

## Senate Community Affairs Legislation Committee

### SUPPLEMENTARY BUDGET ESTIMATES - 20 OCTOBER 2011 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Credit Cards

**Question reference number:** HSW 35

**Senator:** McKenzie

**Type of question:** Written

**Date set by the committee for the return of answer:** 9 December 2011

**Number of pages:** 2

#### **Question:**

- a) How many staff in each department and agency have a corporate credit card? What is their classification?
- b) What action is taken if the corporate credit card is misused?
- c) 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) There are currently 1,908 staff in the department who have a corporate credit card. The numbers and classification of each card holder are:

<b>Classification</b>	<b>Number</b>
APS 1-6	1,286
EL1	179
EL2	264
SES Band 1	136
SES Band 2	32
SES Band 3	10
Medical Officer 5	1
<b>Total</b>	<b>1,908</b>

- b) The action taken if a corporate credit is misused depends on the nature of the breach.
- c) Each credit card transaction is reviewed and signed off by the line manager of each card holder.
- d) If misuse of a corporate credit card is identified, the circumstances are investigated and appropriate action taken.

e) There were six instances of credit card misuse for the 2010-11 financial year.

<b>APS Classification</b>	<b>Description of Misuse</b>	<b>Corrective Action Taken</b>
EL2	Corporate Credit Card inadvertently used for personal use to pay for taxi fare	An invoice was raised against the official to recover the expenditure
APS4	Corporate Credit Card inadvertently used for personal use to pay for a purchase from Batteries Direct	An invoice was raised against the official to recover the expenditure
SES Band 1	Corporate Credit Card inadvertently used for personal use to purchase petrol	An invoice was raised against the official to recover the expenditure
APS3	Corporate Credit Card inadvertently used for personal use	An invoice was raised against the official to recover the expenditure
APS3	Credit Card stolen - external fraudulent activity amounting to \$6,000 followed	<ul style="list-style-type: none"> <li>• Investigation undertaken by Fraud and Compliance.</li> <li>• Notification of issue sent to Regional Manager, Divisional Manager and Treasury &amp; Management Accounting Manager.</li> <li>• Transactions deemed fraudulent were disputed successfully with Westpac and a new Card issued to holder</li> </ul>
APS4	Credit Card stolen - external fraudulent activity amounting to \$170 followed	<ul style="list-style-type: none"> <li>• Investigation undertaken by Fraud and Compliance.</li> <li>• Notification of issue sent to Regional Manager, Divisional Manager and Treasury &amp; Management Accounting Manager.</li> <li>• Transactions deemed fraudulent were disputed successfully with Westpac and a new Card issued to holder</li> </ul>

f) The department has a number of methods in place to prevent corporate credit card misuse:

- a clear set of mandatory rules outlining requirements on the issue, use and management of the department's corporate credit cards;
- card holders are provided trainings prior to receiving a corporate credit card;
- the department will only issue corporate credit cards to officials demonstrating a business need, and only following senior management approval;
- monitoring processes also play an important role as a deterrent against misuse, with card holders aware that all transactions are reviewed both by a dedicated team within the Finance Division as well as the line manager of each card holder; and
- card holders are also aware of the enforcement strategies in place in the event of misuse of a corporate credit card occurring.