

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S PORTFOLIO

Program: General

Question No. SBE16/079

Senator Gallacher asked the following question at the hearing on 18 October 2016:

1. What types of credit and transaction cards (including Cabcharge Fastcard and eTickets) does your department issue?
2. What was the total expenditure for each type of card over the last 3 financial years?
3. Can you break down the expenditure into categories?
4. What is the highest and lowest credit limit for each type of card?
5. How many times in the last 5 years has the credit limit been reviewed?
6. What are Credit Cards used for?
7. What are the Governance/probity rules for employees to follow?
8. Are cash advances allowed?
 - a) Can you list the total amount of cash advances from credit and other transaction cards over the last 3 years?
 - b) Can you provide details on the 10 largest cash advances in your department and provide particulars such as how much was accessed?
 - c) Who approves cash advances in your department in the event of paying suppliers
9. Who reviews transactions in regards to all cards?
10. Who provides assurance to the Minister in respect to probity governance and fraud control?

The answer to the honourable senator's question is as follows:

1. Diners "virtual" credit card, Westpac Visa and Diners Mastercards, Cabcharge and fuel cards for fleet vehicles.

2.

	2013-14 \$	2014-15 \$	2015-16* \$
Diners "virtual" credit card	5,388,237	4,342,883	8,348,818
Diners Mastercard	2,645,106	4,204,116	3,572,934
Westpac Visa			1,346,555
Cab charge	299,716	385,420	418,220
Fuel card **			

*Figures include Australian Government Solicitors (AGS) from 1 July 2015

**Fuel costs form part of the overall cost of a car lease. To extract these costs would require an unreasonable diversion of departmental resources.

3. Diners Club provide the department with “virtual” credit cards that are used for booking airfares, accommodation and hire cars under the whole-of-government travel arrangement. They are not physical credit cards and can only be used for these purposes. Diners Club was selected from a whole-of-government procurement process. Visa and Mastercard are used for purchasing goods and/or services under \$10,000. To breakdown expenses further would require an unreasonable diversion of departmental resources.

4. Individual Credit card limits are set to \$150,000 with the average limit being \$10,000. One employee has a credit limit of \$150,000 which is to be used solely for coordinating the Government’s emergency response to natural disasters.

5. Credit limits are reviewed annually.

6. See 3 above

7. Employees comply with the PGPA Act and Rule, Secretary’s Instructions, and the cardholder agreement form in which the card holder acknowledges they understand their obligations in connection with the use of the card.

8. Yes

a) Total amount of cash advances:

2013-14	\$1,908
2014-15	\$9,311
2015-16	\$0

b)

Largest amount of <u>approved</u> cash advance	Amount actually <u>withdrawn</u> from credit card
\$10,000	\$1,080 interpreters and transport costs
\$10,000	\$847 interpreters and transport costs
\$7,500	\$6,608 payment to international delegates for their travelling allowance
\$4,000	\$1,908 payment to international delegates for their travelling allowance
\$2,000	\$775 payment of registration fee for seminar

(c) Cash advances are approved by the relevant Divisional SES officer and by the Assistant Secretary, Corporate Services Division. The Department's preferred payment method is by Electronic Funds Transfers to the nominated official's bank account. Cash advances may be required when travelling internationally and the overseas supplier does not accept payment by EFT or credit card.

9. All purchases must be approved by an authorised officer who is not the credit card holder. The Department conducts regular sample testing of credit card transactions. Credit card transactions are also posted daily in the Department's Financial Management Information System and the "merchant code" advises the type of purchase. Any new merchant codes are investigated by the credit card administrator.

10. The Minister is advised of any significant non-compliance as defined in Resource Management guide, RM-214 Notification of significant non-compliance with the Finance Law.

Section 19 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) requires, among other things, that accountable authorities of Commonwealth entities notify their responsible Minister, as soon as practicable, of any significant issue that has affected the entity. A significant issue, under section 19 of the PGPA Act, includes significant non-compliance with the finance law.

Since 30 August 2016, the Australian Institute of Criminology provides assurance to the Minister based on responses from the Commonwealth Fraud Control Policy Annual Reporting Questionnaire.