

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

Australia Council for the Arts

Question No: 33(g)

Australia Council

Hansard Ref: Written, 02/06/2017

Topic: Credit Cards

Senator Bilyk, Catryna asked:

1. 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?

Answer:

1. There are currently 29 credit cards on issue to staff at the Australia Council. These cannot be broken down by APS/SES level as Australia Council staff are not APS.
 - (a) \$7,670 (GST inclusive) for venue hire in Shanghai China for a Performing Arts event.
 - (b) – (d) Nil. We pay 100% of all credit card outstanding balances on the due date.
 - (e) Nil. No credit cards were reported lost or stolen in calendar year 2016.

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- (f) In calendar year 2016, 50 credit card purchases were deemed illegitimate or contrary to policy (Illegitimate = 24, Contrary to policy = 26). The total value of those purchases was \$18,338 (GST inclusive). 42 purchases valued at \$15,886 (GST inclusive) were asked to be repaid and were, in fact, repaid. An additional 8 illegitimate purchases were identified and repaid by the Bank. All amounts have now been repaid.
- (g) In calendar year 2016, the largest purchase that was deemed illegitimate or contrary to policy was private accommodation booked inadvertently using a corporate card, valued at \$13,210 (GST inclusive). The APS/SES level of the officer is not applicable as Australia Council staff are non-APS. The amount was repaid in full.
- (h) Nil – Australia Council credit cards not connected to a rewards scheme.
- (i) Yes. See Attachment A.

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ATTACHMENT A – CREDIT CARD POLICY

**AUSTRALIA COUNCIL - COMMONWEALTH BANK CORPORATE CHARGE
MASTERCARD**

**RECEIPT OF THE CARD & AGREEMENT TO THE COUNCIL'S PROCEDURES/TERMS &
CONDITIONS OF USE**

Australia Council's Corporate Charge MasterCard issued to:

Xxxxxx Xxxxxx Card Number: XXXX XXXX XXXX XXXX

Commences: XX/XX Expires: XX/XX

The Australia Council has entered into an agreement with Commonwealth Bank, for the issue of Commonwealth Bank Corporate Charge MasterCards for use by Australia Council Officers.

The Commonwealth Bank Corporate Charge MasterCard, with monthly and transaction limits, can only be issued with written authorisation from the Chief Executive Officer (CEO) or the Executive Director - Corporate Resources. This includes any increases for short periods to cover eg: overseas travel.

A copy of the Commonwealth Bank's Corporate Charge Card "Conditions of Use" is attached and we ask that you take the time to read this booklet. We draw your attention in particular to the following:

- Clause 10 (page 18): Accountholder's liability for transactions using a card
- Clauses 11-13a (page 20): Using a card

Who is provided with a card

Staff members who are required to commit the Council to expenditure and approve payments, and who have delegation to do so may be issued with a card.

Cardholders include:

- Leadership Team members
- Staff members with specific procurement responsibilities eg: Facilities Administrator, following prior approval from their Executive Director.

The scope of the cardholder to transact will be limited by their delegations and any other restrictions on usage imposed by Council – eg: individual transaction limits or total credit available in each billing period.

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Credit Limits

Limits on the monetary value of each transaction and on the total credit available in each billing period are:

	Limit on each transaction	Total monthly credit limit
CEO, Executive Directors and Directors	\$10,000	\$10,000
Approved staff members with procurement responsibilities	\$10,000	\$10,000

Credit limits can be temporarily increased to cover periods of higher expenditure, for example international travel by cardholders. Requests for a temporary increase in credit limit, should be made to the Executive Director, Corporate Resources.

Purpose of the card

The purpose of the card is to improve efficiency in purchasing and payment of accounts and to eliminate delays in payment to merchants. Use of the card is expected to:

- Eliminate or at least reduce paperwork - requisitions, purchase orders, receiving reports;
- Eliminate or reduce the number of travel allowances and petty cash claims (particularly small claims) because they will be consolidated on a single monthly account;
- Ensure Australia Council's accounts with suppliers are discharged promptly; and
- Improve Australia Council's cash management.

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Using the card

- For all cardholders, use of the card is restricted to purchases and payments unique to their activities, which cannot be conveniently processed by the Finance area.
- For the Director – International Projects, use of the card is restricted to purchases and payments associated with Council’s activities.
- Cardholders can use the card for purchases via the telephone & fax.
- Cardholders can use the card on the Internet utilising secure websites. Cardholders should check the currency of the security certificate before making a purchase. Websites with out-of-date security certificates should not be used to make purchases. Secure Websites have a small lock symbol, usually lower right hand corner of the screen.
- Cardholders are able to use the card overseas for trips on Council business, subject to the normal recording/accounting procedures and International Travel Procedures.
- **Council staff must not use cards issued to Australia Council cardholders without prior approval from the cardholder.**

Restrictions on types of transaction

Cardholders are not allowed to use the Australia Council’s Commonwealth Bank Corporate Charge MasterCard for:

- **Private use**
- **Cash withdrawals**

Payment of Commonwealth Bank Corporate Charge Card Balances

The Commonwealth Bank will issue Commonwealth Bank Corporate Charge Card statements at the beginning of each month (sometime between the 3rd and 5th day of the month).

Upon receipt of the Commonwealth Bank statements, the Finance team will forward statements to the individual cardholders.

The Australia Council’s total outstanding monthly balance (sum of all card balances) is “directly debited” from its operating bank account at the same time as the statements are issued, thereby avoiding late payment and interest charges.

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Within 7 days of receiving the Commonwealth Bank Corporate Charge Card statement, cardholders are required to:

- Complete the Commonwealth Bank (CBA) Corporate Credit Card Payment Summary spreadsheet and sign in the space where the wording “I confirm that the charges on the CBA Corporate Card statement are official and for Council business purposes” appears.
- Provide on the Commonwealth Bank (CBA) Corporate Credit Card Payment Summary spreadsheet costing details (Cost Centre & General Ledger codes) for each transaction.
- Attach to the Commonwealth Bank (CBA) Corporate Credit Card statement and all tax invoices/sales dockets. If dockets are not available, the cardholder will issue a signed statement to substantiate this fact.
- Have the Commonwealth Bank (CBA) Corporate Credit Card Payment Summary spreadsheet expenditure approved by your direct supervisor or if unavailable the Executive Director, Corporate Resources. Approval of the CEO’s expenditure will be the Executive Director - Corporate Resources.
- Forward the Commonwealth Bank (CBA) Corporate Credit Card Payment Summary spreadsheet together with the Corporate Credit Card statement and supporting sales dockets and/or other documentation to the Accounting Assistant, Finance.
- Finance will process all transactions so as to clear each cardholder’s monthly balance.
- The finance team will publish monthly an aged list of unprocessed card transactions. It is proposed to suspend or cancel a card if transactions are unprocessed for three months or more. A card will be suspended if transactions are unprocessed 5 working days after a final warning with no reasonable explanation.

Goods & Service Tax (GST)

The Australia Council is not exempt from payment of GST.

Cardholders must ensure that for ALL purchases, tax invoices are obtained to enable Council to claim a GST refund. This is essential where the corporate card statement does not satisfy the requirements as outlined in *GSTR 2000/26 - corporate card statements - entitlement to an input tax credit without a tax invoice*.

Where receipts are not available (e.g. lost or never obtained) cardholders should provide signed substantiation of why not available in a Statutory Declaration.

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Final matters to be kept in mind by cardholders

When the Commonwealth Bank Corporate Charge MasterCard is issued, the cardholder will be required to sign the card in the presence of the Manager Finance issuing the card and acknowledge in writing (by signing the attached receipt page), that he/she understands that:

- Strict care over custody and use of the card will be taken at all times.
- The card is to be used only for official purposes. If the Australia Council does not approve expenditure as business related, the cardholder would be responsible for meeting the costs of that expenditure. The Australia Council's approval will be signified by sign-off of expenditure by the cardholder's direct supervisor in the designated area of the Commonwealth Bank (CBA) Corporate Credit Card Payment Summary.
- Cardholders must immediately return the card to the Council if they resign or they are instructed to do so by the CEO or Executive Director, Corporate Resources.
- Comply with Procedures/Terms & Conditions of Use issued by the Australia Council and the conditions of use of the card as imposed by the Commonwealth Bank.
- Misuse of the card (breach of the Council's procedures/terms & conditions) will result in action being taken under the Code of Conduct Policy, Work Practices Agreement or Australia Council Collective Agreement.
- When using the card, the cardholder must ensure that the merchant records a full and proper description on the sales docket of the items purchased, eg: descriptions like "goods" are inadequate. Similarly where purchases are not made over the counter, ie: by telephone, the cardholder will need to record adequately on the documentation the nature of the goods purchased. Where entertainment expenses are involved, details about the function and names of participants are required.
- Cardholders must retain receipts from purchases. Failure to obtain and retain receipts may result in expenditure not being approved for payment.

As soon as practical thereafter and prior to first use, the cardholder needs to activate the card by calling 13 15 76. Once activated, the card will be available for use on the next working day.

Lost or Stolen Cards

Cardholders must immediately report loss or stolen cards to:

- **Commonwealth Bank 13 15 76 (24/7, 365 days/year)**
- **Manager Finance, Corporate Resources (02) 9215 9154**

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Receipt Acknowledgement

I acknowledge receipt of the Australia Council, Commonwealth Bank Corporate Charge MasterCard number **XXXX XXXX XXXX XXXX**, which expires **XX/XX**.

I also acknowledge and agree to the terms and conditions as set out in the Council Procedures.

In the event that the Australia Council Commonwealth Bank Corporate Charge MasterCard issued to me is misused (breach of the Australia Council Commonwealth Bank Corporate Charge MasterCard Procedures and/or the Commonwealth Bank Corporate Charge MasterCard Conditions of Use), I authorise the Australia Council to investigate and determine responsibility and, where I am deemed responsible for the misuse, to recover the appropriate amount from my salary and/or other payments owing to me.

I also acknowledge that with the recovery of such monies, charges can still be brought under the Code of Conduct Policy, Work Practices Agreement or Australia Council Collective Agreement and the immediate recommendation for my dismissal.

Card holder: XXXXXXXX XXXXXXXX
_____ Date ____ / ____ / ____
XXXXXXXX XXXXXXXX (Signature)

Signed receipt page to be returned to the Financial Controller, Corporate Resources.