

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2011-2012, 15 February 2012

Question: E12-108

OUTCOME 0: Whole of Portfolio

Topic: CREDIT CARDS

Written Question on Notice

Senator McKenzie asked:

- a) How many staff in each Department and Agency have a corporate credit card?
- b) What is their classification?
- c) What action is taken if the corporate credit card is misused?
- d) How is corporate credit card use monitored?
- e) What happens if misuse of a corporate credit card is discovered?
- f) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
- g) What action is taken to prevent corporate credit card misuse?

Answer:

- a) 1156 as at 31 January 2012.
- b) Any employee of the Department or Portfolio Agency may apply for a credit card if they have a demonstrated need and the approval is provided by the Branch Manager.
- c) The credit card holder is required to repay coincidental private expenditure incurred on their corporate credit card monthly statement. Cases of intentional misuse or potentially criminal misuse are referred to Audit and Fraud Control for investigation.

- d) All cardholders are required to obtain tax invoices and supporting documentation for all purchases. A monthly statement is issued electronically to cardholders, which they must acquit and obtain a manager's approval signature. Signed statements and all supporting documentation are sent to the central credit card administrator. All supporting documentation is checked by the administrator and if required, cardholders and managers may be contacted to provide additional information.

Reports that show credit card usage by Division are sent out monthly to the Division Heads and Business Management Units.

- e) Cases of intentional misuse or potentially criminal misuse are referred to Audit and Fraud Control for investigation. If appropriate, matters may be referred to the Australian Federal Police and/or the Director of Public Prosecutions.
- f) Instances of misuse: 1 July 2010 – 31 January 2012

| <b>Classification</b> | <b>Misuse</b>  | <b>Action Taken</b>  |
|-----------------------|--|--|
| EL1                   | Staff member used card to make personal purchases and to pay for private taxi travel | Referred to the Commonwealth Director of Public Prosecutions |
| EL2                   | Staff member used card to purchase various items for personal use                    | Referred to the Commonwealth Director of Public Prosecutions |
| EL2                   | Invalid transactions by unknown person   | Charges rejected and credit card cancelled                   |
| EL2                   | Invalid transactions by unknown person   | Charges rejected and credit card cancelled                   |
| SES2                  | Accidental   | Raised invoice to recover personal use amount                |
| APS 6                 | Accidental   | Raised invoice to recover personal use amount                |

- g) Credit cards are issued to only those approved Departmental and Portfolio Agency staff where access to a card is considered essential. Credit card statements are reconciled monthly and verified by the cardholder's supervisor, and supporting documentation must be provided for all purchases.

All credit card holders are provided with an information pack at the time they collect their credit card. This information pack contains guidelines on the appropriate use of a credit card, copies of all relevant business rules, the APS Code of Conduct and procedures for monthly reconciliation.

In addition, the credit card administrator provides a 100 per cent compliance check on all purchase documentation.