

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING : 25 May 2015

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(BE15/203) - Verbal approval of expenditure - Internal Product (DIBP)

Senator Ludwig, Joe (L&CA) written:

1. If a verbal approval is given by an authorised officer to expend money, what records (if any) must be kept and where are they kept?
 - a. If records are not kept, why?
2. In what circumstances can verbal authorisation be given and who may give it? Please specify their APS level and classification.
3. Can verbal authorisation be given for expending cash on hand stored securely in agency facilities, offices or vessels?
 - a. If yes, what records (if any) must be kept and where are they kept?
 - i. If records are not kept, why and how is that money accounted for?

Answer:

1. If verbal approval is given for a commitment of relevant money, a record of the approval must be documented as soon as is practicable, in accordance with section 18 of the *Public Governance, Performance and Accountability Rule 2014* (the PGPA Rule).

In considering what form the approval should take, delegates must consider:

- the availability of a system approval process for that type of expenditure;
- the value, significance, level of risk and any sensitivity associated with the expenditure or arrangement; and
- any instructions issued by the Chief Executive Officer of the Australian Customs and Border Protection (the Service) or the Secretary of the Department of Immigration and Border Protection (the Department).

Within the Service, all officials are required to maintain records in accordance with the Service's record keeping policies as set out in Practice Statement C_IMT04 – Records Management. This policy requires paper records be retained and placed on a file unless an alternative process has been approved by the Information Policy and Governance Section. An alternative process has been approved in relation to certain records maintained in the Service's Financial Management Information Systems.

In accordance with this policy, records of approvals of the commitment of relevant money are either retained on a physical file maintained in accordance with the Service's record keeping requirements or electronically in the Service's Financial Management Information Systems.

Within the Department all officials are required to maintain records in accordance with the Department's Recordkeeping Policy. This policy applies to:

- all departmental employees onshore and offshore, including ongoing, non-ongoing and casual personnel, the SES, staff on posting, and locally engaged employees;
- all contractors and consultants who access departmental systems (irrespective of duration of contract) - unless they hold written exemption from the Recordkeeping Improvement and Library Information Services Section (RILIS); and
- all other government agency personnel undertaking duties on behalf of the department, including those on secondment.

This policy requires that all employees, consultants and contractors must:

- keep full and accurate records that support and provide evidence of business activities;
- keep records in the approved recordkeeping systems in accordance with documented and authorised business processes;
- ensure records are treated as valuable corporate assets and documented to a standard that would withstand independent scrutiny;
- not destroy any record, paper or electronic, that is evidence of a business activity, without the authority of National Archives of Australia according to the Archives Act 1983;
- understand and ensure that recordkeeping is an integral part of all business processes; and
- comply with Secretary's Instruction 4 - Recordkeeping.

In accordance with this policy, records of approvals of the commitment of relevant money are either retained on a physical or electronic file maintained in accordance with the Department's record keeping requirements, or electronically in the Department's Financial Management Information Systems.

a. Records must be kept.

2. Only officials delegated under section 23(3) of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) may provide a verbal approval. Delegates must document their approval as soon as practicable after the verbal approval is given.

The circumstances under which a delegate may give verbal approval are subject to the delegates' consideration of the urgency, value, risk, significance and sensitivity of the expenditure.

The Chief Executive Officer of the Service has issued financial delegations to a range of officials either employed by the Service or by other Commonwealth entities (where the services of those employees of other Commonwealth entities are being made available to the Service in connection with the performance of the Service's functions). A copy of the financial delegations in place in the Service is provided at Attachment A.

The Secretary of the Department has issued financial delegations to a range of officials either employed by the Department or by other Commonwealth entities (where the services of those employees of other Commonwealth entities are being made available to the Department in connection with the performance of the Department's functions). A copy of the financial delegations in place in the Department is provided at Attachment B.

3. No, verbal authorisation is insufficient for expending cash on hand. A person delegated under section 23 of the PGPA Act must give written approval to commit relevant money before expending cash on hand.
 - a. Not applicable.
 - i. Not applicable.