

Department of the Senate

Additional Estimates 2016
Answers to questions on notice**Question:** 4**Topic:** Credit card guidelines and applicability to President's Senior Adviser**Asked:** 8 February 2016

Senator McALLISTER: I just wanted to come back round to the related—I guess adjacent—issue of the credit card and the arrangements for that. You mentioned earlier, I think, that use of the credit card by you and your senior adviser, Mr President, is governed by the guidelines which apply across the Department of the Senate. Is that correct?

The President: Yes, that is correct.

Senator McALLISTER: So I assume that they are publicly available. It would help the committee, I think, if those guidelines could be provided to us.

The President: I am sure they can be provided.

Senator McALLISTER: Thank you. Dr Laing, do those guidelines translate sensibly into application for a MOPS staffer working in a parliamentary office, in as far as a departmental delegation of authority is normally targeted at the structure of that department, and the staff in question in the President's office, of course, are not subject to that structure?

.....

Dr Laing: Senator, given the interplay here, I would like to re-read your question and consider an answer. Can I give that to you on notice?

.....

Senator McALLISTER: Dr Laing, I think we agreed earlier that you will provide the guidelines for credit card use and perhaps provide some commentary about whether they translate directly into the circumstances where someone is working in the President's office.

Dr Laing: Yes, I will provide that.

Answer:

The President's Senior Adviser was issued a corporate credit card in April 2010 when he was Senior Adviser to former President Hogg and the card was renewed in July 2015 following expiration.

When the card was issued, and again at renewal, the Senior Adviser signed the standard acknowledgement form that sets out the obligations accepted by the card holder. The current version of the form (copy attached), which was signed by the Senior Adviser upon renewal in 2015, refers among other matters to the *Corporate Credit Card Policy* and, in relation to misuse, refers to penalties under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Parliamentary Service Act 1999* and the *Crimes Act 1914*. The form also refers to the obligation to

only use the card for 'official departmental purposes' which, in the case of the Senior Adviser, translates to President's Office expenditure that is covered by the department.

The *Corporate Credit Card Policy* is a departmental policy that provides guidance to assist employees to understand their obligations under the policy and the legal framework, which includes the PGPA Act, the PGPA Rule, the Clerk's Instructions, the *Parliamentary Service Act 1999* and Commonwealth criminal law. A copy of the policy is attached.

As a guide to promote good practice and compliance with legal obligations, the policy is substantially applicable to the circumstances of a staff member in the President's Office (employed under the *Members of Parliament (Staff) Act 1984*). In terms of policy and process, some adjustments do need to be factored in, for example, the policy requires that transactions must be reconciled and approved by 'your supervisor'. In the case of the Senior Advisor the Usher of the Black Rod approves the reconciliation.

The policy does, however, have some obvious limitations in terms of the consequences of non-compliance by a card holder who is not a departmental employee and who is therefore not bound by the *Parliamentary Service Act* or the Parliamentary Service Code of Conduct (and there is no equivalent code of conduct for non-Ministerial MoP(S) Act employees).

Action could, however, be taken by the department pursuant to its Fraud Control Plan, which references the Commonwealth Fraud Control Framework and criminal law. Depending on the circumstances or nature of a matter, a report may be made to the Australian Federal Police or the Director of Public Prosecutions. The department may also seek to recover any misused funds.

Suspension or cancellation of the corporate credit card may also be considered. Any misuse of the credit card would also be brought to the President's attention.

The process for use of credit card is as follows:

- Senior Adviser obtains President's approval for use of credit card for each expenditure.
- Expenditure incurred and credit card statements received by the department's Financial Management Section.
- Financial Management Section provides credit card statement to Senior Adviser for reconciliation.
- Senior Adviser checks that all transactions are valid, signs the reconciliation to verify it is correct, attaches all necessary supporting documentation (such as invoices, receipts) and provides the completed reconciliation to the Usher of the Black Rod for approval.
- Usher of the Black Rod reviews statement and, if satisfied, approves the completed reconciliation.

The current procedures have applied to senior advisers to the President since the position came under the MoP(S) Act in 2005.



DEPARTMENT
OF THE SENATE

Corporate credit card acknowledgement form

Card number: _ _ _ _ (last four digits)

I acknowledge that in accepting my corporate credit card:

- ☐ I have read the Clerk's Instructions and the Corporate credit card policy
- ☐ I remain responsible for the use of my corporate credit card
- ☐ I must take strict care over the custody of my corporate credit card at all times
- ☐ I can only use my corporate credit card for official departmental purposes, and
- ☐ I will immediately report the loss or theft of my corporate credit card to Westpac and the Financial Management section.

I also acknowledge that misuse or inappropriate use of my corporate credit card may constitute a breach of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) which can lead to sanctions including dismissal, and that use of a corporate credit card for non-official purposes, is illegal and penalties under the *PGPA Act*, *Parliamentary Service Act 1999* and *Crimes Act 1914* may be imposed.

Signature: _____

Printed name: _____

Date: _____

Card limits

Monthly \$ Transaction \$ Cash advance \$

Financial management section use only

Issued by

Date collected

Pass # of cardholder



Date of effect	17 February 2015
Current to	17 February 2016
Approved by	Clerk of the Senate
Policy owner	Chief Finance Officer
For help, contact	fms.sen@aph.gov.au
Principal audience	All officials
Related documents	PGPA Rule 18 PGPA Rule 21A Commonwealth Procurement Rules Official domestic travel policy Official international travel policy

Corporate credit cards

1. Introduction

This policy sets out the obligations of officials who have been issued with a corporate credit card.

Officials in the department whose role includes any of the following will be issued with a corporate credit card:

- official travel
- frequent purchasing of small value goods and services, or
- any other purpose agreed by the Clerk, Usher of the Black Rod, or Chief Finance Officer (CFO)

Officials must comply with the *Public Governance, Performance and Accountability Act 2013* ([PGPA Act](#)), the [PGPA Rule](#), the Clerk's Instructions, the [Parliamentary Service Code of Conduct](#), and this policy.

2. Application and issuance of corporate credit cards

2.1 Application

You must obtain authorisation to be issued a corporate credit card from your program manager and supervisor by completing the *Corporate Credit Card Application Form*.

Where you are a program manager the Clerk's approval is required.

The applicant is to forward the approved form to the Financial Management Section (fms.sen@aph.gov.au) which will order the corporate credit card from the bank.

By signing the *Corporate Credit Card Application Form* and the *Corporate Credit Card Acknowledgement Form* you acknowledge that you have read and understood this policy and your responsibilities.

2.2 Issuance

Applications generally take between 14-21 days to process before the corporate credit card is issued. You will be advised when the corporate credit card is ready for collection from the Financial Management Section.

You will be required to re-sign the *Corporate Credit Card Application Form* and the *Corporate Credit Card Acknowledgement Form* before receiving a replacement corporate credit card for an expired, suspended or cancelled card.

3. Responsibilities of officials

The corporate credit card must only be used for official departmental purposes. All corporate credit card use must be a proper use of Commonwealth resources in line with the Clerk's Instructions (CIs).

Use of a corporate credit card for non-official purposes, is illegal and penalties under the PGPA Act, *Parliamentary Service Act 1999* (PS Act) and *Crimes Act 1914* may be imposed.

Your corporate credit card information is not to be used by another person unless you have provided written approval. You remain responsible for the proper reconciliation of all transactions incurred on your corporate credit card by another person.

When using a corporate credit card, whether in person over the telephone, via email or fax, or on the internet, you should consider whether there is a risk that the corporate credit card details can be copied or skimmed and used fraudulently. If in doubt, do not use the corporate credit card.

3.1 Use of corporate credit cards

Once issued with a corporate credit card, you have a delegation to approve the commitment of relevant money and to enter into arrangements, up to the transaction limit of your corporate credit card. However, you may only approve and purchase goods or services that are not for your own personal benefit.

You must retain a copy of all approvals. Copies of tax invoices or receipts must also be retained to substantiate transactions.

Where a tax invoice or receipt has not been supplied or retained, you must sign a statutory declaration stating the nature, purpose and value of the expenditure with confirmation that the expense was approved for official purposes.

A statutory declaration should only be used once all avenues to obtain a copy of the invoice or receipt have been exhausted, or where it is inefficient or impractical to obtain an invoice or receipt.

3.2 Use of corporate credit cards – official travel

The corporate credit card is the preferred method of payment for meals and transport expenses during official travel.

You may use your corporate credit card to obtain cash advances for certain components of official travel expenses. Please refer to the *Official domestic travel* and the *Official international travel* policies for details.

All expenditure on the corporate credit must be approved by a relevant delegate prior to the expenditure taking place.

- For official international travel the travel movement requisition is the approval
- For domestic travel, the approval is to be obtained using the [Online Booking Tool](#)

3.3 Use of corporate credit cards - purchasing

Purchases with a corporate credit card constitute entering into an arrangement under section 23 of the PGPA Act.

All expenditure on the corporate credit card must be approved by a relevant delegate prior to the expenditure taking place, and you may only approve and purchase goods or services that are not for your own personal benefit.

The exception to this is for official taxi use in the local (Canberra and Queanbeyan) region where you may approve your taxi use and enter into an agreement by signing the receipt for the taxi service.

You cannot use a corporate credit card to obtain a cash advance for purchasing.

4. Misuse of corporate credit cards

Misuse or inappropriate use of a corporate credit card may constitute a breach of section 25 of the PGPA Act. This section states that:

“An official of a Commonwealth entity must exercise his or her powers, perform his or her functions and discharge his or her duties with the degree of care and diligence that a reasonable person would exercise if the person:

- (a) were an official of a Commonwealth entity in the Commonwealth entity’s circumstances, and
- (b) occupied the position held by, and had the same responsibilities within the Commonwealth entity as, the official.”

Failure to comply with section 25 can lead to sanctions under the PGPA Act and/or the PS Act including termination.

All cases of misuse or inappropriate use (including where it is accidental) must be reported to the Usher of the Black Rod. Depending on the circumstances or nature of the matter, a report may be made to the Australian Federal Police or the Director of Public Prosecutions as appropriate, for further investigation and action as considered necessary.

The department will, generally, seek to recover from you any funds identified as misused or inappropriately used.

In cases of minor infringements where the card is not used in accordance with CIs, this policy, the *Corporate Credit Card Application Form* or the *Corporate Credit Card Acknowledgement Form*, suspension or cancellation of the corporate credit card may be considered by the Usher of the Black Rod.

4.1 Unauthorised, suspicious and/or fraudulent transactions

You are responsible for identifying any unauthorised transactions on your corporate credit card.

Unauthorised transactions include:

- fraudulent transactions (transactions not incurred by you or someone authorised by you to use your corporate credit card)

- double charging (being charged twice for the same transaction)
- declined transactions (funds withdrawn from the corporate credit card despite receiving notice that a transaction was declined). You must ensure you retain the receipt from the declined transaction. If you subsequently paid for the goods or service in cash, the cash receipt should also be retained as evidence of payment
- suspicious transactions from a supplier that you do not have a record of making, and
- overcharging (being charged more than the quoted price)

When an unauthorised, suspicious or fraudulent transaction is identified, you must contact the Financial Management section (fms.sen@aph.gov.au) as soon as possible, but at least within 30 days of the transaction date.

In the first instance, you should contact the merchant to attempt to resolve the matter and either clarify the expenditure or request a refund as soon as possible.

If the unauthorised transaction is resolved and is a valid purchase, then you must inform the Financial Management section (fms.sen@aph.gov.au) and then proceed with reconciling your statement.

The bank will not process disputes if they have not been provided with all requested information within 90 days of the transaction date. Where unauthorised charges are not reported in time for the bank to investigate and process the claim, the funds may be recovered from you.

The Financial Management section will facilitate the resolution of any disputes with the bank relating to unauthorised transactions.

4.2 Corporate credit card security

You are responsible for the security of your corporate credit card at all times.

When not using your corporate credit card you should ensure it is secured to avoid accidental use. You may also store corporate credit cards in the safe in the Financial Management section.

When you are carrying your corporate credit card, it should be stored separately to any personal credit cards to minimise the chance of inadvertently using the card for personal transactions.

4.3 Lost or stolen corporate credit cards

Lost or stolen credit cards must be reported to the bank (Westpac: 1300 650 107) and the Financial Management section (x3089) immediately upon becoming aware of the loss.

The Financial Management section will follow up with the bank regarding cancellation or suspension of the card to prevent further transactions.

In certain circumstances, you may be responsible for the amount of any transactions charged to the card during the period between the loss of the card and notification to either the bank or the Financial Management section of its loss.

5. Reconciliations of transactions

All transactions are to be reconciled by you and approved by your supervisor promptly.

When completing your reconciliation you should ensure that you:

- check all transactions are valid

- attach approvals¹ and receipts (or a statutory declaration if no receipt exists) for all transactions
- provide a full description for each transaction (including additional information if the transaction is out of the ordinary)
- provide the cost centre and project code (if applicable) details, and
- if the transaction relates to travel, provide the movement requisition number or trip reference details

Where a statement has not been reconciled and approved promptly the card may be suspended (or cancelled), travel restrictions may be placed on you and/or you may be invoiced for the outstanding amount.

6. Supervisor responsibilities

Supervisors of officials issued with corporate credit cards are responsible for approving the transactions promptly to ensure that all transactions are coded and approved promptly.

Where a supervisor knows an official has travelled or purchased goods using the corporate credit card in the last 30 days and the supervisor has not yet received the statement, the supervisor should follow up the status of the reconciliation with the official.

In approving a transaction, the supervisor is to ensure that:

- all expenditure was approved in advance and is in accordance with the approval
- the expenditure is related to official departmental purposes, and
- copies of approvals and receipts (or a statutory declaration) have been provided

Where expenditure was not approved in advance, the supervisor should seek further information from the official to determine the circumstances of the purchase, whether it was related to an official purpose, and if any further action may be required.

7. Financial Management section responsibilities

The Financial Management section is responsible for supporting officials and supervisors to ensure the proper issue, management and use of corporate credit cards within the department. This includes, but is not limited to:

- ensuring appropriate information is available to officials and supervisors
- ensuring officials are adequately briefed on the appropriate use of corporate credit cards and sign an undertaking on their responsibilities
- reviewing of the use of corporate credit cards, including monitoring the frequency of corporate credit card use to ensure efficient card administration, and
- monitoring statements to identify officials and supervisors that have not reconciled and approved transactions promptly.

¹ Approvals should be attached where a transaction was approved by another delegate. If you approved the transaction in line with your own delegation, a separate approval is not required to be evidenced.

8. Other matters

8.1 Purchase of assets, or portable and attractive items

You must advise the Financial Management section (fms.sen@aph.gov.au) of the purchase of any items of equipment or technology over \$500, or any equipment classified as portable and attractive (regardless of value) which is expected to be in use beyond the current financial year.

8.2 Return of goods or refund of transaction

When returning goods purchased with a corporate credit card or receiving a refund of a purchase on a corporate credit card, you must make all efforts to obtain a refund on the same corporate credit card, from the supplier.

A copy of the return invoice or refund note and any other correspondence relating to the credit, is to be attached to your reconciliation.

You should strongly avoid accepting cash, a cheque or a credit voucher for refunds. If this is unavoidable, you must contact the Financial Management section (fms.sen@aph.gov.au) as soon as possible.

8.3 Cessation of employment or extended leave arrangements

You must ensure all reconciliations are completed prior to departing on extended leave for more than three months, ceasing employment, or transferring or being seconded to another department. This includes ensuring your current supervisor approves outstanding transactions.

Before ceasing employment with the department you must get clearance from the Financial Management section that any statements have been reconciled and approved, and physically return your card to the Financial Management section.

If reconciliations are not completed, you may be invoiced for transactions incurred prior to leaving.

Endorsed

(Rosemary Laing)

February 2015