

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Agency: AITSL

Department of Education and Training Question No. SQ17-001026

Senator Bilyk, Catryna provided in writing.

Also refer to previous hearing Question No. SQ16-000470

AITSL: credit card

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

The Australian Institute of Teaching and School Leadership (AITSL) has provided the following response:

1. Five credit cards are on issue for staff at AITSL. The cards are held by AITSL's CEO, Deputy CEO, Chief Advisor, Company Secretary and Manager – Assessment for Migration.
2. Largest purchase - \$20,000.00 to Google Asia Pacific P/Ltd on 4 July 2016 to consolidate online advertising for AITSL.
3. Nil response

4. Nil response
5. Refer to answer 2 above. The cardholder was the General Manager, Corporate and Communications (a position that was rationalised when the employee left AITSL).
6. Nil response
7. Nil response
8. Nil response
9. Nil response
10. Yes, see Attachment A.

Corporate Credit Card

An AITSL employee policy and procedure

Introduction

The purpose of this policy is to:

- provide guidelines for the appropriate use of corporate credit cards
- ensure that organisational transactions are carried out as efficiently as possible through the use of credit cards
- guard against any possible misuse of AITSL corporate credit cards.

This policy together with AITSL's procurement policy ensures AITSL corporate credit cards are used within a controlled environment of strict procedures, with clear consequences for misuse.

The policy guides and promotes appropriate use of the credit card, reinforcing that the card's use is not intended to circumvent AITSL's procurement policy.

Policy statement

AITSL's corporate credit card aims to provide streamlined processes and improve efficiency in relation to the receipt of goods and services, and payment to suppliers. AITSL expects that employees remain diligent in ensuring all related expenditure is legitimate.

Scope

This policy covers all AITSL employees and applies to all AITSL credit card purchases.

At a glance

- Issue of Corporate Cards
- Corporate Card Limits
- Expense Authorisation
- Corporate Card Expenses
- Duties of the Cardholder
- Loss or Theft of Card and Unauthorised Transactions
- Credit Card Misconduct

Procedure

Issue of the Corporate Cards

The CEO or Business Manager will approve the issue of AITSL corporate credit cards.

The corporate card can be issued to employees:

- responsible for procurement activities
- who travel on a regular basis
- whose functions and duties would be enhanced through the efficiencies that arise by the use of a corporate credit card.

Each corporate credit card will be issued to a specific person, who will remain personally accountable for the use of the card. Cardholders must sign a ["Corporate Card Agreement"](#) acknowledging their responsibilities for the use and strict care of the corporate card.

No more than one card shall be issued per employee.

Effective from 1 August 2014 cardholders will be required to establish a [Personal Identification Number](#) (PIN) to complete an over the counter transactions. A PIN combination can have up to 4 digits.

Corporate card limits

The CEO or Business Manager will determine the monthly credit limit (See "Definitions") on a corporate card based on the cardholder's business requirements and delegation limits.

A cardholder must not exceed the monthly credit limit applicable to the cardholder's credit card. No individual credit card is to exceed \$30,000.

Expense authorisation

A cardholder must not authorise payment to the bank for expenses the cardholder incurred using the credit card. Payment of a cardholder's expenses must be authorised by the employee's manager or a senior staff member with the financial delegation. These expenses are to be documented in a [Credit Card Reconciliation template](#), with all tax invoices attached.

Corporate card expenditure

Cardholders should consider which payment method would be the most cost effective, taking into consideration the following efficiencies enabled by use of AITSL's corporate credit card:

- elimination of cheque production
- prompt payment to suppliers (AITSL has a commitment to pay accounts within 28 days of receipt of a valid tax invoice)
- reduced administration costs
- convenient and quick method of payment.

It should be noted that some suppliers might not accept the card. Providing the expense is permitted, the cardholder has the option to pay the charge themselves and claim the cost as an expense reimbursement, or request a cheque or EFT payment from Milura (where time permits).

Expenditure - permitted

Cardholders may use the corporate card for work related purposes only. For example, cardholders may use the corporate card to pay for taxi fares when travelling to work functions, work related online purchases, fuel for hire cars (where the car hire is work related) or meals (when away from home).

Cardholders must obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice) or shall in lieu provide a statutory declaration.

Expenses – travel related

In accordance with AITSL's Travel Policy and Procedure, all international and domestic travel, including accommodation, must be booked through Corporate Traveller, AITSL's travel services provider. The Travel Policy and Procedure sets out how to go about organising travel from requesting travel approval and booking travel to claiming expenses.

Expenses - Hospitality, working meals, official events and staff functions

In accordance with AITSL's Hospitality Policy and Procedure, expenditure on food, non-alcoholic beverages, entertainment for hospitality, working meals, official events and employee functions is permitted when it is considered appropriate or is essential to facilitate the conduct of official business. The Hospitality Policy and Procedure sets out how to go about organising such expenditure to claiming expenses.

Expenditure – not permitted

Cardholders will not use the corporate card for personal transactions, even if it is the cardholder's intention to immediately reimburse the private expenses. Where coincidental and/or private expenditure occurs on the same transaction (where, for example, a person incurs a debt for personal telephone calls during a hotel stay) the cardholder must settle the private expense prior to charging the balance on the corporate credit card.

Where doubt exists as to whether or not an item is work-related, for example the purchase of gifts or flowers for staff who are leaving the organisation or are ill, prior authorisation should be obtained from the CEO or Business Manager (or, in the case of the CEO's own card, the Chairperson of the Board or the Chairperson of the Finance Committee).

In addition, the corporate card must not be used for the following:

- to obtain cash, unless prior permission is obtained by the CEO, or Business Manager
- for payment of tips or gratuities
- to double claim expenses (expenses must be claimed either through the use of the card or through reimbursement of payments made to the cardholder personally)
- meals which are in excess of the Australian Taxation Office (ATO) rates set out in ATO's Taxation Determination (refer to Determination for the current year as rates are updated annually) unless permission is granted by the CEO
- to purchase goods or services from an alternate supplier where a contract or agreement exists and the goods and services are available from the contracted supplier

Duties of the cardholder

Cardholders must:

- act in the interests of AITSL, as opposed to their own personal interest, and must perform their duties honestly, with skill and care
- use the card for official work related purposes only – under no circumstances may the card be used for personal purposes
- obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice) or in lieu provide a statutory declaration
- review the corporate card monthly statement issued by the bank for completeness and accuracy. Any disputed transactions must be reported to the bank and the Business Manager immediately
- consider the principles of 'value for money' when obtaining goods or services through a credit card transaction.

Report loss or theft of credit card and unauthorised transactions

A cardholder must immediately notify any loss, theft or suspected unauthorised use of the cardholder's credit card to the bank. Notification must be made using the 24 hour emergency number provided by the bank. A cardholder must retain any notification number or other acknowledgement provided by the bank as evidence of the date and time of the notification.

National Australia Bank (24 hour emergency number)

Within Australia: 1800 033 103

Outside Australia: +61 3 8641 7905

A cardholder must also email (or phone) the details of the loss or theft to the Business Manager as soon as possible.

Unauthorised use of the credit card

The cardholder will be held personally liable for any unauthorised use of the credit card unless the unauthorised use is the result of the credit card being stolen (provided the cardholder took adequate measures to prevent the credit card being lost or stolen) or is otherwise the result of fraud on the part of some third party such as a merchant.

All cases of unauthorised use must be promptly reported by the Business Manager to the CEO. Refer to the section entitled "Credit Card Misconduct" for penalties.

Delegation of the card to another user

Where a cardholder chooses to delegate to another officer the ability to make a telephone, facsimile or online purchases using their card, they do so at their sole discretion and retain full accountability for any and all expenses incurred on the card. For this reason it is required that written pre-approval is sought authorising use of the card, prior to each purchase transaction.

Tax invoices should be used as the method of recording purchases. Details of the expenditure should be recorded on the documentation.

As the cards are in the name of an individual, the cardholder must be available to authorise any charges put onto their card.

Under no circumstances should an officer delegate use of their card for an over the counter purchase, except in the case of the Business Manager, where the card may be used to provide pre-authorised payment of goods and services.

In addition, cardholders should retain knowledge of their credit limits and ensure that all expenses being booked onto their card do not exceed their monthly credit limit.

If regular delegation of a corporate card is required, consideration should be given to applying for additional cards.

Cardholder is no longer employed

Upon termination, the employee should forward the card to Corporate Services for cancellation.

Cardholder is on leave

In cases where the employee is absent or on leave the card must not be used and the cardholder should remain diligent in ensuring the card is kept in secure location.

An exception to this requirement occurs when the Business Manager is on leave. In this circumstance the Manager, Corporate Services will be delegated with authority to use the card.

Credit card misconduct

In the event that a breach of this policy occurs, the CEO shall be notified, will assess the nature of the breach and decide on the action to be taken. At the next scheduled meetings of the Audit and Risk and Finance Committees, or if significant at out of session Committee meetings, the CEO shall report:

- the nature of the breach
- the investigation of the circumstances of the breach
- police reports and action (if any) and
- disciplinary action taken (if any).

Misuse of credit cards or credit card vouchers is a criminal offence under the *Commonwealth Authorities and Companies Act 1997*, Amendment No 20, 2008 and may be punishable under the criminal code.

Legislative context

Commonwealth Authorities and Companies Act 1997, Amendment No 20, 2008

Definitions

Monthly Credit Limit	The maximum total of all purchases by a cardholder during the monthly period.
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