

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Bureau of Statistics

Question No: 2

Topic: Credit Cards

Reference: Written

Senator: Bilyk, Catryna

Question:

1. How many credit cards are currently on issue for staff in the ABS? If possible, please provide a break-down of this information by APS/ SES level.
2. What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
3. How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
4. How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
5. 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?
6. How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
7. 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
8. 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?
9. Are any credit cards currently on issue in the ABS connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
10. Can a copy of the ABS's staff credit card policy please be provided?

Answer:

1. As at 30 June 2017, 2,012 staff were issued with credit cards in the ABS. A break-down of this information by APS/SES level is not readily available.
2. The value of the largest reported purchase on a credit card in calendar year 2016 was \$20,460 GST exclusive. The payment was for accommodation for a number of delegates attending the Pacific statistical Leadership Forum at the Stamford Plaza in Brisbane.
3. Nil in calendar year 2016.
4. Nil in calendar year 2016.
5. Nil in calendar year 2016.

6. 121 credit cards were reported lost or stolen in calendar year 2016. There was nil cost of their replacement.
7. 156 credit card purchases were deemed to be inconsistent with the ABS policy in calendar year 2016. The total value of those purchases was \$51,392 GST exclusive.
 - 74 purchases were asked to be repaid in calendar year 2016 and the total value was \$1,741 GST exclusive. Of those amounts, 1 was not repaid, and the total value was \$245 GST exclusive.
 - 82 purchases inconsistent with the ABS policy (eg booking outside the Whole of Government travel arrangements) were not required to be repaid.
8. The largest purchase inconsistent with ABS policy that was asked to be repaid in calendar year 2016 was \$245 GST exclusive. The cardholder's level was a non-ongoing employee of the 2016 Census. This amount was not repaid and it was not commercial to pursue the debt.
9. No credit cards currently on issue in the ABS connected to rewards schemes. No staff receive any personal benefit as a result of those reward schemes.
10. Yes. Refer Attachment 1 ABS Corporate Card Policy.

ATTACHMENT 1

Accountable Authority Instructions : Chapter 05

Header

Manual Category	⇒ F. Accountable Authority Instructions	Final v 2015/02
Manual ID - No & Title:	⇒ FinCEI - 01. Accountable Authority Instructions	Last Updated: 25 Oct 2016
Chapter No. & Title:	⇒ 05. Commonwealth Credit Cards and Credit Vouchers	
Section No. & Title:		
Subsection No. & Title:		
Document Version:	⇒ 2015/02	

Status

Status:	*** Final ***
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Contact Info

Contact Info:	
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1. GENERAL

About this AAI

This AAI is issued under section 20A of the [PGPA Act](#) and is relevant to the ABS. It provides instruction to [officials](#) about the use of [Commonwealth Credit Cards](#) and [credit vouchers](#).

What are Commonwealth credit cards and credit vouchers?

A Commonwealth credit card is a credit card issued to the [Commonwealth entity](#) to enable it to obtain cash, [goods](#) or services on credit (i.e. with [payment](#) deferred). A credit voucher, in a sense, is a paper based credit card that generally comes with an attached spending limit (e.g. a [Cabcharge voucher](#)).

[Charge cards](#) and [vendor cards](#) issued to the ABS 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. 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 and credit vouchers issued to the ABS are different from personal credit cards or vouchers, as they do not provide the holder with a revolving line of credit. Money borrowed by the ABS through the use of a credit card or credit voucher must be paid in full within a specific timeframe.

Debit cards, pre-paid credit cards and gift vouchers issued to the ABS are not Commonwealth credit cards. They should be treated as if they were [relevant money](#).

How do Commonwealth credit cards and credit vouchers work?

The use of a Commonwealth credit card or credit voucher is a borrowing by the ABS (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 or credit vouchers, provided that the agreement requires the money borrowed to be repaid within 90 days. The Finance Minister has delegated this power to the Australian Statistician.

Generally, the Australian Statistician or their [delegate](#) will enter into a single overarching borrowing agreement for each form of Commonwealth credit card or credit voucher. Officials then act on the relevant borrowing agreement by using a card or voucher issued under that agreement – each Commonwealth credit card and credit voucher is not a separate borrowing agreement.

Instructions – All officials

Only an [official](#) may use a Commonwealth Credit Card or credit voucher.

Only the person issued with a Commonwealth credit card or credit voucher, or someone specifically authorised by that person, may use that credit card, credit card number or credit voucher.

You may only use a Commonwealth credit card or card number to obtain cash, goods or services for the ABS.

- However, you may use a Commonwealth credit card or card number to pay for private expenditure which is coincidental to your work duties, if the Australian Statistician has authorised this.

- You cannot use a Commonwealth credit card or card number for solely private expenditure.

In deciding whether to use a Commonwealth credit card or credit voucher, you should consider whether it would be the most cost-effective [payment](#) option in the circumstances.

Before using a Commonwealth credit card or credit voucher, you must ensure that the requirements in [AAI - Approving Commitments of Relevant Money and Entering into Arrangements](#), have been met before entering into the [arrangement](#).

You must ensure that your use of a Commonwealth credit card or credit voucher is consistent with the approval given, including any conditions of the approval.

You must ensure that any Commonwealth credit cards and credit vouchers issued to you are stored safely and securely.

Section 32B of the [FFSP Act](#) provides the requisite statutory authority for Commonwealth spending, where no other legislative authority exists. Section 32B empowers the [Commonwealth](#) to make, vary or administer arrangements or [grants](#) under which relevant money is, or may become, payable, if the arrangements or grants or programs are specified in the [FFSP Regulations](#).

2. MANAGEMENT OF COMMONWEALTH CREDIT CARDS AND CREDIT VOUCHERS

A Corporate Credit Card (CCC) is a credit card issued to ABS officials to enable purchase of goods and/or services, including travel related expenses such as accommodation and taxi fares, as set out in the ABS Enterprise Agreement.

The CCC is a payment mechanism which can be used as an alternative to other methods of payment for official government expenditure such as electronic funds transfer, cheque or petty cash. It offers particular advantages such as convenience, the potential to reduce paperwork and prompt payment of suppliers.

2.1 CARDHOLDER RESPONSIBILITIES

Cardholders must:

- make proper use of relevant money, that is, efficient, effective, economical and ethical use of relevant money, that is not inconsistent with Commonwealth policy;
- understand and comply with conditions of usage of the card as set out in the Cardholder Application and Agreement; and
- **NOT** choose a PIN that is the same as your personal credit cards. You may use the Self Select function to change the PIN.

2.2 FINANCIAL DELEGATIONS

Upon receiving their CCC, cardholders receive the delegation (with limits) to enter into Commonwealth contracts under financial delegation F24(a) and to approve spending under financial delegation F23(a). In effect, they hold the power to approve a proposal to spend relevant money, up to their card transaction / credit limit.

ABS officials authorised under financial delegation F30 may issue, or authorise the issue of a CCC to ABS staff on receipt of an appropriately completed and approved Card Holder Application and Agreement.

2.3 PRIVATE EXPENDITURE

A CCC may only be used for official business purposes and private expenditure must not be charged to the CCC.

Any accidental private expenditure must be reimbursed and is recoverable by the Commonwealth in a court of law.

2.4 IMPROPER USE OF CCC

The misuse of CCC is a crime, which is covered by the Criminal Code Act 1995.

2.5 NON COMPLIANCE

Cardholders will receive regular reminders from the current Expense Management System where there are transactions that remain unreviewed.

Where transactions remain unreviewed for more than 30 days after the transaction date information will be sought from the approving manager about the status of the unreviewed transactions. Cardholders need to be aware that regular review is an important element of fraud control and unreviewed transactions require early intervention.

Where transactions remain unreviewed without satisfactory explanation for more than 45 days after the transaction date, an email will be sent to both the cardholder and their approving manager from the Chief Finance Officer. This email will notify the Chief Finance Officer's (CFO) intention to suspend the CCC at the end of the current statement period, unless the cardholder has completed their review and provided all supporting documentation as required.

Where cardholders have their card temporarily suspended 2 times, their CCC will be cancelled. Reactivation of the CCC will be at the CFO's discretion. The cardholder will also be required to reapply for their card and undertake the Corporate Credit Card e-Learning course.

2.6 CASH ADVANCES ON CCC

Cash advances on CCC for most cardholders is not permitted. Access to a cash withdrawal facility is assessed on a case by case.

2.7 ENTERING BORROWING AGREEMENTS FOR COMMONWEALTH CREDIT CA...

Instructions – Officials with a delegation to enter into borrowing agreements for Commonwealth credit cards and credit vouchers

When entering into a borrowing agreement for the issue to, and use by, the Commonwealth of credit cards or credit vouchers, you must:

- have a valid [delegation](#) to enter into borrowing agreements;
- ensure that the requirements in AAI - Approving Commitments of Relevant Money and Entering into Arrangements have been met; and
- ensure that the [procurement](#) of the credit card and/or credit voucher services is in

accordance with the [CPR](#) (see [AAI - Procurement process](#)).

You must:

- comply with the directions in the delegation from the [Finance Minister](#) (under section 56) or any directions in the delegation from the Australian Statistician; 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.

2.8 E-TICKETS AND TAXI TRAVEL

Officials issued with Cabcharge e-tickets must ensure their safe custody and security.

An official issued with Cabcharge e-tickets must only use the facility for official ABS business. E-tickets must not be used to facilitate personal travel. Officials must report any known misuse of the cabcharge e-tickets to their issuing official as soon as possible.

A register of all Cabcharge e-tickets is maintained by the ABS and regular checks and reviews of the Cabcharge statements occur.

If an official having custody of Cabcharge e-tickets, loses any e-tickets, he/she must report the matter immediately to the issuing official.

2.9 FUEL CARDS

Officials needing to obtain fuel for official ABS vehicles must use fuel cards as the method of purchase/payment whenever possible. Corporate credit cards are **not** to be used in operational leased vehicles for the purchase of fuel except in an emergency.

Fuel cards are only to be used for purchases for the vehicle for which they were allocated and must remain with the vehicle at all times. When purchasing fuel the odometer reading **must** be provided. Fuel and oil receipts must be retained for a period of two years by the driver. Where the vehicle is a pooled vehicle, fuel and oil receipts must be kept for a period of two years by the regional office.

Officials possessing ABS fuel cards are to ensure their safe custody and security and are not to use the fuel cards for purposes other than those stated with their issue. Officials must report any known misuse of fuel cards to the National Fleet and Travel section as soon as possible.

Fuel cards are administered by the National Fleet and Travel Section and a register of all fuel cards that have been issued is maintained.

Corporate credit cards are to be used to purchase fuel for use in hire vehicles, where a fuel card is not provided by the hire car provider.

3. DELEGATIONS

To find who has ABS Financial Delegations, including any related limits and conditions, see the [Financial Delegations Instrument in Services@ABS](#) or produce a Delegation by position report in ABS Pay and Leave (see [Services@ABS for information on how to produce delegation reports](#)). Directions and further information related to ABS Finance and

Governance Delegations are located in [Schedule C Delegation Directions](#).

4. REFERENCE

Key Guidance	Key References
Resource Management Guide No 416, Facilitating Supplier Payment Through Payment Card. Resource Management Guide No 418, Payment Terms for Australian Government Travel Arrangements - Card Services ANAO Report 37: <i>Management of Credit Cards</i>	PGPA Act: s56 Model AAls for non-corporate Commonwealth e Section 3 Marking Payments - Commonwealth f

5. KEY CONTACTS

Contact	Topic
Director, Financial Reporting and Compliance	Credit Card policy
Assistant Director, Procurement Services and Contract Support, VIC	Credit Card operations and administration

**For further information, contact:
Finance, Facilities and Project Administration
Division**