

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates Hearings February 2014**

**Communications Portfolio**

**Australian Broadcasting Corporation**

**Question No: 253**

**Program No.: Australian Broadcasting Corporation (ABC)**

**Hansard Ref: In Writing**

**Topic: Credit Cards**

**Senator Ludwig asked:**

1. Provide a breakdown for each employment classification that has a corporate credit card.
2. Please update details of the following?
  - a. What action is taken if the corporate credit card is misused?
  - b. How is corporate credit card use monitored?
  - c. What happens if misuse of a corporate credit card is discovered?
  - d. Have any instances of corporate credit card misuse have been discovered since Supplementary Budget Estimates in November 2013? List staff classification and what the misuse was, and the action taken.
  - e. What action is taken to prevent corporate credit card misuse?

**Answer:**

1. 616 staff have an ABC procurement card. These staff comprise:

<b>Description</b>	<b>Procurement</b>
Staff Band 2	0
Staff Band 3	12
Staff Band 4	58
Staff Band 5	85
Staff Band 6	99
Staff Band 7	138
Staff Band 8	59
Staff Band 9	30
<b>Total Staff</b>	<b>481</b>
SE Band 1	34
SE Band 2	57
SE Band 3	30
SE Band 4	5
AWAs	9
<b>Total Exec</b>	<b>135</b>
<b>Total</b>	<b>616</b>

Eligibility for corporate procurement cards is not based on employee classification; rather it is determined based on business needs.

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2.

- a. The ABC has a strict policy for the use of ABC credit cards which prohibits improper or personal use of the cards. Usage is monitored and instances of non-business use are investigated. The policy provides that where an employee inadvertently uses a card for personal use, the employee will be counselled and they will reimburse the ABC. More serious breaches of the policy is referred to internal audit for investigation.

Internal audit assess all reports and determines whether an investigation is warranted. The assessment includes considering whether the issue meets the reporting threshold for investigation by the Australian Federal Police (AFP). Employees found to have committed fraud may face disciplinary procedures under the ABC's relevant employment agreements and/ or policies.

- b. All ABC procurement cards are required to be acquitted at the end of each month. All purchases are to be approved by an independent delegate and expenditure is required to be supported by receipts. Card use is then centrally monitored by Finance and if a cardholder does not comply with the acquittal deadlines, the card may be suspended.

Internal audit undertakes continuous monitoring of ABC Procurement Card transactions using Computer Assisted Audit Techniques (CAATs). This identifies unusual transactions for further detailed review which involves the verification of a sample of transactions and supporting documentation (such as receipts) and testing for compliance with applicable ABC policies.

- c. Refer to answers (a) and (b), above.
- d. There have been no cases of credit card misuse investigated by Internal Audit since the Supplementary Budget Estimates in November 2013.
- e. Card holders are required to acknowledge the procurement card policy before a card is issued. The policy and procedure is reviewed from time to time and cardholders are advised of any changes to the policy.