

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2013-14 Additional Estimates Hearings

Outcome Number: Cross Outcome - Across Programs

Question No: 126

Topic: Credit Cards

Hansard Page: Written

Senator Ludwig asked:

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:

Department of Social Services

- a) All reported instances of personal use are reviewed. Following review, corrective action taken generally ranges from:
 - offending card holders being reminded of their obligations; to
 - card cancellation; to
 - debt recovery procedures initiated.
- b) Credit card usage is monitored through:
 - a two-step monthly verification process;
 - random spot checks of card holders' transactions;
 - certificate of compliance reporting;
 - reviews by Internal Audit; and
 - quarterly monitoring using the Department's Expense Management System.
- c) The vast majority of credit card misuse occurs by mistake and is generally rectified by the card holder as soon as the mistake is realised. Where doubts are raised, these matters are referred for further investigation by the card holder's Verifying Officer, the Credit Card Administrator or Internal Audit.
- d) For the period 1 December 2013 to 28 February 2014, there were 9 instances of inadvertent personal usage involving 7 staff: 1 SES officer, 2 Executive Level officers and 4 APS level staff. There were no cases of deliberate misuse and in all cases debt recovery procedures were initiated.
- e) The Department's Credit Card Policy governing the use of credit cards is promulgated on the Department's Intranet site and clearly defines the approved and disallowed use of credit cards. Staff are required to undertake training on the rules and procedures associated with the use and acquittal of Department credit card expenditure prior to being issued with a credit card.

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Australian Institute of Family Studies

- a) Under the Australian Institute of Family Studies' Financial Rule 5.1.12, any misuse of the corporate credit card is immediately reported to the Deputy Director (Corporate and Strategy) for investigation and appropriate action. Investigations are fully documented and treated as In-Confidence.
- b) All credit card statements are reconciled by the cardholder and authorised by their immediate supervisor before being checked by the Finance Team. The Chief Financial Officer (CFO) also reviews all statements on a monthly basis.
- c) If a misuse is discovered, an investigation is undertaken by the CFO.
- d) There have been no instances of corporate credit card misuse since Supplementary Budget Estimates in November 2013.
- e) All corporate credit card holders sign an agreement to use the card only for the Institute's business use only. Cash withdrawals are not available with the card.

National Disability Insurance Agency

- a) All reported instances of personal use are reviewed. Following review, corrective action taken ranges from:
 - offending card holders being reminded of their obligations;
 - card cancellation;
 - prosecution.In all cases debt recovery procedures would be initiated.
- b) Credit card usage is monitored through:
 - a two-step monthly verification process;
 - random spot checks of card holders' transactions;
 - quarterly Compliance Reporting;
 - regular review by Internal Audit; and
 - quarterly monitoring using the National Disability Insurance Agency's (NDIA) Expense Management System.
- c) The only instance of misuse of credit card was a result of a mistake and was rectified by the card holder as soon as the mistake was realised. In instances where doubts are raised, these matters would be referred for further investigation by the card holder's Verifying Officer, the Credit Card Administrator or Internal Audit. In all cases debt recovery procedures would be initiated.
- d) For the period November 2013 to February 2014, there was one instance of inadvertent personal use. This was an SES Band 1 officer, who self-identified the misuse. This was not a case of deliberate misuse and debt recovery procedures were initiated.
- e) The Agency's Credit Card Policy governing the use of credit cards is promulgated on the Agency's intranet site and clearly defines the approved and disallowed use of credit cards.
Staff are required to undertake training on the rules and procedures associated with the storage, use and acquittal of NDIA credit cards prior to being issued with a credit card.

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2013-14 Additional Estimates Hearings

Australian Aged Care Quality Agency

- a) Misusing credit cards has not happened.
- b) Every month the cardholder's statement is approved and authorised by the card holder's supervisor. The Quality Agency has a credit card policy and a travel policy. Each card has an appropriate expenditure limit. Most usage is for travel and company policy must be followed to incur travel cost. Internal audits are completed on all areas of financial transactions including travel and corporate credit cards.
- c) Appropriate action would be taken and misuse hasn't happened yet.
- d) None.
- e) As per answer b).

Aged Care Pricing Commissioner

In respect of (a) (b) (c) and (e) the use of corporate credit cards in the Office of the Aged Care Pricing Commissioner is undertaken according to Department of Social Services Corporate Credit Card Policy and associated procedures and rules. No instances of corporate credit card misuse have been discovered in the time period referred to.