

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Budget Estimates Hearing 2014-15
2-3 June 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Credit Cards

REFERENCE: Written Questions – Senator Ludwig

QUESTION No.: BI-128

1. Provide a breakdown for each employment classification that has a corporate credit card.
2. Please update details of the following?
 - a. What action is taken if the corporate credit card is misused?
 - b. How is corporate credit card use monitored?
 - c. What happens if misuse of a corporate credit card is discovered?
 - d. Have any instances of corporate credit card misuse have been discovered since Additional Estimates in February, 2014? List staff classification and what the misuse was, and the action taken.
 - e. What action is taken to prevent corporate credit card misuse?

ANSWER

1. The Department has issued 2,281 corporate credit cards as at 30 June 2014. The breakdown of staff with credit cards by classification is as follows:

| Classification | Number of credit cards |
|------------------------------------|------------------------|
| Senior Executive Service | 88 |
| Executive Level | 1,092 |
| Australian Public Service Officers | 1,101 |
| Total | 2,281 |

2.
 - a. All breaches relating to the misuse of credit cards are reported to the relevant delegate and action is taken in accordance with the department's Chief Executive's Instructions, departmental policies and Australian Public Service code of conduct. These actions include the recovery of the expenditure, and could also include a range of disciplinary actions from a reprimand to the termination of employment. Allegations or suspicions of fraudulent activity must be reported to the Fraud Control Officer. The incidence of misuse of credit cards (breaches) is reported in the department's Certificate of Compliance under section 60 of the *Financial Management and Accountability Act 1997*.
 - b. Credit cardholders are required to obtain the approval of a delegate, provide evidence of expenditure (receipts) and acquit the expenditure. In addition, credit card statements are reviewed and signed by a manager.
 - c. Please refer to response to 2 (a).
 - d. There have been no confirmed instances of credit card misuse for the period 1 March to 30 June 2014.

- e. Prior to being issued with a Commonwealth credit card, officials are required to undertake an accreditation test and to sign an agreement which outlines their obligations when using their credit card. In addition, the department conducts regular fraud awareness and financial framework training. Debt recovery action is taken for any misuse. Allegations or suspicions of fraudulent activity must be reported to the Fraud Control Officer. At the conclusion of investigations into credit card misuse, feedback and recommendations to prevent recurrences are provided to senior management, the department has built in mandatory monitoring and review of staff's needs of a credit card.