

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

NBN Co Limited

Question No: 235

NBN Co Limited

Hansard Ref: Written, 2/6/2017

Topic: Credit Cards

Senator Bilyk, Catryna asked:

How many credit cards are currently on issue for staff at NBN Co?

What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?

- (a) How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- (b) How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- (c) What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016?
- (d) How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- (e) How many credit card purchases were deemed to be illegitimate or contrary to NBN Co policy in calendar year 2016? What was the total value of those purchases? How many purchases were asked to be repaid on that basis in calendar year 2016 and what was the total value thereof? Were all those amounts actually repaid? If no, how many were not repaid, and what was the total value thereof?
- (f) What was the largest purchase that was deemed illegitimate or contrary to NBN Co policy and asked to be repaid in calendar year 2016? What that amount actually repaid, in full? If no, what amount was left unpaid?
- (g) Are any credit cards currently on issue at NBN Co connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- (h) Can a copy of NBN Co's staff credit card policy please be provided?

Answer:

nbn currently has 683 corporate Cards on issue, as at 21 May 2017.

The largest reported purchase on a corporate credit card in 2016 amounted to \$15,834.72. This purchase was in respect of corporate training and development.

- (a) All amounts as invoiced on corporate cards are settled on a monthly basis. As a consequence we do not attract interest fees on corporate cards.

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- (b) All amounts as invoiced on corporate cards are settled on a monthly basis. As a consequence we do not attract late fees on corporate cards.
- (c) All amounts as invoiced on corporate cards are settled on a monthly basis; there are therefore no “outstanding” amounts.
- (d) It is the responsibility of the card holder under the nbn Corporate Card Policy to report the loss or theft of their card to the relevant credit card service provider as soon as it occurs. This data is not captured internally within nbn.
- (e) From time to time, through its audit and assurance processes, nbn identifies irregular purchases made on nbn-issued credit cards. These are appropriately actioned on a case-by-case basis, including the recovery of expended funds. nbn has Policies and Procedures in place and enforced relating to Travel and Expenses which govern the regime. Due to the ad-hoc nature and in-frequency of these transactions, it would take a significant amount of resources to manually gather the itemised data within the relevant systems and as such, would be an unreasonable diversion of nbn resources.
- (f) Refer to part (e).
- (g) Rewards schemes are not attached to use of these cards and staff receive no personal benefits.
- (h) Please see policy attached.



Corporate credit card policy

nbn-Confidential: Commercial | <BMS001546> | Rev 7.0 | <11 APR 17>
Owner: <EGM Corporate Finance>

Purpose

This policy details the eligibility criteria and use of **nbn** Co Limited (“**nbn**” or the “Company”) corporate credit cards.

Scope

This policy applies to all employees of **nbn** and its subsidiaries.

Policy

1.1 Issuer

The Commonwealth Bank (“CBA”) will issue corporate credit cards (“CBA Card”, Card” or “Cards”) on behalf of **nbn**.

1.2 Eligibility and limits

Eligibility for a Card is as follows:

- General Managers and above are eligible to apply for a corporate card.
- All other employees (including frequent travellers) after having secured the approval of their Executive General Manager are also able to apply for a corporate card.

Contractors will not be issued with a Card.

1.3 Use of the Card

The Card is to be used for those items of expenditures incurred under the Travel & Expense Reimbursement Policy and Buying Guide. Cards can only be used for the payment of expenses that are in accordance with these policies.

If a charge is incurred on the Card that is not work related and is a personal expense, then the employee authorises **nbn** to deduct that amount from their next monthly pay. The employee agrees that this deduction is for their benefit as it will ensure that the monies are refunded promptly without a debt arising and enables the employee to retain use of the Card. The employee may also be subject to disciplinary action. Only where CBA is not accepted by a merchant is it acceptable to use an alternative means of payment.



In respect of the Buying Guide, the Card is the Company's preferred purchasing method for small spending, one-off and infrequent items because of the ease of use and lower processing costs. Accordingly, the Card should be used where the item to be purchased is \$5,000 or less. The Card can be used for purchases over \$5,000 in emergencies such as break fixes with an incident number.

Certain types of expenditure are particularly suited to Card use, such as, but not limited to:

- Accommodation
- Meals
- Car hire
- Catering
- Personal attendance at conferences or training courses
- Photocopying / printing services (copy centres)
- Entertainment
- Venue hire deposits
- Gifts (flowers, etc.)
- Parking (for business purposes)
- Taxi fares and public transport
- Subscriptions and publications
- Professional association membership fees
- Council applications, etc.
- One-off purchases where it is unlikely **nbn** will deal with the supplier again

Note: Air Travel and Car Hire bookings made through the Company's travel agent, HRG, will be charged to a central **nbn**'s account. Therefore, such bookings should not be charged to an individual's Card.

1.4 Cost of the Card

Cards are provided free of charge by CBA.

1.5 Merchant Fees

The Card must still be used even where a merchant imposes a fee for the use of the card.

1.6 Statements & Payments of Accounts

Monthly statements will be sent by CBA to **nbn**, which will settle the statements directly with CBA. A copy will also be emailed to the card holder.

1.7 Application Process

An eligible employee must complete a credit card application form for issuance of a Card in conjunction with an Employee Application Form agreeing to the conditions of use for the Card. Application forms and instructions on how to complete them can be found in attached Appendix 1.

Where an employee requires EGM authorisation for the issuance of a card, the employee will need to forward such authorisation to Anna Giannacopoulos – Treasury.



1.8 Membership Rewards

No membership rewards points will accrue on the card.

1.9 Unauthorised Charges to the Card

As described at point 3 above, the Card is only to be used for authorised Company purchasers. However, there may be rare circumstances where unauthorised personal expenditures are charged to the Card. Where this occurs, the employee will be required to reimburse **nbn** by coding the expenditure item as “Personal Spend” in their iExpense Claim. A payroll deduction will automatically be forwarded to Payroll for processing as outlined in the Employee Application Form.

1.10 Misuse of the Card

Misuse of the Card may result in disciplinary action under this policy and the employee’s employment contract. Examples of misuse include:

- Using the Card for cash advances, bank cheques, travellers cheques (or any other “cash equivalents”);
- Deliberate or regular incurring of personal expenditures on the Card;
- Failure to submit timely Expense Reports in iExpense;
- Failure to provide information as requested in respect of reviews and audits of the Card’s use;
- Use of a private credit card for authorised **nbn** expenditures where the Card is accepted; and
- Where a Purchase Order (“PO”) has been issued by **nbn**, the Card is not to be used to pay invoices relating to that PO.

Roles and responsibilities

The card holder is responsible for:

- Adhering to all rules and policies concerning the use of the Card;
- Completing an Expense Report in iExpense for authorised expenses charged to the Card within 5 business days of receiving a statement;
- Identifying incorrect charges on their statement and assisting **nbn** with disputing those charges with CBA and the supplier;
- Advising CBA if a new Card has not been received once it expires;
- Reporting the loss or theft of their Card to CBA as soon as it occurs;
- Reporting any concerns to CBA about the PIN being discovered by another individual;
- Not allowing anyone else to use their Card;
- Retaining receipts for charges to the Card and producing the receipts upon a request by the Company;
- Advising the CBA Card administrator of any change of personal details; and
- Surrendering the Card to their manager when leaving **nbn** and ensuring all transactions have been coded and approved in iExpense.

Managers of card holders are responsible for:

- Approving an Expense Report for a direct report within 2 business days of receiving the report;
- Monitoring their direct reports’ transactions to ensure the Card is being used appropriately; and



- Ensuring card holders surrender the Card when leaving the Company and all transactions have been coded and approved in iExpense.

Instructions on how to complete an Expense Report in iExpense can be found on The HUB.

The Executive General Manager Corporate Finance is responsible for the Corporate Credit Card Policy as a delegated responsibility of the CFO.

More information

All questions relating to corporate credit cards should be directed to **nbn** Treasury.

Related policies

The following **nbn** policies are related to the Corporate Credit Card Policy and must be adhered to by all **nbn** employees;

- Travel and Expense Reimbursement Policy
- Buying Guide

*<Ross Elsted>
<EGM Corporate Finance>
Effective as of <19 April 2017>*



Document control

Policy owner	<EGM Corporate Finance>
Document number	<BMS001546>
Revision	6.0
Issue date	OCT 16
Review date	OCT 17
Classification	nbn-Confidential: Commercial
Dissemination limiting marker (DLM)	
Status	Final
Plan of record?	
Policy author	Paul Crosse
Policy approver	Ross Elsted
Email	
Department or business unit	Finance

Revision history

Revision	Description	Policy author
7.0	<p>All references to AMEX and American Express have been replaced with Commonwealth Bank and CBA.</p> <p>The Application form in Appendix 1 has also been updated with the above changes.</p> <p>The credit card limits have been included in section 1.2, along with adding that level 'C' employees are General Managers.</p>	Paul Crosse



Appendix 1

How to apply for a Corporate CBA card:

- Complete the nbn “Application Form” (*the attached PDF*) and please email this application form to Anna Giannacopoulos;
- You will receive an email directly from CBA with a link that you need to use to complete the online application form;
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- Upload the required Identification documentation onto the CBA Card Management Portal as part of the online application;
- Once you have completed the Online Card Application this will go to Anna Giannacopoulos (as the Verification Officer) and then Paul Crosse (as an Authorised Signatory) to approve; and
- Commonwealth Bank will then process your application and issue your new card.

How to activate your new CBA card:

- Upon receipt of your new Commonwealth Bank Corporate Card, you need to activate it by phoning the number on the letter attached to the card.
- As part of the activation process you will also receive your 4 digit PIN separately directly via mail from CBA.

For any questions related to the CBA Corporate Liability Credit Card program, please contact Anna Giannacopoulos.