

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Business Services Division

**Question No:** 5

**Topic:** Credit Cards

**Reference:** Written

**Senator:** Bilyk, Catryna

**Question:**

1. How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? 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 Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
10. Can a copy of the Department's staff credit card policy please be provided?

**Answer:**

1. The Treasury currently has 192 credit cards currently on issue. Treasury does not retain any credit card information relating to other agencies within the portfolio.
2. The largest purchase on a credit card in 2016 was \$23,645.49 which was for the purchase of software.
3. No interest has been paid in relation to credit cards for the Treasury for the calendar year 2016.
4. No late fees have been paid in relation to credit cards for the Treasury for the calendar year 2016.

5. There were no outstanding amounts against any credit card at the end of 2016.
6. No credit cards were reported stolen in the 2016 calendar year.
7. There were 23 instances where a card holder had used a corporate credit card for personal use. These instances occurred where the expenditure was coincidentally incurred together with official expenditure (which is allowable under the credit card policy) or the card holder mistakenly used the card in error and alerted The Treasury for repayment options.

All of these purchases were invoiced back to the card holders for payment.

One transaction to the value of \$129.50 remains to be recovered.

8. The largest transaction that was incurred on a Corporate Credit Card that related to personal use was \$600.00. The card holder for this transaction was an APS staff. The amount was repaid in full.
9. No Treasury credit cards are connected to any reward schemes.
10. See attached – AAI Operational Guideline 5 – Commonwealth Credit Cards and Credit Vouchers

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AUDIENCE	CATEGORY
Treasury officials	AAI 5 - procedures

THE **TREASURY** — POLICIES AND PROCEDURES

**OPERATIONAL GUIDELINE 5**  
**Commonwealth Credit Cards and Credit Vouchers**

This document was endorsed by Chief Finance Officer  
It was last reviewed in June 2015

For further information or questions, phone Financial Frameworks Unit

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## 1. GENERAL

This procedure should be read in conjunction with [Accountable Authority Instruction 5 - Commonwealth Credit Cards and Credit Vouchers](#). Together, they are the policy and procedures for officials on Commonwealth credit cards and vouchers in the Treasury.

## 2. GUIDANCE ON CREDIT CARDS

Treasury officials involved in using or issuing a Commonwealth Credit Card (CCC) in the course of their work should have regard to the duties of an official as expressed in the PGPA Act, Australian Public Service (APS) Values, APS Code of Conduct and Treasury Conflict of Interest Guidelines. The following procedures accord with, and implement, the guidance in those documents.

Each cardholder is personally responsible for their credit card. Cardholders should take all reasonable precautions to ensure the security of the card, in particular they should:

- sign the back of the card immediately upon receipt;
- not give their card to anyone else for the purposes of purchasing goods or services;
- obtain a personal identification number (PIN) which should not be disclosed to another individual;
- maintain their card in a secure place;
- provide their card to Credit Card Administrator (CCA), Financial Administration & Support Team (FAST) if they are taking leave for a period in excess of one month, resigning, transferring to another department, retiring or cancelling their card; and
- report lost or stolen cards immediately to the contracted credit card provider and CCA, FAST.

Cardholders may be personally liable for the transactions incurred on their card if:

- it is evident that precautions were not taken to prevent the loss or theft of the card; or
- the credit card service provider is not immediately advised of the loss or theft of the credit card. The cardholder may be liable to pay for all transactions incurred prior to notifying the credit card service provider of the loss or theft.

Any Treasury official who becomes aware of an apparent misuse of a CCC should report the matter immediately to FAST.

### 2.1 MANAGEMENT OF THE CREDIT CARD FACILITY

The Manager, Financial Services Unit (FSU), is responsible for the overall management of the credit card facility which includes:

- monitoring the usage of issued cards to ensure they are being used in a cost-effective manner;
- cancelling cards in a timely manner as requested by cardholder or Chief Finance Officer (CFO);
- ensuring the safe custody of a card when requested/required to do so; and
- keeping proper records of cards issued and cancelled and relevant details of cardholder's transaction and card limits.

The Credit Card Administrator, FAST should:

- not order a credit card for an official until the CFO approves it;
- not issue multiple CCCs to any one official;
- ensure that the cardholder fully understands and acknowledges in writing, the conditions set out in the CCC Declaration of Acknowledgement and Agreement Form and their obligations set out in the Accountable Authority Instructions (AAIs) and this operational guideline; and
- on receipt of a cancellation request, send a cancellation request to the credit card service provider.

## 2.2 OBTAINING A NEW CREDIT CARD

If an official needs a CCC, a credit card request form is to be completed with General Manager endorsement. The request should be sent to FAST, which will then forward it to the CFO for approval.

Once the CFO has approved the request, FAST will complete and submit a credit card application to the respective credit card provider.

After the credit card has been issued and delivered to FAST from the respective credit card provider, FAST will arrange a credit card briefing for the cardholder at the time the credit card is issued.

Prior to being issued with the credit card, officials are required to complete, sign and agree to the conditions of usage as set out in the *CCC Declaration of Acknowledgement and Agreement*. By completing and signing this form, the credit card holder agrees to comply with the Commonwealth and Treasury policy relating to the use of credit cards for the expenditure of relevant money and the credit card service provider's conditions of use.

The new cardholder is required to sign the back of the card immediately and should activate the card with the PIN provided as soon as practicable.

The CCA should update the Credit Card Register with the name of the new cardholder, card details, transaction and credit limits, date of issue and expiry date.

## 2.3 USE OF THE CREDIT CARD

CCCs are only to be used for departmental expenses. A CCC can be used for official travel for purposes including taxi fares and parking and overseas accommodation (excluding any amount that has or will be paid as an advance).

When using their card the cardholder should:

- be satisfied that using the card to make a payment is the most cost-effective payment mechanism for the circumstances;
- ensure the transaction limit and the monthly credit limit are not exceeded;
- ensure invoice/tax receipts have a complete and full description of the goods or services purchased – the word 'goods' or similar general description is not acceptable;
- retain all documentation, such as a compliant tax invoice or tax receipt for the purchase and payment of goods and services, to substantiate the acquittal of the expense imported into the Expense Management System (EMS). Should supporting documentation be lost, a declaration should be completed (an EMS Declaration form for purchase up to \$82.50 and a Statutory Declaration for amounts above this); and
- acquit credit card purchases in a timely manner within the Expense Management System (EMS).

Cardholders should not use their card:

- for personal expenditures\*;
- for cash advances or withdrawals;
- to purchase any assets (including low-value assets), official hospitality, facilities/property, or for the provision of a grant or sponsorship, unless they have obtained the relevant delegate approval;
- where a travel advance has, or will be paid; or
- for recurring automatic direct debit, unless authorised by the CFO.

*\*The CFO may authorise a CCC holder to use the card to pay an account that includes private expenditure that was coincidentally incurred together with official expenditure. This is subject to the cardholder promptly reimbursing the costs to Treasury. The intention is that it be used on an exception basis for cases such as the payment of hotel accounts etc. where these accounts cannot be readily split into official and personal expenses.*

#### 2.4 ADMINISTERING CREDIT CARD PURCHASES

On a daily basis, credit card transactions will be uploaded into the EMS for submission with their supporting documentation and review. The review process for credit card usage is shown in the flowchart at section 3.2 below. The flowchart reflects the following process.

On a daily basis the Expense Management System will notify the card holder of transactions made the previous day.

- when the card holder gets the advice from EMS, they are to review the transaction to confirm that it is a departmental (and not private) expense.
- if it is a private expense, the card holder is to contact the Financial Support and Administration Team as soon as possible.
- if it is a departmental (public) expense, the card holder is to attach supporting documents to EMS and code the expense in the Expense Management System using the correct GL and cost centre and provide relevant description of expense.
- once submitted, the transaction will be forwarded to the cost centre manager or their Deputy (for non-SES card holders) and to the CFO (for SES card holders) for review. The reviewer is to examine:
  - that the expense is a departmental expense
  - the tax code and GL used
  - the documentation, to ensure that it is a correctly rendered tax invoice or receipt stating the merchant's ABN and address.
- if the reviewer is satisfied, they are to authorise the transaction. Once the expense is authorised a journal will be processed at the end of the month to export the expenses to SAP.
- if the reviewer is not satisfied, they are to reject the transaction and make necessary notes in the EMS. Once the transaction is rejected the transaction will be sent back to the card holder to amend.

Once the statement period (ie 21<sup>st</sup> of each month) is closed, the full amount of the imported expenses for that month will be exported into the FMIS, the reviewed transactions will be debited to the relevant expense accounts, and other transactions will be coded as "Diners Unacquitted Expenses" against the cardholders cost centre.

#### System Oversight

On a regular basis, FAST run the following reports:

- Alerts Report – the alerts report shows transactions that flag as an alert, for example the transactions that occur on a weekend or if the card holder has exceeded their transaction limits.
- Expenses Overs \$2,000 – this reports shows all transaction over \$2,000. These transactions are viewed by a FAST member for reasonableness.
- Unacquitted Report – shows any transactions that are submitted in EMS but have not yet been reviewed by the Cost Centre Manager/their deputy or the CFO.
- Unsubmitted Report - shows any transactions that are displayed in EMS that have not yet been submitted and acquitted by the card holder.

If the reviewing the above reports, the FAST member is satisfied that there are no irregular transactions, they forward the report to the Team Leader for final review.

If the FAST member is not satisfied, they are to contact the relevant Diner's cardholder and address any queries. If the transaction is coded incorrectly, for example, the transaction will be unauthorised to be resubmitted by the relevant cardholder.

Any action taken is noted in the reports. The Team Leader reviews the reports and actions any items that are necessary.

If a fraudulent activity is found when acquitting the expense(s) in EMS, the transaction should be submitted as "Dispute" expense type (the disputed amount will be costed to a clearing account for investigation). The issue is to be followed up and, if appropriate, a credit will be issued by the card provider on the next statement.

The balance of the statement is directly debited from Treasury's bank account, and it should match with the transactions uploaded from the EMS.

The annual card fee (if any) will be charged to the cardholder's cost centre.

#### **2.5 LOST OR STOLEN CARDS**

If the card is lost or stolen report it immediately to the provider, currently Diners Mastercard, 1800 105 660, ANZ Visa, 1800 033 844.

On the same day, or next working day, notify FAST on (02) 6263 2000.

#### **2.6 CREDIT CARD CANCELLATION**

A CCC will be cancelled if:

- the card is lost or stolen;
- if a suspected fraudulent transaction is found;
- If there is a change in role and the CCC is no longer required; or



- If the employment of the cardholder ceases.

A written request should be provided by the credit card holder or the General Manager to cancel the card. It should include the card number.

The actual card should also be hand delivered to the CCA in FAST if possible (should not be sent in the mail).

The CCA should:

- send a cancellation request to the credit card provider and keep the request on file with any supporting documentation;
- dispose of the credit card using a secure facility;
- update the Credit Card Register to reflect the official's card has been cancelled and the date of cancellation.

#### **2.7 WHEN GOING ON EXTENDED LEAVE**

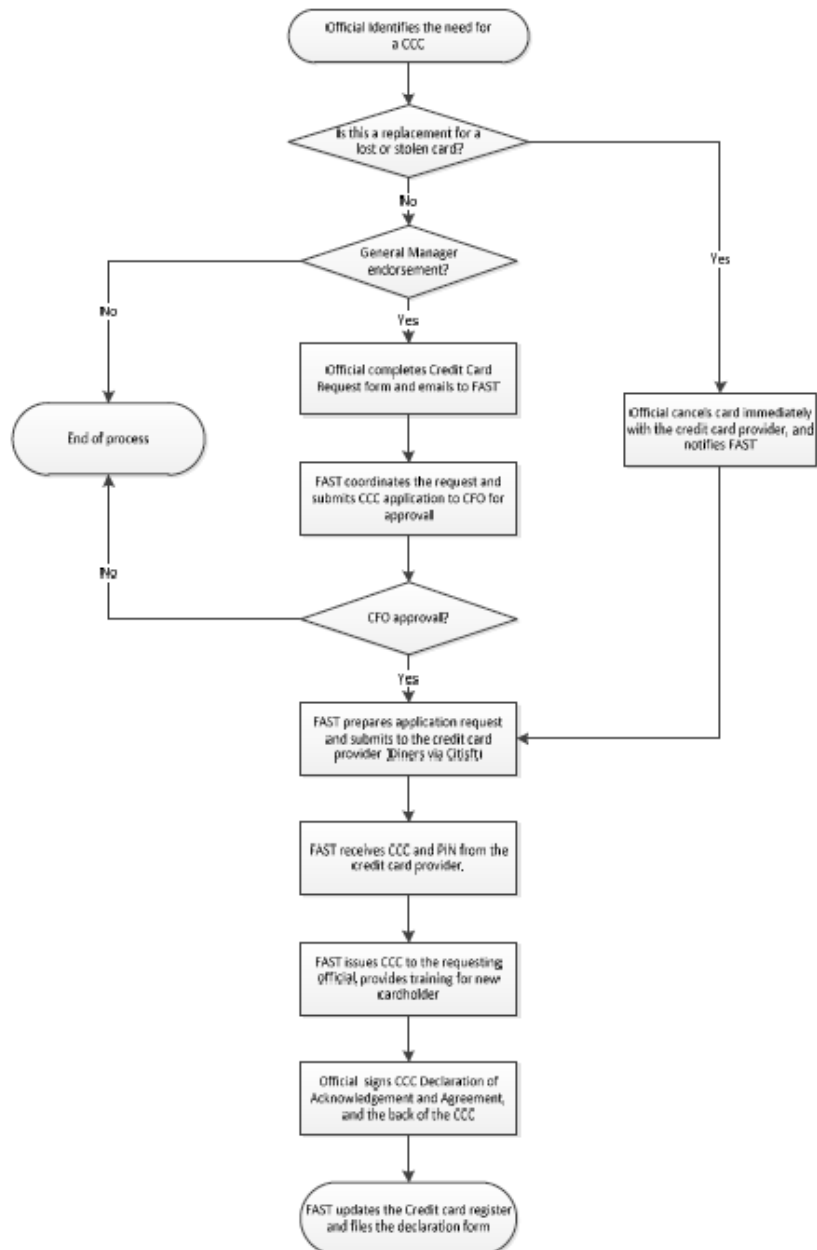
If a credit card holder goes on leave for a period in excess of one month, the credit card holder should hand in their credit card in a sealed envelope and to be properly secured in the FAST safe. On the return of the credit card holder, the card can be collected.

#### **2.8 UPDATE PERSONAL INFORMATION**

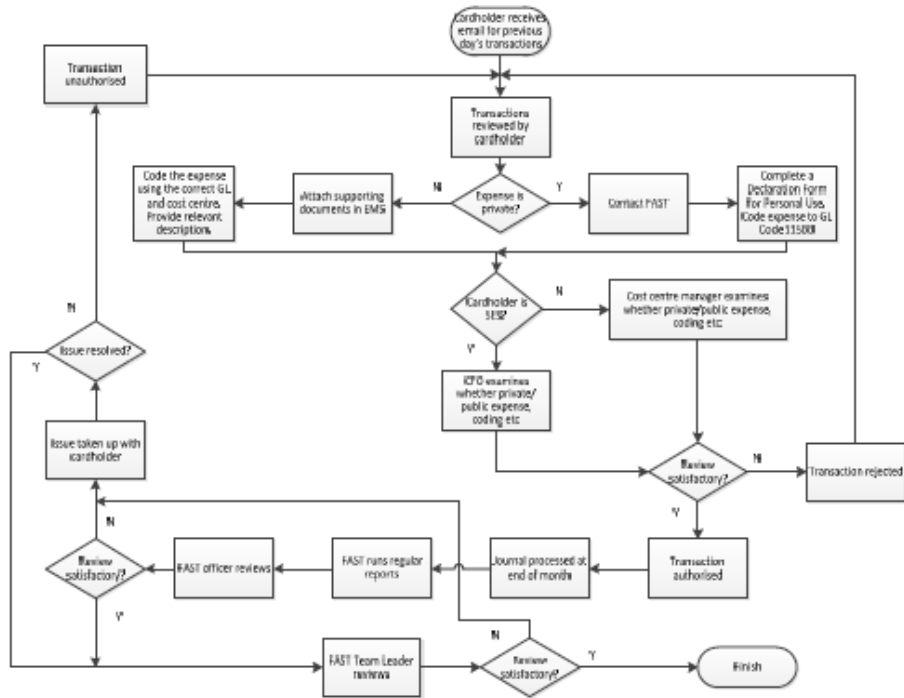
In the event a CCC holder has a change to their personal information, for example name change or mobile number, the CCC holder should notify the CCA to update the personal information with the Diners Government Helpdesk.

### 3. PROCESS AT A GLANCE – CREDIT CARD

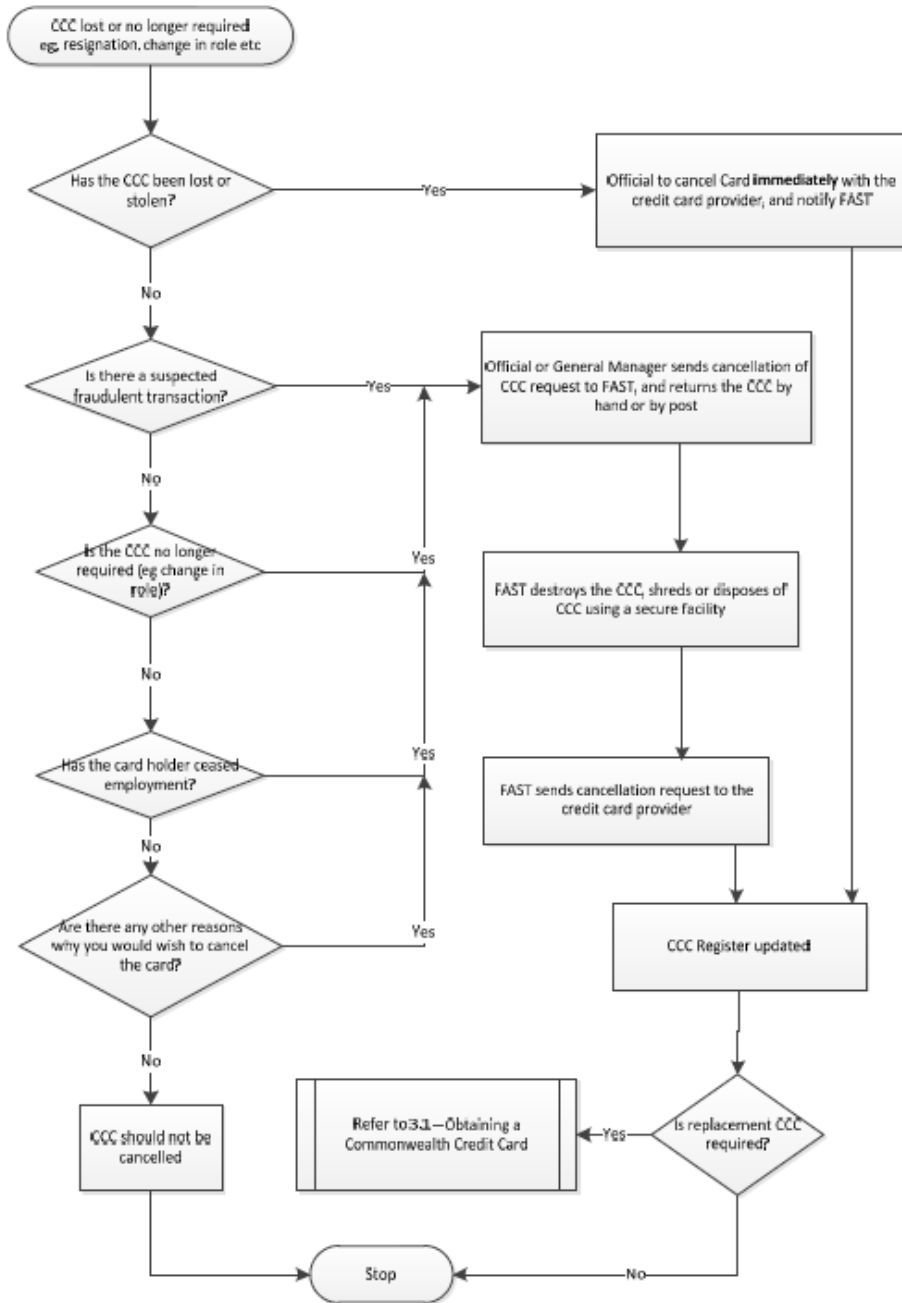
#### 3.1 OBTAINING A COMMONWEALTH CREDIT CARD



### 3.2 ADMINISTERING CREDIT CARD PURCHASES



3.3 CANCELLING A COMMONWEALTH CREDIT CARD



#### 4. GUIDANCE ON CABCHARGE E-TICKETS

Cabcharge e-Tickets are only to be used when an official is required to travel for official purposes. CCC holders should use their credit cards for the payment of taxi fares.

The issuing of Cabcharge e-Tickets are to be approved by a delegate under section 23(3) of the PGPA Act (currently DSOs).

The Cab-Charge Administrator in FAST is responsible for the administration of the Cabcharge account, including:

- ordering of new e-Tickets;
- issuing box(es) of e-Tickets (50 pcs/box) to DSOs, and maintaining the details in the EMS e-Tickets Management Module;
- liaising with Cab-charge regarding cancelled e-Tickets or disputes transactions;
- following up unsubmitted expenses with DSOs; and
- payment of Cab-charge account.

The DSO is responsible for the safekeeping of the e-Tickets, as they are accountable forms which is convertible to money and therefore should be safeguarded to prevent loss or theft. All e-Tickets are to be kept in a C-class cabinet (Refer to AAI 10.5 – Custody of bonds, debentures and accountable forms).

##### 4.1 OBTAINING E-TICKETS

If an official requires e-Ticket(s) for their travel (local or interstate), they should notify, preferably by email, their group DSO as soon as possible with the following details:

- date / time when the e-Tickets are required;
- number of e-Tickets needed; and
- purpose of the travel

Upon receipt of the request notification, the DSO should:

- satisfy themselves that e-Ticket requests are for an appropriate use. If not, sufficient enquiries should be made;
- approve and allocate e-Tickets in the EMS with the details provided by the official;
- notify the traveller, preferably by email, to collect their e-Ticket/s;
- ensure officials return e-Tickets and receipts on return to work no later than within a week of their return;
- update the EMS with the receipt amount for each e-Ticket; and
- notify the Cab-charge administrator if there are any cancelled e-Tickets or disputed transaction.

DSOs and/or other officials should refer to the EMS Training Manual for further information.

#### 4.2 USE OF E-TICKETS

Officials issued with e-Tickets should ensure their safe custody and security. E-Tickets are non-transferable and may only be used by the person to whom they have been issued and for the purpose specified.

Officials are required to acquit their travel immediately on return to work by returning the receipt, or any unused e-Tickets, to the DSO who issued the e-tickets to them.

Where receipts have been misplaced, the travelling official should confirm the use of the e-ticket and advise the DSO the date of travel and indicate the approximate amount of the fare by:

- sending an email if the amount is up to \$82.50; or
- completing a Statutory Declaration for amount over \$82.50.

If an official loses an e-Ticket, this should be reported immediately to the DSO as soon as practicable.

#### 4.3 CANCELLATION OR RETURN OF E-TICKET

If a Cabcharge e-Ticket is to be cancelled or returned, the traveller should:

- ensure all previously issued e-Tickets are either acquitted or returned; and/or
- return unused e-Tickets to the DSO who issued the e-Tickets.

Upon receipt of an e-Ticket to be cancelled or returned, the DSO should:

- cancel the returned e-Ticket in EMS with the reason for cancellation;
- if the returned e-ticket is in good condition, re-issue it to staff;
- if the returned e-Ticket has malfunctioned, destroy it and keep a copy of the destroyed e-Ticket, and notify the Cab-Charge Administrator for record.

#### 4.4 LOST OR STOLEN E-TICKETS

If e-Tickets are lost or stolen it should be reported immediately to the DSO who is to cancel the ticket/s in the EMS (refer to the Expense Management System Training Manual for further information), and report to the Cab-Charge Administrator for cancellation with Cab-Charge.

If missing e-Tickets are used fraudulently and costs are charged to Treasury, the incident should be reported to the Cabcharge Administrator as soon as practicable.

#### 4.5 RECONCILIATION AND PAYMENT OF STATEMENT OF CABCHARGE ACCOUNT

A statement of account is received or downloaded by the Cabcharge Administrator every month. The Cabcharge Administrator should reconcile the statement of account with:

- Treasury's main Cabcharge e-Tickets Account – the amount of the document posted in the FMIS from the EMS; a copy of the Cabcharge statement should be attached for payment. The DSO is responsible for ensuring that all entries on the monthly statement for their allocated e-Tickets, have a valid receipt or declaration. Receipts can be attached electronically to the EMS expense transaction; or manually, which the original receipts will be retained by the DSO for two years.
- other Treasury's Cabcharge accounts – Office Managers or DSOs are to maintain a register of Issue and reconcile the register and receipts to the statement. Once reconciled the statement should be forwarded to FAST with approval to process in FMIS. If there are any discrepancies on the statement of account, the Cabcharge Administrator should contact

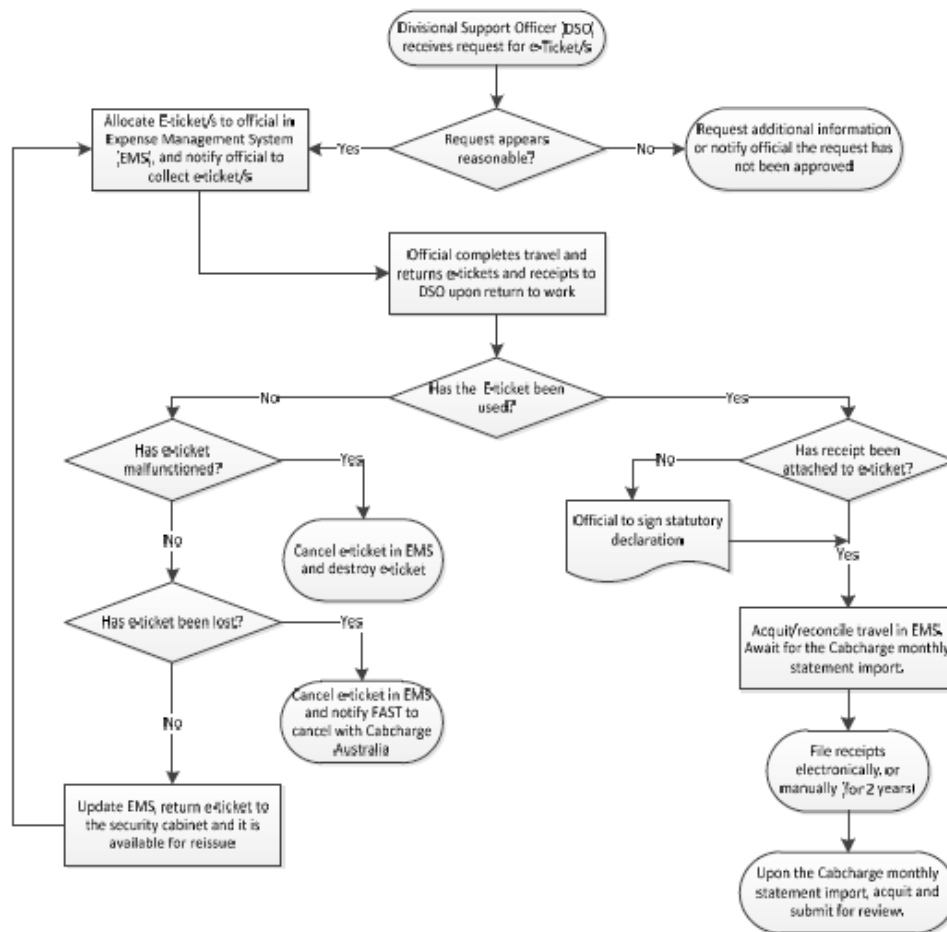
Cabcharge Australia to advise them of the discrepancy, and record the details of the contact with Cabcharge Australia (name of person dealing with discrepancy, date of correspondence, agreed outcome).

#### 4.6 DISPUTE OF CABCHARGE EXPENSE

If an expense has any error and needs to be disputed with Cabcharge Australia, should contact the Cabcharge Administrator for processing with Cabcharge Australia.

5. PROCESS AT A GLANCE – E-TICKET

5.1 OBTAINING AND RECONCILING AN E-TICKET





**6. REFERENCES**

[Accountable Authority Instruction 5 - Commonwealth Credit Cards and Credit Vouchers](#)  
[Accountable Authority Instruction 2.1 - Committing to spend public money](#)  
[ANAO Report 37: Management of Credit Cards](#)  
[Resource Management Guide 416 – Facilitating Supplier Payment through Payment Card](#)

**7. CONTACTS**

For all credit and Cabcharge card enquiries, please contact: Financial Administration and Support Team, Business Services Division.

**8. APPROVAL**

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**Matt King**  
**Chief Finance Officer**  
**May 2015**