

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice  
**Environment and Energy portfolio**

**Question No:** 27  
**Hearing:** Budget Estimates  
**Outcome:** Corporate  
**Program:** Corporate Strategies Division (CSD)  
**Topic:** Credit card policy  
**Hansard Page:**  
**Question Date:** 02 June 2017  
**Question Type:** Written

**Senator Bilyk asked:**

Can a copy of the Department's staff credit card policy please be provided?

**Answer:**

The Commonwealth Resource Management Framework governs how officials in the Commonwealth public sector use and manage public resources. The framework underpins an accountable and transparent public sector.

Under this framework, *Resource Management Guide No 206* provides specific guidance the use of credit cards by public servants. The Department's policy on Commonwealth credit card usage, has been developed in accordance with this guidance.

## **SECRETARY'S INSTRUCTION - COMMONWEALTH CREDIT CARDS**

### **About this Secretary's Instruction (SI)**

This Secretary's Instruction (SI) is issued under section 20A of the PGPA Act and is relevant to non-corporate Commonwealth entities. It provides instruction to staff members about the use of Commonwealth credit cards.

### ***What are Commonwealth credit cards?***

A Commonwealth credit card is a credit card issued to the Commonwealth entity to enable them to obtain cash, goods or services on credit (i.e. with payment deferred).

Charge cards and vendor cards issued to the Commonwealth entity are both a form of "Commonwealth credit card" for the purposes of the PGPA Act.

- Charge cards authorise the holder to buy goods or services on credit, with payment in full required to be made at a later date (e.g. MasterCard, Visa, Diners card and AMEX).
- Vendor cards (sometimes called "limited-purpose purchase cards") are charge cards provided by specific retailers (e.g. Cabcharge cards, travel cards and fuel cards).

Credit cards issued to the Commonwealth are different from personal credit cards, as they do not provide the holder with a revolving line of credit. Money borrowed by the Commonwealth through the use of a credit card must be paid in full within a specific timeframe.

### ***How do Commonwealth credit cards work?***

The use of a Commonwealth credit card is a borrowing by the Commonwealth (i.e. an advance of money that must be repaid in accordance with contractually agreed terms).

The Finance Minister can enter into a limited range of borrowing agreements under section 56 of the PGPA Act. This includes entering into an agreement for the issue to, and use by, the Commonwealth of credit cards, provided that the agreement requires the money borrowed to be repaid within 90 days. The Finance Minister has delegated this power to all accountable authorities of non-corporate Commonwealth entities.

Generally, an accountable authority or their delegate will enter into a single overarching borrowing agreement for each form of Commonwealth credit card. Staff members then act on the relevant borrowing agreement by using a card issued under that agreement – each Commonwealth credit card is not a separate borrowing agreement.

### **Instructions – All staff**

1. Only a staff member may use a Commonwealth credit card.
2. Only the person issued with a Commonwealth credit card, or someone specifically authorised by that person, may use that credit card.
3. You may only use a Commonwealth credit card to obtain, goods or services for the Commonwealth entity; however, you may use a Commonwealth credit card to pay for private expenditure which is coincidental to your work duties if you have received explicit prior approval from your SES Band 2 or equivalent. Any such expenditure must be promptly repaid to the Department.
4. In deciding whether to use a Commonwealth credit card, you should consider whether it would be the most cost-effective payment option in the circumstances.
5. You must ensure that the requirements of SI 2 – Approval and Commitment of Relevant Money have been met before entering into an arrangement using a Commonwealth credit card.
6. You must ensure that your use of a Commonwealth credit card is consistent with the terms of the approval for the proposed commitment of relevant money including any conditions of the approval.
7. You must ensure that any Commonwealth credit cards issued to you are stored safely and securely.
8. Any suspected misuse of a Commonwealth credit card must be reported to a manager for investigation, which may include referral to the Capability and Performance Section. The Corporate Card Administrator must be advised of the suspected misuse and outcomes of any investigation.

### ***In-hand Charge Cards***

9. You will not be issued with a corporate charge card unless you have passed the Department's online delegation assessment.

(Please note that being issued a charge card does not confer a financial delegation or authorisation on an officer so as to allow independent use of the card.)

10. You must comply with all of the conditions set out in the Cardholder's Agreement.
11. Charge cards must be used as outlined in the Finance Practice Manual.
12. You must not use charge cards for cash advances, private purchases, asset purchases or to pay for services that can be arranged through the Department's travel service provider (airline flights, domestic accommodation, domestic car rentals), or for expenses where an allowance is paid in advance. All other Departmental expenses are permitted, noting that separate delegations apply for the approval of expenditure for official hospitality and business catering.

Only the Chief Information Officer (CIO) or officers authorised by the CIO, may use charge cards for purchases of information and communication technology assets. ICT purchases must be approved through the CIO.

13. Officers undertaking overseas travel should pay for accommodation expenses on their charge card.
14. Exemptions to the standard restrictions to cater for exceptional circumstances may be sought from the Chief Operating Officer, the Chief Finance Officer, or Deputy Chief Finance Officer.
15. As a cardholder you are responsible for:
  - ensuring the safekeeping and proper use of your charge card
  - retaining tax invoice/receipts as an official record to support the expenditure on your charge card. In exceptional circumstances where tax invoice/receipts are not available, you must document the expense as outlined in the Finance Practice Manual
  - the timely and accurate reconciliation of your charge card transactions, ensuring all transactions are fully supported by appropriate supporting documentation
  - identifying and advising the Corporate Card Administrator of any disputed transactions
  - destroying or returning your charge card to the Corporate Card Administrator when going on extended leave, leaving the Department or when your charge card is no longer required, and
  - contacting the Corporate Card Administrator as soon as practicable when a card is lost or stolen.

### ***Fleet Fuel Cards***

16. Only staff members or approved nominated drivers can use a corporate fuel card.
17. You do not need to complete the Department's online delegation assessment to be issued with a fuel card.
18. You must not use a fuel card for purposes other than those stated with its issue.
19. Fuel cards are issued for each designated official vehicle and must only be used to purchase fuel and associated products (i.e. petrol, oil, diesel and liquid petroleum gas) for that vehicle.

20. You must use the fuel card provided to purchase or pay for fuel and associated products for official vehicles whenever possible.

21. Officials using or with responsibility for Commonwealth vehicles are responsible for:

- ensuring the safe keeping and proper use of the fuel card
- providing the current odometer reading on presentation of the fuel card at the service station when fuel is purchased from the agreed provider (as shown on the fuel card), and
- contacting the Department's Fleet Manager as soon as practicable if the fuel card is lost or stolen.

**Instructions – Staff responsible for supervising holders of credit card and credit voucher**

22. You are responsible for monitoring credit card usage to ensure transactions:

- are fully supported by a tax invoice/receipt, or where these are not available, documentation as outlined in the Finance Practice Manual, and
- comply with Departmental policy as outlined in the Finance Practice Manual.

**Instructions – Staff authorised to issue Commonwealth credit cards**

23. When entering into a borrowing agreement for the issue of credit cards, you must have a valid delegation or authorisation to open an account

24. The Corporate Card Administrator must:

- administer credit cards as outlined in the Corporate Card Procedural Manual
- review credit card use as outlined in the Corporate Card Procedural Manual.

***In-hand Charge Cards***

25. Only Corporate Card Administrators can issue charge cards.

26. Charge cards can only be issued to approved staff members. Staff members must not be issued with a charge card unless they have successfully completed the Department's online delegation assessment.

27. Charge cards must be issued in line with credit limits as prescribed in this Secretary Instruction and the Department's delegation instrument. Normally, the credit limits are:

- \$5,000 per transaction, \$10,000 per statement period for SES officers; and
- \$2,000 per transaction, \$5,000 per statement period for non SES officers.

28. Staff members will only be issued a charge card when they have acknowledged, on the Department's credit card application form, their acceptance of the Department's standard terms and conditions of use.

***Fleet Fuel Cards***

29. Only the Department's Fleet Manager can issue vehicle fuel cards.

## **Instructions – Staff with a delegation to enter into borrowing agreements for Commonwealth credit cards**

30. When entering into a borrowing agreement through the use of credit cards, you must:

- have a valid delegation to enter into borrowing agreements
- ensure that the requirements of SI 2 – Approval and Commitment of Relevant Money have been met
- ensure that the procurement of the credit card services is in accordance with the Commonwealth Procurement Rules (CPRs) (see SI 3 - Procurement)
- comply with the directions in the delegation from the Finance Minister (under section 56 of the PGPA Act) or any directions in the delegation from your accountable authority, and
- ensure that the borrowing agreement requires the money borrowed to be repaid within 90 days of the Commonwealth being notified of the amount borrowed.

### **Finance Practice Manual**

The related processes and procedures that are described in the Finance Practice Manual must be followed to give effect to these instructions.

### **Forms and Guides**

Credit card and Cabcharge forms, guides and reference materials are available through the Corporate Credit Cards intranet site.

### **Key Guidance**

ANAO Report 37: Management of Credit Cards

Resource Management Guide No. 416 - Facilitating Supplier Payment Through Payment Card

### **Key References**

PGPA Act: s56

### **Related Secretary's Instructions**

1.4 – Accounts and Records

2.1 – Approving Commitments of Relevant Money and Entering into Arrangements

2.3 – Official Travel

6.2 – Making Payments

7.5 - Investments and Borrowings

10.3 – Custody, Use and Management of Relevant Property

### **Delegations and Authorisations**

Refer to the Department's Delegation Instrument.