

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates 26 May-6 June 2014

Prime Minister and Cabinet Portfolio

**Department/Agency:** Department of the Prime Minister and Cabinet

**Outcome/Program:** 1.1 Prime Minister and Cabinet

**Topic:** Credit Cards - All Agency Indigenous Bodies

**Senator:** Senator the Hon Joe Ludwig

**Question reference number:** 348

**Type of Question:** Written

**Date set by the committee for the return of answer:** 11 July 2014

**Number of pages:** 5

**Question:**

1. 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:**

Responses for the Indigenous Affairs agencies within the Prime Minister and Cabinet portfolio are provided below:

<b>Portfolio Agency</b>	<b>Answer</b>
Aboriginal Hostels Limited	1. 60 cards in total Class # of Card APS2 - 1 APS3 - 40 APS4 - 1 APS5 - 4 APS6 - 4 EL1 - 6 EL2 - 4 SES1 - 3

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	<p>SES2 - 1</p> <p>a) Misuse dealt with under the provision of internal policy guidelines.</p> <p>b) Hierarchical approval structure where all purchases are checked by the supervisor and processed centrally.</p> <p>c) Misuse dealt with under the provision of internal policy guidelines.</p> <p>d) No instances of misuse discovered.</p> <p>e) All statements are checked and approved by the supervisors and active internal audit checks are done regularly.</p>
<p>Anindilyakwa Land Council</p>	<p>Corporate credit cards issued to: CEO; CFO; Administration Officer; Mining &amp; Environment Manager and Land &amp; Sea Ranger Program Manager.</p> <p>Credit card expenditure must be supported by invoices and declaration signed by employee stating it is for business purposes. Review of expenditure undertaken by Finance Department to ensure appropriateness. No instances of corporate credit card misuse has been discovered.</p>
<p>Central Land Council</p>	<p>Director/Chief Executive Officer General Manager Financial Controller (for expediting payments where only credit card payment is available)</p> <p>Misuse would be treated as fraud. There has not been any misuse.</p>
<p>Indigenous Business Australia</p>	<ol style="list-style-type: none"> <li>1. 47 staff between the classifications of IBA 4 – CEO have a corporate credit card for the purpose of IBA related expenditure and the acquisition of goods and services.</li> <li>2. (a) Upon notification IBA’s nominated Fraud Control Officer will undertake appropriate action in accordance with the relevant Chief Executive Instruction and the Fraud Control Plan. (b) IBA monitors and controls the use of credit card expenditure via an acquittal and reconciliation process and internal financial processes and audits. (c) Refer to 2.(a) above.</li> </ol>

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	<p>(d) No.</p> <p>(e) IBA has a detailed reconciliation and approval process by the relevant delegate (see b. above) as well as on-going internal financial processes and audits. IBA has a Fraud Control Plan in place and IBA management regularly communicate to staff on the importance of fraud control and to report any suspected fraudulent activity within IBA.</p>																					
Indigenous Land Corporation	<table border="1"> <thead> <tr> <th data-bbox="676 799 1034 891">Classification</th> <th data-bbox="1034 799 1254 891">Number of Cards</th> </tr> </thead> <tbody> <tr> <td data-bbox="676 891 1034 927">Senior Executive Employee</td> <td data-bbox="1034 891 1254 927">1</td> </tr> <tr> <td data-bbox="676 927 1034 963">Executive Level 2</td> <td data-bbox="1034 927 1254 963">3</td> </tr> <tr> <td data-bbox="676 963 1034 999">Executive Level 1</td> <td data-bbox="1034 963 1254 999">2</td> </tr> <tr> <td data-bbox="676 999 1034 1034">Solicitor</td> <td data-bbox="1034 999 1254 1034">1</td> </tr> <tr> <td data-bbox="676 1034 1034 1070">ILC 3 Upper</td> <td data-bbox="1034 1034 1254 1070">5</td> </tr> <tr> <td data-bbox="676 1070 1034 1106">ILC 2 Upper</td> <td data-bbox="1034 1070 1254 1106">1</td> </tr> <tr> <td data-bbox="676 1106 1034 1142">ILC 2 Lower</td> <td data-bbox="1034 1106 1254 1142">3</td> </tr> <tr> <td data-bbox="676 1142 1034 1178">Property Manager</td> <td data-bbox="1034 1142 1254 1178">10</td> </tr> <tr> <td data-bbox="676 1178 1034 1214"></td> <td data-bbox="1034 1178 1254 1214"><b>26</b></td> </tr> </tbody> </table>		Classification	Number of Cards	Senior Executive Employee	1	Executive Level 2	3	Executive Level 1	2	Solicitor	1	ILC 3 Upper	5	ILC 2 Upper	1	ILC 2 Lower	3	Property Manager	10		<b>26</b>
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<p>2. a) If misuse is accidental recovery of funds is sought straight way. If misuse is not accidental are range of actions are available from warnings, to cancelling of card through to disciplinary action and investigations</p> <p>b) Corporate credit card use in monitored centrally through the ILC's finance section. All statements are sent to the finance section who forward for acquittal by card holder. Acquittals are reviewed by a finance officer and any issues raised to the Manager of Finance</p> <p>c) Refer a) above.</p> <p>d) No instances of corporate credit card misuse have been discovered since Additional Estimates in February, 2014.</p> <p>e) Credit cards are only issued to staff on demonstration that such issue is required. Staff issued with a credit card must have undergone a criminal history check and have completed probation. Card holders are provided with Purchasing Card Rules and are required to acknowledge in writing that they have read, understood and agree to abide by the ILC Purchasing Card Rules and the conditions set out in the form of acknowledgement which govern the issue and use of the Purchasing Card. Once a card is issued use is monitored in accordance with b) above.</p>																						
Northern Land Council	Information not provided in the timeframe requested.																					
Outback Stores Pty Ltd	1. Cost Centre	Number																				
	Administration	3																				

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	Merchandise	1
	Human Resources	1
	Operations	7
	Business Development	1
	Training	1
	Nutrition	1
	Travel	1
	<b>Total</b>	<b>16</b>
<p>2. a) Breach of policy. Any unauthorised purchases made with the card will result in the credit card being cancelled and disciplinary action being taken. Unauthorised purchases are the financial responsibility of the cardholder and Outback Stores will recover these costs via a payroll deduction from the employee. Credit cards are monitored and reconciled monthly.</p> <p>b) Corporate cards are reconciled by the person holding the card. They are approved by their Line Manager who is a Senior Manager of the company. They are then checked by Finance to ensure we have all the receipts and are genuine expenses. Then they are reviewed by the CFO who then forwards these onto the CEO for further approval and questions from the CFO. The CEO's and Chairman's corporate card reconciliation and invoices are tabled at each Audit and Risk meeting for the directors to approve and sign off.</p> <p>c) Refer to point a</p> <p>d) No</p> <p>e) We have a corporate credit card policy which explains what the cards can be used for. The finance team monitors the cards and usage throughout the month. Any excessive usage is identified and investigated. The cards have very low balances to start with and a request can be made for them to be increased temporarily and a specific reason is needed for this. The people who hold the cards know that they can be stopped or taken away at any time.</p>		
Tiwi Land Council	Nil.	
Torres Strait Regional Authority	<p>1. 1 EL1, 2 EL2, 1 CEO 4 cards in total</p> <p>a) Action as per TSRA's Fraud Control Plan.</p> <p>b) Cards are reconciled by users and reviewed by Finance team each month.</p> <p>c) Any misuse is treated in accordance with TSRA's Fraud Control Plan.</p> <p>d) There have been no reportable or identified instances of misuse on TSRA credit cards.</p> <p>e) Monthly reconciliation and sign off by finance team and card holders.</p>	
Wreck Bay Aboriginal Community	1. Administration (x3 officers)	

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Council	2. a. Disciplinary action after initial investigation in accordance with Council policies. b. monthly inspection of bank statements by CEO / Accountants Department. c. Investigation by CEO. d. NIL. e. As for b. above and random inspection of bank statements on weekly basis.
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