

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Special Broadcasting Service**

**Question No: 33(c)**

**Special Broadcasting Service**

**Hansard Ref: Written 02/06/2017**

**Topic: Departmental Functions**

**Senator Bilyk, Catryna asked:**

How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? If possible, please provide a break-down of this information by APS/ SES level.

- (a) What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
- (b) How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- (c) How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- (d) What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016 and what was the card holder's APS/ SES level?
- (e) How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- (f) How many credit card purchases were deemed to be illegitimate or contrary to agency 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?
- (g) What was the largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016, and what was the cardholder's APS/ SES level? What that amount actually repaid, in full? If no, what amount was left unpaid?
- (h) Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- (i) Can a copy of the Department's staff credit card policy please be provided?

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**Answer:**

- (a) \$38,614 for accommodation costs for SBS Crew covering the Olympics in Rio.
- (b) Nil.
- (c) Nil.
- (d) \$43,596. SBS does not use the APS/SES levels for employment engagements.
- (e) Nil.
- (f) One instance where the card was used contrary to agency policy. Total value \$14.05 and this amount was repaid in full when the statement for that month was reconciled.
- (g) \$14.05 as outlined in (f). SBS does not use the APS/SES levels for employment engagements.
- (h) Nil cards linked to rewards schemes.
- (i) A copy of the SBS Credit Card Policy is attached.



**SECTION 10**

**SBS CREDIT CARD AND DEBIT CARD POLICY & GUIDELINES**

**Contact Officer: Manager Risk & Financial Policy ext 3675**

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Document Title	SBS Credit Card & Debit Card Policy
Date of issue	
Version Control	1.0
Contact Officer	Manager, Risk & Financial Policy



## **1 INTRODUCTION**

This document sets out the policy covering the allocation and use of Corporate credit cards and debit cards by employees at SBS. The document also outlines the procedures for acquitting and processing monthly cardholder statements.

## **2 ALLOCATION OF CORPORATE CREDIT CARDS OR DEBIT CARDS**

Employees issued with a corporate credit card or debit card are in a position of trust in regards to the use of public funds. All expenditure charged to your credit card or debit card is subject to examination and approval by a delegated officer to ensure its appropriateness and compliance with the policy conditions, as outlined within the SBS Corporate Credit Card & Debit Card Policy & guidelines.

Corporate credit cards will only be issued to SBS employees who have a valid business justification and are able to demonstrate that the issue of a card will assist in the effective and efficient exercise of their duties. Valid reasons include the frequency and nature of domestic and international business related travel that may be undertaken in the course of duties, and the need to meet the cost of official “out of pocket” business related expenses (including certain approved entertainment/hospitality cost).

Each application for the issue of a corporate credit card must be in writing and is to include:

- The applicant’s surname and initials (to be shown on the card);
- The applicant’s position title;
- Justification for issue (that adequately explains the rationale for the issue of a card); and
- Proposed credit limit (based on anticipated usage of the card and the likely expenditure to be incurred).

Applications must be approved by the relevant Division Head and are to be submitted to the Manager, Risk & Financial Policy (or in his/her absence, the Head of Financial Operations) who will assess the merits of the application (including the proposed credit limit) and either approve or reject the application. Please refer to Appendix 10A for SBS Corporate Credit Card Statement Form, Appendix 10A1 for ANZ Credit Card Form and 10A2 for 100 point check.

If approved, the credit card application will be forwarded to the ANZ Bank for the new credit card account application to be processed and the physical issue of the card.



For debit card applications, please refer to 10B for SBS Debit Card Holder Statement of Responsibility.

### **3 CRITERIA FOR CREDIT CARD OR DEBIT CARD ELIGIBILITY**

There are two types of cards currently available to SBS staff, for staff members who have a valid business justification / requirement for a Corporate Credit Card or a Debit Card for business related expenses. The following guideline provides an overview of when a new Credit Card or Debit card request should be requested and submitted for the Divisional Head's approval:

- Corporate credit cards will only be issued to SBS employees who have a valid business justification and are able to demonstrate that the issue of a card will assist in the effective and efficient exercise of their duties. Valid reasons include the frequency and nature of domestic and international business related travel that may be undertaken in the course of duties, and the need to meet the cost of official "out of pocket" business related expenses (including certain approved entertainment/hospitality cost). (Refer to Section 5 for acceptable use of Corporate Credit Cards).
- Debit cards will be issued to employees in the event where the use of credit cards is not supported (e.g. in travel to remote locations), and where it is not feasible for the user to be issued a Corporate credit card (i.e. staff who only have one-off trip and/or infrequent travel and do not require ongoing use of a Corporate Card). For staff requiring ongoing use of a card for business-related purposes, an application for a Corporate Credit Card should be submitted for Divisional Head approval. (Refer to Section 5 for acceptable use of Debit Cards).

Note: For debit card requests, the debit card request form must be approved by the Divisional Head and the Head of Financial Operations.

### **4 CARD HOLDER RESPONSIBILITIES**

Each cardholder (for both credit or debit card) is to be provided with a Statement of Responsibilities that is to be signed by the cardholder to acknowledge their understanding of the conditions under which the credit card is to be used.

This Statement of Responsibilities is to include the following conditions:

- Managers issued with a corporate credit card and/ or a debit card are in a position of trust in regards to the use of public funds;
- All expenditure charged to a credit or debit card may be subject to examination and approval

by a delegated officer to ensure its appropriateness and compliance with the policy conditions, as outlined in this policy;

- Improper use of that trust will result in the card being withdrawn and render the cardholder liable to disciplinary and possible legal action;
- Credit and debit cards are only to be used for official business purposes (as outlined in this policy). Where inappropriate expenditure occurs, the value of the expenditure may be recovered from the cardholder;
- Credit cards are only to be used by the person whose name appears on the card;
- The cardholder is personally responsible and accountable for the safe keeping of the card;
- All cards are to be kept secure and protected against improper use;
- In the event that a card is lost or stolen, the cardholder must report the loss immediately to card provider. The Manager Risk, Financial Policy is to be advised at the earliest opportunity;
- Any PIN that has been issued with the card must not be disclosed or carried with the card;
- Monthly Cardholder Statements are to be acquitted and reconciled within 15 days of the Statement Date;
- As part of the acquittal process the cardholder is to certify that all charges shown are correct and were incurred for official purposes. Repeated failure to acquit monthly statements in a timely fashion may result in the credit or debit card being cancelled.
- All transaction slips (ATM withdrawals and merchant purchases) together with supporting receipts or tax invoices are to be retained and submitted by the cardholder when acquitting monthly Cardholder Statements;
- Where no documentation (e.g. tax invoice or receipt) is available to support a particular transaction the cardholder will be required to prove a declaration detailing the nature of the expense and that is business related. Please note that staff will need to submit a standard declaration that a tax invoice or receipt is not available. Staffs are required to complete the standard declaration with details of why the documentation is not available and this must be approved by the Divisional Director. This will only be accepted on an exception basis and repeat offenders may have their card disabled / cancelled;
- Credit limits are not to be exceeded;
- Where permitted, cash withdrawals are to be kept to the minimum amount necessary to cover the business expense and are only to be taken when the expense is imminent;
- Deposits are not to be made to the card account by the cardholder;
- For debit cards, the card balances cannot be 'topped up' unless previous outstanding amounts on the card have been acquitted; and
- In the event of termination of employment cardholders will immediately return the credit or debit card and ensure the credit or debit card account is properly reconciled and acquitted.



## **5 ACCEPTABLE USE OF CORPORATE CREDIT CARDS AND DEBIT CARDS**

Listed below are examples of the type of official expenditure that can be incurred using a Corporate Credit Card:

- Domestic travel related expenses, including – taxi fares (where Cab charge is not available), actual cost of meals (up to the limits specified within the SBS Travel Policy & Guidelines);
- Accommodation and hire cars (including the purchase of fuel for a hire car);
- Costs incurred while traveling overseas on approved official business;
- Prepayment of course / conference fees (including overseas courses);
- Payment of subscriptions (including overseas subscriptions);
- Infrequent purchase of low value / routine business related consumables items (check what kind of purchases could be made outside of iProcurement); and
- Cost of official “out of pocket” expenses (including certain approved entertainment /hospitality costs) – note that any Entertainment/ Hospitality Expenses requires approval by the Division Head or other delegate able to approve entertainment expenses. (Refer to SBS Official Hospitality Policy & Guidelines).

Listed below are examples of official expenditure that can be incurred using a debit card:

- Out of pocket travel expenses, where the use of credit cards is not permitted and/ or is not available;
- Costs incurred while traveling overseas on approved official business.

### **5.1 INTERNET PURCHASING**

In making Internet purchases the cardholder should exercise caution. A credit card payment should only be made where the provider has encryption on their site - this can be established by checking if there is a padlock image at the bottom of the browser when visiting the merchant’s site. Encryption ensures that information sent (e.g. the Credit Card Number) cannot be intercepted over the Internet. Cardholders using the Internet must carefully scrutinize their credit card statements for any suspicious transactions. If a suspicious transaction is noted the bank needs to be notified within fourteen days from the date of the statement. If a transaction is found to be invalid the Institute will not be held liable for the payment. A copy of all online transactions (including Tax Invoices) should be printed out as proof of purchase to facilitate validation of amounts listed on statements.



## 5.2 ACQUITTAL OF MONTHLY CARDHOLDER STATEMENTS

Cardholder Statements itemising transaction activity are issued on a monthly basis. Statements are received by the Finance Team for distribution to cardholders.

Cardholders must reconcile and acquit their monthly statement **within 15 days of the Statement Date.**

Repeated failure to acquit monthly statements in a timely fashion will result in the matter being escalated to the Divisional Head for review, and may result in the credit card being cancelled.

As part of the acquittal process the cardholder is to:

- Examine each transaction and attach supporting transaction dockets and Tax Invoices.
- Where documentation in support of a transaction is not available the cardholder should notate (on the statement) the reason and describe the nature of the expense;
- Attach a copy of the approved “Authority to Travel” form and “Travel Expense Claim” form where a transaction relates to travel for which approval has been granted under the SBS Travel Policy & Guideline;
- Make notations on the statement (or attached Tax Invoice/s) where a transaction relates to entertainment/hospitality expenses as to the nature of the expense/s incurred, the purpose and details of the individuals to whom the expense relates.

## 6 REFERENCES

Please refer to the following documents in relation to the acceptable use of Corporate Funds:

- SBS Accounting Manual Section 11 – Delegations
- SBS Accounting Manual Section 4 – Expenditure
- SBS Accounting Manual Section 5 – Travel Policy
- SBS Accounting Manual Section 14 – Official Hospitality
- SBS Accounting Manual Section 17 – Taxi & Cab-charges
- SBS Accounting Manual Section 22 – Fraud Control



**APPENDIX 10A - SBS CORPORATE CREDIT CARD HOLDER STATEMENT OF RESPONSIBILITY**

I understand and agree that:

1. My credit card is only to be used for official business purposes and that should inappropriate expenditure occurring, the value of that expenditure may be recovered from the cardholder.
2. My credit card is only to be used by the person whose name appears on the card.
3. I am personally responsible and accountable for the safe keeping of the card.
4. In the event that my card is lost or stolen, I will report the loss immediately to card provider and the Manager, Risk & Financial Policy.
5. Any PIN issued with the card must not be disclosed or carried with the card.
6. Monthly Cardholder Statements are to be acquitted and reconciled within 15 days of the Statement Date and that I will certify that all charges shown are correct and were incurred for official purposes. I also understand that repeated failure to acquit monthly statements in a timely fashion may result in my credit card being cancelled.
7. All transaction slips (ATM withdrawals and merchant purchases) together with supporting Tax Invoices are to be retained and submitted when acquitting the monthly Cardholder Statement.
8. Where no documentation is available to support a particular transaction I will provide a declaration detailing the nature of the expense and that is business related and will have this approved by my Divisional Head.
9. I will not exceed credit limits.
10. Where permitted, cash withdrawals will be kept to the minimum amount necessary to cover the business expense and will only be taken when the expense is imminent.
11. I will not make deposits to the card account.
12. In the event of my termination of employment I will immediately return the credit card and ensure the credit card account is properly reconciled and acquitted.

I acknowledge that I have read and understand the conditions set out above and that I will, at all times, comply with the stipulated requirements.

Signature of Cardholder: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_

Approval by Division Head: \_\_\_\_\_

Important Note - Employees issued with a corporate credit card are in a position of trust in regards to the use of public funds. All expenditure charged to your credit card is subject to examination and approval by a delegated officer to ensure its appropriateness and compliance with the policy conditions, as outlined within the SBS Corporate Credit Card & Debit Card Policy & guidelines.



## APPENDIX 10B - SBS DEBIT CARD HOLDER STATEMENT OF RESPONSIBILITY

I understand and agree that:

1. My debit card is only to be used for official business purposes and that should inappropriate expenditure occurring, the value of that expenditure may be recovered from the cardholder.
2. My debit card is only to be used by the person whose name appears on the card.
3. I am personally responsible and accountable for the safe keeping of the card.
4. In the event that my card is lost or stolen, I will report the loss immediately to card provider and the Manager, Risk & Financial Policy.
5. Monthly Cardholder Statements are to be acquitted and reconciled within 15 days of the Statement Date and that I will certify that all charges shown are correct and were incurred for official purposes. I also understand that repeated failure to acquit monthly statements in a timely fashion may result in my debit card being cancelled.
7. All transaction slips (ATM withdrawals and merchant purchases) together with supporting Tax Invoices are to be retained and submitted when acquitting the monthly Cardholder Statement.
8. Where no documentation is available to support a particular transaction I will provide a declaration detailing the nature of the expense and that is business related and will have this approved by my Divisional Head.
9. I will not exceed debit card limits. I am aware my debit card cannot be topped up until previous charges have been acquitted.
10. Where permitted, cash withdrawals will be kept to the minimum amount necessary to cover the business expense and will only be taken when the expense is imminent.
11. I will not make deposits to the card account.
12. In the event of my termination of employment I will immediately return the debit card and ensure the debit card account is properly reconciled and acquitted.

I acknowledge that I have read and understand the conditions set out above and that I will, at all times, comply with the stipulated requirements.

Signature of Cardholder: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_

Approval by Division Head: \_\_\_\_\_

Approval by Head of Financial Operations: \_\_\_\_\_

Important Note - Employees issued with a debit card are in a position of trust in regards to the use of public funds. All expenditure charged to your debit card is subject to examination and approval by a delegated officer to ensure its appropriateness and compliance with the policy conditions, as outlined within the SBS Corporate Credit Card & Debit Card Policy & guidelines.



**APPENDIX 10C – STANDARD DECLARATION: SUBSTITUTE SALES VOUCHER**

<b>CORPORATE CREDIT CARD OR DEBIT CARD SUBSTITUTE SALES VOUCHER</b>	
<b>Credit /Debit Card Holder:</b>	<b>Statement Dated:</b>
<b>Cost Centre:</b>	
<b>Suppliers Name:</b>	
<b>Account Code:</b>	
<b>Project:</b>	
<b>Description:</b>	
<b>Amount (AU\$):</b>	
<b>Reason why a Tax invoice or Receipt cannot be provided:</b>	
<b>Card holder Signature:</b>	
<b>Divisional Head Signature:</b>	