

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 16 FEBRUARY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Credit Cards

Question reference number: HSW 62

Senator: McKenzie

Type of question: Written

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Question:

- a) How many staff in each department and agency have a corporate credit card? What is their classification?
- b) What action is taken if the corporate credit card is misused?
- c) How is corporate credit card use monitored?
- d) What happens if misuse of a corporate credit card is discovered?
- e) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
- f) What action is taken to prevent corporate credit card misuse?

Answer:

- a) At 28 February 2012, 1936 staff had a corporate credit card. Details of staff classifications are listed below:

Classification	Cardholders
APS 2-6	1,266
EL1	209
EL2	281
Secretary	1
SES Band 1	129
SES Band 2	40
SES Band 3	10
Total	1,936

- b) The action taken if a corporate credit is misused depends on the nature of the breach. For example:
- **Inadvertent personal use of the corporate credit card:**
 - the expenditure is recovered from the official; and
 - a breach is reported on the *Financial Compliance Management System*.
 - **Fraudulent personal use of the corporate credit card:**
 - investigation undertaken by the department's Internal Assurance Branch;
 - the expenditure is recovered from the official;
 - potential code of conduct case conducted; and
 - a breach is reported on the *Financial Compliance Management System*.
- The matter may also be passed on to the Federal Police, if necessary, for criminal investigation.
- c) Credit card use is monitored using the following methods:
1. all credit card transactions are quality assured by a dedicated team within the department; and
 2. all credit card transactions are electronically reviewed by the line manager of each card holder.
- d) If misuse of a corporate credit card is identified, the department's Finance Branch investigates the circumstances and undertakes appropriate action, where necessary.
- e) During the period of 1 July 2011 – 31 January 2012, there were no identified misuse of credit cards by departmental staff.
- f) The department has a number of methods in place to prevent corporate credit card misuse. These are:
- a clear set of mandatory rules outlining requirements on the issue, use and management of the department's corporate credit cards;
 - card holders are provided training prior to receiving a corporate credit card;
 - the department will only issue corporate credit cards to officials demonstrating a business need, and only following senior management approval;
 - monitoring processes also play an important role as a deterrent against misuse, with card holders aware that all transactions are reviewed both by a dedicated team within the Finance Division as well as the line manager of each card holder; and
 - card holders are also aware of the enforcement strategies in place in the event of misuse of a corporate credit card occurring.