

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Cross Portfolio

Department of Education Question No. ED0129_15

Senator Ludwig provided in writing.

Question

Dept & all agencies: Credit cards

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

Department

1. Please refer to the tables below for the number of credit cards issued to Department of Education staff by classification level as at 30 June 2014.

Classification	
APS 1-3	14
APS 4-6	422
EL1 & EL2	620
SES or Equiv.	83
Total	1,139

Department of Education staff are required to use a departmental credit card to meet all approved official travel expenses, and for small value procurements.

2(a) and (c) If a corporate credit card is misused, the employee is reminded of the requirements of the department's policy, and, depending on the nature of the misuse, the matter may be referred for code of conduct or fraud investigation as appropriate. In all cases the department/agency seeks full reimbursement.

2(b) Corporate credit card use is monitored primarily through delegate approval of cardholder monthly statements and periodic reporting undertaken by the credit card administration team.

2(d) Please refer to the table below for instances of corporate credit card misuse by Department of Education staff by classification for the period 1 March 2014 to 30 June 2014. All funds were repaid to the department.

APS Classification	Number of instances	Example of types of misuse
APS 1-3	1	Misunderstood policy resulting in inappropriate withdrawal of funds
APS 4-6	0	
EL1 & EL2	1	Used corporate credit card instead of personal card
SES or Equiv	0	
Total	2	

2(e) In order to reduce the incidence of credit card misuse, staff are required to read the department's policies on credit card use when they are issued a credit card and sign a personal responsibilities form acknowledging that they will use the credit card in accordance with the policies. Delegate approval of monthly statements is required. Periodic management reporting is conducted.

Agency

Australian Curriculum, Assessment and Reporting Authority

- 1) ACARA has its own employee classification system as it does not operate under the Australian Public Service Act:

ACARA classification	Approximate APS equivalent	No of credit cards/ FY up to 31 May 2014
Senior Project Officers	EL1	4
Managers	EL2	3
Senior Management (senior managers, executive managers, CEO)	SES	8
Total		15

- 2a) ACARA Credit Card – Rules for Use and Administration provides for all cases of unauthorised use to be promptly referred to the Chief Operating Officer and a written report to be provided to the Chief Executive Officer.
- b) A monthly statement provided by the bank/service provider must be signed by the cardholder to verify that transactions appearing for ACARA have been made for official purposes. The signed monthly statement (with attached supporting documentation) is then forwarded to Finance for approval. The Chief/Management Accountant reviews and approves the statement and the approved statement is then forwarded to the Accounts Payable Officer for processing.
- c) See 2a) above
- d) No instances of corporate credit card misuse have been identified.
- e) When credit cards are issued staff are provided with a copy of ACARA Credit Card – Rules for Use and Administration. Monitoring of use is as for 2b) above.

Australian Institute for Teaching and School Leadership

- 1) 5 – Executive – AITSL Executive
1 – Manager – AITSL Classification 5
1 – Office Manager – AITSL Classification 4
- 2a) AITSL's Board has endorsed a Credit Card Policy which outlines actions for credit card misuse. The Fraud Control Plan also requires all staff, Board Members and contractors to report any fraudulent activity within AITSL that they become aware of or suspect.
- b) AITSL's Credit Card Policy outlines the requirements for credit card monitoring, including monthly reconciliation and expenses permitted / excluded.
- c) AITSL's CEO is required to report misuse to the Audit and Risk and Finance Committee, including
 - the investigation of the circumstances of the breach;
 - police reports and action (if any); and
 - disciplinary action taken (if any).The Committee then assesses the nature of the breach and if significant may report the breach to the police for criminal investigation or, if lesser in nature, institute an appropriate disciplinary process.
- d) Nil
- e) AITSL's Credit Card Policy provides guidance to credit card holders to prevent corporate credit card misuse. The Fraud Control Plan also requires all staff, Board Members and contractors to report any fraudulent activity within AITSL that they become aware of or suspect.

Australian Institute of Aboriginal and Torres Strait Islander Studies

- 1) APS4 - 3 cards
APS5 - 4 cards
APS6 - 4 cards
EL1 - 9 cards
EL2 - 10 cards
SES - 2 cards
- 2a) Cardholder's access or use of a credit card may be suspended or cancelled.
- b) Credit cards are acquitted monthly. Credit card use is reviewed annually.
- c) Cardholder access or use of a credit card may be suspended or cancelled. A breach is recorded in the agency breach register.
- d) No
- e) New cardholders are made aware of the agency policy and their obligations.
Annual review of credit card use

Australian Research Council

- 1) SES - 7, EL - 23, APS - 19 (Total 49 cards)
- 2a) Reason for misuse is investigated and further action is taken, if warranted (disciplinary, legal)
- b) Delegate approves all credit card expenditure monthly, Finance Section also monitors monthly
- c) See 2(a) and also the incident is recorded on the Certificate of Compliance register for subsequent reporting
- d) Yes - one instance by an SES officer. Determined to be an inadvertent personal use - the officer has an identical gold ANZ credit card and was cautioned not to use the corporate card for personal use.
- e) Credit card usage is covered in the ARC's induction training, all cardholders are required to sign a Conditions of Use form upon receipt of a card and the proper use of Corporate Credit Cards is also covered in the ARC's Instructions to Credit Card Holders, Credit Card Policy and AAls (CEIs)

Tertiary Education Quality and Standards Agency

- 1) TEQSA had 58 corporate credit cardholders as at 31 May 2014. The breakdown of staff with corporate credit cards by classification is as follows:

Classification	Number of card holders
Public Office Holder	5
Senior Executive Service	3
Executive Level	34
APS Level	16
TOTAL	58

- 2a) TEQSA has a Credit Card Policy that sets out the rules and procedures relating to the issue and use of corporate credit cards. The actions undertaken if the corporate credit card is misused are:
- Staff are required to reimburse TEQSA for the amount used on the card;
 - Staff are reminded of their corporate credit card responsibilities; and
 - Depending on the severity of the misuse, the corporate credit will be cancelled and the staff member dealt with in accordance with the APS Code of Conduct.
- b) TEQSA regularly monitors the usage and credit card limits issued to staff by ensuring the credit card register is updated, appropriate Corporate Card Responsibilities forms are completed, monthly acquittal of credit card transactions are undertaken by the cardholders and their delegates, and monthly review of transactions is undertaken by the Finance team.
- c) Please refer to response in 2(a).
- d) Nil
- e) In addition to the response in 2(a), TEQSA staff are reminded of their credit card responsibilities, including through agency training and making the policy readily available. TEQSA has a clear set of rules and procedures relating to the issue and use of the Corporate Credit Cards. TEQSA manages the issue and use of credit cards centrally and undertakes regular reviews of transactions to ensure compliance.