

Senate Community Affairs Legislation Committee

SUPPLEMENTARY ESTIMATES - 21 NOVEMBER 2013 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Credit Cards

Question reference number: HS 38

Senator: Ludwig

Type of question: Written

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Question:

- a) Provide a breakdown for each employment classification that has a corporate credit card.
- b) Please update details of the following?
 - i) What action is taken if the corporate credit card is misused?
 - ii) How is corporate credit card use monitored?
 - iii) What happens if misuse of a corporate credit card is discovered?
 - iv) Have any instances of corporate credit card misuse have been discovered?
List staff classification and what the misuse was, and the action taken.
 - v) What action is taken to prevent corporate credit card misuse?

Answer:

- a) At 30 November 2013, 1,773 staff had a corporate credit card. A breakdown for each employment classification is provided below.

| Classification | Cardholders |
|-----------------------|--------------------|
| APS 2 | 87 |
| APS 3 | 99 |
| APS 4 | 440 |
| APS 5 | 186 |
| APS 6 | 165 |
| EL1 | 130 |
| EL2 | 178 |
| SES Band1 | 115 |
| SES Band2 | 26 |
| SES Band3 | 5 |
| Secretary | 1 |
| Total | 1,432 |

- b) i) 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.
- ii) Corporate credit card use is monitored by the following means:
- each transaction is reviewed for compliance with the department's financial framework;
 - each card holder's manager reviews each transaction of the respective card holder, which is supported by the relevant tax invoice; and
 - the financial governance team reviews samples of credit card transactions as part of the compliance quality assurance program.
- iii) Refer to (b)(i) above.
- iv) Fourteen instances of misuse of a corporate credit card have been reported in the period 1 July 2013 - 30 November 2013.

| Staff Classification | Details of Misuse | Number of Breaches | Action Taken |
|-----------------------------|---|---------------------------|--|
| APS 3 | DHS credit card inadvertently used for unauthorised personal expenditure. | 1 | Amount recovered from the relevant staff member. |
| APS 5 | DHS credit card inadvertently used for unauthorised personal expenditure. | 5 | |
| APS 6 | DHS credit card inadvertently used for unauthorised personal expenditure. | 3 | |
| EL1 | DHS credit card used inadvertently for unauthorised personal expenditure. | 3 | |
| SES Band 1 | DHS credit card inadvertently used for unauthorised personal expenditure. | 1 | |
| SES Band 1 | DHS credit card inadvertently used for unauthorised personal expenditure. | 1 | Refund arranged at point of sale. |

- v) To prevent the misuse of corporate credit cards,
- an SES official is required to approve the issue of a corporate credit card where an official demonstrates a business requirement;
 - credit cards will not be issued unless training has been undertaken;
 - credit card holders acknowledge and certify the terms and conditions under which the cards are issued;
 - it is a requirement that all credit card transactions are acquitted within 28 days and reviewed by the card holders manager;
 - personal expenditure is not allowed;
 - 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
 - the department monitors all corporate credit card transactions centrally.