

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES - 27 FEBRUARY 2014 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Credit Cards

Question reference number: HS 80

Senator: Ludwig

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 2014, 1,400 staff had a corporate credit card. A breakdown for each employment classification is provided below.

Classification	Cardholders
APS 2	82
APS 3	92
APS 4	435
APS 5	176
APS 6	170
EL1	127
EL2	174
SES Band1	112
SES Band2	26
SES Band3	5
Secretary	1
Total	1,400

- 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:
- i) Each transaction is reviewed for compliance with the department's financial framework.
 - ii) Each card holder's manager reviews each transaction of the respective card holder, which is supported by the relevant tax invoice.
 - iii) 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) Nineteen instances of misuse of a corporate credit card have been reported in the period 1 July 2013 to 28 February 2014.

Staff Classification	Details of Misuse	Number of Breaches	Action Taken
APS 3	Department of Human Services credit card inadvertently used for unauthorised personal expenditure.	2	Amount recovered from the relevant staff member.
APS 5	Department of Human Services credit card inadvertently used for unauthorised personal expenditure.	4	
APS 6	Department of Human Services credit card inadvertently used for unauthorised personal expenditure.	7	
EL1	Department of Human Services credit card used inadvertently for unauthorised personal expenditure.	3	
EL2	Department of Human Services credit card used inadvertently for unauthorised personal expenditure.	1	
SES Band 1	Department of Human Services credit card inadvertently used for unauthorised personal expenditure.	1	
SES Band 1	Department of Human Services credit card inadvertently used for unauthorised personal expenditure.	1	Refund arranged at point of sale.

- 5) To prevent the misuse of corporate credit cards:
- i) an SES official is required to approve the issue of a corporate credit card where an official demonstrates a business requirement;
 - ii) credit cards will not be issued unless training has been undertaken;
 - iii) credit card holders acknowledge and certify the terms and conditions under which the cards are issued;
 - iv) it is a requirement that all credit card transactions are acquitted within 28 days and reviewed by the card holder's manager;
 - v) personal expenditure is not allowed;
 - vi) SES undertake an annual review of corporate credit cards in their area of responsibility to ensure that a continuing business need exists for each card; and
 - vii) The department monitors all corporate credit card transactions centrally.