

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 14 FEBRUARY 2013 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Credit Cards

Question reference number: HS 65

Senator: Boyce

Type of question: Written

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Number of pages: 2

Question:

- a) Provide a breakdown for each employment classification that has a corporate credit card.
- b) Please update details of the following?
 - 1) What action is taken if the corporate credit card is misused?
 - 2) How is corporate credit card use monitored?
 - 3) What happens if misuse of a corporate credit card is discovered?
 - 4) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
 - 5) What action is taken to prevent corporate credit card misuse?

Answer:

- a) At 28 February 2013, 1,667 staff had a corporate credit card. Details of staff classifications are listed below:

Classification	Cardholders
APS 1-6	1,100
EL1	177
EL2	226
SEC	1
SES Band1	122
SES Band2	34
SES Band3	7
Total	1,667

- b) 1) If a corporate credit card is misused the matter is reviewed by the financial governance team and a breach recorded. If the misuse is the result of ignorance or human error, the card holder is counselled and the SES official he/she reports to is advised. Depending on the circumstances, the card may be removed or the limit decreased. If the misuse is an intentional act, the matter is referred to HR for formal investigation and potential code of conduct action.

- 2) Corporate credit card use is monitored by the following means:
- Shared Services review each transaction for compliance with the DHS financial framework.
 - The line manager of each card holder reviews each transaction of the respective card holder. A copy of the relevant tax invoice is available to the line manager at this review point. This process is part of the work flow in the financial management system.
 - The financial governance team reviews samples of credit card transactions as part of the compliance quality assurance program.
- 3) Refer to (b)(1) above.
- 4) There were 43 instances of misuse of a corporate credit card have been reported in the current financial year (2012-13).

Staff Classification	Details of Misuse	Number of Breaches	Action Taken
APS 4	DHS credit card inadvertently used for unauthorised personal expenditure.	2	Invoice raised against staff members.
APS 4	DHS taxi card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
APS 4	DHS credit card used fraudulently for unauthorised personal expenditure.	28	Currently under investigation with the Internal Assurance Branch.
Total APS 4 breaches - 31			
APS 5	DHS credit card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
APS 5	DHS taxi card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
Total APS 5 breaches - 2			
APS 6	DHS credit card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
APS 6	DHS taxi card used inadvertently for unauthorised personal expenditure.	2	Invoice raised against staff members.
Total APS 6 breaches - 3			
EL1	DHS credit card used inadvertently for unauthorised personal expenditure.	2	Invoice raised against staff members.
EL1	DHS taxi card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
Total EL1 breaches - 3			
EL2	DHS credit card inadvertently used for unauthorised personal expenditure.	1	Invoice raised against staff members.
Total EL2 breaches - 1			
SES Band 1	DHS credit card inadvertently used for unauthorised personal expenditure.	3	Invoice raised against staff members.
Total SES Band 1 breaches - 3			

- 5) To prevent the misuse of corporate credit cards, DHS:
- i. requires an SES official to approve the issue of a corporate credit card to a particular official;
 - ii. will not give a corporate credit card to an official unless training has been undertaken;
 - iii. undertakes an annual review of corporate credit cards to ensure that continuing business need exists for each card; and
 - iv. monitors all corporate credit card transactions and issues a breach if any issues are identified.