

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2017 - 2018, 29 May 2017

Ref No: SQ17-000710

OUTCOME: 0 - Whole of Portfolio

Topic: Credit Cards

Type of Question: Written Question on Notice

Senator: Bilyk, Catryna

Question:

- a) How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? If possible, please provide a break-down of this information by APS/ SES level.
- b) What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
- c) How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- d) How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- e) What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016 and what was the card holder's APS/ SES level?
- f) How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- g) How many credit card purchases were deemed to be illegitimate or contrary to agency policy in calendar year 2016? What was the total value of those purchases? How many purchases were asked to be repaid on that basis in calendar year 2016 and what was the total value thereof? Were all those amounts actually repaid? If no, how many were not repaid, and what was the total value thereof?
- h) What was the largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016, and what was the cardholder's APS/ SES level? What that amount actually repaid, in full? If no, what amount was left unpaid?
- i) Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- j) Can a copy of the Department's staff credit card policy please be provided?

Answer:

All responses relate to general purchasing cards allocated to officials in the Department of Health and Portfolio Agencies. Corporate cards for travel and fuel are excluded.

a)

Agency	Non SES	SES
Health (Incl. NICNAS, OGTR and TGA)	274	126
Australian Aged Care Quality Agency	174	3
Australian Commission on Safety and Quality in Health Care	12	4
Australian Digital Health Agency	5	14
Australian Institute of Health and Welfare	58	9
Australian Radiation Protection and Nuclear Safety Agency	18	2
Australian Sports Anti-Doping Authority	16	3
Australian Sports Commission	276	17
Cancer Australia	4	7
Food Standards Australian New Zealand	5	74
Independent Hospital Pricing Authority	4	3
National Blood Authority	10	2
National Health Funding Body	2	1
National Health and Medical Research Council	20	7
National Mental Health Commission	3	2
Organ and Tissue Authority	1	3
Professional Services Review	4	2

b)

Agency	Largest Spend	Spend Type
Health (Incl. NICNAS, OGTR and TGA)	\$9,982.50	Learning and Development
Australian Aged Care Quality Agency	\$4,545.45	Conference registration
Australian Commission on Safety and Quality in Health Care	\$4,884.00	Training
Australian Digital Health Agency	\$3,337.33	Accommodation
Australian Institute of Health and Welfare	\$7,720.93	Computer Hardware
Australian Radiation Protection and Nuclear Safety Agency	\$8,322.84	Furniture
Australian Sports Anti-Doping Authority	\$7,406.28	Blood collection services
Australian Sports Commission	\$6,928.00	Software Licences and support
Cancer Australia	\$2,945.25	Venue Hire
Food Standards Australian New Zealand	\$6,496.50	International Airfares
Independent Hospital Pricing Authority	\$5,995.00	Training
National Blood Authority	\$7,700.00	Training
National Health Funding Body	\$9,975.00	Laptops and software
National Health and Medical Research Council	\$9,900.00	ELearning programs
National Mental Health Commission	\$3850.00	Conference fees
Organ and Tissue Authority	\$2,290.00	Conference fees
Professional Services Review	\$4,733.96	Venue Hire

- c) The Department of Health and Portfolio Agencies did not pay any interest during 2016.
- d) The Department of Health and Portfolio Agencies did not pay any late fees during 2016.
- e) The Department of Health and Portfolio Agencies did not have any amounts outstanding at the end of a payment period.

f)

Agency	Lost or Stolen cards	Cost of replacement
Health (Incl. NICNAS, OGTR and TGA)	4	Nil
Australian Aged Care Quality Agency	3	Nil
Australian Commission on Safety and Quality in Health Care	3	Nil
Australian Digital Health Agency	9	Nil
Australian Institute of Health and Welfare	Nil	Nil
Australian Radiation Protection and Nuclear Safety Agency	Nil	Nil
Australian Sports Anti-Doping Authority	Nil	Nil
Australian Sports Commission	5	Nil
Cancer Australia	Nil	Nil
Food Standards Australian New Zealand	1	Nil
Independent Hospital Pricing Authority	Nil	Nil
National Blood Authority	Nil	Nil
National Health Funding Body	Nil	Nil
National Health and Medical Research Council	Nil	Nil
National Mental Health Commission	Nil	Nil
Organ and Tissue Authority	1	Nil
Professional Services Review	Nil	Nil

g)

Agency	No. of purchases illegitimate or contrary to agency policy	Total value of the transactions	How many purchases were repaid	Were those amounts actually repaid?	What amount was left unpaid
Health (Incl. NICNAS, OGTR and TGA)	56	\$9,412.84	1	Yes	Nil
Australian Aged Care Quality Agency	Nil	Nil	Nil	Nil	Nil
Australian Commission on Safety and Quality in Health Care	13	\$1,877.09	13	Yes	Nil
Australian Digital Health Agency	Nil	Nil	Nil	Nil	Nil
Australian Institute of Health and Welfare	2	\$61.98	2	Yes	Nil
Australian Radiation Protection and Nuclear Safety Agency	Nil	Nil	Nil	Nil	Nil
Australian Sports Anti-Doping Authority	1	\$60.00	1	Yes	Nil
Australian Sports Commission	26	\$1,847.00	26	Yes	Nil
Cancer Australia	Nil	Nil	Nil	Nil	Nil
Food Standards Australian New Zealand	2	\$133.96	2	Yes	Nil
Independent Hospital Pricing Authority	Nil	Nil	Nil	Nil	Nil
National Blood Authority	Nil	Nil	Nil	Nil	Nil
National Health Funding Body	Nil	Nil	Nil	Nil	Nil
National Health and Medical Research Council	4	\$148.12	4	Yes	Nil
National Mental Health Commission	Nil	Nil	Nil	Nil	Nil
Organ and Tissue Authority	31	\$1,850.06	11	\$1,005.41	\$844.65
Professional Services Review	Nil	Nil	Nil	Nil	Nil

Note: The Department of Health records all instances of non-compliance with the Department's policy. Card holders are not required to repay transactions that are non-compliant with the policy where the purchase was for a legitimate Departmental purpose.

h)

Agency	Value of transaction	Officers Level	Repaid in full
Health (Incl. NICNAS, OGTR and TGA)	\$79.95	SES	Yes
Australian Aged Care Quality Agency	Nil	Nil	Nil
Australian Commission on Safety and Quality in Health Care	\$1,353.73	Non SES	Disputed with supplier
Australian Digital Health Agency	Nil	Nil	Nil
Australian Institute of Health and Welfare	\$34.00	Non SES	Yes
Australian Radiation Protection and Nuclear Safety Agency	Nil	Nil	Nil
Australian Sports Anti-Doping Authority	\$60.00	Non SES	Yes
Australian Sports Commission	\$599.00	Non SES	Yes
Cancer Australia	Nil	Nil	Nil
Food Standards Australian New Zealand	\$75.00	Non SES	Yes
Independent Hospital Pricing Authority	Nil	Nil	Nil
National Blood Authority	Nil	Nil	Nil
National Health Funding Body	Nil	Nil	Nil
National Health and Medical Research Council	\$58.00	SES	Yes
National Mental Health Commission	Nil	Nil	Nil
Organ and Tissue Authority	\$359.20	Non SES	Still under dispute
Professional Services Review	Nil	Nil	Nil

i) The Department of Health and Portfolio Agencies do not have any cards with reward schemes.

j)

Finance Business Rule R5.1 Commonwealth credit cards

Introduction

This Finance Business Rule is to be read in conjunction with Accountable Authority Instruction (AAI) [5.1: Commonwealth Credit Cards and Credit Vouchers](#) which details the Department's key policies regarding credit cards.

FBRs are issued by the Chief Financial Officer on the basis of a direction from the Secretary. All officials are required to act in accordance with this FBR.

Definitions

Eligible payment – payment with a value less than \$9,999 (inclusive of GST and merchant service fees) due to a supplier that is not associated with a multiple payment contract (paying incremental or milestone payments), or standing offer arrangement. Eligible payments may include payments made as a result of purchase orders (subject to restrictions).

The terms used in this FBR are defined in the *Public Governance, Performance and Accountability* (PGPA) [Glossary](#).

Key principles

The use of credit cards issued by the Department involves the consumption of Commonwealth resources, and so requires the exercise of financial powers. These powers, which are held by nominated officials in accordance with the Department's Financial Delegations, include the approval of a commitment of relevant money (section 23(3) of the PGPA Act), and entering into an arrangement on behalf of the Commonwealth (section 23(1) of the PGPA Act).

Credit cards are issued to officials to enable goods and services to be purchased on credit and in a timely manner.

There are 3 types of credit cards used in the Department:

- NAB Mastercard for general purchases (inc. GST). All cardholders, excluding executive card holders, are delegates for expenditure up to \$9,999;
- Diners Club for travel related purchases. Travel expenses booked via the Department's online booking tool are charged to the Department's virtual Diners Club card (refer [AAI 2.4: Official Travel](#) and [FBR R2.4: Official Travel – Domestic](#) and [FBR R2.5: Official Travel - Overseas](#)); and
- Fuel cards issued by Leaseplan or SG Fleet with departmental vehicles for the purchase of fuel, oil and basic car wash [CBR 15: Vehicle Management](#)).

Rules

1. Credit card restrictions

- a. Credit cards will only be issued after completion of a NAB Mastercard Corporate Card Cardholder Request form, departmental Credit Card Cardholder Agreement form and the online e-Learning module.
- b. There is to be only one signatory for each departmental credit card.
- c. Purchases must only be made against the company code to which the credit card has been allocated.
- d. Purchases outside the cardholder's financial delegation limitations must be approved by an appropriate delegate/s, and documented prior to the purchase.
- e. Purchases must only be made for official purposes (credit cards must not be used to purchase alcohol unless in accordance with the [FBR R2.3 - Official Hospitality](#)) and appropriate documentation is to be retained.
- f. Credit cards must **Not** be used:
 - i. to obtain cash advances;
 - ii. for private purposes. (**Note:** accidental private use, should it occur, must be notified to the Credit Card Administrator immediately. Repayment must occur as soon as practicable);
 - iii. to pay for consultancy services;
 - iv. to pay invoice payments for panel-based arrangements, including Whole of Australian Government (WoAG) arrangements – unless specified in the contract;
 - v. to pay for assets, capital and IT works-in-progress payments. (Exception: Portable and Attractive items priced between \$500 and \$2000);
 - vi. to make progress payments or pay for partial deliveries against contracts or purchase orders;
 - vii. to pay for taxi services for personal travel, or travel between home and work, except in accordance with your employment agreement.
 - viii. where the supplier does not have an ABN but is required to have one (**note:** a Purchase Order is to be raised and the 'No ABN Withholding Tax' rule applied) refer to [Taxation Ruling TR 2002/9 – Paragraph 70-72.](#); or
 - ix. to offer or give a gratuity (tip).
- g. Fuel cards are only to be used for Department of Health vehicles.
- h. Senior Executives are not to use credit cards that have been issued by the Department for normal business travel purposes. Your salary package includes provision for short distance business travel using your personal vehicle, in accordance with the Executive Vehicle Allowance guidelines. If you are travelling interstate and do not have access to your vehicle, you may use a credit card, Cabcharge e-ticket or other Departmental means to pay for your transportation in accordance with the remainder of this FBR.

2. Issuers of Departmental credit cards

- a. Only issue a credit card to a sole holder who is an official of the Department.
- b. Prior to issue ensure the applicant has completed the NAB MasterCard Corporate Card Cardholder Request form, the required e-learning training and the Departmental Credit Card Cardholder Agreement.
- c. At the time of issue:
 - i. inform the recipient of any rules and limits placed on the use of the card; and

- ii. ensure the credit card recipient signs the Department of Health Credit Card Acceptance form, and you store this in accordance with the Department's record management policies.
- d. Keep a record of credit cards issued, returned, lost, stolen or destroyed.
- e. Perform a review, at least annually, to identify whether the cardholder still requires the credit card.

3. Supervisors of credit card holders and issuers

- a. If you supervise a credit card holder you are responsible for ensuring the appropriate use of credit cards by your staff.
 - i. This is achieved through the Monthly Statement Verification process.

4. Users and holders of credit card

- a. If you have been issued a departmental credit card:
 - i. you are making a spending decision when you use the card and are accountable for that decision. You must ensure that the transaction is a proper use of relevant money (refer [AAI 2.1](#) and [FBR R2.1](#) – Approving commitments of relevant money);
 - ii. purchases of goods or services must be in accordance with departmental procurement instructions and rules (refer [AAI 3.1](#) and [FBR R3.1](#) – Procurement) and the Commonwealth Procurement Rules; and
 - iii. if you are procuring relevant property, you must act in accordance with [AAI 10.1](#) and [FBR 10.1](#) - Acquiring relevant property.
- b. You must report any loss or theft of a credit card as soon as it is discovered to Lost/Stolen card on 1800 033 103, and notify the Credit Card Administrator on the next working day.
- c. If the appropriate authority instructs you to return the credit card to the issuer, you must do so immediately.

Use of Card

To purchase goods or services (as a s.23 delegate – Delegations Schedule H2):

- d. You must not allow another person to use your card.
 - i. If you are a credit cardholder, and another official from a cost centre over which you have no budgetary control requests that you make a purchase for them using your card, then that official must arrange and provide you with the required approvals for the spending decision and payment, either annotating the documentation/invoice or using the [Request to Purchase by Credit Card form](#).
- e. You must obtain a tax invoice for **all** purchases. (**Note:** It is also a requirement of the Australian Tax Office that all purchases over \$82.50 have a receipt before GST can be claimed).
 - i. If you do not have a tax invoice relating to an approved transaction on your credit card statement, you must make a Statutory Declaration detailing the circumstances that prevented you from obtaining or retaining the necessary document.
- f. If using a credit card for overseas purchases you must:
 - i. calculate current exchange rates;
 - ii. determine whether supply or purchase is GST exclusive ([Refer Health GST guide](#)); and
 - iii. obtain or provide commitment approvals in Australian dollars at current exchange rates and exclusive of GST where applicable.

Note: "Tax invoice" not required if GST exclusive. Invoice or other supporting documentation is required.

- g. You must obtain a supplier adjustment note for goods or items purchased with a credit card, which are subsequently returned to the supplier.

Monthly card reconciliation

- h. You must comply with any instructions that are given to you from the relevant authority, regarding the recording and reconciliation of your credit card.
- i. You must check your monthly credit card statement, and reconcile the SAP record, within 7 days of receiving the monthly statement.
 - i. You must immediately report to the Credit Card Administrator, and repay as soon as is practicable where appropriate, any purchases not within these rules and associated guidance.
 - a) The Department will investigate such transactions. You must cooperate with any investigation into your use of your departmental credit card, and repay the value of the transaction if this is the investigation's finding.
- j. You must obtain verification that it is correct from your Approving Officer (EL2 or above), and return your reconciled monthly statement with supporting documentation, to the Credit Card Administrator on or before the day before the end of the month that the statement was issued.
- k. Documentation supporting credit card transactions is to be retained in accordance with the Archives Act 1983.

Administration

- l. If you are taking extended leave (2 weeks or more), or leaving the Department, you must arrange for another official to reconcile your monthly credit card statement before you leave the Department or during your absence.
 - i. You will need to pass on any and all supporting documentation to them to submit with the reconciled statement.
- m. You must notify the Credit Card Administrator so that their records may be updated and the card cancelled if required, if:
 - i. you leave the Department; or
 - ii. your role or the area of the Department that you work in changes, then you must consider whether you still require the credit card that has been issued to you.
 - a) If you transfer to another part of the Department, you must seek the approval of your new branch head for you to retain the credit card. If agreed, a new departmental Credit Card Cardholder Agreement form must be completed providing the new details.