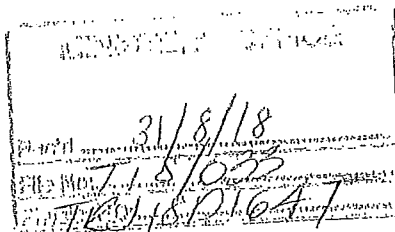
Tim Burfield
ACTING EXECUTIVE DIRECTOR, ACCOUNTING SERVICES

8 November 2018

Contact Officer:	Roger Moore
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RELEASE IN PART

MINUTE



MINUTES forming ENCLOSURE

File T&F17/0223

Doc No A879167

To The Treasurer

REQUEST FOR VARIATION OF TREASURERS INSTRUCTION - TREASURER'S INSTRUCTION 12 - GOVERNMENT PURCHASE CARDS

Timing: ROUTINE

Recommendations/Issues: It is recommended that you:

- note that on 6 June 2018, Mr Mark Duffy, Chief Executive, Department of State Development (DSD) (now Department for Industry and Skills (DIS)) requested a variation to Treasurer's Instruction 12.9 such that the Chief Executive be allowed to approve department staff to withdraw foreign currency via a cash advance from a Government Issued credit card (see [attachment 1](#)).
- note that the Treasurer may vary a Treasurer's Instruction as outlined in Treasurer's Instruction 1.12 and sub-section 41(3) of the *Public Finance and Audit Act 1987*.
- approve a variation to TI 12.9 for DIS to allow the Chief Executive to approve department staff to withdraw foreign currency via a cash advance from a Government Issued credit card while travelling on government business subject to the Chief Executive updating policies and procedures to meet the minimum requirements set out in [attachment 2](#). As a result of the machinery of Government change it is also proposed that the approval also be extended to Department for Tourism, Trade and Investment (DTTI) and Department for Energy and Mining (DEM).

Approved/Not-Approved

Hon Rob Lucas MLC
Treasurer

9/9/18

Key Points:


- The Chief Executive of DSD wrote to the Chief Executive of DTF on 6 June 2018, seeking a variation to Treasurer's Instruction 12.9-Government Purchase Cards, which states that there must be 'exceptional circumstances' to allow the drawing of a cash advance using government issued purchase cards. As a result of the machinery of government changes of DSD to DIS, DTTI and DEM it is proposed that the request for variation to TI 12.9 to apply to each of the new agencies. See attachment 1.

Discussion

Current Practice

- To assist travellers with cash requirements while overseas, foreign currency is purchased locally for staff to make small cash payments when travelling on government business. The currency is purchased from CommBank at a cost of \$10 for each purchase plus the conversion from AUD to the currency purchased at the time.
- Banks have limited the sale of foreign currency to the major currencies being CAD (Canadian Dollars), CNY (Chinese Yuan), EUR (Euro), GBP (British Pounds), HKD (Hong Kong Dollars), NZD (New Zealand Dollars), SGD (Singapore Dollars) and US (US Dollars). Often there is an agency requirement for other currencies.

Proposal

- TI12.9 allows a Chief Executive of an agency to allow a cash advance on a government issued credit card in exceptional circumstances.
- DSD in its submission proposes a variation to TI12.9 to enable an employee travelling overseas on government business to use a credit card to obtain a cash advance in the currency of the destination.
- The use of cash advances from government credit cards has the potential to lower the cost to government of providing cash for those limited circumstances where it is required for government business – particularly in relation to petty cash. The ANZ Expense Manager system (to record and acquit transactions and cash advances), ANZ Transactive (to enable and disable cash advance functionality) and other control requirements of the Treasurer's Instructions provide sufficient control on the use of cash advances.
- A cost comparison has been calculated by the agency, comparing costs of the purchase of cash versus taking a cash advance on a credit card. The cost comparison has highlighted a potential savings of the proposed variation of approximately \$31,000 based on 2016-17 data. Details are attached in attachment 3.
- Last year, Public Finance Branch (now Accounting Services Branch) considered this matter in connection with a review of the Treasurer's Instructions. The draft new Treasurer's Instructions prepared by 

- Given the above, Treasury and Finance considers it appropriate for you to approve a variation of TI 12.9 with respect to the allowance of cash advance against a government issued purchase card for DIS, DEM and DTTI for withdrawal overseas of foreign currency in connection with overseas travel subject to the policies and procedures of the public authorities being amended to meet the minimum requirements set out in attachment 2.



Kevin Cantley
EXECUTIVE DIRECTOR, ACCOUNTING SERVICES

31 August 2018

Contact Officer:	Roger Moore
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MINUTE

MINUTES forming ENCLOSURE to

File: F2018/001550

Doc: D18033198

To: David Reynolds, Under Treasurer
Department of Treasury and Finance

**Subject: SEEKING EXEMPTION FROM TREASURER'S INSTRUCTION 12 –
GOVERNMENT PURCHASE CARDS**


Purpose:

- The Department of State Development (DSD) is seeking exemption from clause 12.9 of Treasurer's Instructions 12 – Government Purchase Cards which states there must be 'exceptional circumstances' to draw currency using purchase cards. The exemption would allow the Chief Executive to approve departmental staff to withdraw foreign currency whilst travelling overseas, without the need to satisfy 'exceptional circumstances'.

Key Issues:

- When DSD staff travel overseas for business, they are usually provided with foreign currency cash for smaller purchases which cannot be paid for by purchase card. Larger expenditure items such as accommodation are generally paid via government purchase card.
- Effective from 29 January 2018, the Commonwealth Bank of Australia (CBA) will only sell or buy 9 foreign currencies being: CAD, CNY, EUR, GBP, HKD, JPY, NZD, SGD and US. DSD frequently requires an additional 11 foreign currencies mostly related to India, South-East Asia, Middle East and North Africa Business Missions which will no longer be available from CBA to pre-purchase prior to travelling.
- Treasurer's Instruction 12 – Government Purchase Cards (TI12) allows a Chief Executive to only authorise the use of purchase cards for the purpose of withdrawing cash advances for exceptional circumstances.
- DSD believe using purchase cards to obtain in-country the 11 foreign currencies not available from the CBA would meet the definition of exceptional circumstances. However, it is recognised that using purchase cards to obtain the 9 foreign currencies that are stocked by the CBA may not meet the definition of exceptional circumstances.
- For consistency and efficiencies in the management of foreign currency, the department is seeking an exemption to allow cash withdrawals for all foreign currencies. Travellers would be expected to exchange any unspent foreign cash to Australian Dollars before departing the relevant country.
- DSD has implemented the ANZ Bank's Expense Manager Systems (ANZ EMS) to acquit expenditure through government issued Purchase Cards. This has improved visibility on spend and allows for greater control. ANZ EMS has a cash module, which can be implemented to manage and acquit in line with spend in relation to foreign currency cash withdrawals.

- DSD is seeking to implement the cash module to acquit cash advances via purchase card as a control measure to ensure travel approvals are adhered to and reconciliation requirements are met in line with CE approval.
- DSD has policies, procedures and guidelines in relation to Government Purchase Cards and Overseas Travel, which requires specific authority by the Chief Executive for the travel, the estimated total costs and the amount of foreign currency advance allowed for each traveller. Reconciliations are performed for each traveller. I am advised that appropriate controls are in place to support the cash withdrawal from purchase cards.
- Under Treasurer's Instruction 1.11, where there are justifiable reasons why a matter required by the Treasurer's Instruction should not apply, the Chief Executive may request that the Treasurer varies the effect of the instruction by making a submission to the Under Treasurer.
- DSD is aware that the Department of Treasury and Finance (DTF) is in the process of drafting an amended set of Treasurer's Instructions, including changes to TI12 that will allow Chief Executives to authorise the use of a purchase card to withdraw cash advances for specific purposes under a policy established by the Chief Executive. Given the timing of this change has not been informed, DSD is seeking the exemption in advance of the proposed amendment.



Mark Duffy
Chief Executive

6/16/2018

Attachment 2: Minimum Requirements for Policies and Procedures – Cash Advances

- DIS, DTTI or DEM must update their credit card policies and procedures to meet the minimum requirements set out below.
 - All overseas travel is to be documented via an 'Overseas Travel Approval' request. The request document identifies the traveller and request for the allowance of currency cash withdrawal up to a designated level prior to travelling. The request is to be approved by Chief Executive.
 - Cash advance availability for the credit card identified in the Overseas Travel Approval request will be managed by the finance section through ANZ Transactive and the cash advance function will only be available between the approved travel dates.
 - All purchase card transactions are included in Masterpiece (Financial system) and ANZ Expense Management System
 - Any cash withdrawal will be captured and receipt of the cash spent will be reconciled and unspent cash is to be converted back to AUD before leaving the overseas country and returned to the bank.
 - All overseas travel is reconciled to identify the full cost of each trip by each trip within 3 months of the end of trip.
 - All travel costs are recorded in an Overseas Travel Register and review for 'reasonable test'.
 - The total travel costs are also reported to the Minister every 6 months and added to the proactive disclosure website.

Attachment 3: Cost comparison based on actual 2016/17 data

Based on actual 2016-17

Total number of currency requests	148
Total AUD equivalent of cash converted	\$ 97,000
Total AUD equivalent of cash returned	\$ 48,000
Total AUD Spent	\$ 49,000
Percentage volume of currency returned	49.48%

Purchasing currency:

Fees	
Bank fees for currency collection	\$ 2,200
Total exchange loss on re-conversion of currency back to AUD	\$ 9,500
Total Bank Fees	\$ 11,700

Cash Advance:

Fees	
Total bank fees based on \$330 (average advance) by 2.5% transaction fee by 148 advances ie \$49,000 x 2.5%	\$ 1,225
Total bank fees based on \$330 (average advance) by 1.5% cash withdrawal fee by 148 advances ie \$49,000 x 1.5%	\$ 735
Interest \$330 x 18.74% for 30 days average x 148 advances	\$ 755
Total Bank Fees	\$ 2,715

Total Admin Costs based on AS06 hourly rate to reconcile and manage the pick up and return of cash by 148 trips arranged, equates to 625 hours of effort \$ 25,000

Total Admin Costs based on AS06 hourly rate by 30mins to return unspent currency to bank and banking the AUD by 148 advances \$ 3,000

Total Cost to Dept \$ 36,700

Total Cost to Dept \$ 5,715

Assumptions:

- 2016-17 is an average year for travel and cash requirements.
- When travellers take foreign cash, approximately 50% of cash is unspent and returned, creating a conversion gap in re-converting currency back to AUD (ie differential between purchase rate and sale rate across time)
- Cash advance scenario has been calculated on assumption that only cash requirement is taken by cash advance as needed.
- Cash advance interest and currency fee is assumed as being taken in the first part of the billing cycle of the card program.
- Reduced effort by admin staff as reconciliation is with the card holder and a lower rate of cash being brought back requiring re-conversion back to AUD.