

Senate Community Affairs Legislation Committee

BUDGET ESTIMATES - 29 MAY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Corporate Credit Cards

Question reference number: HS 91

Senator: McKenzie

Type of question: Written

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Question:

- a) Please provide a breakdown of the number of corporate credit card holders by APS classification level.
- b) Please update if there have been any changes since Additional Estimates 2011-12 (February 2012).
- c) What action is taken if the corporate credit card is misused? How is corporate credit card use monitored?
- d) What happens if misuse of a corporate credit card is discovered?
- e) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
- f) What action is taken to prevent corporate credit card misuse?

Answer:

- a) and b) The classification of corporate credit card holders is shown in the table below.

Classification	Number of cardholders (at 14 June 2012)	Net Change since 24 February 2012
APS 1-6	1,253	-13
EL 1	192	-17
EL 2	269	-12
SES Band 1	133	4
SES Band 2	33	-7
SES Band 3	8	-2
Secretary	1	0
Total	1,889	-47

- c) 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.

Corporate credit card use is monitored by the following means:

- i. Dedicated staff review each transaction for compliance with the department's financial framework.
 - ii. 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.
 - iii. Dedicated staff review samples of credit card transactions as part of the compliance quality assurance program.
- d) Refer to (c) above.
- e) Four instances of misuse of a corporate credit card have been reported in the current financial year (2011-12). In three of the four instances, the corporate credit card was used by mistake, instead of a private credit card. In each of these instances prompt repayment was arranged. In the remaining instance, the corporate credit card holder used the card to pay for fuel when using a private car on business related travel, instead of claiming motor vehicle allowance. Arrangements were made to recover the amount of the payment and pay motor vehicle allowance. The levels of the card holders for these transactions are as follows:

Classification	Instances of Misuse
SES Band 1	1
EL 1	2
APS 5	1

- f) To prevent the misuse of corporate credit cards, the department:
- 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 a continuing business need exists for each card; and
 - iv. monitors all corporate credit card transactions and issues a breach if any issues are identified